



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: April 19, 2016

or Procurement Director Award ☐

Contractor/Vendor Name (DBA): Arizona Aerospace Foundation

Project Title/Description:

Titan Missile Museum -Operation and Administration of Titan Missile Museum

Purpose:

*County and Operator desire to extend the term of the Operating Agreement for an additional year. The current lease expires on April 30, 2016 for the operation of the premises. The extension will be coextensive with the Air Force Lease (USAF-AC-FBNV-1-11-004)(CTN ED 12*599) and the operator will continue to operate the premises as the Titan Missile Museum until 04-30-2017.*

Procurement Method:

Exempt

Program Goals/Predicted Outcomes:

Arizona Aerospace Foundation will continue to maintain and operate the museum.

Public Benefit:

Titan Missile Museum will continue operate as a museum for the residents of Pima County as well as world wide tourists.

Metrics Available to Measure Performance:

Per Amendment #1 the agreement will coincide with the term of the US Air Force Lease (USAF-AC-FBNV-1-11-004)

Retroactive:

NO

*To: COB- 3-23-16 - (3)
Pgs - 33*

Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____
☐ Expense Amount: \$ _____ ☐ Revenue Amount: \$ _____
Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards

Vendor is using a Social Security Number? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: CTN Department Code: ED Contract Number (i.e., 15-123): 12*599

Amendment No.: One AMS Version No.: 3

Effective Date: 05-01-2016 New Termination Date: 04-30-2017

☐ Expense ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$0

Funding Source(s): 0

Cost to Pima County General Fund: 0

Contact: Aurora Hernandez

Department: ED&T Telephone: 724-7356

Department Director Signature/Date:  3/21/2016

Deputy County Administrator Signature/Date: _____

County Administrator Signature/Date:  3/22/16
(Required for Board Agenda/Addendum Items)

Pima County Economic Development and Tourism	<div style="border: 1px solid red; padding: 5px; text-align: center;"> CONTRACT NO. <u>CTN-ED-12-599</u> AMENDMENT NO. <u>01</u> <small>This number must appear on all invoices, correspondence and documents pertaining to this contract.</small> </div>
PROJECT: Operation & Administration of Titan Missile Museum	
CONTRACTOR: Arizona Aerospace Foundation	
CTN No.: ED 12*599	
AMENDMENT No. One (1)	

ORIGINAL CONTRACT TERM: 05-01-2011 to 04-30-2016

AMENDMENT NO. ONE (1) TERM: 05-01-2011 to 04-30-2017

**AGREEMENT FOR OPERATION AND ADMINISTRATION OF TITAN MISSILE MUSEUM
AMENDMENT #1**

1. Recitals.

- 1.1 County has leased the property described on Exhibit A, including all improvements thereon (the "**Premises**"), from the United States Air Force ("USAF") since May 1, 1986. The initial lease (Air Force Lease No. DACA 09-1-86-322), as previously extended, expires on April 30, 2016, and has been extended to April 30, 2017 (Lease No. USAF-ACC-FBNV-1-11-004) (The Air Force Lease is attached to this Amendment as Exhibit B.)
- 1.2 During the same period of time, County has allowed Operator to operate the Premises pursuant to an Operating Agreement dated July, 15, 1986, as permitted by A.R.S. 11-933. As subsequently extended, this Operating Agreement expires on April 30, 2016.
- 1.3 Operator is a non-profit corporation, organized under the laws of the State of Arizona for the purpose of preserving aviation aircraft of historical or technological significance. Operator has at all times, pursuant to the Operating Agreement, operated the Premises as an educational and recreational facility for the benefit of the public, and desires to continue to do so.
- 1.4 County and Operator desire to amend the term of the Operating Agreement for the Premises to be coextensive with the Air Force Lease, so that Operator may continue to operate the Premises as the Titan Missile Museum for the benefit of the public.

2. Term.

2.1 Base Term. The amended term of the Operating Agreement will be deemed for all purposes to have commenced as of May 1, 2011 (the "Effective Date"), and will continue until April 30, 2017, provided that the Operating Agreement will automatically terminate upon any earlier expiration or termination of the Air Force Lease. This Amendment to the Operating Agreement will be effective when it has been signed by both Parties, and approved by the Air Force as required by the Air Force Lease.

2.2 Option Period. The parties may renew this Operating Agreement for up to four (4) one (1) year periods through and including April 30, 2021, contingent upon the renewal of the Air Force Lease between County and USAF for any or all of the renewal periods.

3. REMAINING TERMS OF CONTRACT REMAIN UNCHANGED. All other provisions of the Operating Agreement, not specifically changed by this amendment, remain in effect and are binding among the parties.

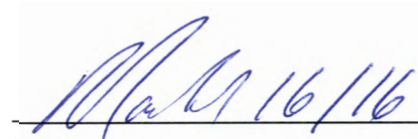
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IN WITNESS WHEREOF, the Parties have executed this First Amendment to Operating Agreement as of the month, day and year written below.

ARIZONA AEROSPACE FOUNDATION, an Arizona nonprofit corporation:



Scott Marchand, Executive Director



Date

PIMA COUNTY, ARIZONA, a body political subdivision of the State of Arizona

Sharon Bronson, Chair, Board of Supervisors

Date

ATTEST:

Robin Brigode, Clerk of the Board

Date

APPROVED AS TO CONTENT:


Tom Moulton, Director, Economic Development & Tourism

3/11/16

APPROVED AS TO FORM:



Tobin Rosen, Deputy County Attorney, Civil Division

3/11/16

EXHIBIT A
LEGAL DESCRIPTION

Tract Number S-8-100

All that tract or parcel of land, lying and being that portion of the Southeast one-quarter of Section 34, Township 17 South, Range 13 East, Gila and Salt River Meridian, in the County of Pima, State of Arizona, described as follows, basis of bearings being Transverse Mercator Grid, Central Zone, Arizona:

Commencing at the Southeast corner of said section; thence North 33 55' 50" West 1910.16 feet to the POINT OF BEGINNING; thence south of 600.00 feet; thence East 60.00 feet; thence South 300.00 feet; thence West 250.00 feet; thence North 300.00 feet; thence West 410.00 feet; thence North 600.00 feet; thence East 600.00 feet to the POINT OF BEGINNING. Containing 9.99 acres, more or less.

Together with all improvements thereon and appurtenances thereunto belonging, including the rights and obligations under a perpetual and assignable easement and right of way to operate, maintain, and repair an access road and overhead and /or underground utility lines in, upon, over and across Tract Number S-8-100-E-1, as more fully described below on this exhibit, together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions, and any other vegetation, structures, or obstacles within the limits of the right of way; reserving, however, to the landowners, their heirs, executors, administrators, successors and assigns, the right to cross over said tract, including the movement of machinery, equipment and livestock, to their adjoining land; the above estate is taken subject, however to existing easements for public roads and highways, public utilities, railroads and pipelines.

Tract Number S-8-100-E-1

That portion of the Southeast one-quarter of Section 34, Township 17 South, Range 13 East, Gila and Salt River Meridian, in the County of Pima, State of Arizona within a strip of land, 150.00 feet wide, lying 75.00 feet on each side of the following described center line, basis of bearings being Transverse Mercator Grid, Central Zone, Arizona:

Commencing at the Southeast corner of said section, thence North 33 55' 50" West 1910.16 feet; thence South 600.00 feet; thence West 240.00 feet to the TRUE POINT OF BEGINNING; thence South 409.85 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 200.00 feet; thence Southeasterly along said curve through a central angle of 75 30' 0", a distance of 263.54 feet thence South 75 30' 00" East 636.98 feet to the beginning of a tangent curve concave Southwesterly and having a radius of 225.00 feet; thence Southeasterly along said curve through a central angle of 63 33' 56", a distance of 249.62 feet; thence South 11 56' 04" East 18.56 feet to the POINT OF ENDING in the center line of the 150.00 foot wide right of way of a County Road, known as Duval Mine Road, said point being in a curve in the center line of said Duval Mine Road, concave Southeasterly and having a central angle of 38 44' 36", a radius of 1909.86 feet and an arc length of 1291.44 feet, a radial line of said curve to said point bears North 11 56' 04" West.

EXCEPTING from said strip of land that portion lying within said County Road right of way.

ALSO EXCEPTING from said strip of land East 25 feet of the most Northerly 300 feet thereof.

Containing 5.00 acres, more or less, all of which is within Tract Number S-8-100E-11.

EXHIBIT B

Air Force Lease No. USAF –ACC- FBNV-1-11-0004

Pima County CTN ED 12*2110

TABLE OF CONTENTS

PREAMBLE	4
BASIC TERMS	5
1. TERM	5
2. RENT	5
3. CORRESPONDENCE	6
4. USE OF LEASED PREMISES	6
5. DEFAULT, REMEDIES, AND TERMINATION	7
OPERATION OF THE PREMISES	8
6. EASEMENTS AND RIGHTS OF WAY	8
7. CONDITION OF LEASED PREMISES	9
8. MAINTENANCE OF LEASED PREMISES	9
9. TAXES	9
10. INSURANCE	10
11. ALTERATIONS	12
12. COSTS OF UTILITIES/SERVICES	13
13. RESTORATION	13
CHANGES IN OWNERSHIP OR CONTROL	14
14. TRANSFER OR ASSIGNMENT	14
15. LIENS AND MORTGAGES	14
ENVIRONMENT	14
16. ENVIRONMENTAL PROTECTION	14
17. ASBESTOS-CONTAINING MATERIALS AND LEAD-BASED PAINT	16
18. SAFETY, HAZARDOUS MATERIALS, AND WASTE MANAGEMENT	16
19. HISTORIC PRESERVATION	17
20. INSTALLATION RESTORATION PROGRAM (IRP)	17
21. ENVIRONMENTAL BASELINE SURVEY/CONDITION OF PROPERTY	18
GENERAL PROVISIONS	19
22. GENERAL PROVISIONS	19
23. SPECIAL PROVISIONS	22
24. RIGHTS NOT IMPAIRED	22
25. APPLICABLE LAWS	23
26. AVAILABILITY OF FUNDS	24
27. CONGRESSIONAL REPORTING	24
28. AMENDMENTS	24
29. GENERAL INDEMNIFICATION BY LESSEE	24
30. ENTIRE AGREEMENT	25
31. CONDITION AND PARAGRAPH HEADINGS	26
32. STATUTORY AND REGULATORY REFERENCES	26
33. PRIOR AGREEMENTS	26
34. LIST OF EXHIBITS	26

LIST OF EXHIBITS

Exhibit A	Map of Leased Premises
Exhibit B	Legal Description of Leased Premises
Exhibit C	Non-Exclusive List of Outgrants
Exhibit D	Physical Condition Report
Exhibit E	Environmental Baseline Survey/Environmental Baseline Survey Waiver

DEPARTMENT OF THE AIR FORCE

LEASE OF PROPERTY

AT TITAN MISSILE MUSEUM, Located in Sahuarita, AZ

PREAMBLE

THIS LEASE OF PROPERTY ("Lease") is made by and between THE UNITED STATES OF AMERICA, acting by and through THE SECRETARY OF THE AIR FORCE (the "Secretary" or the "Government") and Pima County, a body politic and corporate of the State of Arizona, created under the laws of the state of Arizona, with offices located at 130 W. Congress Street, 10th Floor, Tucson AZ 85701 ("Lessee"). The Government and the Lessee may sometimes be referred to jointly as the "Parties," and each separately may be referred to as a "Party."

RECITAL

The Secretary, under authority contained in 10 U.S.C. § 2667, has determined that: (i) the Leased Premises are not excess property as defined by the Federal Property and Administration Services Act of 1949, as amended (40 U.S.C. § 102(e)), and are not at this time needed for other public use; (ii) a lease of the Leased Premises is advantageous to the United States; and (iii) a lease of the Leased Premises on the terms set forth in this Lease is in the public interest.

NOW, THEREFORE, the Government, by virtue of the authority conferred by law, for the consideration set out below, hereby leases to the Lessee and the Lessee agrees to lease the real property as more specifically shown on the map in Exhibit A and described by legal description in Exhibit B to this Lease (the "Leased Premises"), which consists of a former Titan Missile site which is the present site of the Titan Missile Museum, for the purpose of operating a museum dedicated to the memory of the Titan Missile sites located around Tucson through the last part of the Twentieth Century.

AND GRANTS TO LESSEE the right to gain access to the Leased Premises through a route or routes designated from time to time by the Government including use of (i) streets, driveways, sidewalks, and walkways on the Installation for purposes of pedestrian and vehicular ingress and egress to and from the Leased Premises which lead to the Leased Premises. The Government reserves the right to change, modify, eliminate, or temporarily close any portion or portions of streets, driveways, sidewalks, walkways, and internal portions of the area. Provided, however, the Government agrees that it will not change, modify, eliminate, or temporarily close such streets, driveways, sidewalks, walkways, and internal portions of the area in a manner that unreasonably interferes with Lessee's use or value of the Leased Premises under this Lease.

RESERVING, HOWEVER, unto the Government general access over, under, across, and through the Leased Premises for the purpose of accessing, using, operating, and maintaining any Government real or personal property, facilities, fixtures, equipment, utilities, or the like located on, beneath, or adjacent to the Leased Premises.

BASIC TERMS

THIS LEASE is granted subject to the following conditions:

1. TERM

1.1. Term. The term of this Lease shall be ONE (1) year commencing 1 May 2016 ("Term Beginning Date") and ending 30 April 2017 ("Term Expiration Date") unless sooner terminated with four 1-year option years not exceeding 30 April 2021, renewable in accordance with the terms contained in this Lease. The period from the Term Beginning Date through the Term Expiration Date shall be referred to as the "Lease Term."

1.2. **Delivery of Possession.** The Government shall deliver and the Lessee shall accept possession of the Leased Premises on the Term Beginning Date.

2. RENT

2.1. Base Rent. The Government shall receive rent ("Base Rent") of zero dollars (\$0.00) per annum, in advance on or before the first day of the calendar year, commencing on the Term Beginning Date, and in a single lump sum. The first payment shall be pro rata from the Term Beginning Date to the end of that calendar year. All payments which may be due from this Lease shall be made payable to the Treasurer of the United States Special Funds Receipts Account 9751895700 and forwarded by the Lessee directly to 355 CES/CEIA, 3775 S. Fifth Street, Davis-Monthan AFB AZ 85707.

2.2. **Annual Base Rent Increase.** Beginning on the first anniversary of the Term Beginning Date and continuing on each anniversary of the Term Beginning Date thereafter, the amount of the Base Rent shall be increased by three (3) percent.

2.3. **Late Charges and Default Interest.** If any installment of Rent is not paid within ten (10) business days after its due date, then such arrearage shall, consistent with the Debt Collection Act of 1982 (31 U.S.C. § 3717), (i) bear 5% interest from the due date for amounts past due to the federal government until paid in full; (ii) include an administrative charge to cover the costs of processing and handling delinquent debts; and (iii) include an assessment of an additional 5% penalty charge on any portion of a debt that is more than 90 days past due.

2.4. **Rent Payments.** All Rent shall be paid without deduction, offset, prior notice, or demand as directed pursuant to this Lease.

3. CORRESPONDENCE

3.1. Notices. Whenever the Government or the Lessee shall desire to give or serve upon the other, a notice or other communication shall be sent to the regular mailing address for the parties specified below.

If to the Lessee:

C.H. Huckelberry, Pima County Administrator
130 W. Congress Street, 10th Floor
Tucson, AZ 85701

With a copy to:

Tom Moulton, Director
Pima County Economic Development & Tourism Department
33 N. Stone Avenue, Suite 830
Tucson, AZ 85701

If to the Government:

DEPARTMENT OF THE AIR FORCE
355 CES/CEIA
3775 S. Fifth Street
Davis-Monthan AFB AZ 85707

With a copy to:

DEPARTMENT OF THE AIR FORCE
AFCEC/CIT

4. USE OF LEASED PREMISES

4.1. Permitted Uses. *Lessee will use the Leased Premises as a Titan Missile Museum and will continue to operate, improve, and maintain, with Air Force approval, a museum dedicated to the memory of the Titan Missile sites located around Tucson through the last part of the Twentieth Century, and for no other purposes, subject, however, to all applicable provisions of this Lease. Lessee's use of the Leased Premises shall comply, at Lessee's sole cost and expense, with all Applicable Laws. The Lessee shall not use or occupy the Leased Premises in any manner that is unlawful, dangerous, or that results in waste, unreasonable annoyance, or a nuisance to the Government.*

4.2. Government Right of Access. Any agency of the United States, its officers, agents, employees, contractors, and subcontractors may enter upon the Leased Premises at all times for any purposes not inconsistent with the Lessee's quiet use and enjoyment thereof

under this Lease, including but not limited to confirming compliance by the Lessee with the terms of this Lease. The Government normally will enter the Leased Premises during regular business hours and give the Lessee at least twenty four (24) hours prior notice of its intention to do so, unless it determines the entry is required for safety, environmental, operations, or mission security purposes. The Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

5. DEFAULT, REMEDIES, AND TERMINATION

5.1. Events of Default. Any one or more of the following shall constitute an event of default (“Event of Default”) under this Lease by the Lessee:

5.1.1. Lessee’s failure to comply with any provision of this Lease, where such failure to comply continues for thirty (30) days after delivery of written notice thereof by the Government to the Lessee. If, however, such default is not reasonably susceptible to cure within such thirty (30) day period, the Lessee shall have such longer period as may be approved in writing in advance by the Government, which approval shall not be unreasonably withheld, conditioned or denied, to cure such default so long as the Lessee commences curing such default within the initial thirty (30) day period and diligently prosecutes such cure to completion in accordance with a schedule approved in writing by the Government, which approval shall not be unreasonably withheld, conditioned or denied.

5.1.2. Lessee’s failure to pay Rent, when due and such failure remains uncured for a period of ten (10) days after written notice to the Lessee by the Government of the Lessee’s failure to pay.

5.2. Excusable Delay. No Event of Default shall be deemed to have occurred for any period of time during which an “Excusable Delay,” as defined in Paragraph 22.16, exists or the Lessee and the Government are attempting to resolve a dispute about an alleged default as provided in Paragraphs 5.1 or 5.2. For an Excusable Delay, the Lessee’s period for cure shall be tolled for the period of time that the Excusable Delay exists. For a dispute, if, pursuant to the dispute resolution procedures set forth in Paragraph 5.5, a default is determined to have occurred, the Lessee’s period for cure shall not begin until the day after the final decision on the dispute is issued, and such default shall not become an Event of Default until any applicable cure period has expired.

5.3. Termination. This Lease may be terminated as follows:

5.3.1. The Government may terminate this Lease without cost or liability to the Government upon written notice to the Lessee that an Event of Default exists and remains uncured in accordance with the terms and conditions of Paragraph 5.1. Such notice shall be referred to as a “Default Termination Notice” and shall be effective as of the date specified therein, which shall be at least five (5) but not more than thirty (30) days after its receipt by the Lessee.

5.3.2. Either the Government or the Lessee may terminate this Lease upon written notice to the other Party in the event of extensive damage or destruction of all or part of the Leased Premises.

5.3.3. The Secretary of the Air Force may terminate this Lease at will.

5.4. Lessee Waiver of Suits and Claims. The Lessee hereby waives any claims or suits against the Government arising out of any termination of this Lease pursuant to Paragraph 5.3.

5.5. Disputes.

5.5.1. Except as otherwise provided in this Lease, any dispute between the Government and the Lessee arising under or related to this Lease involving \$10,000 (exclusive of interest) or less shall be decided by the Air Force Civil Engineer Center (AFCEC) Director ("Director") of the Installations Directorate (AFCEC/CI). The Director shall reduce his or her decision to writing and mail or otherwise furnish a copy to the Lessee. With respect to any such dispute, the Lessee agrees that the decision of the Director shall be final and conclusive and shall not be appealable or otherwise subject to challenge.

5.5.2. The Lessee and the Government agree that the following procedures constitute the administrative procedures that must be exhausted with respect to any dispute arising under or related to this Lease involving more than \$10,000 (exclusive of interest) before the Lessee or the Government may pursue any other remedy that is available to it pursuant to this Lease or law.

5.5.2.1. Any dispute involving more than \$10,000 (exclusive of interest) shall be decided by the Director of AFCEC/CI. The Director shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Director shall be final and conclusive unless, within thirty (30) calendar days from the date of receipt of the decision, the Lessee appeals the decision, by certified mail, to the Deputy Assistant Secretary of the Air Force for Environment, Safety, and Infrastructure (SAF/IEE) and delivers a copy of its appeal to the Director by certified mail.

5.5.2.2. SAF/IEE shall render a decision by a date mutually agreed upon by the Parties. Either Party shall have the right to appeal the decision of SAF/IEE or his or her authorized representative to a court of competent jurisdiction in a timely manner; otherwise, the decision of SAF/IEE shall be final.

OPERATION OF THE PREMISES

6. EASEMENTS AND RIGHTS OF WAY

6.1. Lease Subject to Existing Easements. This Lease shall be subject to all existing easements, rights in the nature of easements, rights of way, licenses, and other property

rights and interests (collectively, "Outgrants"), whether of public record or not, for any purpose with respect to the Leased Premises. A non-exclusive list of the Outgrants is attached as Exhibit C hereto. The Government shall have the right to reserve unto itself, or to grant to third parties, additional Outgrants. However, any such additional Outgrants shall not unreasonably interfere with the Lessee's use under this Lease or the value of the Leased Premises.

7. CONDITION OF LEASED PREMISES

7.1. Condition of Premises. The Lessee has inspected, knows, and accepts the condition and state of repair of the Leased Premises. It is understood and agreed that the Leased Premises are leased in an "as-is, where-is" condition, without any representation or warranty by the Government concerning their condition, and without obligation on the part of the Government to make any alterations, repairs, or additions.

7.2. Physical Condition Report. A physical condition report ("PCR") has been jointly prepared and signed by representatives of the Government and the Lessee and is attached as Exhibit D hereto. The PCR sets forth the agreed physical appearance and condition of the Leased Premises on the Term Beginning Date as determined from a joint inspection by the Parties. A separate PCR for the Leased Premises will be prepared by the Government, within ten (10) days after the expiration or earlier termination of this Lease ("Final PCR"). The Final PCR will be used by the Government to determine whether the Lessee has fulfilled its obligations to maintain and restore the Leased Premises under this Lease, including without limitation, Paragraph 13 and Paragraph 16.

8. MAINTENANCE OF LEASED PREMISES

8.1. Maintenance of Leased Premises. The Lessee, at no expense to the Government, shall at all times preserve, maintain, repair, and manage the Leased Premises, Leased Premises Improvements, and Lessee Equipment in an acceptable, safe, and sanitary condition in accordance with this Lease.

8.2. Damage to Government Property. If the Lessee damages or destroys any real or personal property of the Government, then the Lessee shall promptly repair or replace such real or personal property to the reasonable satisfaction of the Government. In lieu of such repair or replacement, the Lessee shall, if so required by the Government, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of damage or destruction of Government property, including natural resources.

9. TAXES

9.1. Lessee Payment of Taxes. The Lessee shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments, and similar charges which, at any time during the term of this Lease may be imposed on the Lessee or the Leased Premises.

10. INSURANCE

10.1. Risk of Loss. The Grantee shall, in any event and without prejudice to any other rights of the Government, bear all risk of loss or damage or destruction to the Premises, including any buildings, improvements, fixtures, or other property thereon, arising from any causes whatsoever, with or without fault by the Government; provided, however, the Government shall not be relieved of responsibility for loss or damage that is solely the result of the gross negligence or willful misconduct of the Government to the extent such loss or damage is not covered by coverage of insurance required under this Lease.

10.2. Insurance Coverage. During the entire period this Lease shall be in effect, the Grantee, at no expense to the Government, will carry and maintain, and as appropriate, require any contractor performing work on the Premises to carry and maintain, the following at no expense to the Government, the following insurance coverages:

10.2.1. Property insurance coverage against loss or damage by open perils or its equivalent, including fire, in an amount not less than One Hundred Percent (100%) of the full replacement cost of the buildings, building improvements, improvements to the land, fixtures, and personal property on the Premises. The policies of insurance carried in accordance with this Condition shall contain a "Replacement Cost Endorsement." Such full replacement cost shall be determined from time to time, upon the written request of the Government or the Grantee, but not more frequently than once in any twenty-four (24) consecutive calendar month period (except in the event of substantial changes or alterations to the Premises undertaken by the Grantee as permitted under the provisions of the Lease).

10.2.1.1. If the Premises are located in an area that is prone to suffer property loss and damage from earthquake, flood, windstorm, or rainstorm, a special risks or perils endorsement from a commercial insurer or from a State or Federal program, in such amounts and with such limitations and retentions satisfactory to the Government.

10.2.2. Commercial general liability insurance, on an occurrence basis, insuring against claims for bodily injury, death and property damage, occurring upon, in or about the Premises, including any building thereon and sidewalks, streets, passageways and interior space used to access the Premises. Such insurance must be effective at all times throughout the Lease Term, with limits of not less than single limit minimum coverage of \$5 million each occurrence and \$10 million aggregate, and include coverage for fire, legal liability, and medical payments. This coverage may be provided under primary liability and umbrella excess liability policies,

10.2.2.1. An ISO business auto policy or its equivalent, covering bodily injury, death and property damage arising from covered auto Symbol 1 ("any auto") or its equivalent, with limits of at least \$5 million each occurrence. All liability policies shall be primary and non-contributory to any insurance maintained by the Government.

10.2.3. If there is an airport operator on the Premises, airport operator's liability insurance, including, but not limited to, insurance against contractual liability assumed under this Lease by the Grantee, with respect to claims or causes of action arising in connection with use of the Premises and improvements thereon as an airfield or airport, affording protection with limits of liability of \$100 million.

10.2.4. If and to the extent required by law, Workers' compensation or similar insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against the Government or the Grantee, in form and amounts required by law (statutory limits), and employers' liability, with limits of \$5 million each coverage and policy limit.

10.3. General Requirements. All insurance required by this Lease shall be: (i) effected under valid and enforceable policies, in such forms and amounts required under this Lease; (ii) underwritten by insurers authorized to underwrite insurance in the State where the Premises are located, and must have a rating of at least B+ by the most recent edition of *Best's Key Rating Guide*; (iii) provide that no reduction in amount or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by the Government of written notice thereof; (iv) provide that any cancellation of insurance coverage based on nonpayment of the premium shall be effective only upon ten (10) days' written notice to the Government; (v) provide that the insurer shall have no right of subrogation against the Government; and (vi) be reasonably satisfactory to the Government in all other respects. The Government shall appear in all policies as 355 CES/CEIA, 3775 S. Fifth Street, Davis-Monthan AFB AZ 85707. In no circumstance will the Grantee be entitled to assign to any third party rights of action that the Grantee may have against the Government. The Grantee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Grantee or contractor under this Lease will constitute a failure to comply with the terms of the Lease, and the Government shall have the right to terminate the Lease upon receipt of any such cancellation notice, but only if the Grantee fails to cure such noncompliance to the extent allowed.

10.4. Commercial general liability and business auto liability insurance required pursuant to this agreement shall be maintained for the limits specified, and shall provide coverage for the mutual benefit of the Grantee and the Government as an additional insured with equal standing with the named insured for purposes of submitting claims directly with the insurer. Property policies will provide for the Government as a loss payee to the same coverage as the named insured.

10.5. Evidence of Insurance. The Grantee shall deliver or cause to be delivered upon execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Lease), at the Government's option, a certified copy of each policy of insurance required by this Lease, or a certificate of insurance evidencing the insurance and conditions relating thereto required by this Lease, in a form acceptable to the Government, and including such endorsements

necessary.

10.6. Damage or Destruction of Premises. In the event all or part of the Premises is damaged (except *de minimis* damage) or destroyed, the Grantee shall promptly give notice thereof to the Government and the Parties shall proceed as follows:

10.6.1. In the event that the Government in consultation with the Grantee determines that the magnitude of damage is so extensive that the Premises cannot be used by the Grantee for its operations and the repairs, rebuilding, or replacement of the Premises cannot reasonably be expected to be substantially completed within three (3) months of the occurrence of the casualty ("Extensive Damage or Destruction of Premises"), either Party may terminate this Lease as provided herein. If this Lease is terminated, any insurance proceeds received as a result of any casualty loss to the Premises shall be applied to the restoration of the Premises prior to being afforded to the Grantee.

10.6.2. In the event that the Government in consultation with the Grantee shall determine that Extensive Damage or Destruction of the Premises has not occurred, neither Party shall have the right to terminate this Lease. The Grantee shall, as soon as reasonably practicable after the casualty, restore the Premises as nearly as possible to the condition that existed immediately prior to such loss or damage. Any insurance proceeds received as a result of any casualty loss to the Premises shall be applied first to restoring the damaged area and removing any related debris to the reasonable satisfaction of the Government and second, to repairing, rebuilding, and/or replacing the Premises to the reasonable satisfaction of the Government.

10.6.3. Notwithstanding any other provision of this Lease, the Grantee may, with the prior consent of the Government, self-insure any risk for which insurance coverage is required under this Lease; provided, however, that if the Grantee's statutory limits of liability or other impediments to the assumption of liability are less than the limits of insurance required in this Lease, the Grantee shall obtain commercial coverage which is sufficient in amount and nature to satisfy the insurance requirements of this Lease when added to any such self-insurance. In order to obtain the consent of the Government to self-insure, the Grantee shall provide the Government with a writing setting forth the limitations and impediments, if any, to which the Grantee's self-insurance is subject, the Grantee's source of funds to pay any claim from any risk for which insurance is required under this Lease, and any other information which the Government may require to assess the Grantee's request. If commercial insurance is required for any purpose, the total amount of commercial insurance and self-insurance shall meet the dollar limitations provided in this Lease.

11. ALTERATIONS

11.1. Leased Premises Improvements. Lessee shall, at its sole cost and expense, undertake, construct, repair or replace Leased Premises Improvements. Improvements must be pre-approved by the installation commander or his designee, whose approval will

not be unreasonably withheld. Improvements must comply with all applicable federal and state law and regulations.

11.2. Government Approval of Certain Construction Related Matters. All matters of ingress, egress, contractor haul routes, construction activity, and disposition of excavated material in connection with this Lease shall be approved in advance by the Government.

11.3. Lessee Installation of Machinery, Lessee Equipment and Removable Fixtures. During the Lease Term, the Lessee shall have the right at its sole cost and expense, to install such of its own machinery and equipment, to make improvements, and to attach such removable fixtures including but not limited to Lessee Equipment in, on, below or upon the Leased Premises as may be necessary for its use of the Leased Premises pursuant to this Lease; and to remove such machinery, Lessee Equipment, minor improvements, and removable fixtures at any time prior to the expiration or earlier termination by the Lessee of this Lease. In the event of termination of this Lease by the Government, and pursuant to Paragraph 5, the Lessee shall have a reasonable period of time following the effective termination date to remove such property including Lessee Equipment.

11.3.1. The installation of Lessee Equipment shall be done in accordance with existing federal, State, and local codes, including the National Electrical Code and other codes that directly relate to the construction, installation, operation and maintenance of communication equipment. If codes differ, the more stringent code shall apply.

11.4. Title to Leased Premises Improvements and Lessee Equipment. Subject to Paragraph 13, title to all Leased Premises Improvements and Lessee Equipment shall be vested in the Lessee throughout the Lease Term.

11.5. Airfield Construction. Any new construction or alteration shall comply with any applicable Air Force requirements, such as clear zones.

12. COSTS OF UTILITIES/SERVICES

12.1. Utilities and Services. The Lessee shall be responsible for all utilities, janitorial services, refuse collection, and building and grounds maintenance of the Leased Premises without cost to the Government.

13. RESTORATION

13.1. Lessee's Removal Obligation. No later than sixty (60) days after the Lease Termination Date, the Lessee shall remove all of the Leased Premises Improvements, Lessee Equipment, and any personal property from the Leased Premises and restore the Leased Premises to the reasonable satisfaction of the Government.

13.2. Government Restoration of Leased Premises. If (i) the Lessee fails, refuses, or neglects to satisfy its removal and restoration obligations pursuant to this Paragraph 13, The remaining Lessee Equipment and all Leased Premises Improvements shall at the option of the Government either become property of the Government and/or be removed or destroyed by the Government and the Premises restored at the expense of the Lessee. No claim for damages against the Government, its officers, employees, agents, or contractors shall be created by or accrue on account of such removal and/or destruction and restoration work pursuant to this Paragraph. The Lessee shall reimburse the Government for any expenses it incurs to restore the Leased Premises to the condition required by this Paragraph 13 within thirty (30) days after the Government provides written notice to Lessee of the reimbursement amount together with reasonable documentary support for the requested reimbursement amount.

CHANGES IN OWNERSHIP OR CONTROL

14. TRANSFER OR ASSIGNMENT

14.1. Right to Assign. The Lessee shall not assign this Lease or any interest therein in any property on the Leased Premises without the prior written consent of the Government.

14.1.1. Any assignment granted by the Lessee shall be consistent with all of the terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of the Government to the Lessee or any assignee. Under any assignment made, with or without consent, the assignee shall be deemed to have assumed all of the obligations of the Lessee under this Lease. No assignment shall relieve the Lessee of any of its obligations hereunder including its obligation to pay Rent.

15. LIENS AND MORTGAGES

15.1. Prohibition Against Lessee Mortgage of Leased Premises. The Lessee shall not: (i) engage in any financing or other transaction creating any mortgage or security interest upon the Leased Premises; (ii) place or suffer to be placed upon the Leased Premises any lien or other encumbrance; (iii) suffer any levy or attachment to be made on the Lessee's interests in the Leased Premises; or (iv) pledge, mortgage, assign, encumber, or otherwise grant a security interest in the Leased Premises or the rents, issues, profits, or other income of the Leased Premises.

ENVIRONMENT

16. ENVIRONMENTAL PROTECTION

16.1. Compliance with Applicable Laws. The Lessee shall comply with all Applicable Laws that are or may become applicable to Lessee's activities on the Leased Premises.

16.2. Environmental Permits. The Lessee shall obtain at its sole cost and expense any environmental and other necessary permits required for its operations under this Lease, independent of any existing permits.

16.3. Indemnification. The Lessee shall indemnify, defend, save, and hold harmless the Government from any claims for damages, response, remediation, or other costs, expenses, liabilities, fines, or penalties resulting in any way from releases, discharges, emissions, spills, storage, handling, disposal, or any other acts or omissions by the Lessee, its officers, agents, employees, contractors, subcontractors, or any Sublessees or licensees, or the invitees of any of them, giving rise to Government liability, civil or criminal, or responsibility under Applicable Laws.

16.3.1. This Paragraph 16.3 shall survive the expiration or termination of this Lease, and the Lessee's obligations under this Paragraph 16.3 shall apply whenever the Government incurs costs or liabilities of the types described in this Paragraph 16.

16.4. Government Caused Environmental Damage. Notwithstanding any other provision of this Lease to the contrary, and except as provided in this Paragraph 16, the Lessee, as between the Parties, does not assume any liability (including liability to third parties) or responsibility for environmental impacts and damage caused by the Government.

16.4.1. This Paragraph 16 does not relieve the Lessee of any obligation or liability the Lessee might have or acquire with regard to third parties or regulatory authorities by operation of law.

16.4.2. This Paragraph 16 shall survive the expiration or termination of this Lease.

16.5. Records Maintenance and Accessibility. The Government's rights under this Lease specifically include the right for Government officials to inspect the Leased Premises, upon reasonable notice as provided under Paragraph 4.3, for compliance with Applicable Laws, including environmental laws, rules, regulations, and standards. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Violations identified by the Government will be reported to the Lessee and to appropriate regulatory agencies, as required by Applicable Law. The Lessee will be liable for the payment of any fines and penalties that may be imposed as a result of the actions or omissions of the Lessee.

16.6. Lessee Response Plan. The Lessee shall comply with all base plans and regulations for responding to hazardous waste, fuel, and other chemical spills.

16.7. Pesticide Management. Any pesticide use will require prior Government approval.

16.8. Compliance with Water Conservation Policy. The Lessee will comply with the Installation water conservation policy, as amended from time to time (to the extent that such policy exists and the Lessee receives copies thereof), from the Term Beginning Date through the Term Expiration Date.

16.9. Protection of Environment and Natural Resources. The Lessee will use all reasonable means available to protect environmental and natural resources, consistent with Applicable Laws and this Lease. Where damage nevertheless occurs, arising from the Lessee's activities, the Lessee shall be fully liable for any such damage.

16.10. Pesticides and Pesticide Related Chemicals in Soil. The Lessee acknowledges that the surface soil on the Leased Premises may contain elevated levels of pesticides and pesticide-related chemicals applied in the normal course of maintaining the Leased Premises. The Lessee shall manage all such soil on the Leased Premises in accordance with the requirements of any Applicable Laws. The Government will not be responsible for injury or death of any person affected by such soil conditions whether the person is warned or not.

17. ASBESTOS-CONTAINING MATERIALS AND LEAD-BASED PAINT

17.1. ASBESTOS-CONTAINING MATERIALS (ACM). The Lessee is warned that the Leased Premises may contain current and former improvements, such as buildings, facilities, equipment, and pipelines, above and/or below the ground, that may contain ACM. The Government is not responsible for any handling, removal or containment of asbestos or ACM, or to the extent consistent with applicable law, for any liability related thereto.

17.2. LEAD-BASED PAINT (LBP). The Lessee recognizes and acknowledges that LBP materials may be present on exterior and interior surfaces of facilities within the Leased Premises or in the soil. The Lessee will be responsible at its sole cost and expense for the management, maintenance, removal and disposal of all LBP either located in or attributable to the Leased Premises Improvements. Removal and disposal of LBP must be carried out in compliance with all Applicable Laws.

18. SAFETY, HAZARDOUS MATERIALS, AND WASTE MANAGEMENT

18.1. Compliance With Health and Safety Plan. The Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP (to the extent the Lessee has received notice thereof), or any hazardous substance remediation or response agreement of the Government with environmental regulatory authorities (to the extent the Lessee receives notice thereof if the agreement is not of public record) during the course of any of the response or remedial actions described in Paragraph 20.3. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Lessee. The Lessee and any assignees, licensees, or invitees shall have no claim on account of such entries against the

United States or any officer, agent, employee, contractor, or subcontractor thereof, except to the extent permitted under federal law, including the Federal Tort Claims Act.

18.2. Occupational Safety and Health. The Lessee must comply with all Applicable Laws relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes.

19. HISTORIC PRESERVATION

19.1. The Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity. In the event such items are discovered on the Leased Premises, the Lessee shall immediately notify the Government and protect the site and the material from further disturbance until the Government gives clearance to proceed.

20. INSTALLATION RESTORATION PROGRAM (IRP)

20.1. IRP Records. On or before the Term Beginning Date, the Government shall provide the Lessee access to the IRP records applicable to the Leased Premises, if any, and thereafter shall provide to the Lessee a copy of any amendments to or restatements of the IRP records affecting the Leased Premises. The Lessee expressly acknowledges that it fully understands the potential for some or all of the response actions to be undertaken with respect to the IRP may impact the Lessee's quiet use and enjoyment of the Leased Premises. The Lessee agrees that notwithstanding any other provision of this Lease, the Government shall have no liability to the Lessee or its Sublessees should implementation of the IRP or other hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or the Government or the Department of Defense, interfere with the Lessee's or its Sublessee's use of the Leased Premises. The Lessee shall have no claim or cause of action against the United States, or any officer, agent, employee, contractor, or subcontractor thereof, on account of any such interference, whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the IRP or under this Lease or otherwise.

20.2. Government Right of Entry. The Government and its officers, agents, employees, contractors, and subcontractors shall have the right, upon reasonable notice to the Lessee, to enter upon the Leased Premises for the purposes enumerated in this Paragraph.

20.2.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, testpitting, testing soil borings, and other activities related to the IRP;

20.2.2. To inspect field activities of the Government and its contractors and subcontractors in implementing the IRP;

20.2.3. To conduct any test or survey related to the implementation of the IRP or environmental conditions at the Leased Premises or to verify any data submitted to the EPA or the State Environmental Office by the Government relating to such conditions; and

20.2.4. To construct, operate, maintain, or undertake any other response or remedial action as required or necessary under the IRP, including, but not limited to, monitoring wells, pumping wells, and treatment facilities. Any investigations and surveys, drilling, testpitting, test soil borings, and other activities undertaken pursuant to this Subparagraph 20.2.4 shall be conducted in a manner that is as inconspicuous as practicable. Any monitoring wells, pumping wells, and treatment facilities required pursuant to this Paragraph 20.2.4 shall be designed and installed to be as inconspicuous as practicable. The Government shall attempt to minimize any interference with the Lessee's quiet use and enjoyment of the Leased Premises arising as the result of such wells and treatment facilities. The Government shall, subject to the availability of appropriations therefor, repair any damage caused by its exercise of the rights in this Paragraph.

20.3. ACCESS FOR RESTORATION

20.3.1. Nothing in this Lease shall be interpreted as interfering with or otherwise limiting the right of the Air Force and its duly authorized officers, employees, contractors of any tier, agents, and invitees to enter upon the Premises for the purposes enumerated in Paragraph 20.3 and for such other purposes as are consistent with the provisions of an Federal Facility Agreement (FFA) or required to implement the IRP conducted under the provisions of 10 U.S.C. §§ 2701-2705. The Lessee shall provide reasonable assistance to the Air Force to ensure Air Force's activities under this Paragraph 20.3 do not damage property of the Lessee on the Premises.

20.3.2. The USEPA and state of *Arizona*, including their subordinate political units, and their duly authorized officers, employees, contractors of any tier, and agents may, upon reasonable notice to the Lessee and with Air Force's consent, enter upon the Premises for the purposes enumerated in Paragraph 20.3 and for such other purposes as are consistent with the provisions of an FFA. The Lessee shall provide reasonable assistance to USEPA and the State to ensure their activities under this Paragraph 20.3 do not damage property of the Lessee on the Premises.

21. ENVIRONMENTAL BASELINE SURVEY/CONDITION OF PROPERTY

21.1. An Environmental Baseline Survey ("EBS") for the Leased Premises dated 10 November 2015 has been delivered to the Lessee and is attached as Exhibit E hereto. The EBS sets forth those environmental conditions and matters on and affecting the Leased Premises on the Term Beginning Date as determined from the records and analyses reflected therein. The EBS is not, and shall not constitute, a representation or warranty on the part of the Government regarding the environmental or physical condition of the Leased Premises, and the Government shall have no liability in connection with the accuracy or completeness thereof. In this regard the Lessee

acknowledges and agrees that the Lessee has relied, and shall rely, entirely on its own investigation of the Leased Premises in determining whether to enter into this Lease. A separate EBS for the Leased Premises shall be prepared by the Government, after the expiration or earlier termination of this Lease ("Final EBS"). Such Final EBS shall document the environmental conditions and matters on and affecting the Leased Premises on the Term Expiration Date as determined from the records and analyses reflected therein. The Final EBS will be used by the Government to determine whether the Lessee has fulfilled its obligations to maintain and restore the Leased Premises under this Lease including, without limitation, Paragraph 13 and Paragraph 16.

GENERAL PROVISIONS

22. GENERAL PROVISIONS

22.1. Covenant Against Contingent Fees. The Lessee warrants that it has not employed or retained any person or agency to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul this Lease without liability or in its discretion to recover from the Lessee the amount of such commission, percentage, brokerage, or contingent fee, in addition to the consideration herewith set forth. This warranty shall not apply to commissions payable by the Lessee on the Lease secured or made through bona fide established commercial agencies retained by the Lessee for the purpose of doing business. "Bona fide established commercial agencies" has been construed to include licensed real estate brokers engaged in the business generally.

22.2. Officials Not to Benefit. No Member of, or Delegate to the Congress, or resident commissioner, shall be admitted to any part or share of this Lease or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

22.3. Facility Nondiscrimination. As used only in this Condition, the term "Facility" means lodgings, stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in any building covered by, or built on land covered by, this Lease.

22.3.1. The Lessee agrees that it will not discriminate against any person because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any Facility, including any and all services, privileges, accommodations, and activities provided on the Leased Premises. This does not require the furnishing to the general public the use of any Facility customarily furnished by the Lessee solely for use by their guests and invitees.

22.3.2. The Parties agree that in the event of the Lessee's noncompliance, the Government may take appropriate action to enforce compliance, and may terminate this Lease for default and breach as provided in Paragraph 6, or may pursue such other remedies as may be provided by law.

22.4. Gratuities.

22.4.1. The Government may, by written notice to the Lessee, terminate this Lease if, after notice and hearing, the Secretary of the Air Force or a designee determines that the Lessee, or any agent or representative of the Lessee, offered or gave a gratuity (e.g., an entertainment or gift) to any officer, official, or employee of the Government and intended, by the gratuity, to obtain a lease or other agreement or favorable treatment under a lease or other agreement, except for gifts or benefits of nominal value offered to tenants of the Leased Premises in the ordinary course of business.

22.4.2. The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

22.4.3. If this Lease is terminated under Paragraph 22.4.1, the Government shall be entitled to pursue the same remedies against the Lessee as in a breach of this Lease by the Lessee, and in addition to any other damages provided by law, to exemplary damages of not fewer than three (3), or more than ten (10), times the cost incurred by the Lessee in giving gratuities to the person concerned, as determined by the Government.

22.4.4. The rights and remedies of the Government provided in this Paragraph shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Lease.

22.5. No Joint Venture. Nothing contained in this Lease will make, or shall be construed to make, the Parties partners or joint venturers with each other, it being understood and agreed that the only relationship between the Government and the Lessee under this Lease is that of landlord and tenant. Nothing in this Lease will render, or be construed to render, either of the Parties liable to any third party for the debts or obligations of the other Party.

22.6. Records and Books of Account. The Lessee agrees that the Secretary of the Air Force, the Comptroller General of the United States, or the Auditor General of the United States Air Force, or any of their duly authorized representatives, shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to, and the right to examine, any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to this Lease.

22.7. Remedies Cumulative; Failure of Government to Insist on Compliance. The specified remedies to which the Government may resort under the terms of this Lease are distinct, separate, and cumulative, and are not intended to be exclusive of any other remedies or means of redress to which the Government may be lawfully entitled in case of any breach or threatened breach by the Lessee of any provisions of this Lease. The failure of the Government to insist on any one or more instances upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or a relinquishment of the Government's right to the future performance of any

such terms, covenants, or conditions, but the obligations of the Lessee with respect to such future performance shall continue in full force and effect. No waiver by the Government of any provisions of this Lease shall be deemed to have been made unless expressed in writing and signed by an authorized representative of the Government.

22.8. Counterparts. This Lease is executed in three (3) counterparts, each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

22.9. Personal Pronouns. All personal pronouns used in this Lease, whether used in the masculine, feminine, or neuter gender, will include all other genders.

22.10. Partial Invalidity. If any term or provision of this Lease, or the application of the term or provision to any person or circumstance, is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the term or provision to persons or circumstances other than those for which the term or provision is held invalid or unenforceable, will not be affected by the application, and each remaining term or provision of this Lease will be valid and will be enforced to the fullest extent permitted by law.

22.11. Interpretation of Lease. The Parties and their legal counsel have participated fully in the negotiation and drafting of this Lease. This Lease has been prepared by the Parties equally, and should be interpreted according to its terms. No inference shall be drawn that this Lease was prepared by, or is the product of, either Party.

22.12. Identification of Government Agencies, Statutes, Programs and Forms. Any reference in this Lease, by name or number, to a government department, agency, statute, regulation, program, or form shall include any successor or similar department, agency, statute, regulation, program, or form.

22.13. Approvals. Any approval or consent of the Parties required for any matter under this Lease shall be in writing and shall not be unreasonably withheld, conditioned or denied unless otherwise indicated in this Lease.

22.14. Third-Party Beneficiaries. There shall be no third-party beneficiaries of this Lease and none of the provisions of this Lease shall be for the benefit of, or enforceable by, any creditors of the Lessee.

22.15. No Individual Liability of Government Officials. No covenant or agreement contained in this Lease shall be deemed to be the covenant or agreement of any individual officer, agent, employee, or representative of the Government, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Lease, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

22.16. Excusable Delays. The Government and Lessee shall be excused from performing an obligation or undertaking provided for in this Lease, and the period for the performance of any such obligation or undertaking shall be extended for a period equivalent to the period of such delay, so long as such performance is prevented or unavoidably delayed, retarded, or hindered by an act of God; fire; earthquake; flood; explosion; war; invasion; insurrection; riot; mob; violence; sabotage; act of terrorism; inability to procure or a general shortage of, labor, equipment, facilities, materials, or supplies in the open market; failure or unavailability of transportation, strike, lockout, action of labor unions; a taking by eminent domain, requisition, laws, orders of government, or of civil, military, or naval authorities (but only such orders of a general nature pertaining to the Leased Premises and comparable properties in the state of Arizona; governmental restrictions (including, without limitation, access restrictions imposed by the Government and arising without fault or negligence on the part of the Lessee that significantly hinder the Lessee's ability to access the Leased Premises and perform its obligations under the Development Plan in a timely manner); required environmental remediation; or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control, and without the fault or negligence of, the Government or the Lessee, as the case may be, and/or any of their respective officers, agents, servants, employees, and/or any others who may be on the Leased Premises at the invitation of the Lessee, or the invitation of any of the aforementioned persons, specifically excluding, however, delays for adjustments of insurance and delays due to shortage or unavailability of funds (collectively, "Excusable Delays"). Nothing contained in this Paragraph 22.16 shall excuse the Lessee from the performance or satisfaction of an obligation under this Lease that is not prevented or delayed by the act or occurrence giving rise to an Excusable Delay.

23. SPECIAL PROVISIONS

Reserved

24. RIGHTS NOT IMPAIRED

24.1. Rights Not Impaired. Nothing contained in this Lease shall be construed to diminish, limit, or restrict any right, prerogative, or authority of the Government over the Leased Premises relating to the security or mission of the Installation, the health, welfare, safety, or security of persons on the Installation, or the maintenance of good order and discipline on the Installation, as established in law, regulation, or military custom.

24.2. Installation Access. The Lessee acknowledges that it understands that the Installation is an operating military Installation that could remain closed to the public and accepts that the Lessee's operations may from time to time be restricted temporarily or permanently due to the needs of national defense. Access on the Installation may also be restricted due to inclement weather and natural disasters. The Lessee further acknowledges that the Government strictly enforces federal laws and Air Force regulations concerning controlled substances (drugs) and that personnel, vehicles, supplies, and equipment entering the Installation are subject to search and seizure under

18 U.S.C. § 1382. The Government will use reasonable diligence in permitting the Lessee access to the Leased Premises at all times, subject to the provisions of this paragraph. Notwithstanding the foregoing, the Lessee agrees the Government will not be responsible for lost time or costs incurred due to interference, delays in entry, temporary loss of access, barring of individual employees from the base under federal laws authorizing such actions, limitation, or withdrawal of an employee's on-base driving privileges, or any other security action that may cause employees to be late to, or unavailable at, their work stations, or delay arrival of parts and supplies. The Government retains the right to refuse access to the Leased Premises by the Lessee Parties. The Lessee, its assignees, employees, and invitees fully agree to abide with all access restrictions imposed by the Government in the interest of national defense.

24.3. Permanent Removal and Disbarment. Notwithstanding anything contained in this Lease to the contrary, the Government has the right at all times to order the permanent removal and disbarment of anyone from the Installation, including but not limited to assignees, if it believes, in its sole discretion, that the continued presence on the Installation of that person represents a threat to the security or mission of the Installation, poses a threat to the health, welfare, safety, or security of persons occupying the Installation, or compromises good order and/or discipline on the Installation.

24.4. No Diminishment of Rights. Except as provided in Paragraph 24.1, nothing in this Lease shall be construed to diminish, limit, or restrict any right of the Lessee under this Lease.

25. APPLICABLE LAWS

25.1. Compliance With Applicable Laws. The Lessee shall comply, at its sole cost and expense (except for matters for which the Government remains obligated hereunder pursuant to Paragraph 16), with all Applicable Laws including without limitation, those regarding construction, demolition, maintenance, operation, sanitation, licenses, or permits to do business, protection of the environment, pollution control and abatement, occupational safety and health, and all other related matters. The Lessee shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable.

25.1.1. "Applicable Laws" means, collectively, all present and future laws, ordinances, rules, requirements, regulations, and orders of the United States, the State where the Leased Premises is located and any other public or quasi-public federal, State, or local authority, and/or any department or agency thereof, having jurisdiction over the Project ("Project" means, collectively, the Leased Premises and the Leased Premises Improvements) and relating to the Project or imposing any duty upon the Lessee with respect to the use, occupation, or alteration of the Project during the Lease Term.

25.2. Permits, Licenses and Approvals. The Lessee will be responsible for and obtain, at its sole expense, prior to the commencement of construction and demolition, and upon completion of the building of Leased Premises Improvements, any approvals, permits, or

licenses that may be necessary to construct, occupy, and operate the Lessee Improvements and Lessee Equipment in compliance with all Applicable Laws.

25.3. No Waiver of Sovereign Immunity. Nothing in this Lease shall be construed to constitute a waiver of federal supremacy or federal sovereign immunity. Only laws and regulations applicable to the Leased Premises under the Constitution and statutes of the United States are covered by this Paragraph. The United States presently exercises concurrent federal jurisdiction over the Leased Premises.

25.4. Lessee Responsibility for Compliance. Responsibility for compliance as specified in this Paragraph 25 rests exclusively with the Lessee. The Government assumes no enforcement or supervisory responsibility, except with respect to matters committed to its jurisdiction and authority. The Lessee shall be liable for all costs associated with compliance, defense of enforcement actions or suits, payment of fines, penalties, or other sanctions and remedial costs related to the Lessee's use and occupation of the Leased Premises.

25.5. Lessee Right to Contest. The Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to the Government, the validity or application of any law, ordinance, order, rule, regulation, or requirement of the nature referred to in this Paragraph 25. The Government shall not be required to join in or assist the Lessee in any such proceedings.

26. AVAILABILITY OF FUNDS

26.1. The obligations of any Party to this Lease or of any transferee of the Lease shall be subject to the availability of appropriated funds for any such obligation, unless such Party or transferee is a non-appropriated fund instrumentality of the United States. No appropriated funds are obligated by this Lease.

27. CONGRESSIONAL REPORTING

This Lease is not subject to 10 U.S.C. § 2662.

28. AMENDMENTS

28.1. Amendments. This Lease may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of each of the respective Parties. Amendments to this Lease executed on behalf of the Government must be signed at the level of the Director or higher. Such amendments may include, but are not limited to, extensions of the Lease Termination Date.

29. GENERAL INDEMNIFICATION BY LESSEE

29.1. No Government Liability. Except as otherwise provided in this Lease, the Government shall not be responsible for damage to property or injuries or death to persons that may arise from, or be attributable or incident to, the condition or state or repair of the Leased Premises, or the use and occupation of the Leased Premises, or for damages to the property of the Lessee, or injuries or death of the Lessee's officers, agents, servants, employees, or others who may be on the Leased Premises at their invitation or the invitation of any one of them.

29.2. Lessee Liability. Except as otherwise provided in this Lease, the Lessee agrees to assume all risks of loss or damage to property and injury or death to persons by reason of, or incident to, the possession and/or use of the Leased Premises by the Lessee, the Lessee's officers, agents, servants, employees, or others (excluding those employees or agents of the Government who are on the Leased Premises for the purpose of performing official duties) who may be on the Leased Premises at their invitation or the invitation of any one of them (the "Lessee Parties"), or the activities conducted by or on behalf of the Lessee Parties under this Lease. The Lessee expressly waives all claims against the Government for any such loss, damage, bodily injury, or death caused by, or occurring as a consequence of, such possession and/or use of the Leased Premises by the Lessee Parties, or the conduct of activities or the performance of responsibilities under this Lease. The Lessee further agrees, to the extent permitted by Applicable Laws, to indemnify, save, and hold harmless the Government, its officers, agents, and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs, and attorneys' fees arising out of, claimed on account of, or in any manner predicated upon, bodily injury, death, or property damage resulting from, related to, caused by, or arising out of the possession and/or use of any portion of the Leased Premises, or any activities conducted or services furnished by or on behalf of the Lessee Parties in connection with, or pursuant, to this Lease, and all claims for damages against the Government arising out of, or related to, the Lease. The agreements of Lessee contained in this Paragraph 29.2 do not extend to claims caused by the gross negligence or willful misconduct of officers, agents, contractors, or employees of the United States without contributory fault on the part of any other person, firm, or corporation. The Government will give the Lessee notice of any claim against it covered by this indemnity as soon as practicable after learning of it.

30. ENTIRE AGREEMENT

30.1. It is expressly agreed that this written instrument, together with the provisions of other documents that are expressly incorporated by reference by the terms of this Lease, embodies the entire agreement between the Parties regarding the use of the Leased Premises by the Lessee. In the event of any inconsistency between the terms of this Lease and of any provision that has been incorporated by reference, the terms of this Lease shall govern. There are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth in this Lease. This instrument may only be modified or amended by mutual agreement of the Parties in writing and signed by each of the Parties.

31. CONDITION AND PARAGRAPH HEADINGS

31.1. The brief headings or titles preceding each Paragraph are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction and interpretation of this Lease.

32. STATUTORY AND REGULATORY REFERENCES

32.1. Any reference to a statute or regulation in this Lease shall be interpreted as being a reference to the statute or regulation as it has been or may be amended from time to time.

33. PRIOR AGREEMENTS

33.1. This Lease supersedes all prior agreements, if any, to the Lessee for the Premises, but does not terminate any obligations of the Lessee under such prior Leases that may by their terms survive the termination or expiration of those Leases, except to the extent such obligations are inconsistent with this Lease.

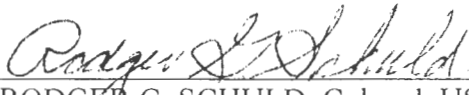
34. LIST OF EXHIBITS

LIST OF EXHIBITS

Exhibit A	Map of Leased Premises
Exhibit B	Legal Description of Leased Premises
Exhibit C	Non-Exclusive List of Outgrants
Exhibit D	Physical Condition Report
Exhibit E	Environmental Baseline Survey/Environmental Baseline Survey Waiver

IN WITNESS WHEREOF, the United States of America has executed this Lease
effective as of 1 April 2016.

THE UNITED STATES OF AMERICA,
acting by and through the Secretary of the
Air Force



RODGER G. SCHULD, Colonel, USAF
Commander, 355th Mission Support Group

THIS LEASE is also executed by the Lessee as of this 5 day of January, 2016.

LESSEE SIGNATURE

COUNTY:

Pima County, a political subdivision of the State of Arizona

By: Sharon Bronson
Sharon Bronson
Chair of the Board of Supervisors

JAN 05 2016

Date: _____

ATTEST:

By: Robin Brigode
Robin Brigode
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

By: Tom Moulton
Tom Moulton, Director of Economic
Development and Tourism

APPROVED AS TO FORM:

By: Tobin Rosen
Tobin Rosen, Deputy County Attorney

**THIS CONTRACT IS SUBJECT TO
THE PROVISIONS OF A.R.S. § 38-511**

IN WITNESS WHEREOF, the Chair of the Pima County Board of Supervisors has
executed this Lease effective as of _____.