



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: February 7, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): UNITED COMMUNITY HEALTH CENTER - MARIA AUXILIADORA, INC., an Arizona non-profit and tax exempt corporation.

Project Title/Description:

New 10 year lease for medical clinic to continue occupancy of 28720 So. Nogales Highway, Amado, AZ, with a one (1) 10 year renewal option. This lease replaces prior lease from NRPR that expired June 30, 2015; tenant's occupancy has remained in effect on a month-to-month basis with the parties' consent.

Purpose:

Operate and administer primary care clinical services for benefit of low income and underserved residents in Amado and surrounding communities.

Procurement Method:

Exempt

Program Goals/Predicted Outcomes:

Provide medical clinic services to County residents in rural area(s) who may not have access to adequate healthcare due to geographic, economic, developmental, ethnic, age, or other factors.

Public Benefit:

Provision of healthcare to rural area residents.

Metrics Available to Measure Performance:

Improved health within the community as a result of closer, affordable, and readily available medical care.

Retroactive:

No.

To: COB. 1-24-17 (2)
Ver. - 1
pp. 21

Procure Dept 01/23/17 PM 02:50

Original Information

Document Type: CTN Department Code: FM Contract Number (i.e., 15-123): 17 - 0129

Effective Date: 2-07-2017 Termination Date: 1-31-2027 Prior Contract Number (Synergen/CMS): 04-05-U-143086

Expense Amount: \$ _____ Revenue Amount: \$ \$100.00

Funding Source(s): Tenant

Cost to Pima County General Fund: \$0.00

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

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

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

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

Amendment Information

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

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Expense Revenue Increase Decrease Amount This Amendment: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contact: Nina Armstrong

Department: Facilities Management

Telephone: 724-2725

Department Director Signature/Date: [Signature] 1/19/17

Deputy County Administrator Signature/Date: [Signature] 1-23-17

County Administrator Signature/Date: [Signature] 1/23/17
(Required for Board Agenda/Addendum Items)

<p>PIMA COUNTY FACILITIES MANAGEMENT DEPARTMENT</p> <p>REVENUE CONTRACT</p> <p>LANDLORD: PIMA COUNTY</p> <p>TENANT: UNITED COMMUNITY HEALTH CENTER – MARIA AUXILIADORA, INC.</p> <p>PROPERTY: 28720 South Nogales Highway Amado, AZ</p> <p>CONTRACT NO.: CTN-FM-17*0129</p>	<div style="border: 2px solid red; padding: 5px;"> <p>CONTRACT</p> <p>NO. <u>CTN-FM-17-129</u></p> <p>AMENDMENT NO. _____</p> <p><small>This number must appear on all invoices, correspondence and documents pertaining to this contract.</small></p> </div>
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ORIGINAL LEASE TERM: Feb. 7, 2017 - Jan. 31, 2027	ORIGINAL LEASE AMOUNT: \$ 100.00
TERMINATION DATE PRIOR AMENDMENT: N/A	PRIOR AMENDMENT: N/A
TERMINATION THIS AMENDMENT: N/A	THIS AMENDMENT: N/A
	TOTAL LEASE AMOUNT: \$ 100.00

LEASE AGREEMENT

This Lease Agreement ("**Lease**"), for reference purposes dated December 30, 2016, is made by and between PIMA COUNTY, a political subdivision of the State of Arizona ("**Landlord**"), and UNITED COMMUNITY HEALTH CENTER - MARIA AUXILIADORA, INC., an Arizona non-profit and tax exempt corporation ("**Tenant**"), collectively referred to herein as the "**Parties**".

This Lease will become effective on the date it is signed by Landlord and Tenant (the "**Effective Date**"), and will be deemed signed by Landlord on the date it is signed by the Chair of the Pima County Board of Supervisors.

- Exhibits:
- Exhibit A: Legal description and aerial view of Property.
 - Exhibit B: Street view of Building.
 - Exhibit C: Floor plan showing Premises.
 - Exhibit D: Board of Supervisors Policy No. C 3.18.

RECITALS

- I. Landlord owns the real property located at 28720 South Nogales Highway, Amado, Arizona, as described and depicted on **Exhibit A** and **Exhibit B** (the "**Property**"), attached hereto and made a part hereof. The Property includes a building containing approximately 5,977 rentable square feet (the "**Building**"), of which approximately 2,360 rentable square feet (as per Assessor's Field Check drawing dated 6-10-2015) is occupied by Tenant and is shown on the floor plan attached hereto as **Exhibit C** (the "**Premises**").

- II. Tenant has continuously occupied the Premises since July, 2010, pursuant to a lease that expired June 30, 2015. Tenant's occupancy since July 1, 2015 has been on a month-to-month basis with Landlord's consent.
- III. Tenant is an Arizona non-profit corporation organized for the purpose of operating and administering primary care clinical services for the benefit of Pima County residents in the surrounding communities who may not have adequate access to healthcare.
- IV. Tenant is exempt from the payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- V. Landlord has authority under A.R.S. §11-256.01 to lease real property owned by it to a nonprofit corporation at less than fair market value. Landlord has published notice of its intent to enter into this Lease as required by law.
- VI. Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant, on and subject to the terms and conditions contained in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Premises; Improvements; Condition of Premises.

- 1.1. Premises. Landlord, for and in consideration of the rent and covenants, conditions and agreements hereinafter described to be kept and performed by Tenant, does hereby rent, demise and lease to Tenant, and Tenant does hereby rent and lease from Landlord, the Premises as shown on Exhibit C.
- 1.2. Improvements to be Built. None.
- 1.3. Condition of Premises. Tenant's possession of the Premises will be deemed conclusive evidence that the Premises are in good order and satisfactory condition. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Property, and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Property or this Lease, including, without limitation, the condition or suitability of the Premises, has been made to Tenant by Landlord other than as may be contained herein or in a separate Exhibit or Addendum signed by Landlord and Tenant.

2. Term of Lease.

- 2.1. Initial Term. This Lease will commence on February 7, 2017 and continue for ten (10) consecutive years through January 31, 2027, (the "**Initial Term**"), subject to extension or early termination as provided for elsewhere in this Lease.
- 2.2. Extension Option. Provided Tenant is not in default, and subject to Landlord's consent which will not be unreasonably withheld, Tenant has one (1) option to extend this Lease for an additional period of ten (10) years (the "**Extension Period**", or the "**Term**" when taken together with the Initial Term). This option may be exercised by Tenant giving Landlord

written notice of Tenant's intent to extend the Lease no sooner than February 1, 2026 and no later than July 31, 2026 (the "**Option Notice**"). Landlord and Tenant reserve the right to adjust Rent for the Extension Period; however, if Landlord and Tenant fail to agree in good faith upon the rate of Rent for the Extension Period within sixty (60) days after Landlord's receipt of the Option Notice, Tenant may revoke its Option Notice without liability therefor by giving written notice of such revocation to Landlord, and Tenant's Extension Option right will expire as of the date Landlord receives said notice of revocation.

3. Rent; Security Deposit; Utilities.

3.1. Rent. Tenant will pay to Landlord, in advance and without notice or demand, the amount of Ten Dollars (\$10.00) annually (the "Rent"), the first (1st) year of which is due on or before February 6, 2017, and due on February 1st of every year thereafter until this Lease expires or is terminated.

3.1.1. Late Fee. Tenant will pay a late fee in the amount of Twenty-Five Dollars (\$25.00) if a Rent payment is not received by Landlord on or before the 10th day after it becomes due and payable.

3.1.2. Payment Address. Tenant will pay each installment of Rent to Landlord at the following address or at such other place as Landlord may from time to time designate in writing:

Pima County Government Finance, Revenue Management Division
33 N. Stone Ave., 6th Floor, Mail Stop: DT-BAB6-404
Tucson, Arizona 85701.

3.2. Security Deposit: None.

3.3. Utilities. Tenant will timely pay the full cost of all utilities and all telecommunications, internet and television services used in the Premises, except for water. In the event any water company provides potable water to the Property, Tenant will be solely responsible for payment of the cost of water for the Premises.

3.4. Alarm Systems.

3.4.1. Building Fire Alarm System. Landlord is responsible for acquiring, installing, maintaining and repairing the fire alarm system for the Building.

3.4.2. Intrusion Alarm System. Tenant is responsible for acquiring, installing, maintaining and repairing all other alarm systems.

3.4.3. Responding to Alarms. Due to Landlord having no personnel in the vicinity, Tenant is responsible for promptly responding to all fire and intrusion alarms.

4. Uses.

4.1. Permitted Uses. Tenant's operations on the Premises will comply with all applicable laws and regulations. Tenant will use the Premises to operate and administer primary care clinical

health services, including medical office space, for the benefit of County residents in the surrounding communities, giving special consideration to those who because of geographic, economic, developmental, ethnic, age or other factors, may not have adequate access to healthcare, and for other uses reasonably related thereto (the "Permitted Uses"). Tenant will use the Premises solely for providing the Permitted Uses and will conduct the Permitted Uses continuously during the Term of this Lease.

- 4.2. Licensure and Registration. Tenant will apply for and obtain all applicable licenses, registrations and permits required by the State of Arizona and other government entities and will maintain such licenses, registrations and permits in good standing throughout the term of this Agreement. Tenant will immediately notify Landlord, in writing, if any license, registration or permit is denied or terminated. In the event of such denial or termination Landlord may, in its sole discretion, terminate this Agreement with no further obligation to Tenant.
- 4.3. No Third Party Contract. Tenant may not contract with a third party to conduct the Permitted Uses without Landlord's prior written consent, which consent will be at Landlord's sole discretion. Any such contractor must be a non-profit tax-exempt organization and must comply with all provisions of this Lease. Landlord's consent to a third party contract will not relieve Tenant of any of its obligations, responsibilities, or liabilities hereunder. Tenant agrees that it will be fully liable for, and hereby agrees to indemnify Landlord from and against, any liability, losses, or expenses suffered or incurred by Landlord as a result of Tenant's contractor's operations on the Premises.
- 4.4. Prohibited Activities: Tenant will not permit any unlawful activities on the Premises or any activities that unduly interfere with activities of other occupants of the Building or neighboring property owners and/or occupants.
- 4.5. Hazardous Materials Prohibited.
 - 4.5.1. Tenant will not cause or permit any hazardous or toxic materials or substances to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, other than such hazardous or toxic materials or substances that are necessary to Tenant's Permitted Uses and will be used, kept and stored in a manner that complies with all laws and regulations regulating such materials or substances.
 - 4.5.2. Tenant will immediately remove and remediate, at its sole cost and expense, any contamination to the Premises, Building, and/or Property occurring during the Term of this Lease or during Tenant's occupancy of the Premises and Property that is partially or fully caused by Tenant, its agents, employees, contractors or invitees.
- 4.6. Medical Waste & Material Disposal. Tenant will properly dispose of any medical supplies and medical waste, including but not limited to syringes, vials, prescriptions and any materials containing blood or other biological material used or generated on the Premises. Disposal may include using appropriate medical waste containers and/or contracting with a third party medical waste disposal company. Tenant will never dispose of any medical supplies or medical waste outside of the Premises or in the Building's Common

Areas or in any receptacle or place other than those specifically designed for and designated as appropriate for disposal of medical waste, medical materials, and bio-hazards. Tenant will indemnify and defend Landlord from and against any and all liability incurred by Landlord as a result of any unlawful or inappropriate disposal of medical supplies or medical waste.

5. Tenant's Non-Profit Status.

5.1. Tenant will at all times during the term of this Lease be a non-profit organization exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code (26 USC § 501(c)(3)). Within ten (10) days after receipt of Landlord's written request, Tenant will provide Landlord a copy of Tenant's letter of exemption from the U.S. Internal Revenue Service granting Tenant such tax exempt status and any analogous ruling from the Arizona Department of Revenue. Tenant will immediately notify Landlord in writing and provide Landlord with a copy of any ruling or inquiry from any governmental authority affecting or potentially affecting such status.

5.2. Because this Lease is a lease of public property for a public purpose to a tax exempt non-profit entity, Tenant agrees that any compensation paid by Tenant to its members, officers, employees, or any related entity, will be reasonable and comparable to that paid by similar tax exempt non-profit entities providing the same or substantially the same services to the community. Landlord will have the right to inspect Tenant's records to verify the levels of compensation paid by Tenant. If Landlord reasonably determines that such compensation is excessive, Landlord may terminate this Lease unless Tenant adjusts its compensation to reasonable levels within sixty (60) days after receiving notice from Landlord of its objection to Tenant's compensation levels.

6. Expenses of Tenant. Tenant will conduct its operations at the Premises at its own expense and without contribution from Landlord. Tenant will not suggest, state, or imply that Landlord will participate, guarantee or otherwise assist in any financial obligation undertaken by Tenant with respect to its operations on the Premises.

7. Alterations and Improvements to Premises.

7.1. Consent Required. Tenant may not make any improvements, alterations, additions, or changes to the Premises (collectively, "Alterations") without obtaining prior written consent from Landlord's Director of Facilities Management Department. Landlord will not unreasonably withhold consent to proposed Alterations; provided, however, it will be reasonable for Landlord to withhold consent if, among other reasons, Landlord determines the Alterations may or will:

7.1.1. Adversely affect the integrity of any structural, mechanical, or electrical system of any portion of the Premises or Building, or affect the integrity of the Premises' or Building's features or infrastructure;

7.1.2. Result in Landlord being required to perform any work that Landlord would otherwise avoid or defer;

7.1.3. Result in an increase in the premiums for any hazard or liability insurance carried by Landlord or result in an increased risk of liability or pose a safety hazard; or

7.1.4. Result in an increase in the demand for utilities or services (including wastewater treatment) that Landlord provides to the Premises.

7.2. Request for Alterations; Plans and Specifications. Before starting any work, Tenant will submit a **Request for Alterations** to Landlord, which will include plans and specifications developed by an Arizona registered architect or engineer for Landlord's review. Landlord will have forty-five (45) days after receipt of the Request for Alterations to approve or reject the proposed Alterations. Failure of Landlord to respond to the Request for Alterations within sixty (60) days after receipt of same by Landlord will be deemed approval.

7.3. No Landlord Liability for Approval of Alterations. Landlord's review of the plans and specifications will be solely for Landlord's purposes and will not imply that Landlord has reviewed the plans and specifications for quality, design, laws, compliance or other like matters. Accordingly, notwithstanding that any construction drawings are reviewed by any Landlord architects, engineers, or consultants, Landlord will have no liability whatsoever in connection therewith and will not be responsible for any omissions or errors contained in any construction drawings, and Tenant's indemnifications set forth in this Agreement will also apply to the construction drawings. Landlord's review will solely be to determine whether proposed Alterations are consistent with the purposes of this Agreement of providing, operating, and administering primary care medical services for the benefit of County residents.

7.4. **Construction of Improvements.**

7.4.1. Compliance with Law. All improvements made by Tenant will comply with all applicable federal, state and local statutes, codes, ordinances, rules and regulations.

7.4.2. Insurance. Tenant will cause said contractors and subcontractors to obtain insurance coverage of a type and amount acceptable to Landlord, and to name Tenant and Landlord as Additional Insureds with respect to liability arising out of the performance of said contracts. Within thirty (30) days after completion of any or improvements, Tenant will deliver to Landlord a complete and reproducible set of plans and specifications of the improvements or buildings as built.

7.4.3. Tenant Indemnification. Tenant will indemnify, hold Landlord harmless, and defend Landlord against liability for any damage to property or injury to persons occasioned by any construction by Tenant on the Property.

7.4.4. Contractor Indemnification. All construction contracts will include an indemnification provision requiring the contractor to indemnify, defend and hold harmless Landlord from all losses, claims, suits, demands, expenses, attorney's fees or actions of any kind or nature arising from contractor's negligent or intentional acts, errors or omissions.

7.4.5. Property of Landlord. All improvements placed by Tenant on the Premises and Property will become the property of Landlord at the time they are placed thereon

and will be surrendered to Landlord upon the termination of this Agreement, free and clear of all liens and encumbrances of every kind, and in good and operable condition.

8. Maintenance, Repairs, Landscaping.

8.1. Tenant Repairs. Tenant accepts the Premises and Property in an "as is - where is" condition. Tenant will, at all times hereunder and at its sole cost and expense, maintain the Premises and Property adjoining the Premises in a good, clean, safe and sanitary condition, including making all necessary repairs to or replacements of improvements such as but not limited to windows, interior and exterior doors, fixtures, appliances, furnishings, all building systems including the heating, ventilating and air conditioning system ("HVAC"), and landscaping. Without limiting the generality of the foregoing, Tenant will repair and, if necessary, replace the HVAC in the Premises if, in Landlord's reasonable judgment, the system has become inefficient or obsolete.

8.1.1. Tenant will promptly repair at its sole cost any damage done to the Premises, Building, and/or the Property caused by any employee, agent, contractor or invitee of Tenant.

8.1.2. Upon the expiration or earlier termination of this Lease, Tenant will leave the Premises and Property in a condition at least as good as when Tenant took possession of the Premises, reasonable wear and tear excepted.

8.2. Landlord Repairs and Inspections. Landlord will maintain and repair the exterior portions of the Building including the roof, exterior walls, parking lot, parking lot lighting, and the sewer, water and electrical lines outside the Building.

8.2.1. Notification to Landlord. In the event of needed repairs to the Premises or equipment associated therewith that Landlord is responsible for performing, Tenant will notify Landlord of the needed repairs as soon as practicable, and Landlord will cause repairs to be made as are necessary to correct such condition within a reasonable period of time.

8.3. Entry for Inspections and Repairs. Tenant will permit Landlord and Landlord's authorized representatives to enter the Premises at times reasonably convenient to Tenant for purposes of inspection, making repairs and performing any work therein as may be necessary for Landlord to comply with the provisions of this Lease. Landlord, in the performance of any such work, will cause as little inconvenience, annoyance, disturbance, or damage to Tenant as may reasonably be possible under the circumstances. At any time that Landlord or Landlord's authorized representatives enter the Premises pursuant to this Lease, Landlord will comply with and require Landlord's authorized representatives to comply with all applicable medical privacy laws, including without limitation the Health Insurance Portability and Accountability Act of 1996 (commonly known as HIPAA).

8.3.1. Emergency Entries. Landlord may enter the Premises immediately and without notice if entry is in response to an emergency. Landlord will notify Tenant of such entry as soon as practicable after the emergency has been resolved.

9. **Signs.** Tenant may affix and maintain upon the Premises signs relating to the services provided on the Premises as Tenant deems appropriate; provided, however, if such signs are visible outside the Premises, the signs must first receive written approval from Landlord as to type, size, color, location, text, and display qualities. All signs posted by or for Tenant on or

about the Premises, whether visible outside the Premises or not, will at all times comply with the Pima County Sign Code and will be installed and maintained at Tenant's sole cost.

Any sign placed by Tenant on or about the Premises will be immediately removed by Tenant upon termination of this Lease for any reason, and any damage resulting from such removal will be repaired immediately by Tenant at its sole cost. Tenant will pay all costs for design, construction, installation, maintenance, and repair of any sign either currently in place or to be erected or installed or otherwise placed on or about the Premises for Tenant's benefit.

10. **Security.** Tenant is responsible for securing the Premises and preventing any unlawful or unauthorized use therein. When the Premises are not open to the Public, they will be secured to prevent unsupervised use or entry into the Premises or Building. Tenant will promptly contact law enforcement authorities when it is prudent to do so in order to protect the Premises and any persons or property therein, and Tenant will fully cooperate with any resulting investigation and prosecution.

11. **Insurance.** Tenant will maintain the following insurance at all times during the term of this Lease:

11.1. Minimum Coverages.

11.1.1. Commercial General Liability (CGL). Commercial General Liability (CGL) occurrence form covering liability arising personal injury, bodily injury, broad form contractual liability and products-completed operations with minimum limits not less than \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy must be endorsed to include Landlord as an additional insured.

11.1.2. Commercial Business Automobile Liability. Coverage for owned and/or non-owned vehicles with minimum limits not less than \$1,000,000.00 Each Accident for vehicles used in the performance of the operations at the Premises.

11.1.3. Workers' Compensation. Statutory limits, with Employers' Liability coverage in an amount not less than \$1,000,000.00 per employee for injury, illness, or disease.

11.1.4. Property insurance coverage by Tenant for losses to any tenant improvements or betterments, tenant floor and wall coverings, and business personal property.

11.1.5. Professional Liability (Medical) Errors and Omission (E&O) Insurance. Professional Medical Liability coverage to include professional misconduct and negligent acts of anyone performing professional services under this Contract with policy limits not less than \$2,000,000 Each Claim and \$2,000,000 Annual Aggregate. A Claims-Made policy is acceptable. Claims-made policy retroactive date must precede the effective date of this Contract, and must be maintained for a period of not less than three (3) years following Contract expiration, termination or cancellation.

11.2. Insurance Certificates. Tenant will regularly provide Landlord with current certificates of insurance showing evidence of insurance coverage and adding Landlord as an additional insured where required. All certificates of insurance must provide for guaranteed thirty (30) days written notice of cancellation, non-renewal or material change.

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

11.4. Changes to Insurance Requirements. Landlord retains the right to reasonably increase the limits or types of coverage from time to time as determined in the best interests of Landlord by Pima County Risk Management.

11.5. Tenant Representations Regarding the Federally Supported Health Centers Assistance Act and the Federal Tort Claims Act.

Notwithstanding anything in this Lease to the contrary, Tenant represents and warrants that it qualifies as a federally supported health center under the Federally Supported Health Centers Assistance Act of 1992 and 1995, and has been deemed to be included in coverage for comprehensive general liability claims, professional liability claims, and workers' compensation claims, under and up to the limits of the Federal Tort Claims Act ("FTCA") for the purpose of providing coverage for Tenant, and Tenant's employees and agents, against any claim or claims for damages arising as a result of injury to property or person, including death, occasioned directly or indirectly in connection with the provision of physician services contemplated by this Lease and/or the maintenance of Tenant's facilities and equipment. To the extent that Tenant is covered under the FTCA, Tenant is not required to comply with the insurance requirements set forth above.

In the event Tenant loses its qualification(s) as a federally supported health center under the Federally Supported Health Centers Assistance Act of 1992 and 1995, or loses its coverage under the FTCA, or if such coverage falls below the minimum coverages set forth in paragraph 11.1., above, Tenant will immediately obtain replacement insurance coverage(s) with insurers with an A.M. Best rating of not less than A- and Tenant will, prior to lapse of current coverages, provide Landlord with the insurance certificates required pursuant to paragraph 11.2., above.

12. **Injury and Damage Reports.** As soon as possible after an injury to any person or damage to any Landlord property on or in the Property, Building, or Premises, Tenant will provide a complete report describing such injury, damage and incident to:

Pima County Risk Management Department
Attn: Liability Claims Manager
130 W. Congress, 6th Floor
Tucson, Arizona 85701

With a copy to:

Pima County Facilities Management Department
Real Estate Services
150 W. Congress Street, 3rd Floor
Tucson AZ 85701.

Landlord will have the right to investigate any such incident and Tenant will timely provide Landlord with all information available to Tenant about such incident.

13. **Indemnification.** Tenant hereby agrees to defend, indemnify and hold harmless Landlord, its officers, employees and agents, from and against all claims and demands of any nature whatsoever arising out of the injury to or death of any person or damage to property related to the Building and not caused by the acts or omissions of Landlord, its employees, agents, guests,

licensees or invitees during the Term of this Lease. To the extent permitted by law, Landlord hereby agrees to defend, indemnify and hold harmless Tenant, its officers, employees and agents, from and against all claims and demands of any nature whatsoever arising out of the injury to or death of any person or damage to property, to the extent caused by the negligent acts or omissions of Landlord, its employees, agents, guests, licensees or invitees, but excluding Tenant, during the Term of this Lease.

This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses and liabilities incurred in or in connection with any such claim or proceeding brought thereon, the reasonable expense of investigating the same and the defense thereof.

14. Damage or Destruction. In the event the Building or Premises is damaged or destroyed by fire or other casualty:

14.1. If the Building or Premises is rendered wholly unfit for occupancy by fire or other casualty and if, in the reasonable opinion of a reputable contractor or architect designated by Landlord and reasonably acceptable to Tenant, the Building or Premises is not susceptible to complete repair within ninety (90) days from the date of such damage or destruction, Landlord and Tenant will each have the option to terminate this Lease by so advising the other, in writing, within ten (10) days after said contractor or architect delivers written notice of its opinion to Landlord and Tenant;

14.2. If the Building or Premises is rendered wholly unfit for occupancy by fire or other casualty and if, in the reasonable opinion of a reputable contractor or architect designated by Landlord and reasonably acceptable to Tenant, is not susceptible to complete repair within ninety (90) days from the date of such damage or destruction but neither Landlord nor Tenant terminates pursuant to Section 14.a. above, then Landlord will repair the damage and restore and rebuild the Building or Premises within the time period estimated for such work by the designated contractor or architect. Landlord will use its diligent and good faith efforts to make such repair or restoration promptly and in such manner as to not unreasonably interfere with Tenant's use and occupancy of the Premises. Rent will be proportionally abated to the extent of any actual loss of use of the Premises by Tenant while such repairs or restoration is in progress;

14.3. If the Building and/or Premises is, in the reasonable opinion of a reputable contractor or architect designated by Landlord, susceptible to complete repair within ninety (90) days from the date of such damage or destruction, then Landlord will repair the damage and restore and rebuild the Building and Premises within such period. Landlord will use its diligent and good faith efforts to make such repair or restoration promptly and in such manner as not to unreasonably interfere with Tenant's use and occupancy of the Premises. Rent will be proportionally abated to the extent of any actual loss of use of the Premises by Tenant while such repairs or restoration is in progress. Notwithstanding the foregoing, if Landlord does not complete or is unable to repair and restore the Building within ninety (90) days from the date of such damage or destruction, then Tenant will have, at its sole option, the right to terminate this Lease by delivering written notice of its election to terminate not more than thirty (30) days after the end of that ninety (90) day period, and will specify a date not less than thirty (30) days after the giving of such notice as the date for such termination; and,

14.4. If twenty-five percent (25%) or more of the Building or Premises is damaged or destroyed during the last twelve (12) months of the Term, notwithstanding anything to the contrary above, Tenant will have the right to terminate this Lease. Tenant will effect such termination

by giving notice in writing to Landlord not more than thirty (30) days after the date of such damage or destruction, and will specify a date not less than thirty (30) days after the giving of such notice as the date for such termination.

15. Condemnation.

- 15.1. Condemnation of Entire Building. If, during the term of this Lease, the entire Building is taken or condemned for any public purpose, or purchased under threat of such taking or condemnation (hereinafter referred to as the "Proceedings"), this Lease and all right, title and interest of Tenant hereunder will cease and come to an end on the date of vesting of title pursuant to such Proceedings and Landlord will be entitled to and will receive the total award made in such Proceedings; *provided, however*, that Tenant may make a separate claim for Tenant's lost trade fixtures and equipment, damages for interruption of business and its relocation expenses.
- 15.2. Partial Condemnation/Termination of Lease. If, during the Term less than the entire Building, but more than twenty-five percent (25%) of the Building's square footage, will be taken in any Proceedings, this Lease will, upon vesting of title in the Proceedings, terminate as to the portion of the Building so taken, and Tenant may, at its option, terminate this Lease as to the remainder of the Building. Such termination as to the remainder of the Building will be effected by notice in writing given not more than sixty (60) days after the date of vesting of title in such Proceedings, and will specify a date not more than sixty (60) days after the giving of such notice as the date for such termination. Upon the date specified in such notice, the Term and all right, title and interest of Tenant hereunder will cease and come to an end. If this Lease is terminated pursuant to this Section 15.b., Landlord will be entitled to and will receive the total award made in such Proceedings; *provided, however*, that Tenant may make a separate claim for Tenant's lost trade fixtures and equipment, damages for interruption of business and its relocation expenses. In the event that Tenant elects to not terminate this Lease as to the remainder of the Building, the rights and obligations of Landlord and Tenant will be governed by the provisions of Section 15.c. hereof.
- 15.3. Partial Condemnation/Continuation of Lease. If twenty-five percent (25%) or less the Building is taken in such Proceedings, or if more than twenty-five percent (25%) of the Building is taken (but less than the entire Building) and this Lease is not terminated as provided for in Section 15.b. hereof, this Lease will, upon vesting of title in the Proceedings, terminate as to the parts so taken. Landlord, in such case, covenants and agrees, at Landlord's sole cost and expense, to promptly restore that portion of the Building not so taken to a complete architectural and mechanical unit for the use and occupancy of Tenant as contemplated in this Lease. Notwithstanding anything to the contrary in this Section 15.c., if Landlord does not complete or is unable to repair and restore the Building within one hundred twenty (120) days after the date of vesting of title in such Proceedings, then Tenant will have, at its sole option, the right to terminate this Lease. Such termination by Tenant will be effected by notice in writing given not more than one hundred fifty (150) days after the date of vesting of title in such Proceedings, and will specify a date not more than sixty (60) days after the giving of such notice as the date for such termination.
- 15.4. Adjustment of Rent. In the event of a partial taking of the Building under Section 15.c. hereof, or a partial taking of the Building under Section 15.b. hereof followed by Tenant not

exercising its right to terminate this Lease, the Rent payable hereunder during the period from and after the date of vesting of title in such Proceedings to the termination of this Lease will be equitably reduced in proportion to the reduction of the Premises.

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 its 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. **Assignment or Subletting.** Tenant will not assign, or in any manner transfer this Lease or any interest hereunder, and further agrees to not sublet the Premises or any portion thereof, without the prior written consent of Landlord in each instance. Any attempted assignment of this Lease by Tenant without prior written consent from Landlord will be void. Tenant acknowledges that, due to the special nature of this Lease, Landlord may withhold its consent to any such requested assignment or sublease in its sole discretion.
18. **Successors and Assigns.** The covenants and agreements herein contained will bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its permitted successors and assigns.
19. **Default.**
 - 19.1. **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:
 - 19.1.1. **Operation of Premises.** The vacating or abandonment of the Premises, or cessation of activities thereon or any portion thereof, by Tenant, where such abandonment will continue for a period of ten (10) calendar days after notice of such default is sent by Landlord to Tenant.
 - 19.1.2. **Nuisance or Waste.** Tenant creates or permits any waste or nuisance on the Premises
 - 19.1.3. **Tax Exempt Status.** Loss of Tenant's tax-exempt status or an action by the United States Internal Revenue Service challenging that status.
 - 19.1.4. **Monetary Obligations.** The failure by Tenant to make any payment required to be made by Tenant hereunder, as and when due, where such failure continues for a period of ten (10) calendar days after notice from Landlord that such payment is due.
 - 19.1.5. **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 which 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.
 - 19.1.6. **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 Building. Tenant's failure to obtain and maintain the proper license and/or registration is considered a violation.

- 19.1.7. **Multiple Defaults.** Tenant commits three (3) defaults in a twelve (12) month period, regardless of whether or not Tenant timely cured such defaults as provided below.
- 19.1.8. **Alcohol Use.** Tenant permits the consumption or sale of alcohol on the Premises or the Property.
- 19.1.9. **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, where such failure 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 provided such cure is completed within one hundred and twenty (120) days after the notice by Landlord.
- 19.2. **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).
- 19.3. **Remedies.** Either party may pursue any remedies provided by law and in equity for the breach of this Lease, including termination of the Lease, except that Tenant, because of the special nature of this Lease, which does not generate net revenues for Landlord, will not be entitled to pursue any monetary damages or penalties.
20. **Choice of Law.** The laws of the State of Arizona will apply to any action relating to this Lease and any court action will be brought in a court in Pima County, Arizona.
21. **Notices.** All notices to be given under this Lease will be in writing and will be served either personally or sent by pre-paid certified or registered mail, return receipt requested, to the Parties as indicated below or to such other persons or addresses as either party may designate in writing to the other party:
- If to Tenant:
- United Community Health Center – Maria Auxiliadora, Inc.
1260 S. Campbell Road, Building 2
Green Valley, AZ 85614
Attention: Rodolfo Jimenez, DO, CEO
- If to Landlord:
- Pima County Facilities Management Department
Attn.: Director
150 W. Congress Street, 3rd Floor
Tucson AZ 85701
22. **Quiet Enjoyment.** Landlord covenants and agrees that Tenant, upon paying the Rent, and observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed, will lawfully and quietly hold, occupy and enjoy the Leased

Premises (subject to the provisions of this Lease) during the term of this Lease without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

23. **Conflict of Interest.** This Lease is subject to cancellation within three (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 Lease on behalf of Landlord is, at any time while this Lease or any extension of the Lease is in effect, an employee or agent of any other party to the Lease with respect to the subject matter of the Lease.
24. **Non-Discrimination.** Tenant agrees that during the performance of this Lease, Tenant will 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. Tenant will comply with the provisions of Arizona Executive Order 75-5, as amended by Executive Order 99-4 and 2009-09 issued by the Governor of the State of Arizona, which is incorporated into this Lease as if set forth in full herein.
25. **Americans 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 all applicable federal regulations under the Act, including 28 CFR [Parts 35](#) and [36](#) as it pertains to facilities and use of the facilities. This will not obligate Landlord to make any modifications to the Premises, Building, or Property as a result of any change in the law or regulations, if such repairs are not otherwise legally required.
26. **Liens.** Tenant will timely pay all its contractors, subcontractors, mechanics, laborers, or materialmen providing materials or services with respect to the Premises and Property, and will not permit any lien to attach to the Premises or Property or any interest therein, and will indemnify and defend Landlord against all legal costs and charges resulting from any such lien.
27. **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.
28. **Force Majeure.** If either Landlord or Tenant is delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, civil disorder, inability to procure materials, restrictive governmental laws or regulations, or any other cause without fault and beyond the reasonable control of Landlord or Tenant, as applicable, (financial inability excepted) performance of such act will be excused for the period of delay.
29. **Surrender/Holding Over.** On termination of Tenant's occupancy, Tenant will surrender the Premises in the condition in which Tenant is required to maintain them under this Lease. If Tenant 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 will be as a month to month Tenant, subject to all conditions of this Lease other than the term hereof, at the monthly rent in effect as of the Lease expiration date.
30. **Personal Property.** Any of Tenant's personal property items left in or on the Premises, Building, or Property upon expiration or earlier termination of this Lease will become the property of Landlord and may be sold or otherwise disposed of by Landlord without liability to Tenant.

31. **Non-Appropriation of Funds.** The Parties recognize that the performance by both Tenant and Landlord may be dependent upon the appropriation of funds by the State Legislature of Arizona, the Board of Supervisors of Pima County, or the availability of funding from other sources. Should the relevant governing body fail to appropriate the necessary funds, or if funding becomes otherwise not legally available to a party hereunder, that party may reduce the scope of this Lease if appropriate or cancel the Lease without further duty or obligation. Each party agrees to notify the other party as soon as reasonably possible after the unavailability of said funds becomes known to that party.
32. **Interpretation of Lease.** The Parties acknowledge that each has had the opportunity to review this agreement with counsel of its or their choice. This Lease will not be construed most strongly in favor nor most strongly 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.
33. **Captions.** The caption of each article of this Lease is for convenience and reference only, and in no way defines, limits or describes the scope or intent of such article or of this Lease.
34. **Entire Agreement.** This Lease will constitute the entire contract between Landlord and Tenant with respect to the Premises and no modification hereof will be binding unless in writing and signed by both Parties.
35. **Severability.** If any covenant, condition, provision, term or agreement of this Lease will, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease will not be affected thereby, but each covenant, condition, provision, term or agreement of this Lease will be valid and in force to the fullest extent permitted by law.
36. **Time is of the Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.
37. **Counterparts.** This Lease may be executed in one or more counterparts, and by different Parties hereto on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, each of the Parties hereto have executed this Lease Agreement on the day, month and year written below.

TENANT: UNITED COMMUNITY HEALTH CENTER – MARIA AUXILIADORA, INC.


_____, 00
Rodolfo Jimenez, DO
Chief Executive Officer

Date 1/16/2017

LANDLORD: Pima County, a political subdivision of the State of Arizona.

Sharon Bronson
Chair, Board of Supervisors

Date

ATTEST:

Robin Brigode
Clerk of the Board

Date


APPROVED AS TO CONTENT:



Lisa Josker
Director, Facilities Management

Date 1/20/17

APPROVED AS TO FORM:



Tobin Rosen
Deputy County Attorney

Date 1/3/17

EXHIBIT A

Parcel #304-43-009L: PTN SW4 NW4 SW4 & PTN NW4 SW4 SW4 1.46 AC SEC 31-19-13.

Parcel #304-43-009J: PTN NW4 SW4 SW4 & SMALL PTN NE4 NE4 SE4 S 36-19-12 .23 AC SEC 31-19-13.



AMADO FOOD BANK AND UNITED COMMUNITY HEALTH CENTER

28720 South Nogales Highway, Amado, Arizona

EXHIBIT B



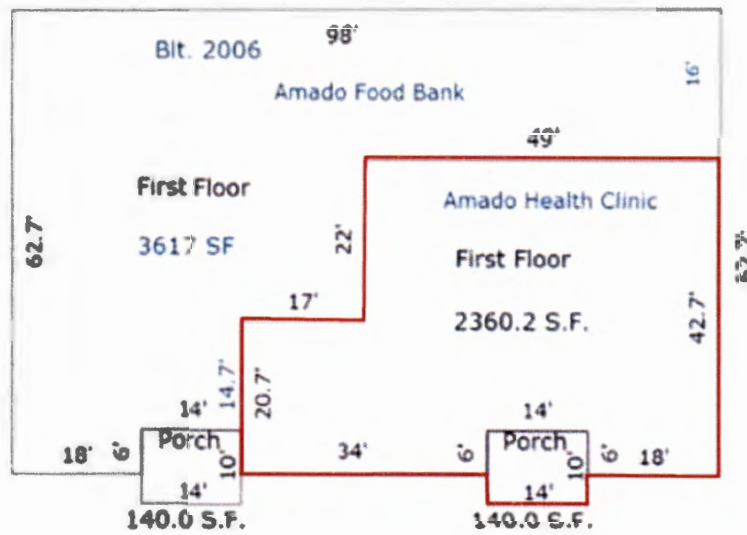
**UNITED COMMUNITY HEALTH CENTER - MARIA AUXILIADORA
(AMADO HEALTH CLINIC)**

28720 South Nogales Highway, Amado, Arizona

EXHIBIT C



Total 5977 SF



Drawn from Field Check
 6-10-2015



UNITED COMMUNITY HEALTH CENTER - MARIA AUXILIADORA (AMADO HEALTH CLINIC)

28720 South Nogales Highway, Amado, Arizona

EXHIBIT D

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 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.

EXHIBIT "D"

Page 2 of 2

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

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.

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>