



Contract Number: CTN. FM - CMS139865 - 03
 Effective Date : 8-1-14
 Term Date : 1-31-15
 Cost : _____
 Revenue : \$129,334.27
 Total : _____ NTE: _____
 Action
 Renewal By : 11-1-14
 Term : 1-31-15
 Reviewed by: [Signature]

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: May 20, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

Six (6) month extension of Tenant's current lease at 33 N. Stone Ave., #900, to accommodate completion of tenant improvements at their new location before they move. This amendment will increase office space rent revenue by \$129,334 during the six (6) month term. Either party may terminate by giving a 30 day written notice to the other party, provided the terminating party is not in default.

Procure Dept 05/08/14 PM04:12

CONTRACT NUMBER (If applicable): CTN-CMS-139865

STAFF RECOMMENDATION(S):

Facilities Management staff recommends approval of this lease extension.

CORPORATE HEADQUARTERS: _____

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 Vendor 1
 Pgs. 7

To: CoB. 5-7-14
 Agenda 5-20-14

(3)

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

PIMA COUNTY COST: ___ and/or REVENUE TO PIMA COUNTY: \$ 129,334.26 ?

FUNDING SOURCE(S): Tenant's rent payments
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

		YES	X	NO
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Board of Supervisors District:

1		2		3		4		5		All	XX
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IMPACT:

IF APPROVED:

- The County will realize an additional \$129,334 in rent revenue allocable to 33 N. Stone;
- The County's goodwill toward and cooperation with its tenants will remain intact.

IF DENIED:

- The County will lose \$129,334 in rent revenue allocable to 33 N. Stone;
- Tenant would be forced to move before its new space is ready;
- The County's image of being a fair and equitable landlord to its tenants would likely be harmed.

DEPARTMENT NAME: Facilities Management

CONTACT PERSON: Nina Armstrong  TELEPHONE NO.: 724-2725

PIMA COUNTY FACILITIES MANAGEMENT DEPARTMENT Revenue Contract LANDLORD: PIMA COUNTY TENANT: GOLDBERG & OSBORNE LEASE NO.: CTN-CMS-139865 LEASE AMENDMENT NO.: THREE (#3)	CONTRACT
	NO. <u>CTN-FM-CMS 139865</u> AMENDMENT NO. <u>03</u> <small>This number must appear on all invoices, correspondence and documents pertaining to this contract.</small>

ORIGINAL LEASE TERM:	08/01/2004 – 07/31/09	ORIG. LEASE AMT:	\$ 1,045,214.88
TERMINATION DATE PRIOR AMENDMENT:	07/31/14	PRIOR AMENDMENTS:	\$ 1,188,157.14
TERMINATION THIS AMENDMENT:	01/31/15	THIS AMENDMENT:	\$ 129,334.27
		REVISED LEASE AMT:	\$ 2,362,706.29

AMENDMENT No. 3
33 N. Stone Ave., Tucson, AZ
Suite 900

1. **DEFINED TERMS.** For purposes of this Amendment, the following terms have the meanings set forth below; other capitalized terms have the meanings assigned in the Lease:

- 1.1. Landlord: Pima County, a political subdivision of the State of Arizona.
- 1.2. Tenant: Goldberg & Osborne, an Arizona General Partnership
- 1.3. Premises: Suite 900, consisting of approximately 10,362 rentable square feet in the building located at 33 N. Stone Avenue, Tucson, Arizona, 85701.
- 1.4. Lease: The Lease of the Premises between Tenant and Landlord's predecessor in interest, dated June 8, 2004, as previously amended by Lease Amendment No. 1, effective August 1, 2009, and Lease Amendment No. 2, effective October 19, 2010.
- 1.5. Effective Date: This Amendment shall become binding upon the parties when executed by both parties, but the terms and provisions hereof shall apply and become effective on August 1, 2014 ("Effective Date").

2. **MODIFICATION OF LEASE.** Landlord and Tenant agree to modify the terms of the Lease as follows:

- 2.1. Lease Extension. To accommodate Tenant's need for additional time to complete tenant improvements at its new location, subject to all the provisions of this Amendment, Landlord and Tenant agree to extend the Lease for a six (6) month period.

2.2. Extended Term. The Extended Term ("Term") shall commence at 00:01 A.M. on August 1, 2014 and terminate at 11:59 P.M. on January 31, 2015, unless the Lease is further amended by the parties in writing or earlier terminated as provided for herein.

2.3. Base Rent. The monthly Base Rent from 8/1/2014 through 9/30/2014 for Tenant's office and basement storage spaces will remain at \$ 21,133.05, as was in effect from 8/1/2013 through 7/31/2014. Effective 10/1/2014 and continuing through 1/31/2015, the monthly Base Rent will increase by 3.0% to \$21,767.04, which is a \$633.99 per month increase. The Base Rent schedule is:

<u>Months</u>	<u>Base Rent</u>	<u>Totals</u>
8/1/2014 – 9/30/2014	2 months at \$ 21,133.05	\$ 42,266.10
10/1/2014 – 1/31/2015	4 months at \$ 21,767.04	<u>\$ 87,068.17</u>
TOTAL, 8/1/14 – 1/31/15		\$ 129,334.26

2.4. Commercial Lease Taxes. In addition to Base Rent, Tenant shall each month continue to pay to Landlord all applicable commercial lease taxes related specifically to this Lease, including but not necessarily limited to the Arizona State Tax of 0.5% (1/2 of 1%) and the Government Property Lease Excise Tax ("GPLET") pursuant to A.R.S. § 42-6202.

2.5. Elective Termination. Provided the terminating party is not in default nor owing unpaid monies to the other party, and has not been given notice of default by the other party, this Lease may be terminated by either party for any reason and with or without cause, by giving at least thirty (30) days written notice to the other party.

2.6. No Renewal Options. Any option to renew or extend the Term that is or may be contained in any previous agreement between Landlord and Tenant is hereby extinguished and of no force or effect. Any agreement to extend the Term beyond January 31, 2015 is subject to Landlord's approval in its sole discretion.

2.7. Applicable Law. The parties will comply with all federal, state and local laws, rules, regulations, standards, Executive Orders, and Pima County Board of Supervisors' policies, including Policy Number C. 3.18 entitled "Tobacco-Free Environment" attached hereto as Exhibit A, without limitation to those designated within this Lease. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Lease and any disputes hereunder. Any action relating to this Lease shall be brought in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, regulations, and Board of Supervisor policies during the terms of this Lease shall apply but do not require an amendment.

2.8. Notice. Landlord's address for any notice required or permitted to be given under this agreement is changed to:

Pima County
 c/o Facilities Management Department
 150 West Congress Street, 3rd Floor
 Tucson, AZ 85701-1317

3. **REMAINING LEASE TERMS UNCHANGED.** Except as modified as provided in this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.



IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day, month and year written below.

TENANT: Goldberg & Osborne, an Arizona General Partnership


Date 5/4/14

Mark H. Goldberg John E. Osborne
President of General Partner

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

Date _____
Sharon Bronson
Chair, Board of Supervisors

ATTEST:

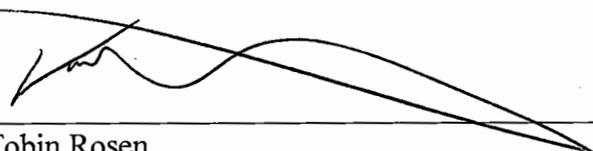
Date _____
Robin Brigode
Clerk of the Board

APPROVED AS TO CONTENT:


Date 5/6/14

Michael L. Kirk
Director, Facilities Management

APPROVED AS TO FORM:


Date 5/2/14

Tobin Rosen
Deputy County Attorney, Civil Division



EXHIBIT A

Page 1 of 2

PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY
Subject: Tobacco-Free Environment
Policy Number: C 3.18
Page 1 of 2

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 products. The purpose of this tobacco-free policy is to create tobacco-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-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-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 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.

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-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.

EXHIBIT A

Page 2 of 2

PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY
Subject: Tobacco-Free Environment
Policy Number: C 3.18
Page 2 of 2

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-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-Free Policy to such events or conferences for attendees.

All new employees of Pima County will be informed on and educated about the Tobacco-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:

Pima County Ordinance, Chapter 2.12
Pima County Code, Section 8.50
Adopted Date: November 13, 2012
Effective Date: January 1, 2013

Website: <http://www.pima.gov/cob/POLICY/C3-18.pdf>





GOLDSB-01

EFRANKO

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/5/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CoBiz Insurance, Inc. - AZ 2600 N. Central Ave. Suite 1950 Phoenix, AZ 85004	CONTACT NAME: Erica Franko PHONE (A/C, No, Ext): (602) 296-2300 FAX (A/C, No): (602) 230-2106 E-MAIL ADDRESS: efranko@cobizinsurance.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED Goldberg & Osborne 4423 E. Thomas Road, Suite 3 Phoenix, AZ 85018	INSURER A : Travelers Indemnity Company NAIC # 25658	
	INSURER B : Phoenix Insurance Company 25623	
	INSURER C : Hartford Casualty Insurance Co 29424	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	16803E3281051442	3/1/2014	9/1/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY		BA3E32881214SEL	3/1/2014	9/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS					PROPERTY DAMAGE (Per accident) \$
						\$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		CUP3E1379761442	3/1/2014	9/1/2014	EACH OCCURRENCE \$ 5,000,000
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 5,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 5,000					Prod/COps Agg \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N N	59WELY0758	9/1/2013	9/1/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 500,000
						E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 RE: Insured's Tenancy at 33 North Stone Suite#900, Tucson, AZ 85701
 Pima County is named as Additional Insured with respect to General Liability per attached forms CGD186 11/03 and CGD037 04/05 as required by written contract.

CERTIFICATE HOLDER Pima County - Finance Department Revenue Managment Mail Stop: DT-AB6-128 130 West Congress Tucson, AZ 85701	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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