

COB - BOSAIR FORM

10/16/2025 11:04 AM (MST)

Submitted by Lupe.Fimbres@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number: CT RPS CT2500000071

Award Type: Contract

Is a Board Meeting Date Requested? Yes

Requested Board Meeting Date: 11/04/2025

Signature Only:

NO

Procurement Director Award / Delegated Award: • N/A

Supplier / Customer / Grantor / Subrecipient: Town of Marana, an Arizona municipal corporation

Project Title / Description: Acquisition Agreement

Purpose: The Town of Marana has requested to purchase approximately 13.34 acres of surplus property owned by Pima County and managed by the Regional Wastewater and Reclamation Department ("RWRD") in Section 14, Township 11 South, Range 10 East. The property was purchase by Pima County in 2008. There is a current agricultural lease to Christopher Sullivan at \$1,200/yr encumbering the property that is set to expire November 19, 2025. The Town of Marana has agreed to accept title subject to the terms of the existing lease. RWRD has determined that the property is no longer needed and has authorized the sale. With the unanimous consent of the Board the property is proposed to be sold to the Town of Marana without a public auction pursuant to A.R.S. Section 11-251(9).

Procurement Method: Real Property Agreements, land Titles, Appraisals, Relocation, Property Management: Exempt per Section 11.04.020

Procurement Method Additional Info: N/A

Program Goals/Predicted Outcomes: Pima County will deed property to the Town of Marana and receive the sales proceeds in the amount of \$345,000 for deposit with RWRD. The Town of Marana had the property appraised and Real Property Services reviewed the Town of Marana appraisal and concurred with the value opined in the report.

Public Benefit and Impact: Pima County will receive appraised value in the amount of \$345,000 for the sale of the surplus property.

TO: COB, 10/22/25 (1)

VERSION: 0

PAGES: 24

OCT22 25AM 1029 PU

Budget Pillar	• N/A
Support of Prosperity Initiative:	12. Improve Financial Capability
Provide information that explains how this activity supports the selected Prosperity Initiative	Surplus property will be sold at the appraised value amount of \$345,000. The proceeds will be deposited with RWRD to further future project.
Metrics Available to Measure Performance:	Dispose of the property by sale at the appraised value of \$340,000.00 reducing Pima County's potential holding costs of this remote property in the Town of Marana.
Retroactive:	NO

Contract / Award Information

Record Number: CT RPS CT2500000071

Document Type:	CT
Department Code:	RPS
Contract Number:	CT2500000071
Commencement Date:	11/04/2025
Termination Date:	12/19/2025

Total Expense Amount:

\$0.00

Total Revenue Amount:

\$345,000.00

Funding Source Name(s) Required:	WW-Revenue Treatment Fund
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Funding from General Fund?	NO
Contract is fully or partially funded with Federal Funds?	NO
Were insurance or indemnity clauses modified?	NO
Vendor is using a Social Security Number?	NO

Department:	Real Property Services
Name:	Jeffrey Teplitsky

Telephone:

5207246306

Add Procurement Department Signatures

No

Add GMI Department Signatures

No

Department Director Signature: _____

Date: _____

Deputy County Administrator Signature: _____

Date: _____

County Administrator Signature: _____

Date: _____



ACQUISITION AGREEMENT

This Agreement is made by and between **PIMA COUNTY**, a political subdivision of the State of Arizona ("Seller"), and the **TOWN OF MARANA**, an Arizona municipal corporation ("Town"). Seller and Town are collectively referred to herein as the "Parties," and individually as a "Party."

1. **Property and Acquisition Amount.** The Seller owns certain real property located in Pima County, Arizona, more particularly described on Exhibit "A", attached to and incorporated in this Agreement by this reference and referred to in this Agreement as the "Property". In lieu of court proceedings to acquire the Property by eminent domain, the Seller agrees to sell, and the Town agrees to acquire the Property for the total sum of **\$340,000.00** (the "Acquisition Amount"), subject to the terms and conditions set forth in this Agreement:

\$340,000.00	Acquisition Amount
\$5,000.00	Estimated Closing Costs
\$345,000.00	Total Not to Exceed Amount

2. **Effective Date.** This Agreement shall be effective on the date both the Seller and the Town have approved and accepted this Agreement by affixing their signatures (the "Effective Date").
3. **Special Warranty Deed Document.** Upon the Effective Date the Seller shall deposit with Escrow Agent a Special Warranty Deed conveying to the Town title to the Property free and clear of all liens and encumbrances, in the form attached hereto as Exhibit "B".
4. **Escrow Instructions.** Escrow will be opened with Stewart Title & Trust of Tucson, Jenny Morrow, Escrow Officer, 3939 E Broadway Blvd., Tucson, AZ 85711, (520) 917-6134, according to the terms of this Agreement (the "Escrow Agent").
5. **Closing Costs.** Expenses incidental to transfer of title, including title reports, recording fees, escrow fees, releases, and Owners Title Insurance Policy, shall be paid by the Town.
6. **Escrow Prorations.** The Acquisition Amount shall be paid in full at closing. (a) The date of closing shall be used for proration of rents, property taxes and other similar costs, (b) assessments due for improvement districts shall be paid in full by the Seller prior to closing, and (c) property taxes shall be prorated based upon the date of closing.
7. **Title Commitment.** Escrow Agent will distribute to the Parties a Commitment for Standard Owner's Title Insurance (the "Commitment") together with complete and legible copies of all documents that will remain as exceptions to Town's policy of title insurance.

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8. **Seller's Title Obligation.** Seller is hereby obligated to provide Town free and clear marketable title subject only to the Town's Approved Exceptions. Seller shall cause all exceptions to title not approved by Town to be removed prior to Closing.
9. **Security Interest.** Monies payable under this Agreement may be due holders of notes secured by mortgages or deeds of trusts ("Lienholders"), up to and including the total amount of unpaid principal, interest, and penalty. Those sums shall, upon demand, be paid to the Lienholders. Seller shall obtain from the Lienholders releases for any fee transfer and consents for any transfer of an easement for the Property.
10. **Possession and Closing.** Possession of the Property shall be given to the Town at the date of closing. Closing shall be on or before the later of (a) 45 days after the Effective Date or (b) 45 days after receipt of all necessary releases or consents from any Lienholder.
11. **Environmental Representations.** The Town and the Seller agree that neither party is assuming any obligation of the other party relating to any potential liability arising from the environmental condition of the Property. Each party shall remain responsible for its obligations as set forth by law. The Seller hereby represents and warrants that, to the best of Seller's knowledge, no pollutants, contaminants, toxic or hazardous substances, wastes or materials have been stored, used or located on the Property or within any surface or subsurface waters thereof; that no underground tanks have been located on the Property; that the Property is in compliance with all Federal, state and local environmental laws, regulations and ordinances; and that no legal action of any kind has been commenced or threatened with respect to the Property.
12. **Environmental Inspection Rights.** The Seller shall permit the Town to conduct such inspections of the Property as the Town deems necessary to determine the environmental condition of the Property. If any environmental inspection recommends further testing or inspection, the Parties hereby agree to extend the date of Closing to at least 30 days after the report for such additional testing or inspection is completed on behalf of Town, but not later than an additional 180-day extension. If any environmental inspection reveals the presence of contamination or the need to conduct an environmental cleanup, Town shall provide written notice to Seller, prior to Closing, of any items disapproved by Town as a result of Town's inspection (the "Objection Notice"). If Town sends an Objection Notice, Seller may, within 5 business days of receipt of the Objection Notice, notify Town if Seller is willing to cure any of the items to which Town objected (the "Cure Notice"). If Seller elects not to send Town a Cure Notice or if Seller's Cure Notice is not acceptable to Town, then Town may elect to terminate this Agreement, in which case the Agreement will be terminated and of no further force and effect.
13. **Default, Remedies, and Conditions Precedent.** In the event either Party defaults under this Agreement, the other Party shall be entitled to pursue all rights and remedies available at law or in equity, including specific performance. To the extent a Party seeks damages, the recovery is limited to actual damages (including any losses or penalties suffered by the Town as a result of any violation of federal arbitration violations caused by a wrongful failure of Seller to perform). Neither Party is entitled to exemplary, punitive, special, indirect or consequential damages.

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14. Notices.

- a. *Writing.* All notices required or permitted to be given hereunder must be in writing and mailed by first class, registered, certified or overnight mail, return receipt requested, postage prepaid, or transmitted by electronic mail, facsimile, or hand delivered, addressed to Seller's address or Town's address.
- b. *Receipt.* If mailed, all such notices, demands, requests, or other communications are deemed received upon the expiration of 72 hours after deposit in the U.S. mail as aforesaid. Notice served personally or by electronic mail or facsimile is deemed served upon delivery thereof to the addressee. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given is deemed to be receipt of the notice, demand or request sent. Any party entitled to notices hereunder may from time to time designate to the other parties, in writing and given in accordance with this Section, a different address for service of notice.
- c. **Seller's Address:** Director, Pima County Real Property Services, 201 N Stone Ave, 6th Flr, Tucson, AZ 85701-1207; E-mail: Jeffrey.teplitsky@pima.gov
- d. **Town's Address:** Town of Marana, Legal Department, 11555 W. Civic Center Dr., Marana, AZ 85653; Email: Gcardieri@maranaaz.gov

15. **Lease Acknowledgment.** The Seller warrants that the only oral or written lease on all or any portion of the Property is the ground lease agreement between Pima County and Christopher R. Sullivan, dated November 10, 2020, attached hereto as Exhibit "C". The Town hereby accepts the Property subject to this ground lease agreement.

16. **Risk of Loss for Damage to Improvements.** The Seller shall be responsible for the risk of loss for any and all damage to the improvements located on the Property prior to close of escrow.

17. **No Personal Property.** No personal property is being transferred pursuant to this Agreement.

18. **Broker's Commission.** No broker or finder has been used and the Town shall owe no brokerage or finders' fee related to this transaction. The Seller has sole responsibility to pay all brokerage or finders' fees to any agent employed.

19. **Right of Entry.** This agreement grants the Town, its employees, agents, and consultants, the right to enter the Property effective as of the date this agreement is signed on behalf of the Seller, which shall terminate when the Town takes title to the Property or in 365 days, whichever occurs first.

20. **No Sale.** Seller shall not sell or encumber the Property prior to close of escrow.

21. **Signing Authority.** Each of the persons signing below on behalf of a Party represents and warrants that the signer has full requisite power and authority to execute and deliver this Agreement on behalf of the Party for whom the signer signs and to bind such Party to the terms and conditions of this Agreement.

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22. **Counterparts.** This Agreement may be executed in counterparts, each of which is effective as an original. This Agreement becomes effective only when all of the Parties have executed the original or counterpart hereof. This Agreement may be executed and delivered by a facsimile transmission or email of a counterpart signature page hereof.
23. **Conflict of Interest.** This Agreement is subject to cancellation within 3 years after its execution pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the Seller or the Town is, at any time while this Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement with respect to the subject matter of the Agreement.
24. **Survival of Representation and Warranties.** All representations and warranties contained herein shall survive close of escrow.
25. **Governing Law.** This Agreement is subject to, and interpreted by and in accordance with, the laws of the State of Arizona. Any action to be brought under this Agreement must be filed and maintained in a court in Pima County, Arizona.
26. **Entire Agreement.** This signed document shall constitute the entire Agreement between the parties. No modification or amendment to this Agreement shall be binding unless in writing and signed by both parties. The performance of this Agreement constitutes the entire consideration by the Town, including just compensation for the Property and severance damages to any remainder property and shall relieve the Town of all further obligation or claims relating to Property.
27. **Interpretation.** This Agreement, and all the provisions of this Agreement, is deemed drafted by all of the Parties. This Agreement will not be interpreted strictly for or against any Party, but solely in accordance with the fair meaning of the provisions hereof to effectuate the purposes and intent of this Agreement.
28. **No Representations.** Each Party has entered into this Agreement based solely upon the agreements, representations and warranties expressly set forth herein and upon that Party's own knowledge and investigation. Neither Party has relied upon any representation or warranty of any other Party except any such representations or warranties as are expressly set forth herein.
29. **Attorney's Fees and Costs.** In any action brought by a Party to enforce the obligations of any other Party, the prevailing Party is entitled to collect from the opposing Party to such action such Party's reasonable litigation costs and attorney's fees and expenses, including court costs, reasonable fees of accountants and experts, and other expenses incidental to the litigation in addition to all other relief, all of which will be set by a judge and not by a jury, to which the prevailing Party may be entitled.
30. **No Third Party Beneficiaries.** This is not a third-party beneficiary contract. No person or entity other than a Party signing this Agreement has any rights under this Agreement, except as expressly provided in this Agreement.
31. **No Partnership.** Nothing in this Agreement creates a partnership or joint venture or authorizes any Party to act as agent for or representative of any other Party.

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32. **No Waiver.** The failure of a Party to require full or timely performance of any obligation arising under this Agreement (whether on a single occasion or on multiple occasions) is not a waiver of any such obligation. No such failure gives rise to any claim of estoppel, laches, course of dealing, amendment of this Agreement by course of dealing, or other defense of any nature to any obligation arising hereunder.
33. **Exhibits.** Any exhibit attached to this Agreement shall be deemed to be incorporated by reference with the same force and effect as if fully set forth in the body of this Agreement.
34. **Compromise and Settlement.** The parties to this Agreement acknowledge that the Acquisition Amount is not necessarily market value but was agreed through compromise and settlement to avoid litigation.
35. **Government Approvals.** This Agreement is subject to approval by the Town Council of the Town of Marana and the Pima County Board of Supervisors.

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Seller's Approval and Acceptance:

SELLER: PIMA COUNTY, a political subdivision of the State of Arizona:

Rex Scott, Chair, Board of Supervisors

Date

ATTEST:

Melissa Manriquez, Clerk of the Board

Date

APPROVED AS TO CONTENT:



Jeffrey Teplitsky, Director, Real Property Services

 10/20/2025

Carmine DeBonis, Deputy County Administrator, Public Works

APPROVED AS TO FORM:




Kyle Johnson, Deputy County Attorney

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TOWN'S APPROVAL AND ACCEPTANCE:

TOWN OF MARANA, an Arizona municipal corporation



Jon Post, Mayor

Date: 8/6/2025

ATTEST:



Jill McCleary, Town Clerk

APPROVED AS TO CONTENT:



Heidi Lasham, Water Director

APPROVED AS TO FORM:



Jane Fairall, Town Attorney

9147-113-1106	Final 2025 Remedial Action Plan
Page 10 of 20, 12/2025	Acquisition Agreement with Pima County

Exhibit "A"

Parcel 1:

That portion or the Northeast quarter of the Southeast quarter of Section 14, Township 11 South, Range 10 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

Beginning at the East quarter corner of said Section 14

Thence North 89 degrees 57 minutes 51 seconds West along the North line of the Southeast quarter of Section 14, 1192.89 feet to a point 130.0 feet Easterly from the Northwest corner of the Northeast quarter of the Southeast quarter of said Section 14;

Thence South 00 degrees 00 minutes 46 seconds West parallel to the West line of the Northeast quarter of the Southeast quarter of said Section 14, 738.46 feet;

Thence South 89 degrees 51 minutes 53 seconds East, 1192.88 feet to the East line of the Southeast quarter of said Section 14;

Thence North 0 degrees 00 minutes 52 seconds East along the East line of said Southeast quarter of Section 14, 740.53 feet to the Point of Beginning.

EXCEPTING any portion Deeded to the Town of Marana in Sequence No. 2013178059

Parcel 2:

An easement for road purposes, as created by Docket 5227 at Page 88 described as follows:

Beginning at a point being the East quarter corner of said Section 14;

Thence North 89 degrees 56 minutes 23 seconds West, along the South line of the Southeast quarter of the Northeast quarter of said Section 14, a distance of 1321.67 feet to the Southwest corner thereof;

Thence North 00 degrees 04 minutes 08 seconds West, a distance of 99 feet;

Thence South 25 degrees 16 minutes 48 seconds East, a distance of 124.11 feet;

Thence South 89 degrees 56 minutes 23 seconds East, a distance of 1209.68 feet to the East line of said Northeast quarter of Section 14;

Thence South 00 degrees 04 minutes 12 seconds West, a distance of 45 feet to the True Point of Beginning;

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Exhibit "A" continued

Together with an easement for road purposes, as created by Docket 5227 at Page 88 and Docket 5246 at Page 680 described as follows:

The Southerly 36 feet of property described in Docket 5246 at Page 680.

Parcel 3:

An easement for ingress/egress as set forth in Docket 2271 at Page 421 and in Docket 4955 at Page 456 and by Docket 5004 at Page 659 (40 feet in width), the centerline of which is described as follows:

Beginning at a point in the North boundary line of Section 14, said point being distant North 89 degrees 59 minutes West, 1,478 feet from the Northeast corner of said Section 14;

Thence South 0 degrees 08 minutes 31 seconds East, a distance of 2,570 feet to a point which is distant South 89 degrees 54 minutes 39 seconds East 208 feet from the Northwest corner of property described in Docket 4526 at Page 530.

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Exhibit "B"

Exempt from Affidavit of Value per A.R.S. § 11-1134(A)(3).

Special Warranty Deed

For the consideration of Ten Dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, **Pima County**, a political subdivision of the State of Arizona, the "Grantor" herein, does hereby convey to the **Town of Marana**, an Arizona municipal corporation, the "Grantee" herein, the following real property (the "Property") situated in Pima County, Arizona:

SEE LEGAL DESCRIPTION ATTACHED TO THIS INSTRUMENT AS **EXHIBIT A**;
DEPICTED IN **EXHIBIT A-1** AND INCORPORATED HERE BY THIS REFERENCE

Subject to all taxes and other assessments, reservations in Patents, and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record and all matters a survey or inspection of the Property would reveal.

Grantor hereby binds itself and its successors to warrant and defend the title as against all acts of Grantor herein and no other, subject to the matters set forth above.

Restrictive Covenant.

Restriction. By accepting the Property, the Grantee, for himself, herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the construction, maintenance, or operation of any facilities or structures whatsoever on the Property, the grantee will not discriminate against any person on the grounds of that person's age, race, creed, color, religion, sex, disability or national origin.

Nature of Restriction. This Restrictive Covenant shall apply in perpetuity and shall run with the Property. The Restriction imposed shall be non-revocable without the written consent of at least 4 of the 5 members of the Pima County Board of Supervisors. The Restriction shall remain in effect notwithstanding any future annexation of any portion of the land by a municipality.

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Enforcement of Restriction. Grantor may enforce the terms of this Restrictive Covenant through any available legal or equitable remedy, including but not limited to damages, and injunctive relief requiring the Grantee to cease and desist all activity in violation of this Restrictive Covenant. The failure of Grantor to insist upon the full and complete performance of any of the terms and conditions of this Restrictive Covenant, or to take any action permitted as a result thereof, shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future.

Protection of Cultural Resources.

In compliance with Pima County Board of Supervisors Policy Number C 3.17, Grantee is hereby notified that buried cultural resources (archeological or historic resources) may be present on the Property. In the event development or ground disturbance is planned, cultural resources compliance (inventory, assessment and/or mitigation) will be required, as approved by Pima County.

Grantee is aware that there may be limitations on ground disturbing activity and conveyance of title before cultural resources compliance requirements are met. All such inventory, assessment and/or mitigation costs are the responsibility of Grantee.

{Signature Pages Follow}

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GRANTOR:

Pima County, a political subdivision of the State of Arizona

By: Jeffrey Teplitsky, Director
Pima County Real Property Services

Date

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me the _____ day of _____, 2025 by Jeffrey Teplitsky,
_____ as Director, Pima County Real Property Services.

Notary Public

My Commission Expires: _____

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Grantee's Acceptance Follows

S14/T11S/R10E	Phase Two Recharge Expansion (WT074)
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Accepted and Approved by Grantee this _____ day of _____, 2025:

Town of Marana, an Arizona municipal corporation

By: Heidi Lasham, Water Director

Approved as to Form:

By: Jane Fairall, Town Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me the _____ day of _____, 2025 by Heidi Lasham, Water Director of the Town of Marana.

— Notary Public

My Commission Expires: _____

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Exhibit "C"

DEPARTMENT: Pima County	
TENANT: Christopher R. Sullivan	
DESCRIPTION/ADDRESS OF PROPERTY: NW of W Treatment Plant Rd., W of N Luckett Rd., E of N Trico Rd., S of W Hardin Rd., Marana	
REVENUE CONTRACT: CTN-PW-21*0044	

Ground Lease Agreement

1. **PARTIES: EFFECTIVE DATE:** This Lease is made by and between Christopher R. Sullivan, (hereinafter referred to as "Tenant") and Pima County, a political subdivision of the State of Arizona (hereinafter referred to as "Landlord"). This Lease shall be effective (the "Effective Date") on the date it is signed by all parties.
2. **BACKGROUND AND PURPOSE:**
 - 2.1. Landlord owns the property legally described and depicted on **Exhibit A** (hereinafter referred to as the "Land"), which is a 13.34 acre parcel of real property located in Section 14 Township 11 South, Range 10 East.
 - 2.2. Tenant may use and occupy the Premises for agricultural use.
 - 2.3. County has the authority, to lease the land to Tenant. The County previously published notice, appraised the land and held a public auction in accordance with A.R.S. 11-256. Tenant was the highest responsible bidder at the auction.
 - 2.4. Landlord desires to let to Tenant, and Tenant desires to lease from Landlord, the Land, together with all improvements now on or hereafter located on the Land (the "Premises"), under the terms and conditions set forth in this agreement (the "Lease")
3. **PREMISES:**
 - 3.1. **Lease.** In consideration of the Tenant's compliance with all the terms and conditions of this Lease, and timely performance of all its obligations under this Lease, Landlord hereby lets to Tenant and Tenant hereby leases from Landlord, the Premises. The Tenant will use the Premises solely for agricultural use.
 - 3.2. **Condition of Land.** Tenant acknowledges that it is fully familiar with the physical and legal condition of the Land and has received the same in good order and

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Exhibit "C" continued

condition. LANDLORD MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OR STATE OF THE LAND OR ITS FITNESS

OR AVAILABILITY FOR ANY PARTICULAR USE, AND LANDLORD IS NOT LIABLE FOR ANY LATENT OR PATENT DEFECT THEREIN. Tenant's use of the Premises is subject to all existing easements, rights-of-way and set-backs existing as of the date of this Lease.

3.3. **Quiet Enjoyment.** Landlord covenants and agrees that upon Tenant paying the Rent and performing and observing all of the Tenant's obligations under this Lease, Tenant may peaceably and quietly have, hold and enjoy the Premises for the Term, without hindrance or molestation by anyone claiming paramount title or claims through Landlord.

4. **TERM.** This Lease will commence on the Effective Date and continue for a period of five (5) years (the "Term"), unless terminated earlier in accordance with the terms of this lease.

5. **RENT.**

5.1. **Base Rent.** Tenant must pay Landlord rent in the amount of One Thousand Two Hundred Dollars (\$1,200.00) annually.

5.2. **Rental Taxes.** Tenant must also pay to Landlord any occupancy tax, rent tax or government property lease excise tax now in effect or hereafter enacted, which Landlord is now or hereafter required to pay with respect to the Premises or this Lease.

6. **USE OF PREMISES.**

6.1. **Permitted Uses.** The Premises may be used by Tenant only for agricultural purposes and uses reasonably related thereto in keeping with the general character of the surrounding area and permitted by law.

6.2. **Prohibited Activity.** Tenant may not permit any unlawful activities on the Premises, or any activities that unduly interfere with activities of neighboring property owners/occupants.

7. **ENVIRONMENTAL COMPLIANCE.**

7.1. **Hazardous Materials Defined.** As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Arizona or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) petroleum or petroleum products; or (ii) defined as a Hazardous Material under A.R.S. 26-301(8).

7.2. **Hazardous Materials Prohibited; Clean Air Act.** Tenant may not cause or permit any Hazardous Material (as hereinafter defined) to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors or

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Exhibit "C" continued

invitees, without the prior written consent of Landlord, other than such Hazardous Materials as are customarily necessary or useful to the type of operations permitted under this Lease and actually being carried out by Tenant on the Premises which will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Materials. Tenant's operations on the Premises must comply with applicable provisions of the Clean Air Act, 42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3 and any other applicable environmental laws or regulations.

7.3. Indemnity. If (i) Tenant breaches the obligations stated in the preceding paragraph, (ii) the presence (whether consented to by Landlord or otherwise) of Hazardous Material on the Premises or on or in the soil or ground water under or adjacent to the Premises is caused or permitted by Tenant, its agents, employees, contractors or invitees, (iii) contamination of the Premises or soil or ground water under or adjacent to the Premises by Hazardous Material otherwise occurs for which Tenant is legally liable, or (iv) contamination occurs elsewhere in connection with the transportation by Tenant of Hazardous Material to or from the Premises, then Tenant will indemnify, protect, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, expenses, liabilities or losses (including, without limitation, diminution in value of the Premises or any part thereof, damages for the loss or restriction on use of usable space or of any amenity of the Premises or any part thereof, damages arising from any adverse impact on marketing of space with respect to the Premises or any part thereof, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arose or arises during or after the term of this Agreement as a result of such contamination. The foregoing obligation of Tenant to indemnify, protect, defend and hold Landlord harmless includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, restoration or other response work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present, as a result of any action or inaction on the part of Tenant, its agents, employees, contractors or invitees, in the Premises or the soil or ground water on, under or adjacent to the Premises, or elsewhere in connection with the transportation by Tenant of Hazardous Material to or from the Premises.

7.4. Clean-up. Without limiting the foregoing, if the presence of any Hazardous Material on or in the Premises, or the soil or ground water under or adjacent to the Premises caused or permitted by Tenant, or its agents, employees, contractors or invitees results in any suspected contamination of the Premises, the soil or ground water under or adjacent to the Premises, Tenant must promptly notify Landlord in writing and take all actions at its sole expense as are necessary to return the Premises, or such soil or ground water to the condition existing prior to the introduction of any such Hazardous Material to the Premises, or to such soil or ground water; provided that Landlord's approval of such actions is first obtained, which approval may not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

7.5. Pre-Existing Contamination. Landlord agrees that any Hazardous Materials contaminating the Premises prior to possession of the Premises by Tenant will

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not result in liability for Tenant under this Paragraph except to the extent such contamination is aggravated by the action or inaction of Tenant.

7.6. Notices Regarding Environmental Conditions. Tenant must, within ten (10) business days following receipt thereof, provide Landlord with a copy of (i) any notice from any local, state or federal governmental authority of any violation or administrative or judicial order or complaint having been filed or about to be filed against Tenant or the Premises alleging any violation of any local, state or federal environmental law or regulation or requiring Tenant to take any action with respect to any release on or in the Premises or the soil or ground water under or adjacent to the Premises of Hazardous Material, or (ii) any notices from a federal, state or local governmental agency or private party alleging that Tenant may be liable or responsible for cleanup, remedial, removal, restoration or other response costs in connection with Hazardous Material on or in the Premises or the soil or ground water under or adjacent to the Premises or any damages caused by such release.

7.7. Survival. Tenant's obligations under this Section will survive the expiration or earlier termination of this Lease and vacation of the Premises.

8. REPAIR, MAINTENANCE AND UTILITIES.

8.1. Taxes. Tenant is responsible for payment of all taxes, whether real property taxes, personal property taxes, income taxes, or any other taxes, if any, that are or may be assessed relating to the Premises, the Project, this Lease, or any use of the Premises by Tenant.

8.2. Entry by Landlord. Landlord reserves the right to enter the Premises to inspect the same; provided that if such entry is not during normal business hours, Landlord will give Tenant at least twenty-four (24) hours advance notice. Landlord will make a reasonable effort to not interrupt Tenant's business at the Premises. Landlord at any and all times will have the right to use any and all means which Landlord may deem proper to open gates or doors in an emergency in order to obtain entry to the Premises, without liability to Tenant, except for any failure to exercise due care for Tenant's property, and any entry to the Premises obtained by Landlord by any such means, or otherwise, will not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

8.3. Maintenance and Repairs. All improvements on the Premises, both outside and inside, must be put and kept in good order and repair by Tenant at Tenant's sole cost and expense, and Tenant must make all repairs and replacements, ordinary as well as extraordinary, foreseen and unforeseen structural or otherwise, that may be necessary or required, except as provided in Section 8.4 below. If Tenant fails to make such repairs, restoration or replacements, Landlord may make them, and Tenant must reimburse Landlord for the costs within ten days after Landlord sends Tenant an invoice.

8.4. Damage for Casualty. If any improvement on the Premises is damaged or destroyed by any cause whatsoever, during the Term of this Lease, Tenant must, with reasonable promptness, repair and replace the same at its own expense, to at least the condition existing immediately prior to the damage or destruction, and must do so even though the proceeds of any insurance policies

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covering the loss are insufficient to reimburse Tenant therefore, and Tenant's obligations under this Lease will not be terminated or suspended; except that, that if the Premises are substantially destroyed by fire or other casualty at any time during the last five (5) years of the Term, then Tenant may terminate this Lease by written notice given to Landlord within sixty (60) days after the date of such destruction, and Tenant will be discharged from responsibility to repair the damage, but Tenant must in that event, at Tenant's sole cost and expense, clean and clear the Land of all debris and repair the Land and install landscaping so that the Land blends in reasonably well with the surroundings.

- 8.5. **Utilities** Tenant must, at its sole cost and expense, arrange for the furnishing of all utilities, including electricity, gas, water and sewer, and telecommunication services, fire protection lines and hydrants, that are necessary for its operations on the Premises, and Tenant covenants and agrees to pay all charges for such utilities and services directly to the supplier thereof. Landlord will not be liable in any way to Tenant for any failure or defect in the supply or character of utilities or telecommunications services furnished to the Premises by reason of any requirement, act or omission of the provider of such service or for any other reason.

9. INSURANCE; INDEMNIFICATION.

- 9.1. **Types of Insurance Required.** Tenant must procure, prior to beginning any activities on the Premises, and maintain throughout the Term, the following insurance from an insurance company or companies reasonably acceptable to Landlord:

9.1.1. Commercial General Liability insurance with coverage at least as broad as ISO form CG 00 01 in an amount not less than \$2,000,000.00 covering the Premises and all activities thereon, endorsed to include Pima County as an additional insured.

9.1.2. Commercial Automobile Liability insurance with coverage at least as broad as ISO form CA 00 01 in an amount not less than \$1,000,000.00 for vehicles actually used in the operations at the Premises (i.e., not used for simple commuting).

9.1.3. Workers' Compensation insurance with statutory limits, with Employers' Liability coverage in an amount not less than \$1,000,000 per injury, illness, or disease.

9.1.4. Commercial Property, Boiler and Machinery insurance with coverage at least as broad as ISO forms CP 00 01 and BM 00 20, covering the full replacement cost of all improvements on the Premises.

- 9.2. **Certificates.** Tenant must provide Landlord with copies of certificates of insurance showing the current status of all insurance policies. Tenant must, in addition, provide full, certified copies of all required insurance policies when requested by Landlord in writing. All certificates of insurance must provide for a guaranteed thirty (30) days written notice of cancellation, non-renewal, or material change. Any modifying language in a certificate of insurance must be deleted. Landlord must be an "additional insured" on all liability insurance policies.

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9.3 **Waiver of Subrogation.** Each party waives its claims and subrogation rights against the other for losses typically covered by property insurance.

9.4 **Changes to Insurance Requirements.** Landlord may review and alter the coverage, form, and amount of insurance required hereunder at any time. Landlord will notify Tenant in writing of any changes to the aforesaid insurance requirements, and Tenant will have sixty (60) days to comply with the requirements as changed.

9.5 **Indemnification.** Tenant agrees that, to the fullest extent permitted by law, Tenant will indemnify, defend, and hold harmless Landlord, its officers, employees and agents from and against any and all losses, costs, or expenses (including reasonable attorney fees) incurred or suffered by Landlord as a result of any damages to property or injuries to persons (including death), or any suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of or directly related to any act, omission, fault or negligence by the Tenant, its agents, employees, invitees, contractors or anyone under its direction or control or acting on its behalf, or anyone permitted by Tenant to conduct any activity on the Premises, or in connection with any use or occupancy of the Premises under the terms of this Lease.

10. DEFAULT/TERMINATION.

10.1. **Tenant Default.** The occurrence of any one or more of the following events will constitute a default and breach of this Lease by Tenant for which Landlord may terminate this Lease:

10.1.1. Operation of Premises. The vacating or abandonment of the Premises, or cessation of activities thereon, or any portion thereof, by Tenant, that continues for a period of ten (10) calendar days after notice of such default is sent by Landlord to Tenant.

10.1.2. Monetary Obligations. The failure by Tenant to make any payment required to be made by Tenant under this Lease, as and when due, that continues for a period of ten (10) calendar days after notice from Landlord that such payment is due.

10.1.3. Insurance. The failure by Tenant to maintain insurance policies as set forth above for any period of time, in which event Tenant must immediately cease all operations at the Premises until such insurance is obtained. In the event of such a default, Landlord may, in Landlord's sole discretion, obtain necessary insurance coverage in which event Tenant must, within five (5) days of demand, reimburse and pay to Landlord the full amount of any costs and premiums expended by Landlord to obtain such coverage.

10.1.4. Violation of Law. Violation of any law by Tenant, or the conduct of any unlawful activities on the Premises that are permitted by Tenant, either tacitly or explicitly, or that Tenant has not taken reasonable means to prevent after Tenant becomes or in the exercise of reasonable diligence should have become aware that such activities are being conducted.

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- 10.1.5. Health and Safety Violation. Any action or omission by Tenant that, in Landlord's reasonable judgment, causes a threat to the health or safety of the general public or the users of the Premises or neighboring properties.
- 10.1.6. Other Covenants. The failure by Tenant to observe or perform any other of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, that continues for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant will not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- 10.2. **Landlord Default.** Landlord will be deemed to be in default hereunder if Landlord fails to perform any covenant or condition of this Lease to be performed by Landlord and such failure continues for thirty (30) days after written notice and demand from Tenant (unless the failure is of such a character as to require more than thirty (30) days to cure, in which event Landlord will be in default only if it fails to initiate the cure within thirty (30) days, and thereafter diligently pursue the same to completion).
- 10.3. **Remedies.**
- 10.3.1. All Remedies Available. Either party may pursue any remedies provided by law and in equity for the breach of this Lease, including termination of the Lease. No right or remedy is intended to be exclusive of any other right or remedy and each will be cumulative and in addition to any other.
- 10.3.2. Cure by Landlord. Should Tenant fail to perform in a timely manner any of the covenants or terms of this Lease on its part to be performed, Landlord may (but is not obligated to) perform the same and charge Tenant for the costs thereof, together with interest thereon, at the rate set by statute for interest on judgments, from the date upon which the expense is incurred until paid by Tenant.
11. **NOTICES.** All notices given under this Lease must be in writing and either served personally or sent by certified or registered mail, return receipt requested, to the parties as indicated below or to such other persons, or addressees as either party may designate in writing to the other party:

If to Tenant: Christopher R. Sullivan
3703 E. Goodman Ranch Pl.
Marana, Arizona 85628

If to Landlord: Pima County Real Property
201 N. Stone Ave, 6th Floor
Tucson, AZ 85701

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12. **ASSIGNMENT/SUBLETTING.** Tenant may not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and may not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord. Tenant acknowledges that Landlord has approved this Lease, with a nominal rental rate, based on the special nature of Tenant and the public benefits provided by Tenant's operations, and that Landlord may therefore withhold consent to a proposed sublease or assignment if in Landlord's reasonable judgment the operations of the proposed subtenant or assignee do not provide the same type and level of public benefit. Moreover, any subtenant or assignee must be a nonprofit tax-exempt organization. Consent to one assignment, subletting, occupation or use by any other person will not be deemed to be consent to any other assignment, subletting, occupation, or use by another person. Consent to any such assignment or subletting will in no way relieve Tenant of any liability under this Lease and will not impose any additional burden or obligation on Landlord. Any such assignment or subletting without such consent will be void, and will constitute a default under the terms of this Lease.
13. **SURRENDER OF PREMISES/HOLDING OVER.** On the last day or earlier termination of the Term of this Lease, Tenant must quit and surrender the Premises, together with all Alterations, in good condition and repair (except as provided in Section 8.4 above), normal wear and tear excepted. Any holding over with the consent of Landlord after the expiration of the Term or earlier termination of the Lease will be construed to be a tenancy from month-to-month upon the same terms and conditions as provided in this lease, to the extent applicable. Tenant's obligations under this Section will survive the expiration or earlier termination of the Term of this Lease.
14. **SUSTAINABILITY PLAN.** In accordance with the County's Sustainability Plan, Tenant must use all reasonable efforts to use recycled products for its operation within the Premises, and re-use and recycle materials utilized in the Premises.
15. **CANCELLATION FOR CONFLICT OF INTEREST.** This Lease may be cancelled for conflict of interest pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein by this reference.
16. **TENANT NOT AN AGENT OF LANDLORD.** Tenant is not an agent of Landlord for any purpose under this Lease or otherwise. Tenant will control activities on the Premises, and Landlord will not control those activities. Tenant's employees and servants will not be under the control of Landlord.
17. **NON-DISCRIMINATION.** Tenant agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 Executive Order as modified by 2009 09, which is hereby incorporated into this contract as if set forth in full herein. During the Term of this Lease, Tenant may not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

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18. **NON-APPROPRIATION.** Notwithstanding any other provision in this Lease, this Lease may be terminated if for any reason, the County's Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this Lease. In the event of such termination, County will have no further obligations to Tenant.
19. **ARBITRATION.** The parties agree that any dispute arising under this Lease involving the sum of fifty thousand dollars (\$50,000) or less in money damages only will be resolved by arbitration pursuant to the Arizona Uniform Rules of Procedure for Arbitration. The decision of the arbitrator(s) will be final.
20. **CHOICE OF LAW.** The laws of the State of Arizona will apply to any action relating to this Lease and any court action must be brought in a court in Pima County, Arizona.
21. **NON-WAIVER.** The failure of either party to insist in any one or more instances upon the full and complete performance of any of the terms and provisions of this Lease to be performed by the other party, or to take any action permitted as a result thereof, will not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either party of sums less than may be due and owing to it at any time will not be construed as an accord and satisfaction.
22. **INTERPRETATION OF LEASE.** The parties acknowledge that each has had the opportunity to review this Lease with counsel of its or their choice. This Lease will not be construed 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 hereto, their successors and assigns.
23. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties and all previous agreements, 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.
24. **AMENDMENT.** This Lease may not be amended except by a written instrument duly executed by both parties. Landlord will not enter into any modification of this Lease without the prior written consent of the holder of the Leasehold Deed of Trust provided that Landlord has notice of such secured party's interest in this Lease.

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

TENANT: Christopher R. Sullivan



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Exhibit "C" continued

LANDLORD:

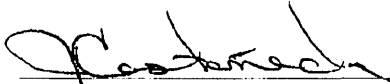
Pima County, a political subdivision of
the State of Arizona

By: 

Ramon Valadez, Chairman, Pima County
Board of Supervisors

Date: **NOV 10 2020**

ATTEST:



Julie Castañeda, Clerk of the Board

APPROVED AS TO CONTENT:

By: 

Jackson Jenkins, Director
Pima County Regional Waste Water

By: 

Jeffrey Teplitsky, Manager
Pima County Real Property Services

APPROVED AS TO FORM:

By: 

Kell Olson, Deputy County Attorney

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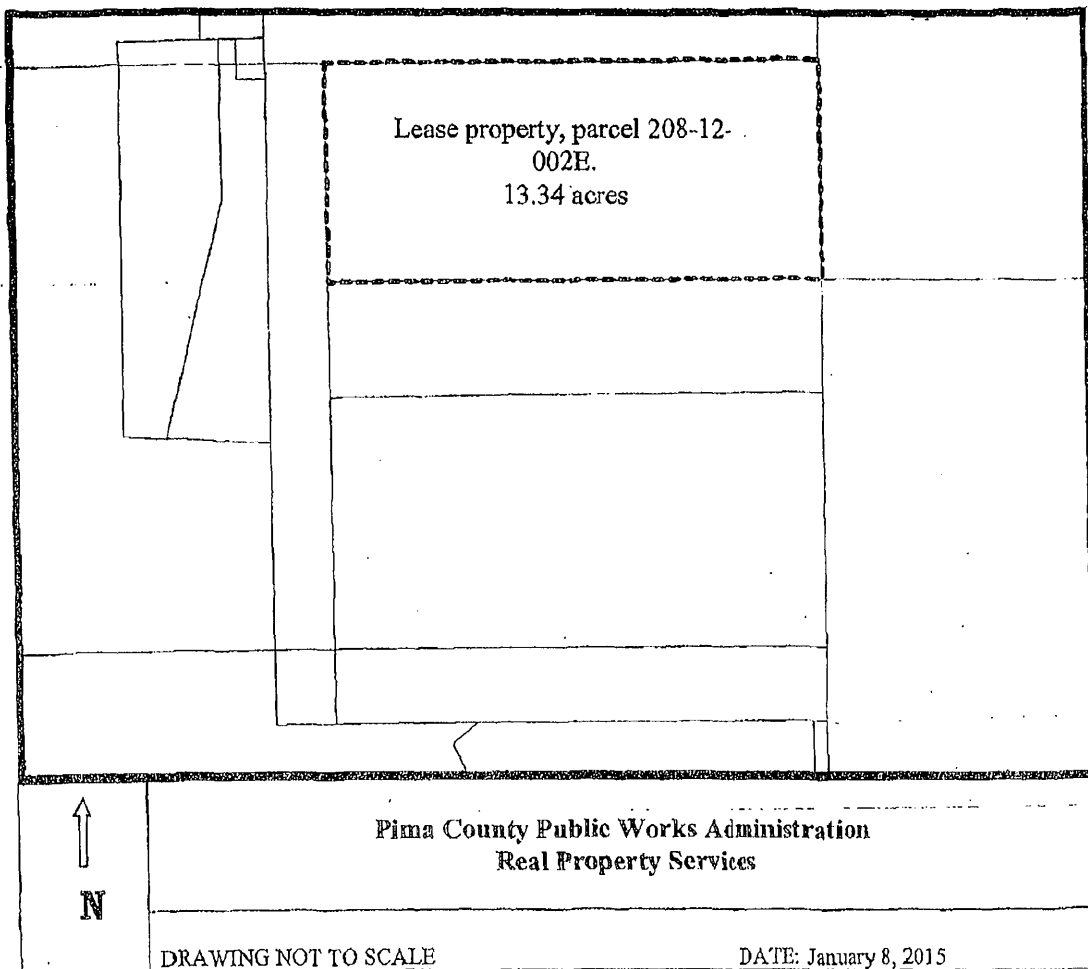
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EXHIBIT "A"

SECTION 14
TOWNSHIP 11 SOUTH
RANGE 10 EAST

The lease property generally described as being the North 487 feet of that certain property described in the conveyance to Pima County in Docket 12774 at Page 6064, of record in the office of the Pima County Recorder, Pima County, Arizona.



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