



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: 11/19/2024
or Procurement Director Award:

**=Mandatory, information must be provided*

***Contractor/Vendor Name/Grantor (DBA):**

Valencia Tech Park LLC

***Project Title/Description:**

Lease agreement for space within 3000 E. Valencia for County Recorder's office.

***Purpose:**

Create a 5-year Lease for approximately 14,902 square feet of space within the Building located at 3000 E. Valencia for County Recorder's office.

***Procurement Method:**

Exempt Per Section 11.04.020.

***Program Goals/Predicted Outcomes:**

Secure additional space for County Recorder's office to use for its operations.

***Public Benefit:**

Additional space located in close proximity to County Elections office for efficient processing of early ballots and other County Recorder related activities.

***Metrics Available to Measure Performance:**

Faster, more efficient processing of ballots and other County Recorder related activities. Improved security.

***Retroactive:**

No

To: COB, 11-1-24(1)
vers: 0
pgs: 41

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THE APPLICABLE SECTIONS(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: PO Department Code: FM Contract Number: (i.e.,15-123): PO2400004442

Commencement Date: 12/01/2024 Termination Date: 12/31/2029 Prior Contract Number (Synergen/CMS): N/A

[X] Expense Amount \$: \$1,284,154.28 * [] Revenue Amount \$: 0

*Funding Source(s) required: General Fund

Funding from General Fund? [X] Yes [] No If Yes \$: \$1,284,154.28 100 %

Contract is fully or partially funded with Federal Funds? _____

Were Insurance or Indemnity Clauses modified? [] Yes [X] No If Yes attach Risk's approval

Vendor is using a Social Security Number? [] Yes [X] No If Yes, attach the required form per Administrative Procedure 22-10

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number: _____

Amendment Number: _____ AMS Version: _____

Commencement Date: _____ New Termination Date: _____ Prior Contract Number.(Synergen/CMS): _____

[] Expense [] Revenue [] Increase [] Decrease Amount This Amendment: \$ _____

Is there revenue included? [] Yes [] No If Yes \$: _____

*Funding Source(s) required: _____

Funding from General Fund? [] Yes [] No If Yes, \$: _____ % _____

Grant / Amendment Information (for grants acceptance and awards) [] Award [] Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Commencement Date: _____ Termination Date: _____ Amendment Number: _____

[] Match Amount: \$ _____ [] Revenue Amount: \$ _____

*All Funding Source(s) required:

*Matching Funding from General Fund? [] Yes [] No If Yes, \$ _____ % _____

*Matching Funding from Other Sources? [] Yes [] No If Yes, \$ _____ % _____

*Funding Source: _____

*If Federal Funds are received, is funding coming directly from the Federal Government or passed through other organization(s)?

Contact: Kevin Button Telephone: 520-724-8230 Department: Facilities Management

DocuSigned by: Tony Cisneros 2ED887FE1D444D8

Department Director Signature: _____ Date: 10/29/2024

Deputy County Administrator Signature: _____ Date: 10-30-24

County Administrator Signature: _____ Date: 10/30/2024

Pima County Department of Facilities Management

Project: Lease agreement for space within 3000 E. Valencia, Suite 190 for County Recorder's Office

Contractor: Valencia Tech Park, LLC

Amount: \$1,284,154.28

Contract No.:PO2400004442

LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into by and between PIMA COUNTY, a political subdivision of the State of Arizona ("County" or "Tenant"), and Valencia Tech Park, LLC, an Arizona limited liability company ("Landlord"). Each individually a "Party" and collectively the "Parties."

1. Background and Purpose.

- 1.1. Landlord owns that certain building (the "Building") located at 3000 E Valencia Road, Tucson, AZ 85706. The Building has, associated with it, certain interior and exterior areas which are not held for exclusive use by County, including but not limited to any, parking areas, driveways, truck ways, delivery passages, common area restrooms, loading docks, sidewalks, ramps, open and enclosed courts, landscaped and planted areas, exterior stairways, pedestrian passageways, roof, elevators, retaining walls, restrooms not located within the premises of any tenant, entrances and exits, and other areas, buildings and improvements provided by Landlord for the common use of Landlord and tenants and their respective employees and invitees areas for the common use of all occupants (the "Common Areas"). Building is situated on Tax Parcel #140-42-002A (the "Property"). The Building and Property are shown on **Exhibit A** attached hereto.
- 1.2. Landlord desires to Lease to County and County desires to Lease from Landlord, under the terms and conditions contained herein.

2. Lease/Premises.

- 2.1. Lease. In consideration of rent monies and all terms herein, Landlord hereby lets to County and County hereby leases from Landlord, the space within the Building located at 3000 E. Valencia Road, Tucson, AZ 85706 Suite 190 as identified on the

attached **Exhibit B**, consisting of approximately 14,902 rentable square feet (the "**Premises**"). In addition, County will have the right to use the Common Areas on a non-exclusive basis together with other occupants of the Building, subject to the Rules and Regulations set forth in **Exhibit E** attached hereto.

- 2.2. **Acceptance of Premises.** County hereby agrees to accept the Premises in its AS IS, WHERE IS existing condition, with all systems serving the Premises in good working condition. Landlord will not provide County with any improvement allowances or other allowances or payments. County shall have the option to inspect the Premises beginning the Commencement Date (as defined below) and expiring thirty (30) days thereafter ("**Inspection Period**"). During the Inspection Period, if County does not approve of the physical condition of the Premises, and if County delivers written notice to Landlord setting forth the particular reasons for such disapproval prior to the expiration of the Inspection Period, then Landlord, at its sole expense, shall repair or correct any such conditions identified by County.
3. **Term.** The Initial term of this Lease will be for a period of sixty-one (61) months (the "**Initial Term**") beginning on December 1, 2024, (the "**Commencement Date**") and ending on December 31, 2029 (the "**Termination Date**").
4. **Rent.** County will pay to Landlord Base Rent plus County's Proportionate Share of Operating Expenses, (together referred to as "**Rent**"), as set forth below.
 - 4.1. **Rent Commencement.** County will commence payment of Rent on January 1, 2025 (the "**Rent Commencement Date**"). Landlord will deliver the Premises to County, subject to the inspection and cure provisions contained in Section 2.2 above, on the Commencement Date unless otherwise permitted by Section 5.4 below.
 - 4.2. **Rentable Square Footage.** The rentable square footage of the Premises is approximately 14,902.00 square feet. ("**RSF**").
 - 4.3. **Annual Escalation.** On the 3rd annual anniversary of the Rent Commencement Date (January 1, 2028) and on each annual anniversary of the Rent Commencement Date thereafter, Base Rent will increase by 3% per year as shown in the matrix in Section 4.4 below (the "**Escalation Rate**"). In the event of any ambiguity hereunder, the amounts stated in Sections 4.4 and 5.1 shall govern the amount of rent and additional rent hereunder.
 - 4.4. **Base Rent.** Beginning on the Rent Commencement Date and each month thereafter during the Initial Term, County will pay to Landlord an annual base rent in equal monthly installments as follows ("**Base Rent**");

| Initial Term Period | Annual Base Rent | Base Monthly Rent |
|--------------------------------------|------------------|-------------------|
| December 1, 2024 – December 31, 2024 | \$0.00 | \$0.00 |
| January 1, 2025 – December 31, 2025 | \$152,000.40 | \$12,666.70 |
| January 1, 2026 – December 31, 2026 | \$152,000.40 | \$12,666.70 |
| January 1, 2027 – December 31, 2027 | \$152,000.40 | \$12,666.70 |
| January 1, 2028 – December 31, 2028 | \$156,560.40 | \$13,046.70 |
| January 1, 2029 – December 31, 2029 | \$161,257.20 | \$13,438.10 |

5. **Option to Extend.** Landlord grants Tenant two (2) options (each, an “**Extension Option**”) to extend the Initial Term for two (2) additional successive periods of five (5) years each (each, an “**Extension Term**”), subject to the terms and conditions set forth herein. If County is not in default under the Lease at the time of the exercise of the Extension Option, County may extend the Initial Term of the Lease for up to two additional 5-year periods (each, an “**Extension Term**”), by providing written notice to the Landlord of County’s desire to exercise the Extension Option, which notice must be delivered to Landlord not more than six (6) months nor less than one hundred twenty (120) days prior to end of the Initial Term or the prior Extension Term, as applicable. “**Term**” means the Initial Term and any Extension Term(s) exercised by County.

5.1. In the event County timely and properly exercises an Extension Option in accordance with the provisions above, the provisions of this Lease shall continue to apply, except that Base Rent shall increase to the amounts stated below in the table in this Section 5.1. Upon such election and notice by the County, the Lease shall be extended for the applicable Term.

EXTENSION TERM 1 (IF EXERCISED)

| Lease Year | Annual Base Rent | Base Monthly Rent |
|-------------------------------------|------------------|-------------------|
| January 1, 2030 – December 31, 2030 | \$166,095.00 | \$13,841.25 |
| January 1, 2031 – December 31, 2031 | \$171,077.76 | \$14,256.48 |
| January 1, 2032 – December 31, 2032 | \$176,210.16 | \$14,684.18 |
| January 1, 2033 – December 31, 2033 | \$181,496.40 | \$15,124.70 |
| January 1, 2034 – December 31, 2034 | \$186,941.28 | \$15,578.44 |

EXTENSION TERM 2 (IF EXERCISED)

| Lease Year | Annual Base Rent | Base Monthly Rent |
|-------------------------------------|------------------|-------------------|
| January 1, 2035 – December 31, 2035 | \$192,549.60 | \$16,045.80 |
| January 1, 2036 – December 31, 2036 | \$198,326.04 | \$16,527.17 |
| January 1, 2037 – December 31, 2037 | \$204,275.88 | \$17,022.99 |
| January 1, 2038 – December 31, 2038 | \$210,404.16 | \$17,533.68 |
| January 1, 2039 – December 31, 2039 | \$216,716.28 | \$18,059.69 |

5.2. If County timely and properly exercises its option to extend the Term, County will

prepare an amendment (the "Amendment") to reflect the above applicable Base Rent schedule and any mutually agreed upon terms and conditions, and Landlord will execute and return the Amendment to County within fifteen (15) days after the Parties have negotiated a mutually accepted Amendment. If no other changes are mutually agreed upon, the terms and conditions of the Lease, except for the ending date of the Term and the Base Rent (which will be as scheduled above), will remain the same during any Extension Term.

- 5.3. **Payment of Rent.** County will pay Rent in advance, in monthly installments as provided in paragraph 4.4 above, on or before the Rent Commencement Date and the first day of each month thereafter during the Term, except that the first and last payments will be prorated if the Rent Commencement Date is not the first of the month. Rent must be delivered to 6298 E. Grant Road #100, Tucson, AZ 85712.
- 5.4. **Move-in.** County will have access to the Premises commencing on the Commencement Date to facilitate technology transfer (phone and computer systems) and installation of Tenant's fixtures and equipment. County will be responsible for moving its personal property (including furnishings, fixtures, cameras, phones, computers and office or ballot processing equipment) into the Premises, installing any fixtures as necessary, and bearing all expenses associated with move-in. County will, with the assistance of the Landlord, coordinate its move-in with other Building occupants, to minimize any disruption as much as reasonably possible. County's entry and access, pursuant to this Section 5.4, will be under all terms and conditions of this Lease other than the obligation to pay Rent. County's right to enter the Premises is conditioned upon delivery by County and all of the County's contractors of the insurance required by this Lease.
6. **Operating Expenses.** In addition to the Base Rent set forth above, Tenant will pay Tenant's Proportional Share (hereinafter defined) of Operating Expenses (hereinafter defined) for the Building and all associated Common Areas as described below.
 - 6.1. "*Tenant's Proportionate Share*" is the percentage calculated by dividing the total rentable area of the Premises by the total rentable area of the Building. Tenant's Proportionate is 24.65% (14,902/60,443) ("**Tenant's Proportional Share**"). Landlord will provide Tenant with an estimate of monthly Operating Expenses and Tenant's Proportionate Share of the estimated common area expenses and Tenant will pay this amount in addition to its Base Rent.
 - 6.2. With the exception of expenses which County is responsible for and will pay directly, "**Operating Expenses**" means all reasonable direct costs and expenses necessary for Landlord with respect to the ownership, operation, and maintenance of the Building and Common Areas including, but not limited to, the costs and expenses of any: Real

Estate Taxes (hereinafter defined); parking areas and driveways maintenance, repair, and necessary replacements (including striping, seal coating, and paving); maintenance and repair of Building exterior (including painting, re-painting, graffiti removal); repair and maintenance of the roof; fire sprinklers and fire protection system monitoring, maintenance and repair and necessary replacements; backflow maintenance and repair and necessary replacements; security services for the Building and Common Areas; exterior lighting; utilities (including electrical, water and sewer charges), sweeping, trash, refuse, and recycling collection; insurance premiums; landscaping maintenance; except as excluded in Section 6.2.1(xiii) hereof, wages, salaries, fees, fringe benefits, and any other forms of compensation of all persons engaged in the operation, maintenance or security of the Building and Common Areas, provided, that if any employees of Landlord provide services for more than one property, then a prorated portion of such shall be included in Operating Expenses based on the portion of their working time devoted to the Property; and a 10% administrative fee ("Admin Fee") of all Operating Expenses. Operating Expenses will not include the cost of capital improvements. Operating Expenses do not include maintenance of structural elements, including foundations, walls, and roof which shall be maintained at Landlord's expense. The foregoing list of items is provided for illustrative purposes only and shall not be deemed a full, complete, or exhaustive list of all possible Operating Expenses, provided that in no event shall Landlord recover any Operating Expense item more than once, nor shall any item that is recoverable under Section 18 also be recoverable under this Section 6.2. Notwithstanding the foregoing, Operating Expenses shall not include any costs or expenses relating to any items listed in Section 6.2.1

6.2.1. Operating Expenses shall specifically exclude the following costs and expenses incurred by Landlord:

- i) Transfer taxes, gains, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, franchise, income taxes imposed on Landlord;
- ii) The costs of complying with any Laws enacted prior to the Rent Commencement Date;
- iii) Any costs incurred in connection with the original design, construction, and landscaping of the Building and any correction of defects in design or construction, or both, of the Building, including replacement of defective equipment;
- iv) Any costs or expenses related to the compliance with environmental Laws and/or the monitoring, testing, removal, cleaning, abatement, or remediation of any Hazardous Substances in or about the Building, including, without limitation, Hazardous Substances in the ground water or soil to the extent present on, before, or after the

- Commencement Date caused by the acts or omissions of Landlord or any other person, agent, employee, invitee, or entity except Tenant;
- v) Any fines, costs, late charges, liquidated damages, penalties, tax penalties, or related interest charges imposed on Landlord or Landlord's managing agent; Any fees relating to: (a) disputes with tenants, prospective tenants, or other occupants of the Building, including lease takeover or lease take back costs; (b) disputes between Landlord and members, partners, or affiliates of Landlord; (c) disputes with purchasers, prospective purchasers, Mortgagees, or prospective Mortgagees of the Building or any part thereof; or (d) negotiations of leases, mortgages, or other security instruments, contracts of sales, or transfers of all or any portion of the Building or any interest therein by any person of any tier owning an interest therein;
 - vi) Any reserves of any kind;
 - vii) Expenses in connection with services or other benefits which are provided directly and exclusively to another tenant or occupant of the Building and that do not benefit Tenant;
 - viii) Expenses for repairs, replacements, and general maintenance of portions of the Building which are paid by proceeds of insurance or by Tenant or other third parties;
 - ix) Alterations attributable solely to tenants of the Building other than Tenant;
 - x) Interest, amortization, or other payments on loans made to Landlord, whether secured or unsecured, secured loan amortization and interest, costs relating to acquiring or negotiating equity contributions, costs and charges incurred in obtaining any public or private financing, refinancing, or loan modifications including but not limited to any prepayment penalty incurred, irrespective of whether the prepayment was voluntary or involuntary;
 - xi) Depreciation of the Building;
 - xii) Leasing commissions; Any costs relating to the marketing, solicitation, negotiation, and execution of leases of space in the Building, including, without limitation, promotional and advertising expenses, commissions, finders' fees, referral fees, legal fees and expenses relating to the negotiation and preparation of any lease, sublease, or other occupancy document, tenant improvement costs for tenant or other occupant space, the amount of any allowances or credits paid or granted to tenants or other occupants of any such design or construction, and all other costs of alterations of space in the Building leased to or occupied by other tenants or occupants; Capital repairs and Capital improvements made to the Building except as may

- otherwise be allowed under this Lease;
- xiii) Wages, salaries, fees, fringe benefits, and any other forms of compensation paid to any executive employee of Landlord and/or Landlord's managing entities or partners above the grade of building manager, as such term is commonly understood in the property management industry; provided, however, all wages, salaries, and other compensation otherwise allowed to be included in Operating Expenses shall also exclude any portion of such costs related to any employee's time devoted to other efforts unrelated to the upkeep, maintenance, accounting, management, and operation of the Building;
- xiv) Any amount paid by Landlord or Landlord's managing agent to a subsidiary or affiliate of Landlord or Landlord's managing agent, or to any party for management or other services to the Building, or for supplies or other materials, to the extent the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies, or materials been provided by parties unaffiliated with Landlord or Landlord's managing agent on an arm's length basis;
- xv) Management fees for the Building, except for the Amin Fee which shall be reimbursable;
- xvi) General corporate overhead for Landlord and Landlord's managing agent;
- xvii) Costs incurred by Landlord resulting from Landlord's or another tenant's breach of the Lease, Landlord's negligence or willful misconduct, or Landlord's indemnification of any tenant of the Building pursuant to the provisions of such tenant's lease.

6.3. **Operating Expenses in Year 1.** Tenant's Proportionate Share of Operating Expenses will be fixed at a rate of \$3,725.00/month for the first twelve (12) months of the Initial Term beginning on the Commencement Date.

6.4. **Payment of Tenant's Share.** Tenant will pay, beginning on the Commencement Date and on the first day of each month thereafter during the Term, Tenant's Proportionate Share of the estimated Operating Expenses for the next month, which share is currently estimated to be, \$3,725.00/month. If the first and last months are partial months, the amount will be prorated. After the first twelve (12) months, Landlord will advise Tenant from time to time of changes to this estimated amount and Tenant will pay that amount on a monthly basis, without demand or offset, until such time as Landlord advises Tenant of any new estimate.

6.5. **Reconciliation/Audit.** Annually during the Term and any Extension Term, Landlord

will give to County, within 90 days after the close of County fiscal year end (June 30), a detailed itemized statement ("**Reconciliation Statement**"), with copies of supporting documentation, reconciling Tenant's Proportional Share of estimated Operating Expenses paid by Tenant with actual Operating Expenses incurred by Landlord. In addition, County will be entitled, after reasonable written notice (at least 48 hours in advance) and at reasonable times, to inspect or audit, at County's expense, Landlord's books and records to verify the amount of Operating Expenses. If such a reconciliation or audit reveals that County has underpaid, County will pay any additional amounts due within thirty (30) days of receipt of the statement or completion of the audit; if County has overpaid, County will receive a credit in the amount of the overpayment against subsequent Operating Expense payments due hereunder. Such audit must be initiated within twelve (12) months after County's receipt of the Reconciliation Statement for the reconciliation period being audited. If the audit reveals that County has overpaid by more than seven percent (7%) of the actual payments owed, then, in addition to the above-stated credit, the Landlord shall reimburse the County for the reasonable and out-of-pocket expenses incurred in connection with the audit up to the lesser of (i) \$2,500.00 and (ii) the amount of the credit, within thirty (30) days after Landlord's receipt of written demand by County accompanied by supporting documentation of the amount sought to be reimbursed.

7. **County Improvements.** Should County wish to make improvements to the Premises, County may, at County's expense, improve the Premises as explained below. These improvements will be referred to as ("**Improvements**"). It is County's intent to make Improvements related to networking and telecommunications, Premises security, including cameras, Premise access, dry fire-retardant systems, and audio/video and public address systems (collectively, the "**Initial Improvements**").

7.1. **Plans.** County will, at County's expense, develop plans and specifications necessary for permitting and constructing the Initial Improvements (the "**Plans**"), and will award a contract for construction of Improvements, or at County's sole discretion, complete the Improvements with County's own workforce or "shops". Plans will be submitted to Landlord for their review and approval prior to commencing construction/installation of any Initial Improvements, which will not be unreasonably withheld. If Landlord has not provided County with explicit, commercially reasonable objections to the Plans within ten (10) days of receipt, the Landlord shall be deemed to have approved the Plans. Landlord's right to review plans and specifications under this Section 7 shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations.

7.2. **Construction.** County, at its cost, will construct, or cause to be constructed, the

Initial Improvements in a good and workmanlike manner, according to the Plans.

- 7.3. **Mechanics' Liens.** County shall not permit mechanics' or other liens to be placed upon the Property, Premises, or the Building with any work or service done or purportedly done by or for the benefit of County.
8. **Permitted Use.** County will use the Premises as administrative offices, warehouse space, light assembly and other related activities for the operations of the Pima County Recorder's office including early ballot processing and related secured activities ("**Permitted Use**"). Without limiting the foregoing the Premises may also be used as an "Early Voting Site". During any statutorily-designated period of Early Voting, the Premises must comply with any federal, state and/or County statutes relative to Early Voting Sites, which compliance shall be the sole responsibility of County, at County's sole cost and expense. Compliance will include, without limitation, a prohibition of any person, from political messaging or electioneering within seventy-five (75) feet of the Early Voting Site. County shall be responsible, at County's sole cost and expense, to enforce such radial restriction from the Earling Voting Site. No other use will be allowed without the Landlord's prior written consent, which will not be unreasonably withheld or delayed.
9. **Prohibited Uses.** County will not use or knowingly permit any portion of the Premises to be used in any way that would constitute a violation of any law, ordinance (including zoning), or governmental regulation or order, or that would constitute a nuisance or waste or would interfere with other users of the Building or neighboring properties, or in any manner that would void County's or Landlord's insurance or void any warranties. If any increase in the cost of any insurance on the Premises or the Property is caused by County's use or occupation of the Premises, then County shall pay the amount of such increase to Landlord.
10. **Licensure/Permits.** County, at its cost, will apply for and obtain any license, registration or permit which will be required during the Term of this Agreement by the State of Arizona or any other governmental or regulatory authority and will maintain such license, registration or permit in good standing throughout the Term of this Agreement (collectively, the "**Permits**"). County will have thirty (30) days from the Commencement Date to obtain such Permits. County will immediately notify County in writing if the license, registration or permit is denied or terminated. In the event of such denial or termination County may, in its sole discretion, terminate this Lease by delivering written notice to Landlord no later than sixty (60) days after such Permits are denied or terminated, and upon such termination neither Party will have any further obligations to the other Party, except those expressly deemed to survive termination.
11. **Common Areas.** The Common Areas will be subject to the control and management of

Landlord and Landlord will have the right from time to time to change the appearance and configuration of Common Areas or landscaping provided that such activity does not materially interfere with County's operations. Due to the nature of the Permitted Use, if necessary, County may temporarily restrict Landlord access to certain areas of the Premises and Common Areas immediately adjacent to the Premises, during specific times or when practicable, provide Landlord "escorted" access by County personnel. Landlord with adequate notice to County, will have the right from time to time to temporarily close any portion of the Common Areas for the purpose of making repairs, changes or additions thereto and Landlord may enter into agreements with adjacent owners for cross-easements for parking, ingress or egress.

12. **Furniture, Fixtures and Equipment.** County may use any and all Landlord owned FF&E present within the Premises as of the Commencement Date. After providing Landlord "first right of refusal" on any Landlord-owned FF&E, County may remove or discard any Landlord-owned FF&E, at its own expense.

12.1 Any FF&E paid for and installed in the Premises by County will remain the property of the County and may be removed at any time during the Term provided County restores the Premises to its original condition prior to FF&E installation and repairs any damage to the Premises occasioned by such removal at County's cost and expense. Upon expiration or early termination of the Lease as provided herein, with Landlord's advance approval, County may leave said items in place and they will become the property of the Landlord. County will maintain all FF&E provided and installed by County.

13. **Repairs, Service.**

13.1. **County Maintenance and Repairs Obligations.** Subject to Section 33 of this Lease concerning damage resulting from a casualty, and except for any damage caused by the Landlord or their employee, contractors, volunteers or invitees, County, at its expense, will maintain the Premises in good, clean and operating condition, and make all necessary repairs to the interior of the Premises, which include, but are not limited to, doors, freight doors and freight door openers, all interior walls, floors and ceilings, all interior and exterior signs of County, interior fixtures and furnishings, including interior lighting, wiring, plumbing, and electrical fixtures serving the Premises and located within the Premises.

13.2. **Landlord's Self-Help Remedies.** If County fails to maintain the Premises in accordance with the provisions of Section 13.1, then Landlord may, fifteen (15) days after providing County written notice of County's failure to make, or commence to make, the necessary repairs, may perform such obligations at County's cost and expense, and County shall reimburse Landlord for such amounts plus a 10%

administration fee within thirty (30) days after receipt of invoice accompanied by reasonable supporting documentation.

13.3. Landlord Responsibilities. Except for any damage caused by the County, or their employee, contractors, volunteers or invitees, other than ordinary wear and tear, Landlord will be responsible for the maintenance and repair of the exterior portions of the Building, with the exception of HVAC which will be the responsibility of County per Section 13.3.1, and Common Areas, which include, but are not limited to, the Building structural components, foundations, exterior walls, roof, glass, plate glass, windows, surrounding sidewalks, parking lots, exterior electrical, exterior lighting, exterior plumbing and sewer. Landlord shall make all such repairs and replacements without, to the extent practicable, materially interfering with the conduct of Tenant's business. Except as otherwise stated in this Lease, Landlord may recover these costs as Tenant's Proportional Share of Operating Expenses.

13.3.1. Heating Ventilation Air-conditioning and Heating. County will repair and service and make necessary replacements to the Heating Ventilation Air-conditioning and Heating units and systems exclusively serving the Premises ("HVAC"). County will contract with a licensed HVAC contractor for preventative maintenance and regular inspection of the HVAC equipment on a quarterly basis, including filter changes (the "HVAC Contract"). County will directly pay the costs and expenses for such repair and maintenance, including but not limited to the costs of the HVAC Contract, and these costs will not be passed through as Operating Expenses or be subject to 10% Admin Fee.

13.3.2. Fire Safety Systems. Landlord will, at all times have access to any and all Fire Risers and all related fire safety infrastructure present as of the Commencement Date and will be responsible to service, maintain, inspect, and keep in good working order, all existing fire suppression and fire safety systems. County, at its sole cost and expense, intends to install additional fire safety systems to accommodate its Permitted Use ("FFS"). County will, at all times, have access to, service, control and maintain FFS.

13.3.3. Landlord shall not, except to the extent caused by the culpable negligence or willful misconduct of Landlord, its agents, or employees, be liable for and there shall be no abatement of Rent for (i) any damage to County's property stored on the Premises, (ii) loss of or damage to any property by theft or any other wrongful or illegal act, or (iii) any injury or death to persons or damage to property resulting from fire, explosion, wind, earthquake, steam, gas, electricity, flood, water or rain which may leak from any part of the Building or Property or from the pipes, appliances, appurtenances or plumbing works therein or from the roof, street or subsurface or from any other place or

resulting from dampness or any other cause whatsoever or from the acts or omissions of other tenants, occupants or other visitors to the Building.

- 13.4. County Self-Help.** Notwithstanding anything contained herein to the contrary, if Landlord has not commenced any repair, replacement or maintenance required to be performed by Landlord hereunder within fifteen (15) days after written notice thereof from County, or if so commenced, is not diligently pursuing same to completion, County may "self-help" for repairs and maintenance. County may be operating the facility 24 hours a day, seven days a week. Requests for maintenance and repair services are not limited to normal business hours and may require immediate attention. Therefore, due to the specific nature of this Lease and the Permitted Use, and especially for matters related to occupant's health or safety, if Landlord fails to make or commence any repairs or perform any maintenance of the Premises that Landlord is responsible for under the terms of this Lease within such 15-day period, or if County is unable to contact Landlord or Landlord's designee regarding needed repairs after reasonable attempts to do so (taking into account the nature of the problem), County may cause the repairs to be made and may invoice Landlord for the its actual, out-of-pocket, reasonable, documented cost of such repairs plus a 10% administration fee, if work is performed by the County "shops", or if work is contracted by County through JOCs, the actual cost, or in either case credit repair costs and administration fee against any payments or charges related to this Lease. Landlord shall reimburse County for such costs within thirty (30) days after receipt of invoice accompanied by reasonable supporting documentation. If Landlord does not reimburse County within thirty (30) days after receipt thereof, then, County may offset from Base Rent, until such amounts due have been fully offset or reimbursed by Landlord.
- 13.5. Notification to Landlord.** In the event of a breakdown or needed repairs to the Premises, Common Areas, or equipment associated therewith, County will notify Landlord or its agent of such breakdowns or needed repairs by contacting Landlord at propertymgmt@larsenbaker.com and Landlord shall complete any such repairs within twenty-one (21) Business Days after notice from the County, provided, if such repairs cannot be concluded with such 21-day period, the date for completion shall be extended daily, but only so long as Landlord is diligently and continuously working to complete the requisite repairs.
- 13.6. Janitorial.** County is responsible for providing and directly paying for janitorial services to the Premises. As such, these expenses are not considered part of Operating Expenses and are not subject to any Admin Fee.
- 13.7. Security.** County will provide, at its own cost and expense, necessary security systems and, if necessary, personnel to secure the Premises, to include its Reserved

Spaces. County security systems and personnel are solely responsible for securing the Premises, and County bears no responsibility for the security of Common Areas, Parking Lots outside of its Reserved Spaces, other tenants, or any area external to the Premises, provided, however, the costs incurred by Landlord in securing the Common Areas and Parking Lots shall be reimbursable as Operating Costs.

14. **County Damage.** County will promptly repair any damage done to the Premises by any employee, agent, contractor or invitee of County.
15. **Access / Keys.**
 - 15.1. **Hours of Access.** County will have access to the Premises twenty-four (24) hours a day, seven (7) days per week, three hundred sixty-five days (365) days per year. County, at its own expense, may install and utilize its own access technology to secure the Premises.
 - 15.2. **Keys.** On or before Commencement Date, Landlord will provide keys to facilitate County's access to the Premises.
 - 15.2.1. County intends, at its sole cost and expense, to install Improvements, per Section 7, to upgrade Building access and security. This system may include a keycard system. Once a keycard system is installed, County will coordinate with Landlord and provide necessary keycard access.
 - 15.3. **Landlord Access to the Premises.** Except as outlined in Section 11, County will permit Landlord and Landlord's authorized representatives to enter the Premises, with reasonable prior notice, which shall be not less than seventy-two (72) hours, for purposes of inspection, making any repairs and performing any work therein as may be necessary for Landlord to comply with its obligations under this Lease. Landlord, in the performance of any such work, will cause as little inconvenience, annoyance, disturbance, or damage to County as is reasonably possible under the circumstances. If necessary, during emergencies, Landlord may access the Premises at any time should Landlord be required to respond to any emergency situation at the Premises. If necessary, County will provide access and/or keys to first responders.
16. **Utilities.** Landlord will provide, or caused to be furnished, all utilities to the Premises and the Common Areas, including electricity, gas, water, sewer, and trash and recycling collection. Electricity, heating, ventilation and air conditioning services will be provided as needed, but in all events utilities will be provided without interruption in amounts and quality sufficient to support the Permitted Use of the Premises as provided in Section 8, above, and County will pay Tenant's Proportional Share of same. Landlord shall not be liable for, and County shall not be entitled to, any damages, abatement or reduction of

Rent, or other liability by reason of any interruption to any utilities and services described herein for any reason other than Landlord's sole negligence or willful misconduct.

17. **Telecommunications.** County, at its sole cost, may install its own telecommunication systems and equipment including telephone, data, network connections and systems, and Internet connectivity ("**Telcom**"), and will be responsible for maintaining the systems and equipment and will directly pay for all such services and equipment. Landlord will, by separate agreement, grant access and permit third-party Telcom services providers Right of Entry to the Premises for the purposes of installing Telcom, which separate agreement shall be in form and substance reasonably acceptable to Landlord. If necessary, County will obtain Telcom connection(s) from a local ISP and will maintain it at its own expense. County may use its own ISP connection hardware. County is responsible for all aspects of Telcom under its control, and for securing same from intrusion or damage. County shall not make any penetrations of the roof of the Building without the prior written consent of Landlord, which consent may be reasonably conditioned, but not unreasonably withheld or delayed.

Taxes. County will be responsible for Tenant's Proportional Share of all Real Estate Taxes (hereinafter defined) and all transaction privilege tax related to this Lease and will pay to Landlord, in addition to any other sums due hereunder, any applicable rental taxes for which Landlord is responsible including, if applicable, the government property lease excise tax pursuant to A.R.S. §-42-6201 et seq. For the purposes of this Lease, "Real Estate Taxes" means all real property taxes, assessments that are assessed, levied, or imposed on the land, buildings, and/or other improvements comprising all or part of the Property. Further, Real Estate Taxes shall include the reasonable expenses (including, without limitation, reasonable attorneys' fees) incurred by Landlord in challenging or obtaining or attempting to obtain a reduction of such Real Estate Taxes, provided the outcome of such challenge is successful in the reduction of Real Estate Taxes. Notwithstanding the foregoing, Landlord shall have no obligation to challenge Real Estate Taxes. Landlord shall not include in Real Estate Taxes any late payment charges, interest and penalties caused by Landlord's late payment of Real Estate Taxes to the applicable governmental authority.

18. **Insurance.** During the Term of this Lease, County will at its sole expense maintain in full force and effect the following:
 - 18.1. **Commercial General Liability (CGL).** Occurrence Form with limits of \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy will include bodily injury, property damage, broad form contractual liability coverage, personal and advertising injury and products – completed operations.
 - 18.2. **Business Automobile Liability –** Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract with a Combined Single Limit (CSL) of \$1,000,000 each accident.

- 18.3. **Workers' Compensation (WC) and Employers' Liability.** Statutory requirements and benefits for Workers' Compensation. In Arizona, WC coverage is compulsory for employers of one or more employees. Employer's Liability coverage- \$1,000,000 each accident and each person - disease.
- 18.4. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:
- 18.4.1. **Additional Insured:** The General Liability and Business Automobile Liability Policies shall each be endorsed to include Pima County, its departments, districts, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Landlord.
- 18.4.2. **Subrogation:** The General Liability, Business Automobile Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of Pima County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Landlord.
- 18.4.3. **Primary Insurance:** The Landlord's policies shall stipulate that the insurance afforded the Landlord shall be primary and that any insurance carried by Pima County, its agents, officials, or employees shall be excess and not contributory insurance.
- 18.4.4. Parties acknowledge that Pima County is self-insured and that a combination of self-insurance and excess insurance is acceptable to meet the insurance requirements in this section of the agreement.
- 18.5. Landlord shall maintain Property Insurance for the full replacement cost value of the building and its business personal property. The Property policy shall include a waiver of subrogation endorsement (or equivalent) in favor of Tenant and its respective agents, employees, partners, directors and officers. Tenant shall not be liable to Landlord (and Landlord hereby waives all right of recovery by way of subrogation against Tenant) from any and all claims for loss or damage covered by the insurance required hereinabove, irrespective of whether such loss or damage results from Tenant's negligence or that of any of its agents, servants or employees.
19. **Sublease and Assignment.** County may not assign its rights and obligations under this Lease or sublease any portion of the Premises without Landlord's prior written consent, which may be withheld by Landlord in Landlord's sole and unfettered discretion. Such an assignment or sublease, if permitted, does not constitute a release of any obligations of

the County due under this Lease. The Landlord agrees that should it desire to sell the Building, it agrees to give County written Notice, at the earliest possible time, if Landlord enters into any agreement to sell the Building, subject to confidentiality covenants required by any buyer.

20. **Personal Property.** All personal property placed or removed in the Premises shall be at the risk of the party placing such property on the Premises or moving such property in the Premises.
21. **Damage to Property.** The County covenants that it will permit no waste or damage to the Premises; that it will keep all improvements placed upon the Premises in reasonably good order and reasonably good state of repair.
22. **Change in Ownership.** If ownership of the Premises or the name or address of the party entitled to Rent changes, County may, until receipt of written notice of such change, continue to pay Rent to the party to whom and in the manner in which the last preceding installment of Rent was paid. County will not be subject to double liability for any Rent so paid. Any transfer of title to the Premises will be subject to this Lease.
23. **Surrender / Holding Over.** On termination of County's occupancy, County shall surrender the Premises in the condition in which County is required to maintain them under this Lease. County will repair any damage done by the removal of Personal Property and be responsible for all associated costs. If County for any reason and with written consent of Landlord remains in possession after the expiration of this Lease (including any optional extension), or after the date specified in any notice of termination given by either party, such possession shall be as a month-to-month tenancy, subject to all conditions of this Lease except the term hereof, and the rent for the first 6 months will be 103% of the rent being paid by County's prior to the expiration or termination, and for the next 6 months will be 104% of that amount.
24. **Parking.** County's employees and visitors may park in any spaces in the Building parking lot as shown in Exhibit C. County shall have the exclusive use of the six (6) parking spaces as shown on Exhibit C attached hereto ("Reserved Spaces"). County, at County's cost and expense, may install such signage or other indicator that identifies the Reserved Spaces are reserved for the exclusive use of County. County shall not have the exclusive right to use any specific parking spaces in such non-designated areas. Landlord will never have any obligation to enforce County's exclusive parking rights except that, upon verbal or written notice from County that any of the Reserved Spaces are being utilized by others, Landlord shall use commercially reasonable efforts to locate the offending parker and have them remove their car, failing which County may seek to locate the offending parker and have them remove their car. All parking rights granted to County shall be for the sole use of the employees and invitees of County. County agrees to assume responsibility for compliance

by its employees and invitees with the parking provisions contained herein. Landlord reserves the right to grant easements and access rights to others for use of the parking areas on the Property, provided that such grants do not reduce parking and do not interfere with County's use of the parking areas for exclusive and non-exclusive spaces and as set forth herein.

25. **Signs.** County will have signage rights to install (i) County's sign panels on the Valencia monument sign (the "**Monument Sign**") at the location set forth in **Exhibit F** attached hereto, and (ii) County's exterior Building façade signage on the North (Valencia frontage) portion of the Premises' façade. All signage will be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed. County is responsible for all costs associated with County's signage, including without limitation, design, fabrication, installation, maintenance, repair, necessary replacement, and removal. During the Term, County, at its own cost, shall maintain all such signage in good condition in repair and shall remove all such signage at the expiration or earlier termination of this Lease and promptly repair any damage to the Premises caused by such removal, all at County's sole cost and expense. Landlord will be responsible for maintaining and repairing the Monument Sign structure, the expenses of which shall be reimbursable as Operating Expenses.

26. **Indemnification.** To the fullest extent permitted by law, Landlord will defend, indemnify, and hold harmless Pima County and any related taxing district, and the officials and employees of each of them (collectively, "**Indemnitee**") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "**Claims**") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Landlord or any of Landlord's directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Landlord to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnitee will, in all instances, except for Claims arising solely from the acts or omissions of the Indemnitee, be indemnified by Landlord from and against any and all Claims. Landlord is responsible for primary loss investigation, defense and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Agreement.

27. **Default.**
 - 27.1. **County Default.** The occurrence of any one or more of the following events (each an "**Event of Default**") will constitute a default and breach of this Lease by County for which Landlord may terminate this Lease or County's Right of Possession:

- 27.1.1. *Operations of the Premises.* The vacating or abandonment of the Premises, or cessation of activities thereon, or any portion thereof, by County, where such abandonment shall continue for a period of forty-five (45) calendar days after written notice of such default is sent by Landlord to County.
- 27.1.2. *Monetary Obligations.* The failure by County to make any payment required to be made by County under this Lease, as and when due, where such failure continues for a period of forty-five (45) calendar days after written notice from Landlord that the payment is due.
- 27.1.3. *Violation of Law.* Violation of any law by County, or the conduct of any unlawful activities on the Premises by County.
- 27.1.4. *Other Covenants.* The failure by County to observe or perform any other of the covenants, conditions or provisions of this Lease to be observed or performed by County, where such failure continues for a period of 45 days after written notice from Landlord to County; provided, however, that if the nature of County 's default is such that more than 45 days are reasonably required for its cure, then County will not be deemed to be in default if County commences such cure within said 45-day period and thereafter diligently prosecutes such cure to completion provided such cure is completed within one hundred and eighty (180) days of the notice by Landlord.
- 27.2. **Landlord's Remedies.** Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, after any applicable cure period Landlord may at any time thereafter at its election; terminate this Lease or County's right of possession, (but County shall remain liable as hereinafter provided) and/or pursue any other remedies at law or in equity.
- 27.2.1. **Termination.** Landlord may terminate this Lease, effective at such time as may be specified by written notice to Tenant and recover possession of the Premises from Tenant. Tenant shall remain liable to Landlord for damages in an amount equal to the Rent and sums which would have been owing by Tenant hereunder for the balance of the Term had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by Landlord after such termination, after deducting all Landlord's expenses in connection with such recovery of possession or reletting. Landlord shall be entitled to collect and receive such damages from Tenant on the days on which the Rent and amounts would have been payable if this Lease had not been terminated. Alternatively, at the option of Landlord, Landlord shall be

entitled to recover forthwith from Tenant, as damages for loss of the bargain and not as a penalty, an aggregate sum which, at the time of such termination of this Lease, represents the present value of the excess, if any, of: (a) the aggregate of the Rent and other sums payable by Tenant hereunder that would have accrued for the balance of the Term; over (b) the amount, if any, of such Rent and other sums which Tenant establishes Landlord can reasonably expect to recover by reletting the Premises for the remainder of the Term, taking into consideration loss of Rent. Present value shall be computed by discounting the amount due from Tenant, using the Federal Reserve Discount rate.

- 27.3. **Landlord Default; Tenant's Remedies; Limitation of Liability.** Landlord will not be in default under this Lease unless Landlord fails to perform any of its obligations under this Lease to be performed by Landlord and such failure continues for 30 days after receipt of written notice and demand from County (unless the failure is of such a character as to require more than 30 days to cure, in which event Landlord will be in default hereunder only if it fails to initiate the cure within such thirty-day period and thereafter diligently pursue the same to completion), provided such cure is completed within one hundred and twenty (120) days of receipt of written notice from County. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter.
- 27.4. **Force Majeure.** Neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Lease, for any failure or delay in fulfilling or performing any obligation under this Lease when and to the extent such failure or delay is caused by a Force Majeure Event (hereinafter defined). The time provided for either Party to perform its obligations hereunder shall be extended by a period of time equal to the duration of events beyond their control, delay by governmental authorities beyond such party's control, acts of God, terrorism, riot, war, civil commotion, labor disputes which do not affect solely the delayed party, strikes which do not affect solely the delayed party, fire, flood or other casualty, shortages of labor or material which do not affect solely the delayed party, government regulation and weather conditions causing delay (each a "**Force Majeure Event**"). Any delay or failure of any obligation to pay Rent or any other monetary obligations hereunder or any obligation that can be fulfilled by the payment of money (for example, the maintenance of insurance required hereunder) will not be excused by any Force Majeure Event.
28. **Notices.** All notices to be given under this lease will be in writing and will be either served personally or sent by certified or registered mail, return receipt requested, electronic transmission or fax, to the parties as indicated below or to such other persons, or addressees as either Party may designate in writing to the other Party:

County : 150 W. Congress St.
3rd Floor
Tucson, AZ 85701
Phone: 520-724-3085
Attention: Tony Cisneros, Director
Email: FM_Leasing_Services@pima.gov

Landlord: Valencia Tech Park, L.L.C.
c/o Larsen Baker LLC
6298 E. Grant Rd., #100
Tucson, AZ 85712
Phone: 520-296-0200
Email: Isaac@larsenbaker.com
elaina@larsenbaker.com

29. **Receipt of Notice.** Any notice given as indicated in section 30 will be deemed to have been given on the date of receipt, or if delivery is refused, on the date of such refusal.
30. **Subordination; Non-Disturbance.**
- 30.1. Parties shall, immediately upon the mutual execution of this Lease and the receipt of original acknowledged signatures to the Memorandum of Lease, cause to be recorded a Memorandum of Lease in the form of **Exhibit G**, attached hereto and incorporated herein by this reference.
- 30.2. If and to the extent that County receives a request to subordinate its Leasehold position through a Subordination, Non-Disturbance and Attornment Agreement acceptable to County in its sole and complete discretion shown in **Exhibit H ("SNDA")**, County will subordinate its Leasehold position, but only in explicit compliance with, and only to the limits of, such Subordination Agreement. County shall have 45 days after receipt of such Agreement to approve or disapprove such Agreement in its sole and absolute discretion. If County does not act upon such Agreement within such 45-day period, County shall be deemed to have accepted such Agreement.
31. **Environmental.** County will comply with all present and future laws and regulations regulating the environment, hazardous or toxic waste, ambient air, groundwater, surface water, and land use. County acknowledges receipt of a Phase I Environmental Site Assessment Report prepared by Wester Technologies Inc. dated December 29, 2003.
32. **Destruction of Premises.** If at any time during the Term of the Lease, the Premises becomes partially or totally destroyed by reason of any damage by fire, flood, hurricane,

windstorm or other casualty or act of God and the Landlord cannot or does not fully repair the Premises within ninety (90) days through no fault of County then, County and Landlord will be relieved of any further obligation, duty or liability under this Lease. If the Premises can be and are repaired fully in one hundred and eighty (180) days, then this Lease will continue in full force and effect while the repairs are being made, and Rent will be abated by the percentage of the total Premises area that is unavailable or not reasonably useful to County

33. Condemnation.

33.1. Complete Taking. If the whole of the Premises is taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, or if a substantial portion of the Premises is taken or condemned so that the portion or portions remaining is or are insufficient or unsuitable, in the reasonable judgment of County, for the continued operation of the business contemplated by this Lease, so as to effectively render the Premises untenable, then this Lease will cease and terminate as of the date on which County is required to vacate the Premises as a result of the condemning authority taking possession and all Rent will be paid by County to Landlord up to that date or refunded by Landlord to County if Rent has previously been paid by County beyond that date. Landlord shall be entitled to receive any and all awards paid by the condemning authority in connection with any condemnation other than for any taking of County's personal property and for County's moving expenses.

33.2. Partial Taking. If a portion of the Premises is taken, and the portion or portions remaining can, in the reasonable judgment of County, be adapted and used for the conduct of County's business operation, then Landlord will promptly restore the remaining portion or portions thereof to a condition comparable to their condition at the time of such taking or condemnation, less the portion or portions lost by the taking, and this Lease will continue in full force and effect except that the Rent payable hereunder will, if necessary, be equitably adjusted to take into account the portion or portions of the Premises lost by the taking.

33.3. County Participation in Condemnation. Whether the Condemnation is Complete or Partial, the County shall have the right to independently seek damages for any loss affecting the value of its Leasehold estate. Landlord acknowledges that County may exercise its right by seeking redress in a separate action.

34. Quiet Enjoyment. Landlord warrants that Landlord is seized of the Premises and has the full right to make this Lease. Landlord further covenants that, so long as no Event of Default has occurred and is continuing beyond any applicable notice and cure periods,

County will have quiet and peaceful possession of the Premises during the entire Term as against lawful acts of third parties and as against the acts of all Parties claiming title to, or a right to possess, the Premises.

35. **Interpretation of Lease.** The Parties acknowledge that each has had the opportunity to review this Lease with counsel of their choice. This Lease will not be construed more strongly in favor or against either of the Parties but will be interpreted fairly and equitably to effectuate the intent of the parties. All provisions contained in this Lease will bind and inure to the benefit of the parties and their successors and assigns.
36. **Entire Agreement.** This Lease contains the entire agreement between the Parties and all previous Leases, amendments, negotiations, or understandings are superseded by and merged in this Lease. This Lease may be modified by the Parties only by writing executed with the same formalities as this Lease.
37. **Broker Disclosure.** County acknowledges that George Larsen, Isaac Figueroa, and Melissa Lai, all of Larsen Baker, L.L.C., an Arizona limited liability company (“**Landlord’s Broker**”), represent Landlord exclusively, are principals of Landlord, and are licensed real estate brokers in Arizona, and are acting as owner/agents and may participate in the commissions earned by Landlord’s Broker hereunder. County is self-represented. Both Parties acknowledge that each intends to seek its own legal advice and business representation in negotiating the Lease. Except as specifically identified above, County represents and warrants to Landlord that they have not dealt, directly or indirectly, in connection with the leasing of the Premises, with any other broker or person entitled to claim a commission or leasing fee besides those mentioned above.
38. **Non-Discrimination.** The Parties will comply with all applicable state and federal statutes and regulations governing equal employment opportunity, non-discrimination, and immigration applicable to such Party.
39. **Arbitration.** The Parties agree that any dispute arising under this Agreement involving the sum of fifty thousand (\$50,000) or less in money damages only shall be resolved by arbitration pursuant to the Arizona Uniform Rules of Procedure for Arbitration. The decision of the arbitrator(s) shall be final.

American with Disabilities Act. Both Parties will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act (the “**ADA**”) as follows: Tenant shall be responsible for compliance with the ADA as it pertains to the use of the Premises and Landlord shall be responsible for compliance with the ADA as it pertains to the Common Areas. This will not obligate County to make any modifications to the Building or Premises, as a result of any change in the law or regulations, if such repairs are not otherwise legally

required.

40. **Non-appropriation.** The Parties recognize that the performance by County may be dependent upon the appropriation of funds by the Board of Supervisors of the County, or the availability of funding from other sources. Should the Board of Supervisors fail to appropriate the necessary funds, or if funding becomes otherwise not legally available to the County to fund its responsibilities under this Lease, the County may terminate this Lease without further duty or obligation, except those expressly deemed to survive termination. County agrees to notify Landlord in writing as soon as reasonably possible after the unavailability of said funds comes to the Board's attention.
41. **Conflict of Interest.** This Lease is subject to cancellation pursuant to the provisions of Arizona Revised Statute § 38-511 regarding Conflict of Interest.
42. **Law to Govern.** This Lease is made under and will be interpreted according to Arizona law. Any action relating to this Lease will be brought in a court of the State of Arizona in Pima County.
43. **Sustainability Plan.** In accordance with the County's Sustainability Plan, County will use all reasonable efforts to use recycled products or re-use and recycle materials used in the Premises.
44. **Applicable Law.** County will comply with all applicable federal, state and local laws, rules, regulations, standards, Executive Orders, and with any applicable Pima County Board of Supervisors' policies, including Policy Number C. 3.18 entitled "Tobacco-Free Environment," a copy of which is attached as **Exhibit D**.
45. **Counterparts and Copies.** This Agreement may be executed in counterparts, all of which, when taken together, shall constitute one agreement with the same force and effect as if all signatures had been entered on one document. Electronic, scanned, copied, or facsimile images of signatures in lieu of original signatures, transmitted electronically, are acceptable and shall be deemed the equivalent of an original.

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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day, month and year written below.

PIMA COUNTY, ARIZONA

By: _____

Adelita S. Grijalva
Chair, Board of Supervisors

Date: _____

ATTEST:


By: _____

Melissa Manriquez
Clerk of the Board of Supervisors

**Valencia Tech Park, LLC, an Arizona
limited liability company**

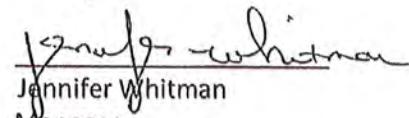
By: VTP Manager, LLC, an Arizona
limited liability company

Its: Manager

By:  _____

Melissa Lal

Its: Manager

By:  _____

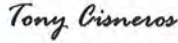
Jennifer Whitman

Its: Manager

Date: _____

APPROVED AS TO CONTENT:

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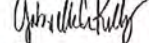
 10/29/2024

By: _____

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Tony Cisneros, Director
Pima County Facilities Management

Signed by:



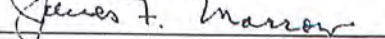
By: _____

CE0E7E09E713473

Gabriella Cázares-Kelly
Pima County Recorder

Date: 10/29/2024

APPROVED AS TO FORM:

By:  _____

James F. Morrow
Deputy County Attorney

Date: October 29, 2024

EXHIBIT A
Site

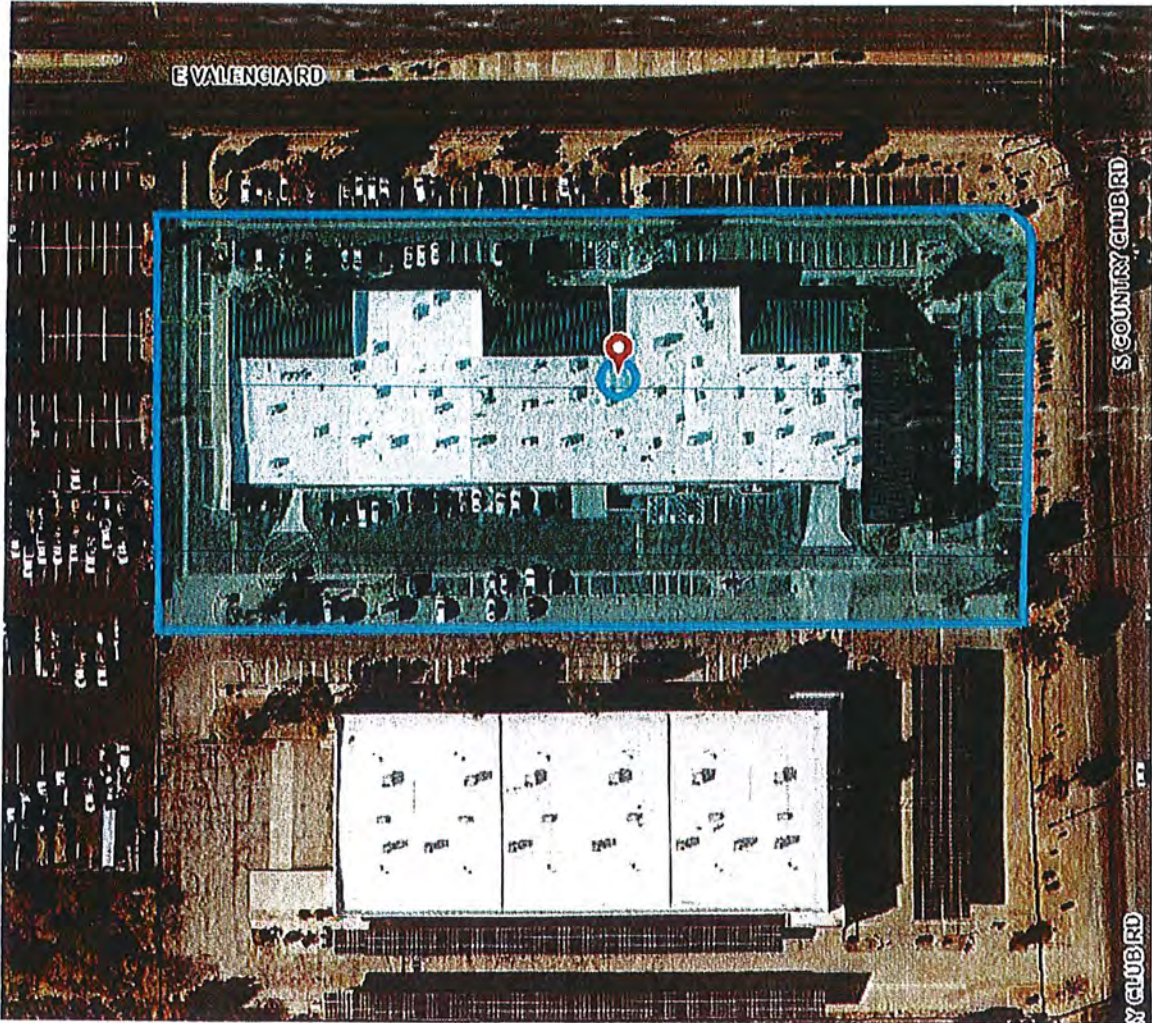


EXHIBIT B

Premises (~14,902 sf)

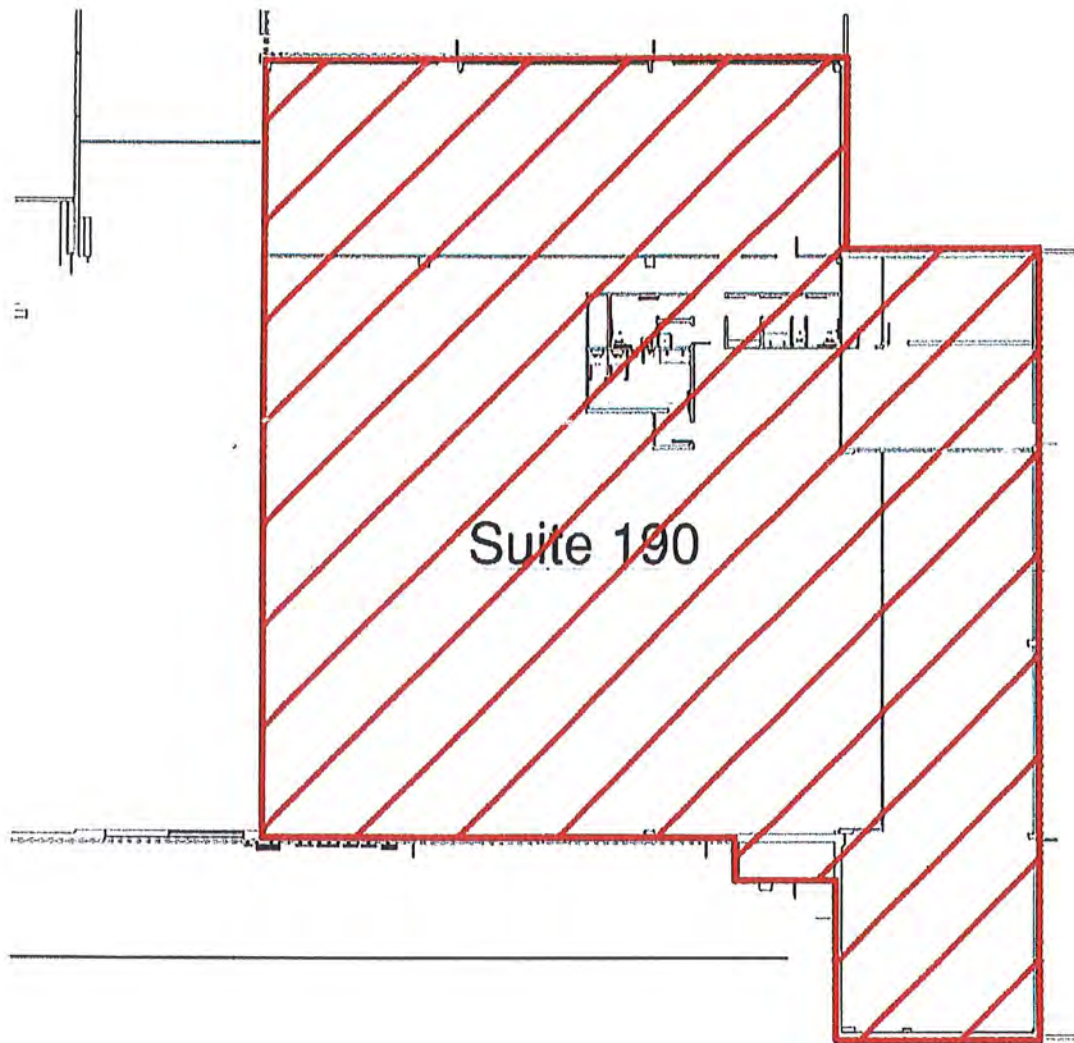


EXHIBIT C

Parking



Reserved Spaces

THE LIMITED PURPOSE OF THIS EXHIBIT TO SHOW THE APPROXIMATE LOCATIONS OF THE COMMON PARKING SPACES.

EXHIBIT D

TOBACCO FREE POLICY C 3.18 Page 1 of 2

PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY
Subject: Tobacco-Free Environment

Policy Number C 3.18

Purpose:

Smoking and the use of tobacco-related products are a major cause of preventable disease and death. As a leading employer and health proponent, Pima County is committed to the promotion of health, wellness, and the prevention/treatment of diseases. Pima County also serves as a model for the public, influencing attitudes about smoking and the dangers of tobacco and vape products. The purpose of this policy is to create tobacco and vape-free environments for all Pima County facilities, public buildings and adjacent properties, to provide Pima County employees and the public with guidelines for managing and supporting this policy, and to encourage a healthy lifestyle for all personnel and visitors.

Background:

As a major entity involved in the promotion of public health and safety within Pima County, the Board of Supervisors promotes and encourages the establishment of a tobacco and vape-free zone on County facilities, public buildings and adjacent properties. The Board of Supervisors has previously established wellness as a priority for all County employees, by the adoption of the long-range Sustainability Program and employee incentives in the way of premium discounts for health insurance benefits. The establishment of a tobacco and vape-free policy is the natural continuance of those efforts.

Policy:

It is the policy of the Board of Supervisors that to provide a safe and healthy environment for all employees and the general public.

The Board of Supervisors prohibits the use of tobacco and vape products at all times on County facilities, public buildings and adjacent properties, and in County vehicles. This prohibition applies to all employees, and to all visitors and other persons at any County sponsored activity or event conducted on County facilities, in public buildings or on adjacent properties.

Definitions:

Tobacco Products include cigarettes, cigars, pipes, smokeless tobacco, water pipes, hookah, e-cigarettes, chewing tobacco, snuff and other products containing tobacco.

County Facilities, Public Buildings and Adjacent Properties including County owned or leased properties and a facility occupied or used by any County personnel, visitor, or vendor, and includes but is not limited to buildings, courtyards, walkways, breeze-ways, parking lots, parking structures, County vehicles (owned or leased), loading docks or construction sites.

Vape (or Vaping Device) is a piece of equipment used for inhaling vapor that may contain nicotine, flavoring, and/or other substances.

EXHIBIT D

TOBACCO FREE POLICY C 3.18 Page 2 of 2

Compliance:

County personnel are responsible for compliance with the policy.

Visitors and vendors observed to violate this policy shall be respectfully informed of the Tobacco and Vape-Free Environment Policy and asked to comply. If a visitor or vendor neglects to comply, that neglect to comply may be used as grounds for prohibiting access to premises or facilities by said visitor or vendor.

If any individual violating the policy appears agitated or otherwise confrontational regarding compliance, then County personnel shall immediately inform the staff responsible for the facility or security personnel if available and shall engage in no further intervention.

All vendors doing business with Pima County shall be notified of the Tobacco and Vape-Free policy and shall be expected to comply with the policy. Organizers and supervisors of public events, conferences, meetings and work activities on County facilities, work sites, public buildings and adjacent properties shall be responsible to communicating the requirements of the Tobacco and Vape-Free Policy to such events or conferences for attendees.

All new employees of Pima County will be informed on and educated about the Tobacco and Vape-Free Policy and the requirement that employees comply with the policy. Additionally, new employees shall be made aware of the availability of tobacco cessation programs sponsored or funded by Pima County.

References:

Smoke-Free Arizona Act, A.R.S. § 36-601.01

Pima County Ordinance, Chapter 2.12

Pima County Code, Section 8.50

| | |
|-----------------|-------------------|
| Adopted Date: | November 13, 2012 |
| Revised Date: | November 15, 2022 |
| Effective Date: | November 15, 2022 |

EXHIBIT E (1 of 3 pages)
RULES AND REGULATIONS

1. **ENTRANCES AND EXITS.** The sidewalks, entrances and Common Facilities shall not be obstructed or used for any purpose other than ingress or egress, and Tenant may not install carpets, door mats, planters, etc. in the Common Facilities.
2. **AWNINGS.** No awnings or other projections shall be attached to the outside walls or storefront of the Premises, Common Facilities or on any building in the Project, without the prior written consent of Landlord.
3. **RESTROOMS.** The toilets, washbasins and other plumbing fixtures within the Premises shall be used solely for the purposes for which they were constructed, and no refuse or garbage shall be thrown therein. All damage resulting from any misuse of such fixtures shall be borne by the tenant who, or whose employees, agents or invitees shall have caused the same.
4. **DEFACEMENT.** No tenant shall in any way deface any part of the Premises. No outside boring or cutting for wires, stringing of wires or other activities shall be permitted without the prior written consent of Landlord and then only as Landlord may direct. No window air conditioning or heating units shall be installed or used by Tenant without Landlord's prior written consent. No antennas, aerials, or dishes shall be installed on the roof or exterior walls of the Premises or in the Common Areas without the prior written consent of Landlord, and then only as Landlord may direct. Tenants are responsible for repairing or replacing any vandalism or graffiti damage to their storefront or showroom windows and doors. Landlord will repair any vandalism, graffiti or damage to the exterior walls or other Common Areas as an Operating Expense.
5. **PROHIBITED ACTIVITIES.** No animals or pets of any kind (except for service animals) may be brought into or kept in or about the Premises. No tenant shall cause or permit any unusual or objectionable odors to escape from the Premises. The Premises shall not be used for lodging or sleeping or for any immoral or illegal purposes. No tenant shall make, or permit to be made, any disturbing noises, sounds or vibrations, or otherwise disturb or interfere with other occupants of the Building or those having business with them. No tenant shall throw anything out of doors or in the Common Areas of the Building, other than in the approved trash receptacles.
6. **DELIVERIES AND PICK-UPS.** With the exception on ballots or other election related removals or deliveries, all removals or deliveries of goods and freight must take place during normal business hours and in the loading zone locations associated with the Premises.
7. **ENTRY.** Permitted Use excepted, Landlord reserves the right to exclude unauthorized parties from the Building or the Premises at all times other than the reasonable hours of generally recognized days of operation of the Building. In case of riot or other disturbance, Landlord reserves the right to prevent access to the Building or the Premises during the continuance of any riot or disturbance, for the safety of the tenants and protection of property in the Building. All of Tenant's agents, employees and invitees shall comply with all security regulations established from time to time by Landlord, except Tenant may, at its own expense, utilize its own security personnel and systems as it relates to the Permitted Use.

EXHIBIT E (2 of 3 pages)
RULES AND REGULATIONS

8. **SOLICITORS.** Canvassing, soliciting and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.
9. **TELEPHONES OR ANTENNAS.** Tenant may not install pay phones or antennas except inside its Premises.
10. **REFUSE AND GARBAGE.** Refuse and garbage shall be removed from the Premises at such times and intervals, through such exits thereof and over such routes of egress therefrom as Landlord may designate from time to time. No refuse or garbage will be stored anywhere except inside the Premises or in areas designated by Landlord.
11. **PARKING.** Within thirty (30) days after each tenant opens for business in the Building, each tenant shall provide Landlord, if so requested, with a list of the automobile make and model and license numbers for all employees or regular contractors employed in the Premises, which list shall be updated from time to time as necessary. Tenant's employees or contractors shall park in the parking lot areas.
12. **ADVERTISING.** Except for signage related to the Permitted Use, no sign, placard, picture, advertisement, banner, special event, name or notice shall be inscribed, displayed, printed or affixed on or to any part of the Common Areas without the written consent of Landlord first obtained, and Landlord shall have the right to remove any such sign, placard, notice picture, advertisement, banner or name without notice to, and at the expense of the tenant displaying such prohibited item. Landlord may approve special event banners and signs conditioned upon tenants observing restrictions and performance standards (such as, but not all inclusive, that such banners and signs be professionally created, be attached without doing damage to the Premises façade and be limited in scope and duration). Tenants shall not place anything or allow anything to be placed near or on the glass of any window, door, partition or wall which may appear unsightly from outside the Premises or Building. Tenants shall be allowed to place product advertising materials and "Open" signs in good taste on the interior windows and doors of their Premises.
13. **VENDING.** Without Landlord's prior written approval, no vending machines shall be installed, maintained or operated except within the Premises.
14. **CANNABIS.** The Premises shall not be used for any purpose which is related in any way to the marijuana industry (including, without limitation, a medical marijuana dispensary, clinic, paraphernalia shop, retail store, or infusion products with medical and/or retail marijuana or cultivation), whether legal or illegal. Usage of cannabis and any other federally prohibited drug is not allowed on the Premises. Tenant and their guest(s) may not engage in any drug-related activity, whether legal or illegal, including the consumption of medical marijuana or cannabis. A violation of this provision shall constitute a Tenant default under the terms of this Lease.

EXHIBIT E (3 of 3 pages)
RULES AND REGULATIONS

15. **LANDLORD'S CONSENT.** Landlord's consent where required herein shall not unreasonably be withheld. Notwithstanding the above, Landlord shall have the continuing right to condition its consent to standards and conditions as are required to maintain a high quality Building. Such conditions may include but not be limited to, restrictions such as all signs and banners must be allowable under municipal sign codes and professionally fabricated, that outside merchandise displays or special sales events must be limited in duration and size, and that window displays and advertising be tasteful and professional.

16. **CHANGES TO RULES AND REGULATIONS.** Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations. Landlord shall not be responsible to Tenant or to any other person for the non-observance of the Rules and Regulations by any other tenant or other person. Tenant shall be deemed to have read these Rules and Regulations which shall be deemed to be a part of the Lease to which they are attached, as if set forth fully therein.

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EXHIBIT F (1 of 1 pages)
MONUMENT SIGN PANEL LOCATION

3000 Building Monument Sign – West Facing



3000 Building Monument Sign – East Facing



EXHIBIT G (1 of 2 pages)
Memorandum of Lease

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is entered into by and between Valencia Tech Park, LLC, an Arizona limited liability company ("Landlord") and PIMA COUNTY, a political subdivision of the State of Arizona ("County" or "Tenant"). Landlord and Tenant entered into a Lease dated effective November 19, 2024 (the "Lease").

Capitalized terms used in this Memorandum but not otherwise defined will have the meanings as set forth in the Lease.

1. **Premises.** The Lease covers space within the Building located at 3000 E. Valencia Road, Tucson, AZ 85706 Suite 190 all as more particularly described in the Lease, consisting of approximately 14,902 rentable square feet. In addition, County will have the right to use the Common Areas on a non-exclusive basis together with other occupants of the Building, together (the "Premises").
2. **Term.** The initial term of this Lease will be for a period of sixty-one (61) months (the "Initial Term") beginning on December 1, 2024, (the "Commencement Date") and ending on December 31, 2029 (the "Termination Date"). Tenant has two 5-year options to extend the Initial Term.
4. **Use.** Tenant may use and occupy the Premises for any lawful purpose in accordance with the terms and conditions of the Lease.
5. **Effect of Memorandum.** This Memorandum will not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which will in all instances prevail.
6. **Counterparts.** This Memorandum may be signed in two or more counterpart copies with the same effect as if the signature to each counterpart copy were on a single instrument. Each counterpart shall be deemed an original as to any party whose signature it bears and all such counterparts shall constitute one document. PDFs or electronically scanned copies shall be deemed originals.

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EXHIBIT G (2 of 2 pages)

IN WITNESS WHEREOF, the parties have executed this Memorandum effective as of the date shown below.

LANDLORD:

VALENCIA TECH PARK, LLC

By: _____

Name and Title:

Date:

TENANT:

PIMA COUNTY

By: _____

Name and Title:

Date:

EXHIBIT H (6 pages)
NON-DISTURBANCE, ATTORNMENT, ESTOPPEL AND SUBORDINATION AGREEMENT

When recorded, return to:

PIMA COUNTY 115 N.
Church Ave.
2nd Floor, Suite 231
Tucson, Arizona
85701 Attn: Bobby
Yu, Esq.

NON-DISTURBANCE, ATTORNMENT, ESTOPPEL AND SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of October, 2024,
by and among _____, a(n) _____, (the
"Beneficiary"), whose address is _____, Pima
County Arizona, a political subdivision of the State of Arizona (the "Lessee"), whose
address is: c/o Pima County Administrator, 115 N. Church Ave, Tucson, Arizona
85701, and
_____, a(n) _____
the "Lessor"), whose address is _____.

RECITALS

A. Beneficiary is the owner and holder of that Promissory Note dated
_____, in the principal sum of _____ DOLLARS (\$ _____),
secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed
of Trust") recorded prior to or contemporaneously with the recording hereof in Docket
_____, page _____, in the records of Pima County, Arizona, which Deed of Trust constitutes a lien or
encumbrance on that real property more particularly described on Schedule "A" attached hereto and
by this reference incorporated herein. Lessor and Lessee hereby authorize Beneficiary, or any title
company recording this Agreement at the direction of Beneficiary, to insert the recording information
for the Deed of Trust in the space provided above this paragraph.

B. Lessee is the holder of a leasehold estate (the "Leased Premises") included in the real
property described on Schedule "A" attached hereto and by this reference incorporated herein,
pursuant to the terms of that lease (the "Lease") dated _____, a memorandum of which was

recorded on October_____, 2024, in Docket_____, Page_____, in the records of Pima County, Arizona and executed by Lessee and Lessor.

C. Lessee and Beneficiary desire to confirm their understanding with respect to the Lease and the Deed of Trust.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree and covenant as follows:

1. So long as Lessee is not in default (beyond any period given Lessee to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease to be performed by Lessee, Beneficiary shall not disturb or interfere with Lessee's possession and occupancy of the Leased Premises during the term of the Lease or any extension thereof duly exercised by Lessee.

2. If the interests of Lessor shall be transferred to and owned by Beneficiary by judicial foreclosure, private trustee sale or any other manner, and Beneficiary succeeds to the interest of Lessor under the Lease, Lessee shall be bound to Beneficiary under all of the covenants, conditions and provisions of the Lease for the remaining term thereof, and any extension thereof duly exercised by Lessee, with the same force and effect as if Beneficiary were the lessor under the Lease. Lessee hereby attorns to Beneficiary as its lessor, and that attornment shall be self-operative and shall be effective immediately upon Beneficiary's succeeding to the interest of Lessor under the Lease without the execution of any further instruments by any of the parties hereto.

3. The Lease is now, and shall at all times continue to be, subject and subordinate in each and every respect to the Deed of Trust and to all extensions, modifications, renewals, replacements, substitutions and/or consolidations thereof. Nothing contained herein shall be deemed or construed as limiting or restricting the enforcement by Beneficiary of any of the covenants, conditions, provisions or remedies of the Deed of Trust, whether or not consistent with the Lease.

4. Lessor and Lessee certify to Beneficiary as follows: (a) a true and correct copy of the Lease has been delivered to Beneficiary, and the Lease is presently in full force and effect and unmodified or unchanged; (b) the term shall commence or did commence on _____, and full rental will then accrue or is now accruing thereunder; (c) all conditions required under the Lease to have been satisfied as of the date hereof have been satisfied; (d) no rent under the Lease has been paid more than sixty (60) days in advance of its due date; (e) the amount of lease deposit paid or to be paid under the terms of the Lease is \$_____; (f) no default exists under the Lease; (g) Lessee, as of the date hereof, has no charge, lien or claim of offset under the Lease or otherwise, against rents or other charges due or to become due thereunder; (h) Lessee has not received notice of any assignment, mortgage or pledge of Lessor's interest in the Lease or any rents or other amounts payable thereunder;

5. Lessee shall give written notice to Beneficiary of any failure by Lessor to perform or observe any of the covenants, conditions or provisions of the Lease, and Beneficiary shall have the right, but not the obligation, to cure such failure. In the event of any such failure by Lessor, Lessee shall not take any action with respect to such failure, including without limitation any action to terminate, rescind or avoid the Lease or to withhold any rent thereunder, for a period of thirty (30) days after notice thereof to Beneficiary; provided, however, that if such failure cannot reasonably be remedied within that thirty (30) day period, Lessee shall not take any action with respect to such failure, including without limitation any action to terminate, rescind or avoid the Lease or to withhold any rent thereunder, so long as Beneficiary shall commence to remedy the failure within the thirty (30) day period and thereafter shall diligently prosecute the remedy to completion.

6. All notices required or permitted to be given hereunder shall be in writing and may be given in person or by United States mail, by delivery service or by electronic transmission. Any notice directed to a party to this Agreement shall become effective upon the earliest of the following: (i) actual receipt by that party; (ii) delivery to the designated address of that party, addressed to that party; or (iii) if given by certified or registered United States mail, twenty-four (24) hours after deposit with the United States Postal Service, postage prepaid, addressed to that party at its designated address. The designated address of a party shall be the address of that party shown at the beginning of this Agreement or such other address as that party, from time to time, may specify by notice to the other parties.

7. The term "Beneficiary" shall be deemed to include _____ and its successors and assigns, including anyone who shall have succeeded to Lessor's interest by or through judicial foreclosure, private trustee's sale, or other proceedings brought pursuant to the Deed of Trust or deed in lieu of such foreclosure or proceedings.

8. Each covenant, condition and provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but if any covenant, condition or provision of this Agreement shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid covenant, condition or provision had not been contained herein.

9. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

10. This Agreement shall be governed by and construed according to the laws of the State of Arizona.

11. This Agreement may be executed in any number of counterparts, and each counterpart executed by any of the undersigned, together with all other counterparts so executed, shall constitute a single instrument and agreement of the parties.

IN WITNESS WHEREOF, these presents are executed as of the date indicated above.

October _____, 2024

BENEFICIARY

LESSEE

PIMA COUNTY, ARIZONA, a Political
subdivision of the State of Arizona

LESSOR

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of October, 2024,
by _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires:

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this _____ day of October, 2024, by_ of
_____ ; a(n)
_____ corporation, on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires:

SCHEDULE "A"

All that real property situated in the County of Pima, State of Arizona, more particularly described as follows: