



BOARD OF SUPERVISORS AGENDA ITEM REPORT AWARDS / CONTRACTS / GRANTS

☐ Award ☐ Contract ☒ Grant

Requested Board Meeting Date: 05/16/2023

* = Mandatory, information must be provided

or Procurement Director Award: ☐

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

Stratford Art Works, Inc.

***Project Title/Description:**

Joint Development Subaward for Renovation of Teatro Carmen

***Purpose:**

Under the Joint Development Agreement (JDA) approved by the Board of Supervisors in December, 2021, Pima County and Stratford Art Works, Inc. (SAW) agreed to work together to restore the historic Teatro Carmen. As part of the JDA, SAW agreed to raise funds for the project and to award any funds received to Pima County. The purpose of this formal award is to permit the Board to formally accept a subaward from SAW of funds originating with the Arizona State Parks & Trails Heritage fund, which includes no federal funds. This award is being accepted per Pima County Board of Supervisors Policy D22.6 and Administrative Procedure 5.1. Such procedures allow the County to comply with terms and conditions of awards, monitor award administration, and report programmatic and fiscal progress, to ensure compliance and grantor goodwill while enabling SAW to meet its compliance obligations. These acceptance and compliance procedures supplement the provisions of the JDA.

***Procurement Method:**

This subrecipient agreement is a non-Procurement contract and is not subject to Procurement rules.

***Program Goals/Predicted Outcomes:**

To provide funding to improve the heating and ventilation systems at Teatro Carmen, improving public health.

***Public Benefit:**

The restoration of a culturally and historically important resource for the Pima County community. Long-term plan is to re-open the theater as a performing arts space.

***Metrics Available to Measure Performance:**

Installation of heating, air, and ventilation system at Teatro Carmen

***Retroactive:**

No.

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

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

Contract / Award Information

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

***Funding Source(s) required:** _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No

If Yes, is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? ☐ Yes ☐ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☐ No

If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

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

Amendment No.: _____ AMS Version No.: _____

Commencement Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

☐ Expense ☐ Revenue ☐ Increase ☐ Decrease

Amount This Amendment: \$ _____

Is there revenue included? ☐ Yes ☐ No If Yes \$ _____

***Funding Source(s) required:** _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards)

☒ Award ☐ Amendment

Document Type: GTAW Department Code: FM Grant Number (i.e., 15-123): 23*123

Commencement Date: June 1, 2023 Termination Date: July 3, 2026 Amendment Number: _____

☐ Match Amount: \$ _____ ☒ Revenue Amount: \$ 200,000

***All Funding Source(s) required:** Stratford Art Works, Inc.

***Match funding from General Fund?** ☐ Yes ☒ No If Yes \$ _____ % _____

***Match funding from other sources?** ☐ Yes ☒ No If Yes \$ _____ % _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**
Federal funds are being passed through Arizona State Parks & Trails.

Contact: Sara Fontaine

Department: Project Design and Construction

Telephone: 520-724-3101

Department Director Signature: Sheila Hollen

Date: 4.26.23

Deputy County Administrator Signature: [Signature]

Date: 4/28/2023

County Administrator Signature: [Signature]

Date: 4/28/2023

Pima County Department of Facilities Management

Project: Joint Development Subaward for Renovation of Teatro Carmen

Grantor: Stratford Art Works, Inc.

GTAW No.: GTA-W-FM-23*123

Funding: Arizona State Parks and Trails Heritage Fund Grant Program

GRANT AGREEMENT

This **Grant Agreement ("Agreement")** is made and entered into by and between Pima County, a political subdivision of the state of Arizona ("**County**") and Stratford Art Works, Inc., an Arizona Non-Profit corporation ("**Non-Profit**") (together referred to as the "**Parties**").

1. Background and Purpose.

- 1.1. Background. On December 7, 2021, the Parties entered into a Joint Development Agreement ("JDA"), CT-FM-22*149. Under the terms of the JDA, Non-Profit will undertake fundraising in the private and public sectors to fund the rehabilitation and restoration project ("Project") for the property known as "Teatro Carmen," located at 384 S. Meyer Avenue, Tucson, Arizona, 85701 ("Project").
- 1.2. Purpose. Non-Profit has received a grant from Arizona State Parks and Trails, American Recovery Act Funds Program ("Parks"), through a Project Sponsor Agreement that includes Attachments A and B ("Project Sponsor Agreement"), the terms and conditions of which are required to be passed through to County to accomplish components of the Project.
- 1.3. County may contribute funds toward economic development pursuant to A.R.S. §§ 11-254 and 11-254.04.

- 2. Term.** The term of this Agreement commences on June 1, 2023 and terminates on July 3, 2026 ("Initial Term"). If the commencement date of the Initial Term is before the signature date of the last party to execute this Agreement the parties will, for all purposes, deem the Agreement to have been in effect as of the commencement date.

- 3. Award Amount.** The total amount of grant award under the Project Sponsor Agreement is \$200,000.00. These funds are being transferred to County pursuant to the JDA and will go towards Non-Profit's commitment to transfer funds pursuant to Section 20.2 of the JDA and County's obligation to release additional funds upon meeting certain benchmarks set forth in the JDA.

- 4. Scope of Services.** County will use the transferred grant award funds as specified in the Work Statement in **Exhibit A** for improvements to the heating, air and ventilation system at Teatro Carmen.

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{154464 / 01081442 / v2}

5. **Reporting.** County will keep track of receipts and expenditures and provide reports to Non-Profit as detailed in the Work Statements in **Exhibit A** and as required in Section 6.6, Grant Accountability and Section 11.1, Reporting.
6. **Administration Terms and Conditions Required by the Project Sponsor Agreement.** The following Administration Terms and Conditions are included in this Agreement, as required by the Project Sponsor Agreement:
 - 6.1. Incorporation of Application, Grant Manual and Administrative Guidelines. The following documents are incorporated by reference into this Agreement: Non-Profit's Project Sponsor Agreement, the applicable grant manual, and the most recent Administrative Guidelines for Awarded Grants. In the event of a conflict or ambiguity, the terms of the Project Sponsor Agreement take precedence.
 - 6.2. Use of Grant Funds. County agrees to use funds awarded to Non-Profit solely for eligible purposes of funding the Project, as defined by statute and approved by Parks.
 - 6.3. Grant Transfer. The Parties acknowledge that grant funds will be transferred to Non-Profit according to the terms of the Project Sponsor Agreement and subsequently provided to County per the requirements of the JDA. The Parties further acknowledge that awarded funds shall be transferred on a reimbursement basis of approved expenditures for matching grants and through advances, on a case by case basis. County acknowledges that Parks will not process reimbursement requests for less than \$1,000 unless it is a final request.
 - 6.4. Grant Retention. The Parties acknowledge that Parks will retain 10% of the grant award until notified by Non-Profit in writing that the Project is officially closed and completed.
 - 6.5. Grant Accountability. County agrees to manage grant funds separately within its accounting system that identifies the name and number of this Project. The funds may only be expended as authorized under the Scope of Work set forth in **Exhibit A**.
 - 6.6. Accomplishment of Project. The Parties acknowledge that the Project must be accomplished according to the terms of the Project Sponsor Agreement and applicable State laws.
 - 6.7. Use of Project. The Parties acknowledge that the Project accomplishments must be open or available to the public for 25 years, as specified in the terms of the Project Sponsor Agreement and as set out in the JDA ("Term of Public Use"). If the grant funded capital improvements are not maintained and kept open for public use for the Term of Public Use, County will refund to Non-Profit awarded amounts such that Non-Profit can meet the refund requirements set forth in the Project Sponsor Agreement, unless Parks agrees that obsolescence or conversion is appropriate.
 - 6.8. Special Conditions. The Parties acknowledge that the special conditions to the Project Sponsor Agreement are binding upon and inure to the benefit of the successors and assigns of each of the Parties to the Project Sponsor Agreement. Breach of any

condition of the Project Sponsor Agreement will be enforceable by any remedies available under applicable Federal or State law.

- 6.8.1. Administration of the Project Sponsor Agreement is subject to the contents of the Administrative Guidelines for Awarded grants published by Arizona State Parks.
- 6.8.2. Actual Project work must begin within and be completed within twelve (12) months of the fully executed Project Sponsor Agreement..
- 6.8.3. Preliminary design plans, conceptual drawings, and/or construction documents must indicate the Project complies with the Secretary of Interior's Standards for Preservation. Onsite work may not proceed until Non-Profit has submitted such documentation for review by the State Historic Preservation Office (SHPO) and subsequently accepted by the Grant Program.
- 6.8.4. The Secretary of the Interior's Standards for Rehabilitation (Standards) must be followed for all Heritage Preservation Grant projects
(<https://www.nps.gov/tps/standards/rehabilitation.htm>)
- 6.8.5. Grant funding has been awarded based on preliminary review of the proposed rehabilitation. The Parties acknowledge that Non-Profit shall submit documentation to the State Historic Preservation Office for review and concurrence with a finding of "no adverse impact" for the proposed rehabilitation work, prior to commencing with construction. The review shall include: a) a narrative Scope of Work, specifically describing scope elements that will have an affect on the character-defining features of the property. b) Design (or construction) drawings with a sufficient level of detail to understand the impact of the proposed rehabilitation work on the historic character of the property. If the information does not provide enough detail to understand the extent of the rehabilitation, additional information may be requested to complete the SHPO review. c) Photographs of the existing condition of the historic property. The photos shall include exterior elevations of all sides of the building and all areas of proposed rehabilitation work, both interior and exterior. d) The SHPO review documentation shall be submitted electronically to azshpo@azstateparks.gov.
- 6.9. Conversion. The Parties acknowledge that no land or facilities acquired or developed with State assistance will, without the approval of Parks, be converted to other than public use during the Term of Public Use. Parks will approve such conversion only if it finds the replacement property to be in accord with the current grant statute. Conversions will require the substitution of other properties of at least equal fair market value and of reasonably equivalent usefulness and location, and concurrence of the landowner. The replacement property will then become subject to the Project Sponsor Agreement. In lieu of conversion, the Parties acknowledge that Non-Profit may apply for a declaration of obsolescence.

In the event Parks provides grant assistance for the acquisition and/or development of real property subject to reversionary interests, with full knowledge of those reversionary interests and with written notice of those reversionary interests, conversion of said property to other than public uses as a result of such reversionary uses being exercised may be approved.

The Parties acknowledge that Non-Profit must notify Parks of the conversion as soon as possible and seek approval of replacement property in accord with the conditions set forth in the Project Sponsor Agreement. County and Non-Profit will jointly accomplish such replacement within a reasonable time, acceptable to Parks Board, after the conversion of the property occurs. This paragraph also applies to (1) leased properties acquired and/or developed with Heritage Fund assistance, where such lease is terminated prior to its full term pursuant to lease provisions known and agreed to by Parks; and (2) properties subject to other outstanding rights and interests known to and agreed to by Parks.

- 6.10. **Non-Appropriation.** The Parties acknowledge that payment obligations by Parks to Non-Profit pursuant to the Project Sponsor Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation and is subject to the Constitution of the State of Arizona, the Arizona Revised Statutes, the Arizona Administrative Code, other acts of the Arizona Legislature, executive orders of the Governor and the decisions and policies of the Parks Board. If funds are not allocated and available for the continuance of the Project Sponsor Agreement, this Agreement may be terminated in the event the Project Sponsor Agreement is terminated by Parks exercising its option to terminate. In such event, Parks will not be obligated for any future payments or for any damages as a result of termination under this paragraph, and Non-Profit will not be liable to County in such event.
7. **Relationship of Project Costs to the Project Period.** The Parties acknowledge that except for pre-agreement costs approved by Parks, only those costs associated with approved Project work incurred during the Project period will be eligible for reimbursement according to the terms of this Agreement, the Project Sponsor Agreement, and the JDA. Combined pre-agreement and design and engineering costs must not exceed 10% of the approved grant award.
8. **Acquisition.** The Parties acknowledge that values of property purchased with grant assistance must be appraised by an appraiser with active State certifications according to the Uniform Standards of Professional Appraisal Practice. This appraisal must be prepared within one year prior to the acquisition. Grant participation must be according to the grant award amount, the approved market value, or the purchase price, whichever is less.
9. **Care and Disposition of Equipment.** The Parties acknowledge that equipment purchased with grant funds to develop the Project under the Project Sponsor Agreement may remain a possession of County for as long as the equipment is being used for eligible project work, at the sole discretion of Parks. The Parties further acknowledge that Parks reserves the right to claim equipment purchased under the Project Sponsor Agreement whenever it is no longer being used for the purpose for which it was purchased.
10. **Sub-contracts.** The County acknowledges that Sub-contracts awarded to accomplish the Project must incorporate by reference, in each sub-contract, the provisions of the Project Sponsor Agreement. County bears full responsibility for acceptable performance for each sub-contract it awards. County must pay when due any claim of a sub-contractor, employee, independent contractor, or any other employed individual performing the approved work for services pursuant to this Agreement. Any sub-contract for employment by County must be in writing and contain a provision whereby a person so employed or with whom a sub-contract has

been entered acknowledges that the State of Arizona and the Parks Board are not liable for any costs, claims, damages, reimbursement or payment of any kind relating to such sub-contract.

11. Project Reporting, Reviews, and On-Site Inspections.

- 11.1. Reporting. County agrees to provide Non-Profit with timely detailed status reports to enable Non-Profit to submit monthly status project reports required by the Project Sponsor Agreement. The status reports will include, at a minimum, the following: (a) progress toward completing the approved scope of work; and (b) any problems encountered and solutions to problems regarding completion of the project. The Parties acknowledge that failure to submit reports will result in delays in grant reimbursement or advance processing and may result in funds being withdrawn. The Parties further acknowledge that Parks reserves the right to review the progress of the Project and to conduct on-site inspections, as applicable and as needed, at any reasonable time during the Project period or Term of Public Use to assure compliance with the terms of the Project Sponsor Agreement.
- 11.2. Certification. County agrees to certify its compliance with this Agreement and to work with Non-Profit to enable Non-Profit to certify compliance with the Project Sponsor Agreement every five years, until the end of the Term of Public Use, on a form to be provided by Parks. County acknowledges that on-site inspections will be conducted periodically at the discretion of the Parks in accordance with the terms of the Project Sponsor Agreement. Retention and use, appearance, and maintenance will be considered by Parks during inspection of properties that have been acquired or developed with grant assistance.
- 11.3. Consent. County, as landowner of the Property, agrees to provide Parks with written consent to conduct on-site inspections. County acknowledges that failure to do so is a failure to keep or maintain the property for public use.

12. Earned Interest on Advanced Funds. Interest generated from funds transferred to County during the Project period must be used to further the purposes of the Project. County acknowledges that funds advanced, but not spent to complete the Project, must be returned to Parks at the completion of the Project.

13. Product or Publishable Matter Ownership. The Parties acknowledge that with written permission from the Parks, County may use products or publishable matter produced with grant assistance and the Parks will have a nonexclusive license to use and reproduce, without payment, such materials. County must receive written permission from Parks before utilizing publishable material for commercial or public purposes. This paragraph is not applicable to architectural or engineering plans produced with grant assistance.

14. Fund Source Recognition. The Parties acknowledge that it must permanently and publicly acknowledge the grant program(s) that assisted project accomplishments (including but not limited to: final documents; audio-visual recordings; photographs; plans; drawings; publications; advertisements; and project plaques). At a minimum, this acknowledgment must include the following: "This program was financed in part (or in full) by a grant from the Federal Recreational Trails Program administered by Arizona State Parks."

15. Project Cost Verification. County will submit timely expenditure documents to Non-Profit and Parks for verification or audit purposes, upon request.

16. Transfer of Contractual Responsibility. County acknowledges that Non-Profit may transfer responsibilities under the terms of the Project Sponsor Agreement to another eligible participant, provided that approval has been granted by the Parks in writing before the transfer.

17. Compliance.

17.1. Anti-trust. Vendor and purchaser recognize that, in actual economic practice, overcharges from anti-trust violations are borne by purchasers. Therefore, County hereby assigns to Parks any and all claims for such overcharges.

17.2. Arbitration. In accordance with A.R.S. § 12-1518, the Parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes. Venue shall be in Pima County, Arizona.

17.3. Applicable Law. In accordance with A.R.S. § 51-2501 *et seq.*, and A.A.C. R2-7-101, *et seq.*, this Agreement shall be governed and interpreted by the laws of the State of Arizona and the Arizona State Procurement Code.

17.4. Non-Discrimination. In accordance with A.R.S. § 41-1461, *et seq.*, this Agreement shall provide equal employment opportunities for all persons, regardless of race, color, creed, religion, sex, age, national origin, disability or political affiliation. County shall comply with all applicable provisions of the Arizonans with Disabilities Act of 1992, A.R.S. § 41-1492, *et seq.*, and the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. §§ 12101-12213 and 47 U.S.C. §§ 225 and 611) and applicable state rules and federal regulations under the Acts.

17.5. E-Verify. In accordance with A.R.S. § 41-4401, County warrants compliance with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A).

17.6. Audit and Records Retention. In accordance with A.R.S. § 35-214, County shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the State of Arizona ("State") at reasonable times. Upon request, County shall produce the original of any or all such records.

17.7. Conflict of Interest. This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

17.8. Remedies.

17.8.1. Temporary Suspension of Grant Assistance. The Parties acknowledge that Parks may temporarily suspend grant assistance to Non-Profit pending required corrective

action by it or pending a decision to terminate the grant by Parks. If grant assistance is temporarily suspended, County acknowledges that grant transfers pursuant to this Agreement may be temporarily suspended.

- 17.8.2. Unilateral Termination of Project Sponsor Agreement by Non-Profit. The Parties acknowledge that Non-Profit may unilaterally terminate its Project Sponsor Agreement and this Agreement at any time before the first payment is made by Parks to Non-Profit. After the initial payment, this Agreement may be terminated, modified, or amended by Non-Profit only by written mutual agreement of the Parties.
- 17.8.3. Termination of Project Sponsor Agreement by Parks. The Parties acknowledge that Parks may terminate the Project Sponsor Agreement in whole or in part at any time before the date of completion if it determines that Non-Profit has failed to comply with the terms or conditions of the grant. All payments made to Non-Profit must be returned to Parks if the Project Sponsor Agreement is terminated. In the event the Project Sponsor Agreement is terminated, this Agreement may also be terminated upon written notice by Non-Profit to County stating the reasons for the termination. County will return any grant funds it has received from Non-Profit if the Project Sponsor Agreement is terminated with cause.
- 17.8.4. Cancellation of Project Sponsor Agreement by Mutual Agreement of Parks and Non-Profit. Parks or Non-Profit may terminate the Project Sponsor Agreement in whole or in part at any time before Project completion when both Parks and Non-Profit agree that continuation of the Project would not produce beneficial results commensurate with the further expenditure of funds. Non-Profit must consult with County before entering into any partial or total termination and must receive County's written consent before entering into any such agreement with Parks.
- In the event of partial or total termination, neither County nor Non-Profit may incur new obligations for the terminated portion after the effective date and must cancel as many outstanding obligations as possible. The Parties acknowledge that Parks may allow full credit to Non-Profit for the grant share of properly incurred obligations that cannot otherwise be cancelled before the effective termination date.
- 17.8.5. Specific Performance. Non-Profit may require specific performance of the terms of this Agreement or take legal steps necessary to recover the funds transferred to County as part of this Agreement if County fails to comply with the terms of the grant or breaches any condition or special condition of this Agreement.
- 17.8.6. Repayment. Non-Profit may request, and the County must deliver, repayment of funds advanced under this Agreement in conjunction with the remedies of this section.
- 17.8.7. Other Rights. The remedies expressed in this Agreement do not limit the rights of the Parks or Non-Profit. This Agreement does not in any way abridge, defer, or limit the Park's right to any right or remedy under law or equity that might otherwise be available to the Parks.

- 17.9. Cultural Resources. County will meet the requirements of the State Historic Preservation Act (A.R.S. §§ 41-861 to 41-864) before Project initiation.
- 17.10. Disclosure Requirements. County will work with Non-Profit to comply with the terms of A.R.S. § 35-181.03 or its successor statute(s) regarding audited financial statement provided to the Parks.
- 17.11. Indemnification. To the fullest extent permitted by law, each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct or other fault of the Indemnitor, its officer, officials, agents and employees or volunteers.

Should County utilize a subcontractor, the indemnification clause between County and subcontractor shall include the following: "To the fullest extent permitted by law, subcontractor shall defend, indemnify, and hold harmless County, Non-Profit and the State of Arizona and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages losses, or expenses (including court costs, attorney's fees, and costs of claim processing investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omission of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally, on all applicable insurance policies, contractor and its subcontractors shall name County, Non-Profit and the State of Arizona and their respective departments, agencies, boards, commissions, universities, officers, officials, agents and employees as additional insured and also include a waiver of subrogation in favor of the County, Non-Profit, and the State.

- 17.12. Insurance. County is a subcontractor under the Project Sponsor Agreement. County is a public agency as defined in A.R.S. § 11-951. As such, the Insurance Requirements as set forth in the Project Sponsor Agreement are not applicable. County is self-insured. County will provide a certificate of self-insurance to Non-Profit.

- 18. Notice.** Any notice required or permitted to be given under this Agreement must be in writing and served by personal delivery or by certified mail upon the other party as follows:

County:

Name: Sheila Holben
Title: Interim Director
Department: Project Design and Construction
Address: 150 W. Congress
Tucson, AZ 85701

Non-Profit:

Name: Herb Stratford
Title: President
Organization: Stratford Art Works, Inc.
Address: 308 E. 2nd Street
Tucson, AZ 85705

19. Severability. Each provision of this Agreement stands alone, and any provision of this Agreement found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.

20. Public Records.

- 20.1. Disclosure. Pursuant to A.R.S. § 39-121 *et seq.*, this Agreement and all documents related to this Agreement are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.
- 20.2. Records Marked Confidential; Notice and Protective Order. If Non-Profit reasonably believes any records that it submits to County contain proprietary, trade-secret or otherwise-confidential information, Non-Profit must prominently mark those records "CONFIDENTIAL." In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Non-Profit of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Non-Profit has, within that period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

21. Amendment. The Parties may modify, amend, or extend this Agreement only by a written amendment signed by the Parties.

22. Entire Agreement. With the exception of the Project Sponsor Agreement and JDA, this document constitutes the entire agreement between the Parties pertaining to the subject matter it addresses, and this Agreement supersedes all prior or contemporaneous agreements and understandings, oral or written.

23. Effective Date. This Agreement will become effective when all parties have signed it. The effective date of the Agreement will be the date this Agreement is signed by the last party as indicated by the date associated with that party's signature.

All other provisions of the JDA not specifically changed by this Agreement remain in effect and are binding upon the parties.

PIMA COUNTY

STRATFORD ART WORKS, INC.

Chair, Board of Supervisors

Authorized Officer Signature

Date

Printed Name and Title

Date

ATTEST

Clerk of the Board

Date

APPROVED AS TO FORM



Deputy County Attorney

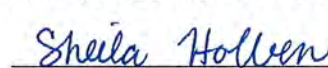
Kyle Johnson

Print DCA Name

4/21/2023

Date

APPROVED AS TO CONTENT



Department Head

4.26.23

Date
(if required by County Department or delete)

Exhibit A – Work Statement

Grantor: Arizona State Parks & Trails, American Rescue Plan Act funds

Purpose: These funds are to be used to install a heating and air conditioning system (HVAC) at Teatro Carmen property, in accordance with ARPA plan act funding requirements. Non-Profit has agreed to undertake its obligation under its signed Project Sponsor Agreement with Arizona State Parks within six months of that Agreement's execution, or July 3, 2023. Commencement of work includes executing an agreement for studies, assessments, or architectural projects, executing construction contracts or other documented evidence that the project has been initiated. Notwithstanding the period of performance set forth in the Project Sponsor Agreement, Arizona State Parks has verbally notified Non-Profit that work on the project may continue for a period of three years from the date of signature.

Approved Project Description: The 1915 Teatro Carmen Theater in Barrio Viejo is currently undergoing a rehabilitation to return it to its performance roots as a 250-seat cultural arts venue. The total project cost is approximately \$4.5 million and is being done in two phases. Building stabilization and an adjacent outdoor performance space development along with façade restoration in phase 1, and phase 2 will be interior rehabilitation. At present, there is no HVAC system in the building. Funds from this grant will be used to include the HVAC system. The new system will include state of the art equipment with new UV and air filter elements. Specific breakdown includes:

Teatro Carmen theater: Estimated 25-ton colling load and 2 12.5-ton rooftop packaged unites located over the restaurant.

Restaurant: Estimated 10-ton colling load, use 2 5-ton rooftop packaged unites located over the restaurant.

Kitchen: Estimated 5-ton load, use 5-ton rooftop packaged unit located over the kitchen, grease hood, grease exhaust fan and evaporation cooler make-up air unit.

Lobby: Estimated 4-ton unit, use 4-ton rooftop packaged unit located over the restaurant.

Stage: Estimated 15-ton cooling load, use a 15-ton rooftop packaged unit over stage.

Upper floor: Estimated 3-ton cooling, 3-ton split heat pump.

Approved Project Scope:

Total Labor:	\$144,000
Duct Work/material:	\$216,000
Total Approved Scope:	\$360,000

As part of the agreement with Arizona State Parks awarding this grant, Non-Profit has agreed to provide up to \$160,000 in matching funds from private foundation grants for this project. Such match requirement is reflected in the total approved project scope set forth above and is not an additional requirement. County will have no responsibility to contribute to this match beyond its obligations set forth in the Joint Development Agreement.

Contract No.: GTAW-FM-23*123
{154464 / 01081442 / v2}

Arizona State Parks
1110 W Washington St, Phoenix, AZ 85007
PROJECT SPONSOR AGREEMENT

This Agreement is entered into by and between the Arizona State Parks Board (BOARD) and Stratford Art Works, Inc. (PROJECT SPONSOR) and shall become effective on the date of signature by the authorized representative of Arizona State Parks.

PROJECT TITLE: Teatro Carmen HVAC System			PROJECT NUMBER: ASPT #: 692202		
THIRD PARTY PARTICIPANT'S NAME:			FY OF REVENUE: 2022		
PROJECT PERIOD: All expenses and match to be submitted prior to <u>7/01/23</u>					
GRANT PROGRAM: HVAC American Rescue Plan Act	GRANT AMOUNT: \$200,000.00	% 55.56%	PARTICIPANT MATCH: \$160,000.00	% 44.44%	TOTAL PROJECT COST: \$360,000.00
APPROVED SCOPE OF WORK AND SPECIAL CONDITIONS: Attachment A & B					
AUTHORITIES TO ENTER INTO THIS AGREEMENT: (statute, resolution, minutes, etc.) STATUTE: ARS § 41-501-502-503-504 RESOLUTION: 21002					
AWARDING OFFICIAL ON BEHALF OF THE ARIZONA STATE PARKS BOARD: <u></u> Jan 4, 2023 Kevin Brock, Assistant Director Date					
ACCEPTANCE OF ALL TERMS OF THIS AGREEMENT AND ITS ATTACHMENTS IS ACKNOWLEDGED BY THE PROJECT SPONSOR'S SIGNATURE BELOW. <u></u> Herb Stratford, Director <u>Dec 22, 2022</u> Date			PARTICIPANT ATTORNEY APPROVAL AS TO FORM AND AS BEING WITHIN THE AUTHORITY OF THE PROJECT SPONSOR (optional) _____ Attorney's Signature _____ Date		

The most recent version of the General Provisions based on the Project Sponsor and project type are attached and incorporated into this agreement.

**Arizona State Parks
PROJECT SPONSOR AGREEMENT**

**Attachment A
Approved Project Scope and Special Conditions**

PROJECT SPONSOR: Stratford Art Works, Inc.

PROJECT TITLE: Teatro Carmen HVAC System

PROJECT NUMBER: 692202

PROJECT DESCRIPTION: At present there is no HVAC system in the building. The new system will include state of the art equipment with new UV and air filter elements. Specific breakdown includes:
Teatro: Estimated 25-ton cooling load, (2) 12.5-ton rooftop packaged units located over the restaurant.

Restaurant: Estimated 10-ton cooling load, use (2) 5-ton rooftop packaged units located over the restaurant. Kitchen: Estimated 5-ton load, use 5-ton rooftop packaged unit located over the kitchen, grease hood, grease exhaust fan and evaporation cooler make-up air unit. Lobby: Estimated 4-ton unit, use 4-ton rooftop packaged unit located over the restaurant. Stage: Estimated 15-ton cooling load, use a 15-ton rooftop packaged unit over the stage. Upper Floor: Estimated 3-ton cooling, 3-ton split heat pump.

APPROVED PROJECT SCOPE:

Total Labor	\$144,000.00
Duct Work/material	\$216,000.00
Total	\$360,000.00

DESCRIPTION AND SOURCE(S) AND AMOUNTS FOR APPROVED MATCH

Stratford Art Works, Inc. will provide up to \$160,000.00 matched by private foundation grants and Pima County dollars for this project.

SPECIAL CONDITIONS:

The administration of this grant Participant Agreement is also subject to the contents of the Administrative Guidelines for Awarded Grants published by Arizona State Parks.

Actual project work must begin and be completed within 12 months of the fully executed Participant Agreement.

Preliminary design plans, conceptual drawings, and/or construction documents must indicate the project complies with the Secretary of Interior's Standards for Preservation. Onsite work may not proceed until such documentation is submitted for review by the SHPO and subsequently accepted by the Grant Program Coordinator.

The *Secretary of the Interior's Standards for Rehabilitation (Standards)* must be followed (<https://www.nps.gov/tps/standards/rehabilitation.htm>). ARPA projects require monthly status reporting. A final summary report and project "after" photos (if applicable) must be submitted with the required closure documentation.

Administrative Guidelines for Awarded Grants

<https://azstateparks.com/gallery/0004/0044/B6D9743DB7544D848A0648AD50F5D03D/Admin%20Guidelines%201312022.pdf>

A. Grant funding has been awarded based on preliminary review of the proposed rehabilitation. Selected grant recipients shall submit documentation to the State Historic Preservation Office for review and concurrence with a Finding of "no adverse effect" for the proposed rehabilitation work, prior to commencing with construction. The review submission shall include:

1. A narrative Scope of Work, specifically describing scope elements that will have an affect on the character-defining features of the property.
2. Design (or construction) drawings with a sufficient level of detail to understand the impact of the proposed rehabilitation work on the historic character of the property. If the information does not provide enough detail to understand the extent of the rehabilitation, additional information may be requested to complete the SHPO review.
3. Photographs of the existing condition of the historic property. The photos shall include exterior elevations of all sides of the building and all areas of proposed rehabilitation work, both interior and exterior.
4. The SHPO review documentation shall be submitted electronically to azshpo@azstateparks.gov, including monthly reports.

Detailed status monthly reporting in ASPT's on-line system is required. Failure to provide these reports when requested will result in points being deducted in future funding requests and project funds being withdrawn. Failure to provide status reports when required may result in funds being withdrawn. (Last day of each month)

See the General Provisions – Attachment B

OTHER CONDITIONS

Every payment obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

Allocated project funds can only be expended on the designated scope items. Any changes to the scope of work prior to, or during construction, shall be submitted prior to the implementation of the revised work for SHPO review and concurrence.

At the completion of the project, a SHPO representative will visit the property to ensure that all work completed has been performed in accordance with the Standards. If changes have been made without SHPO review, and these changes have been deemed to result in a loss of integrity to the property, grant funds may be withheld.

Arizona State Parks and Trails
GRANT PROJECT SPONSOR AGREEMENT
Attachment B
General Conditions Applicable to Project Grants

This Agreement applies to grants for motorized projects awarded pursuant to the Off-Highway Vehicle Program, the Recreational Trails Program, Heritage Fund Program and State Lake Improvement Fund Program..

PART I – DEFINITIONS

For purposes of this Agreement:

- A. "Agreement" means the Grant Project Sponsor Agreement and its attachments.
- B. "AORCC" is the Arizona Outdoor Recreation Coordinating Committee. Together, AORCC and the Board are "the Parties."
- C. "BOARD" means the Arizona State Parks BOARD. Together, AORCC and the Board are "the Parties."
- D. "Conversion" means the replacement of grant-funded facilities with new facilities that are of reasonably equivalent usefulness and location as the original.
- E. "Eligible Costs" mean direct costs attributed to the project grant program, such as: 1) compensation of hired employees for the time and efforts devoted specifically to the execution of the grant; 2) cost of materials acquired, consumed, or expended specifically for the purposes of the grant; 3) equipment and other capital expenditures; 4) other items of expense incurred specifically to carry out the participant agreement; and 5) direct services furnished specifically for the grant program by other agencies. These costs are identified by the PROJECT SPONSOR in the Estimated Project Cost Sheet that is submitted with the Certified Application Form and application packet. The costs are then approved by the BOARD or by an amendment to this Project Agreement. Generally, eligible costs are identified in the applicable grant manual.
- F. "Facilities" mean capital improvements.
- G. "Fund" means the Federal Recreational Trails Program.
- H. "Guidelines" mean the Administrative Guidelines for Awarded Grants and any other applicable program directives adopted by the BOARD.
- I. "Ineligible Costs" are those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives of the project.
- J. "Match" includes cash, in-kind contributions, or donations, including volunteer time or materials contributed to the project with no intention of reimbursement.
- K. "Obsolescence" means that an area or facility may be determined obsolete during the Term of Public Use if (1) reasonable maintenance and repairs are not sufficient to keep the facility or equipment operating; (2) changing needs dictate a change in the type of facilities or equipment provided; (3) operating practices dictate a change in the type of facilities or equipment required; or (4) the facility or equipment is destroyed by fire, natural disaster, or vandalism. Declaring the facility obsolete means that the PROJECT SPONSOR receives a waiver of the replacement requirements. No later than 90 days after a facility or equipment is taken out of public use, the PROJECT SPONSOR may request a waiver of repayment or replacement requirements in writing. A determination of obsolescence may be made at the sole discretion of the BOARD.
- L. "PROJECT SPONSOR" means an eligible applicant that has been awarded a grant to develop a project or coordinate an education program.
- M. "Project" means the sum of the activities identified with specific costs in the grant application packet that are eligible under the referenced grant application manual and have been approved by the BOARD.
- N. "Project Period" means the period of time during which all approved work and related expenditures associated with development of the project are to be completed by the PROJECT SPONSOR.
- O. "Repayment" means returning grant money to the Fund in the event the PROJECT SPONSOR expends advanced funds for ineligible costs or fails to expend the advanced funds for eligible project costs during the term of this grant.
- P. "Sub-contract" means an Agreement/contract between the PROJECT SPONSOR and another individual

or entity whereby labor, work, services, or other responsibilities are supplied or performed in furtherance of the PROJECT SPONSOR'S responsibilities under this Agreement

Q. "Term of Public Use" means the time required for public use. The Term of Public Use of the grant-assisted facilities must be at least:

1. Equipment (personal property) grant investment of more than \$50,000 per item: 25 years
2. Facilities (real property): 25 years
3. Land: 99 years unless obsolescence applies. The Term of Public Use will begin on the date of completion identified in the Completion Certification Letter.

PART II – PERFORMANCE

A. ADMINISTRATION

1. Conditions - This Agreement is subject to the availability of grant funds and appropriate approvals, and is subject to the Constitution of the State of Arizona, the Arizona Revised Statutes, the Arizona Administrative Code, other acts of the Arizona Legislature, executive orders of the Governor, and the decisions and policies of the BOARD.

2. Incorporation of Application, Grant Manual, and Administrative Guidelines - The following documents are incorporated by reference into this agreement: The PROJECT SPONSOR'S grant application packet; the applicable grant manual; and the most recent revision of the Administrative Guidelines for Awarded Grants. In the event of a conflict or ambiguity, the terms of this Agreement and Attachments A and B to this Agreement must take precedence.

3. Use of Grant Funds - Awarded grant funds must be used solely for eligible purposes of the funding program, as defined by statute and as approved by the BOARD.

4. Transfer of Grant Funds - Awarded grant funds will be transferred to the PROJECT SPONSOR according to the terms of this Agreement. Staff will not process reimbursements requests for less than \$1,000 unless it is the final request.

5. Grant Retention - Ten percent (10%) of the grant amount will be retained from reimbursement until Staff notifies the PROJECT SPONSOR in writing that the project is officially closed and completed.

6. Grant Accountability - Grant funds must be managed separately within the PROJECT SPONSOR'S accounting system that identifies the name and number of this project. The funds must only be expended as authorized under the terms of this Agreement.

7. Accomplishment of Project - The project must be accomplished according to the terms of this Agreement and applicable State laws.

8. Amendments - This Agreement may be amended in writing by the Parties of the Agreement upon written request of the PROJECT SPONSOR, good cause shown, and approval by the BOARD. Eligible amendments include adjustments to the project period, funding amount, or minor changes to the scope items.

9. Use of Project - Project accomplishments must be open or available to the public as specified in the Term of Public Use. If the grant funded capital improvements are not maintained and kept open for public use for the term specified in the Term of Public Use, the PROJECT SPONSOR must refund to the BOARD the awarded grant amount within six (6) months of the date the improvements are no longer maintained or kept open for public use, unless the BOARD agrees that obsolescence or conversion is appropriate.

10. Special Conditions - Special conditions to this agreement are binding upon and inure to the benefit of the successors and assigns of each of the Parties to this agreement. Breach of any condition will be enforceable by any remedies available under applicable Federal or State law.

11. Conversion - No land or facilities acquired or developed with State assistance will, without the approval of the BOARD, be converted to other than public use during the Term of Public Use. The BOARD will approve such conversion only if it finds the replacement property to be in accord with the current grant statute. Conversions will require the substitution of other properties of at least equal fair market value and of reasonably equivalent usefulness and location, and concurrence of the landowner. The replacement property will then become subject to this agreement. In lieu of conversion, the PROJECT SPONSOR may apply for a declaration of obsolescence. In the event the BOARD provides grant assistance for the acquisition and/or development of real property subject to reversionary interests, with full knowledge of those reversionary interests and with written notice of those reversionary interests, conversion of said property to other than public uses as a result of such reversionary uses being exercised

may be approved. The PROJECT SPONSOR must notify the BOARD of the conversion as soon as possible and seek approval of replacement property in accord with the conditions set forth in this agreement. The PROJECT SPONSOR must accomplish such replacement within a reasonable time, acceptable to the BOARD, after the conversion of the property occurs. This paragraph also applies to (1) leased properties acquired and/or developed with Fund assistance, where such lease is terminated prior to its full term pursuant to lease provisions known and agreed to by the BOARD; and (2) properties subject to other outstanding rights and interests known to and agreed to by the BOARD.

B. RELATIONSHIP OF PROJECT COSTS TO THE PROJECT PERIOD

Except for pre-agreement costs approved by the BOARD, only those costs associated with approved project work incurred during the project period will be eligible for reimbursement according to the terms of this agreement. Combined pre-agreement and design and engineering costs must not exceed 10% of the approved grant award.

C. ACQUISITION

Values of property purchased with grant assistance must be appraised by an appraiser with active State certifications according to the Uniform Standards of Professional Appraisal Practice. This appraisal must be prepared within one year prior to the acquisition. Grant participation must be according to the grant award amount, the approved market value, or the purchase price, whichever is less.

D. CARE AND DISPOSITION OF EQUIPMENT

Equipment purchased with grant funds to develop a project may remain in the possession of the PROJECT SPONSOR for as long as the equipment is being used for eligible project work, at the sole discretion of State Parks. State Parks reserves the right to claim equipment purchased under this Agreement when it is no longer being used for the purpose for which it was purchased.

E. SUB-CONTRACTS

1. Sub-contracts awarded to accomplish the project must incorporate by reference, in each sub-contract, the provisions of this Agreement. The PROJECT SPONSOR bears full responsibility for acceptable performance under each sub-contract.
2. The PROJECT SPONSOR must pay when due any claim of a sub-contractor, employee, independent contractor, or any other employed individual performing the approved work for services pursuant to this Agreement.
3. Any sub-contract for employment by the PROJECT SPONSOR must be in writing and contain a provision whereby a person so employed or with whom a sub-contract has been entered acknowledges that the State of Arizona and the BOARD are not be liable for any costs, claims, damages, reimbursement, or payment of any kind relating to such sub-contract.

F. PROJECT REPORTING, REVIEWS, AND ON-SITE INSPECTIONS

1. The PROJECT SPONSOR must submit a project status report not less than quarterly. The status report will include, at a minimum, the following: (a) progress toward completing the approved scope of work; and (b) any problems encountered and solutions to problems regarding completion of the project. Failure to submit the reports will result in delays in grant reimbursement or advance processing. The PROJECT SPONSOR must consult with the BOARD, as needed, to review progress. The BOARD reserves the right to review the progress of the project and to conduct on-site inspections, as applicable and as needed, at any reasonable time during the project period or required Term of Public Use in order to assure compliance with the terms of this agreement.
2. The PROJECT SPONSOR must certify compliance with the Project Agreement every five years, until the end of the Term of Public Use, on a form to be provided by the BOARD. In addition, on-site inspections will be conducted periodically at the discretion of the BOARD. The following will be taken into consideration during the inspection of properties that have been acquired or developed with grant assistance: retention and use; appearance, and maintenance.
3. The PROJECT SPONSOR must provide the Board with written consent of the landowner to conduct on-site inspections; failure to do so is a failure to keep or maintain the property for public use.

G. EARNED INTEREST ON ADVANCED FUNDS

Interest generated from funds advanced to the PROJECT SPONSOR during the project period must be used to further the purposes of the specified project. Funds advanced, but not spent to complete the project, must be returned to the BOARD at the completion of the project.

H. PRODUCT OR PUBLISHABLE MATTER OWNERSHIP

With written permission from the BOARD or Arizona State Parks, the PROJECT SPONSOR may use products or publishable matter produced with grant assistance the BOARD will have nonexclusive license to use and reproduce, without payment, such materials. The PROJECT SPONSOR must receive written permission from State Parks prior to utilizing publishable material for commercial or public purposes. This paragraph is not applicable to architectural or engineering plans produced with grant assistance.

I. FUND SOURCE RECOGNITION

The PROJECT SPONSOR must permanently and publicly acknowledge the grant program(s) that assisted project accomplishments (including, but not limited to: final documents; audio-visual recordings; photographs; plans; drawings; publications; advertisements; and project plaques). At a minimum, this acknowledgment must include the following: "This program was financed in part (or in full) by a grant from the Federal Recreational Trails Program administered by the Arizona State Parks."

J. PROJECT COST VERIFICATION

The PROJECT SPONSOR must submit project expenditure documents to the BOARD or State Parks for verification or audit purposes, upon request.

K. TRANSFER OF CONTRACTUAL RESPONSIBILITY

The PROJECT SPONSOR may transfer responsibilities under the terms of this agreement to another eligible participant, provided that approval has been granted by the BOARD in writing prior to the transfer.

PART III – COMPLIANCE

A. ANTI-TRUST

Vendor and purchaser recognize that, in actual economic practice, overcharges from anti-trust violations are borne by purchaser. Therefore, the PROJECT SPONSOR hereby assigns to BOARD any and all claims for such overcharges.

B. ARBITRATION

In accordance with A.R.S. § 12-1518, the parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes. Venue shall be in Maricopa County, Arizona.

C. APPLICABLE LAW

In accordance with A.R.S. § 51-2501, et seq. and A.A.C. R2-7-101, et seq. Agreement shall be governed and interpreted by the laws of the State of Arizona and the Arizona State Procurement Code.

D. NON-DISCRIMINATION

In accordance with A.R.S. § 41-1461, et seq. Agreement shall provide equal employment opportunities for all persons, regardless of race, color, creed, religion, sex, age, national origin, disability or political affiliation. PROJECT SPONSOR shall comply with all applicable provisions of the Americans with Disabilities Act of 1992, A.R.S. § 41-1492, et. seq. and the Americans with Disabilities Act, (Public Law 101-336, 42 U.S.C. 12101-12213 and 47 U.S.C. § 225 and 611), and applicable state rules and federal regulations under the Acts.

E. E-VERIFY

In accordance with A.R.S. § 41-4401, PROJECT SPONSOR warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with AAC section

A.R.S. § 23-214, Subsection A.

F. AUDIT AND RECORDS RETENTION

In accordance with A.R.S. § 35-214, the PROJECT SPONSOR shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the PROJECT SPONSOR shall produce the original of any or all such records.

G. CONFLICT OF INTEREST

In accordance with A.R.S. § 38-511, state may within three years after execution cancel the Contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State, at Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement.

H. REMEDIES

1. The BOARD may temporarily suspend grant assistance obligated to the PROJECT SPONSOR pending required corrective action by the PROJECT SPONSOR or pending a decision to terminate the grant by the BOARD.
2. The PROJECT SPONSOR may unilaterally terminate this Agreement at any time before the first payment is made. After the initial payment, this Agreement may be terminated, modified, or amended by the PROJECT SPONSOR only by written mutual agreement of the Parties.
3. The BOARD may terminate this Agreement in whole or in part at any time before the date of completion if it determines that the PROJECT SPONSOR has failed to comply with the terms or conditions of the grant. The BOARD will promptly notify the PROJECT SPONSOR in writing of the determination and the reasons for the termination, including the effective date. All payments made to the PROJECT SPONSOR must be returned to the BOARD if this Agreement is terminated for cause.
4. The BOARD or PROJECT SPONSOR may terminate this Agreement in whole or in part at any time before the date of completion when both Parties agree that the continuation of the development project would not produce beneficial results commensurate with the further expenditure of funds. The two Parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The PROJECT SPONSOR must not incur new obligations for the terminated portion after the effective date and must cancel as many outstanding obligations as possible. The BOARD may allow full credit to the PROJECT SPONSOR for the grant share of properly incurred obligations that cannot otherwise be cancelled before the effective termination date.
5. The BOARD may require specific performance of the terms of this Agreement or take legal steps necessary to recover the funds granted if the PROJECT SPONSOR fails to comply with the terms of the grant or breaches any condition or special condition of this Agreement.
6. The BOARD may request and the PROJECT SPONSOR must deliver repayment of funds advanced under this agreement in conjunction with the remedies in this section.
7. The remedies expressed in this Agreement do not limit the rights of the BOARD. This Agreement does not in any way abridge, defer, or limit the BOARD'S right to any right or remedy under law or equity that might otherwise be available to the BOARD.

I. CULTURAL RESOURCES

The PROJECT SPONSOR must meet the requirements of the State Historic Preservation Act (A.R.S. §41-861 to 41-864) before project initiation.

K. DISCLOSURE REQUIREMENTS

PROJECT SPONSOR must comply with the terms of A.R.S. § 35-181.03 or its successor statute(s) regarding audited financial statements provided to the BOARD.

L. INDEMNIFICATION

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as

"Indemnatee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnatee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona, Arizona State Parks Board (ASPB) is selfinsured per A.R.S. 41-621.

In addition, should PROJECT SPONSOR utilize a contractor(s) and subcontractor(s) the indemnification clause between PROJECT SPONSOR and its contractor(s) and subcontractor(s) shall include the following:

To the fullest extent permitted by law, sub-contractor shall defend, indemnify, and hold harmless the PROJECT SPONSOR and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, , officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State.

M. INSURANCE REQUIREMENTS

PROJECT SPONSOR and sub-contractors must procure and maintain occurrence-based insurance policies that cover claims for injury or death to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the PROJECT SPONSOR from liabilities that might arise out of the performance of the work under this Agreement by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors, and PROJECT SPONSOR is free to purchase additional insurance.

Minimum Scope and Limits of Insurance:

PROJECT SPONSOR shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Fire Legal Liability	\$ 100,000
• Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its

departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the PROJECT SPONSOR.

- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

- Combined Single Limit (CSL) \$1,000,000

- a. The policy must be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the PROJECT SPONSOR, involving automobiles owned, leased, hired or borrowed by the PROJECT SPONSOR."
- b. Policy must contain a waiver of subrogation against the State of Arizona, as departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$ 500,000
 - Disease – Each Employee \$ 500,000
 - Disease – Policy Limit \$1,000,000

- a. Policy must contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.
- b. This requirement does not apply to: Separately, EACH PROJECT SPONSOR or sub-contractor exempt under A.R.S. 23-901, and when such PROJECT SPONSOR or sub-contractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

Additional Insurance Requirements:

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the PROJECT SPONSOR, even if those limits of liability are in excess of those required by this Agreement.
2. The PROJECT SPONSOR'S insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the PROJECT SPONSOR shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

Notice of Cancellation:

Applicable to all insurance policies required within the Insurance Requirements of this Agreement, PROJECT SPONSOR'S insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, PROJECT SPONSOR must provide notice to the State of Arizona if they receive notice of a

policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to (State Representative's Name, Address & Fax Number).

Acceptability of Insurers

PROJECT SPONSOR'S insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the PROJECT SPONSOR from potential insurer insolvency.

Verification of Coverage:

PROJECT SPONSOR shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that PROJECT SPONSOR has the insurance as required by this Agreement. An authorized representative of the insurer shall sign the certificates.

1. All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
2. Each insurance policy required by this Agreement must be in effect at, or prior to, commencement of work under this Agreement. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of contract.
3. All certificates required by this Agreement shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Agreement at any time.

Subcontractors:

PROJECT SPONSOR's certificate(s) shall include all subcontractors as insureds under its policies or PROJECT SPONSOR shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Agreement, proof from the PROJECT SPONSOR that its subcontractors have the required coverage.

Approval and Modifications:

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this Agreement, as deemed necessary. Such action will not require a formal Agreement amendment, but may be made by administrative action.

Exceptions:

In the event the PROJECT SPONSOR or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the PROJECT SPONSOR or subcontract(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.