



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: July 7, 2015

or Procurement Director Award ☐

Contractor/Vendor Name (DBA): Accelerate Diagnostics, Inc.

Project Title/Description:

Accelerate Diagnostics lease of the east portion of the Abrams Annex located at 2980 E. Ajo Way.

Purpose:

Even though Accelerate Diagnostics recently expanded into the entire 45,885 sq. ft. on the fourth floor of the Herbert K. Abrams Public Health Building, their isn't sufficient space for manufacturing their equipment which is sold to hospitals and health care facilities. Accelerate will lease not only the existing eastern portion of the Annex which will consist of 3,827 square feet after the existing mezzanine is removed, but also expand the building by an additional 2,380 square feet for a total of 6,207 useable square feet.

Procurement Method:

Board of Supervisors Contracts Policy D 29.4.

Program Goals/Predicted Outcomes:

Accelerate Diagnostics will have the required space necessary to manufacture scientific equipment which will reduce the amount of time it takes to identify bacteria in blood samples of sick individuals. Accelerate's equipment/system will help to quickly diagnose and fight the growing number of cases of antibiotic-resistant bacterial infections, including hospital-acquired infections throughout the United States.

Public Benefit:

This lease with Accelerate Diagnostics will not only create jobs for contractors who will construct the expansion and tenant improvements of the existing building, but fifteen new employees will be hired during the lease term at an estimated average annual salary of \$65,000.00. This creation of these new jobs is expected to increase spending not only on necessities such as food, clothing, housing, transportation and utilities but also discretionary items such as travel, sporting events and entertainment which will benefit a variety of Pima County businesses. Since Accelerate Diagnostics will relocate their current manufacturing functions from another state to Arizona, additional new jobs could be created in Pima County in the long term.

Metrics Available to Measure Performance:

The approval of this Lease is consistent with Arizona Revised Statutes 11-254.04 which states the County has the authority to "appropriate and expend public monies for and in connection with economic development activities" which are defined as "any project, assistance, undertaking, program or study, whether within or outside the boundaries of the County, including acquisition, improvement, leasing or conveyance of real or personal property or other activity, that the Board of Supervisors has found and determined will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the County."

Retroactive:

no.

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To: COB- 7-1-15 (2)
Pg. 28 Addendum

Procure Dept 05/30/15 PM03:21

Original Information

Document Type: CTN Department Code: FM Contract Number (i.e., 15-123): 15*187
Effective Date: 10/1/15 Termination Date: 9/30/17 Prior Contract Number (Synergen/CMS): _____
☐ Expense Amount: \$ _____ ☒ Revenue Amount: \$ 134,182.96
Funding Source(s): not applicable since this is a revenue contract.

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): 1
Amendment No.: _____ AMS Version No.: _____
Effective Date: _____ New Termination Date: _____
☐ Expense ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____
Funding Source(s): revenue to general fund

Cost to Pima County General Fund: _____

Contact: Melissa Loeschen

Department: Facilities Management

Telephone: 724-8230

Department Director Signature/Date: _____

Deputy County Administrator Signature/Date: _____

County Administrator Signature/Date: _____
(Required for Board Agenda/Addendum Items)

Melissa Loeschen 6/29/15
Jon Burke 6/30/15
C. D. Dineen 6/30/15

CONTRACT	
NO. <u>@TN-FM-15000000000000000000/87</u>	
AMENDMENT NO. _____	
This number must appear on all invoices, correspondence and documents pertaining to this contract.	

LEASE AGREEMENT

This Lease Agreement (this "Lease"), dated _____, 2015 for reference purposes, is made and entered by and between ACCELERATE DIAGNOSTICS INC. (hereinafter "Accelerate" or "Tenant"), and PIMA COUNTY, a political subdivision of the State of Arizona (hereinafter "County" or "Landlord").

RECITALS

- A. County owns a building (the "Building") located at 2980 E. Ajo Way in Tucson, Arizona, on the Kino public health campus, as shown on Exhibit A. The Building is adjacent to the Herbert K. Abrams Public Health building.
- B. County has authority, pursuant to A.R.S. § 11-254.04, to "spend public monies for and in connection with economic development activities," which includes "assistance, ... including ... improvement, leasing or conveyance of real ... property ..., that the board of supervisors has found and determined will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the county."
- C. The Board of Supervisors has previously determined that the attraction of health sciences and bio-tech companies to Pima County will result in the creation of high-paying jobs for County residents, as well as other economic benefits. The Board of Supervisors continues to show their support for Tenant's expansion of its scientific business by leasing space in the Building to Tenant.

AGREEMENT

- 1) **LEASE/PREMISES.** In consideration of rent monies and all terms, conditions, covenants, and agreements contained herein, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the space within the Building identified on the attached Exhibit B (the "Premises"). The Premises is approximately 6,207 square feet in size which includes 2,380 square feet of new construction by Tenant pursuant to section 4 below ("Expansion Premises") on the east side of the Existing Premises and is located on the first floor of the Building. The existing mezzanine space will be removed at Tenant's expense.
 - a) Common Areas. The Building has, associated with it, certain interior and exterior areas for the common use of the other occupant of the Building, including (but not limited to) streets, sidewalks, canopies, driveways, parking spaces and landscaped areas (the "Common Areas"). Tenant has the right to use the Common Areas on a non-exclusive basis together with the other occupant of the Building.

- b) Parking. Tenant's employees and visitors will park in designated areas of Lot E, Lot D and Lot C as shown on Exhibit A.

2) TERM.

- a) Initial Term. The initial term of this Lease is a period of two (2) years beginning on the Rent Commencement Date as defined in Section 3) below and ending on the second anniversary of the Rent Commencement Date (the "Initial Term").
- b) Extension Term. Tenant has one (1) option to extend the Initial Term of this Lease for one year ("Extension Term") if Tenant is in material compliance with all terms and conditions of this Lease at the time Tenant submits written notice to the Landlord of its intent to so extend the Lease. The option must be exercised by Tenant not more than twelve (12) months nor less than six (6) months prior to the end of the Initial Term. "Term" as used in this Lease includes the Initial Term and the Extension Term if utilized.

3) TENANT IMPROVEMENTS; RENT COMMENCEMENT DATE.

- a) Tenant Improvements. Tenant will, at Tenant's sole cost and expense, enter into a written agreement to build out, expand, equip and furnish the Existing and Expansion Premises as described in the attached Exhibit B-1 commencing on the date this Lease is fully executed by both parties.
 - i) Plans. Tenant will provide Landlord with all plans and specifications necessary for bidding, permitting and constructing the Tenant Improvements and the Expansion Premises (the "Plans") prior to the execution of this Lease. Final plans and specifications are subject to Landlord review and approval and must comply with all applicable building and other codes and regulations. Tenant will be responsible for any costs associated with changes to the Plans requested by Tenant after approval.
 - ii) Construction. Tenant will construct the Tenant Improvements and the Expansion Premises in a good and workmanlike manner, according to the Plans. Tenant will comply with all applicable requirements of A.R.S. Title 34 in the construction of the Expansion Premises.
 - iii) Contractors and Sub-Contractors. All contractors and subcontractors hired by Tenant to perform any Tenant Improvements authorized by this Lease Agreement must be licensed contractors with the State of Arizona in good standing with the Arizona Registrar of Contractors and must be approved by the Landlord prior to any Tenant Improvement work being commenced. Tenant will require all of its contractors to name the County as additional

insured and additional indemnitee on all insurance policies covering work performed on the Premises. Tenant will require all prime and general contractors to establish and maintain a payment bond for the full amount of the construction contract in favor of all subcontractors, suppliers, and material men providing labor, services or materials for the Tenant throughout the course of Tenant's Improvements.

iv) Tenant's Costs. Tenant will pay Landlord for the costs of: 1) disassembling, removing and transporting existing furnishings currently located in the Premises to any off-site space chosen by Landlord 2) Landlord's employees' supervision, maintenance and management costs to remove any existing free standing or systems furniture, electrical power supply connections, computer cables or connections, and furnishings from the Premises that will not be stored in an off-site location 3) loading, moving and unloading Landlord's Oral Health supplies to the Abrams Public Health building 4) installing both water and electricity sub meters in the Premises prior to occupying either the Expansion Premises or the Existing Premises and 5) Landlord's added costs, to supervise and manage the Premises during the construction of the Tenant Improvements to the Premises.

v) Tenant's Additional Costs. Tenant will also be responsible for all costs attributable to any modifications required by the State Fire Marshal or any other governmental entity as a result of Tenant's Improvements to the Premises. The Tenant Improvement build out of the Premises will not commence until after this Lease is fully executed.

b) Rent Commencement Date. Tenant will notify Landlord when the Tenant Improvements are substantially complete, subject only to minor "punch list" items, such that Tenant can begin moving into the Premises. The date of the substantial completion notice will be the "Rent Commencement Date." Landlord will, in response to this notice, advise Tenant of the total usable square footage of the Premises and the annual rental amount as provided in Section 6(b) below. Tenant will be responsible for moving its personal property (including furnishings, phone, computer and office or manufacturing/packing equipment) into the Premises, and will bear all expenses associated with move-in. Tenant will coordinate its move-in with the other Building occupant so that any disruption is minimized as much as reasonably possible.

4) USE.

a) Permitted Uses: Tenant may use the Premises only for manufacturing and testing of scientific equipment. If Tenant changes the use of the Premises during the term of this Lease as defined in Section 3(b) above, Landlord will immediately charge Tenant

the appropriate market rent at the time of the change of use. Tenant must obtain and maintain all required permits and certifications for its operations at the Premises.

- b) Prohibited Activities: Tenant will not permit any unlawful activities on the Premises or any activities that unduly interfere with activities of the other occupant of the Building or visitors or occupants of the Herbert K. Abrams Public Health building.
- c) Hazardous Materials Prohibited; Clean Air Act. 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 or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws regulating any such materials or substances. Tenant's operations on the Premises will comply with all applicable provisions of environmental laws and regulations, including the Clean Air Act, 42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3. Tenant will remediate and clean up, at its sole cost and expense, any contamination of the Premises occurring during the Term of this Lease.
- d) Biological Waste & Material Disposal. Tenant will properly dispose of any medical or biological waste—including but not limited to syringes, vials, prescriptions and any materials containing blood or other biological material used or generated on the Premises. Tenant's disposal may include using appropriate medical waste containers and/or contracting with a third party medical waste disposal company. Tenant will not dispose of any medical or biological supplies or waste outside of the Premises in the Building's Common Areas. Tenant indemnifies and defends Landlord from and against any liability incurred by Landlord as a result of any disposal of such materials in violation of this Agreement or in violation of applicable law.
- e) Common Areas. The Common Areas are at all times subject to the control and management of Landlord and Landlord has the right from time to time to change the area, level, location, appearance or landscaping of the Common Areas provided that such activity does not materially interfere with Tenant's operations. Landlord has the right at any time to temporarily close any portion of the Common Areas for the purpose of making repairs, changes or additions thereto and Landlord may enter into agreements with adjacent owners for cross-easements for parking, ingress or egress.
- f) Rules and Regulations. Tenant and its employees, agents, contractors and invitees will abide by rules and regulations for the Building shown in **Exhibit C** that are established from time to time by Landlord concerning, among other things, sanitation, handling of trash and debris, loading and unloading of trucks and other vehicles, safety and security, and procedures and use of Common Areas. Such rules

and regulations will be applied in a non-discriminatory manner and will not unduly limit or impair Tenant's permitted use of the Premises.

- g) Use of Other Areas of the Building. It is Landlord's intent to continue to use a portion of the Building for a public health tuberculosis clinic and associated offices and related purposes. However, Landlord has the right to make any lawful use of the Building or portions thereof.

5) RENT.

- a) Rental Rate. The rental rate for the Existing Premises containing 3,827 sq. ft. (the "Rent") during the Term will be Nine Dollars and Twenty-four Cents (\$9.24) per usable square foot per year. The rental rate for the Expansion Premises containing 2,380 sq. ft. during the Term will be Five Dollars (\$5.00) per usable square foot per year.
- b) Amendment to Extend the Initial Lease Term. If Tenant elects to renew this Lease, Landlord will submit an unsigned Lease Amendment to Tenant within ten (10) business days of Landlord's receipt of Tenant's notice to extend the term. Tenant will have thirty (30) days after receipt of such amendment to execute and return same to Landlord. If Tenant fails to execute and return such amendment within the above reference time frame, the renewal option will automatically terminate. The Lease Amendment will only amend the specific lease paragraphs or provisions which are affected, such as Rent and Expiration Date.
- c) Calculation of Usable Square Footage. Currently, the usable square footage of the Premises is estimated to be 6,207 usable square feet. Landlord will determine the actual usable square footage at the conclusion of construction of the Tenant Improvements. Landlord will, in the response to the notice of substantial completion as described in Section 3) above, inform Tenant of the final usable square footage and the annual Rent amount, which will be calculated by multiplying the actual usable square footage as determined by Landlord by the rental rate set forth above.
- d) GPLET. Tenant will also be responsible for paying any government property lease excise taxes due under Title 42, Chapter 6, Article 5 of the Arizona Revised Statutes, and the City of Tucson transaction privilege tax. Within thirty (30) days after execution of this Lease, the parties will execute and the County will record a memorandum of this Lease in compliance with A.R.S. § 42-6202(C)(1), and the County will provide the County Treasurer with a copy of this Lease as required by A.R.S. § 42-6202(C)(2).
- e) Payment of Rent. Tenant will pay Rent in advance, in equal monthly installments of one-twelfth (1/12) of the annual Rent amount, on or before the Rent Commencement

Date and the first day of each month thereafter during the Term, except that the first month's Rent will be prorated if necessary to reflect a partial month. Rent Commencement Date is the Commencement Date. Rent will be delivered to Pima County Government, Finance-Revenue Management Division, 33 N. Stone, 6th Floor, Mail Stop DT-BAB6-404, Tucson, Arizona 85701. Tenant will pay interest (simple interest, not compounded) on any late payments of Rent, or any other sum due under this Lease, at the rate of 8% per annum from the date due until paid.

6) REPAIRS, SERVICES & UTILITIES.

- a) Repairs. Subject to Section 16) of this Lease concerning damage resulting from a casualty, and subsection f) of this section 6), Landlord will make all repairs in and to the Building and Premises, except as provided below. This includes the roof, structural portions of the Building, and major Building systems such as air conditioning motors or compressors, major plumbing requirements (in-wall plumbing), heating units, in-wall electrical connections existing prior to the commencement of Tenant's construction. Tenant is solely responsible for all building systems installed for the operation of any of its equipment, phones, computers or furnishings.
- b) Notification to Landlord. In the event of a breakdown or needed repairs to the Premises or Building system that existed prior to the commencement of Tenant's construction, Tenant will notify Landlord or its agent of such breakdowns or needed repairs, and Landlord will cause such repairs and/or replacements as are necessary to correct such condition to be done within a reasonable period of time during Landlord's business hours
- c) Janitorial. Tenant is responsible for providing and paying for janitorial services to the Premises. Tenant's janitorial contractor must obtain and maintain, during the entire period that it is performing work in the Premises, general liability and worker's compensation of one million dollars (\$1,000,000.00) each, and must cause Landlord to be named as an additional insured on the liability policy. Tenant must provide proof of this insurance to Landlord prior to the janitorial contractor performing any work in the Premises. The janitorial contractor may only obtain water from, and dispose of water in, the mop sink in the janitorial closet in the Premises and must use that storage area for storage of janitorial supplies.
- d) Security. Tenant is responsible for providing and paying for any security personnel that will be assigned exclusively to the Premises.
- e) Equipment. Tenant will maintain, repair and replace all equipment including but not limited to security cameras, office and medical machines, and manufacturing and scientific equipment provided and installed by Tenant.

- f) Tenant Damage. Tenant will promptly repair any damage done to the Premises, the Common Area, or the Building caused by any employee, agent, contractor or invitee of Tenant to the County's specifications
- g) Access to the Premises. Tenant will permit Landlord and Landlord's authorized representatives to enter the Premises during Landlord's business hours for purposes of inspection, making any repairs and performing any work therein as may be necessary for Landlord to comply with the provisions of this Section 6). Tenant will supply Landlord with keys or keycards to the Premises. Tenant will supply keys to the Premises that will be stored in the Fire Department Lock Box that Tenant will purchase and have installed on the exterior of the Existing Premises. Landlord and Landlord's authorized representatives will have access to the Premises twenty-four (24) hours per day, seven (7) days per week to respond to emergencies or to make emergency repairs. 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.
- h) Utilities. Landlord will provide all utilities to the Premises and the landscaped Common Area, including electricity, water, sewer, and trash collection. Tenant will be charged and will reimburse Landlord monthly for the Building's water and electricity based on water and electricity sub meters to be installed at Tenant's sole cost in the Building prior to Tenant's occupancy of either the Existing or Expansion Premises.

HVAC. Tenant will at its expense, install new heating, ventilation and air conditioning equipment ("HVAC") with HEPA filters to the Premises.

- i) Telephone/Internet. Tenant may use Landlord's internal local area network and associated telephone system at thirty-five dollars (\$35.00) per port (including provided handsets) plus all associated long distance charges, or Tenant may install its own system at its own expense. Any equipment installed by Tenant remains the property of Tenant and may be removed upon termination or expiration of the Lease. Tenant is responsible for supplying, installing and paying for its telephone equipment, service and internet/data service.

Tenant is responsible for obtaining a network connection from a local ISP and for supplying its own ISP connection hardware; Landlord will provide entry point for ISP into the building and a location for the ISP's network hardware to make the external connection; Landlord will provide a data connection to move Tenant internet traffic from the building entry point up to a room on the southwest corner of Tenant's Premises with an exterior door; Landlord to permit escorted access to Tenants' network hardware located in the above referenced equipment room during normal business hours; Landlord and Tenant will work together to create and implement a

wireless network channel allocation plan that prevents network interference. Tenant is responsible for securing Tenant's networks against intrusion through use of encrypted/password-protected wireless connections. Tenant may use Landlord's conduit and fiber, provided that Tenant's use is not higher than would normally be expected for an operation of its type.

- 7) **LICENSURE and REGISTRATION.** Tenant will apply for and obtain any license, registration or permit that is required during the Term of this Agreement and will maintain such license, registration or permit in good standing throughout the Term of this Agreement. Tenant shall immediately notify County, in writing, if the license, registration or permit is denied or terminated. In the event of such denial or termination County may, in its sole discretion, terminate this Agreement with no further obligation to Tenant.
- 8) **TAXES.** Tenant is responsible for all taxes related to this Lease and Tenant's personal property.
- 9) **INSURANCE.** Landlord is responsible for fire and other property insurance for the Building, and may self-insure for such losses. Tenant is responsible for insuring its personal property brought to the Premises. Tenant will provide commercial general liability insurance or its equivalent in the amount of two million dollars (\$2,000,000.00) each occurrence. The policy must be endorsed to include Landlord as an additional insured. Tenant's Worker's Compensation coverage must contain a waiver of subrogation against Landlord. Tenant must provide Landlord with evidence of insurance prior to moving into the Premises. Tenant's insurance must be primary insurance and non-contributory with respect to all other available sources.
- 10) **DEFAULT.**
 - a) **Tenant Default.** The occurrence of any one or more of the following events constitutes a default and breach of this Lease by Tenant for which Landlord may terminate this Lease:
 - i) ***Monetary Obligations.*** The failure by Tenant to make any payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) calendar days after notice from Landlord that such payment is due.
 - ii) ***Violation of Law.*** Use of the Premises for any unlawful or illegal purpose and such use shall continue for a period of three (3) days after written notice from Landlord; provided that Tenant is not entitled to the benefit of more than one (1) such grace period of three (3) days under this subparagraph ii) during the Term of this Lease.

- iii) *Health and Safety Violation.* Any action or omission by Tenant that, in the Landlord's reasonable judgment, causes a threat to the health or safety of the general public or the users of the Building and such use continues for a period of two (2) days after written notice from Landlord. Tenant's failure to obtain and maintain any required license and/or registration for its operations at the Premises is considered a violation under this paragraph.
 - iv) *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 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 twenty (120) days of the notice by Landlord.
 - b) Landlord Default. Landlord will 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 fails to diligently pursue the same to completion.
 - c) Remedies. Either party may pursue any remedies provided by law and in equity for the breach of this Lease, including termination of the Lease.
- 11) NOTICES. All notices to be given under this Lease will be in writing and be either served personally or sent by certified or registered mail, return receipt requested, to the parties as indicated below or to such other persons, or addressees as either party may designate in writing to the other party:
- TENANT: Accelerate Diagnostics, Inc.
Attn: Lawrence Mehren
3950 S. Country Club Rd, 4th Floor
Tucson, AZ 85714
- LANDLORD: Clerk of the Board of Supervisors
130 W. Congress St.
Tucson, Arizona 85701

With a copy to:

Director, Pima County Facilities Management
150 W. Congress Street, 3rd Floor
Tucson, Arizona 85701

- 12) SUBLEASE AND ASSIGNMENT. Tenant may not assign its interest in this Lease, or sublet any portion of the Premises, without Landlord's prior written consent. Because this Lease is being entered into as part of the County's economic development program, that consent may be withheld by the County if the proposed subtenant or assignee is not, in the County's reasonable judgment, likely to provide the same level of economic benefits anticipated from Tenant's operations. In addition, Tenant may not charge any additional sums for any assignment or sublease. Any assignment of this Lease or subletting of the Premises, if permitted, does not constitute a release of any obligations of the Tenant due under this Lease. The Landlord agrees that should it desire to sell the Building, it will do so only subject to the terms and conditions of this Lease and further agrees to give at least thirty (30) days' notice of any such intent to the Tenant.
- 13) MODIFICATIONS. Tenant will make no modifications to the Premises without written approval of Landlord which will not be unreasonably withheld.
- 14) FURNISHINGS. Tenant may remove any furnishings, fixtures, or equipment paid for and installed by Tenant and will at Landlord's request, restore the Premises to its original condition prior to Tenant Improvements and the installation of said furnishings, fixtures, or equipment. With Landlord's advance approval, Tenant may leave said items in place and they will become the property of Landlord. Tenant will maintain, repair and replace all furnishings provided and installed by Tenant.
- 15) NO LIENS OR INTERFERENCE. Tenant agrees not to incur, or if incurred to promptly remove, any obligations, judgments or other actions which result in a lien or encumbrance on the Premises.
- 16) DESTRUCTION OF PREMISES. If at any time during the Term of the Lease or any extension hereof, the Premises becomes partially or totally destroyed by reason of any damage by fire, flood, hurricane, windstorm or other casualty or act of God and the Landlord cannot or does not fully repair the Premises within ninety (90) days through no fault of the Tenant then Tenant will be relieved of any further obligation, duty or liability under this Lease. If the Premises can be and are repaired fully in ninety (90) days, then the Lease will continue in full force and effect while the repairs are being made, and the Tenant's Rent will be abated by the percentage of the total space which is unavailable or not reasonably useful to the Tenant.

- 17) **PERSONAL PROPERTY.** All personal property placed or removed in the Premises is at the risk of the party placing such property on the Premises or moving such property in the Premises.
- 18) **INSPECTION.** Landlord will be given access to Premises during Landlord's business hours to view and inspect its condition and state of repair upon twenty-four (24) hours notice to Tenant.
- 19) **CONDEMNATION.**
- a) Complete Taking. If the whole of the Premises is taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, or if a substantial portion of the Premises is so taken or condemned that the portion or portions remaining is or are not sufficient and suitable, in the mutual reasonable judgment of Landlord and Tenant, for the continued operation of the business contemplated by this Lease to be conducted thereon, therein or therefrom so as to effectively render the Premises untenable, then this Lease and the Term hereby granted will cease and terminate as of the date on which Tenant is required to vacate the Premises as a result of the condemning authority taking possession and all Rent will be paid by Tenant to Landlord up to that date or refunded by Landlord to Tenant if Rent has previously been paid by Tenant beyond that date.
- b) Partial Taking. If a portion of the Premises is taken, and the portion or portions remaining can, in the mutual reasonable judgment of Landlord and Tenant, be adapted and used for the conduct of Tenant's business operation, then Landlord will promptly restore the remaining portion or portions thereof to a condition comparable to their condition at the time of such taking or condemnation, less the portion or portions lost by the taking, and this Lease will continue in full force and effect except that the Rent payable hereunder will, if necessary, be equitably adjusted to take into account the portion or portions of the Premises lost by the taking.
- 20) **DAMAGE TO PROPERTY.** Tenant will permit no waste or damage to the Premises; that it will keep all improvements placed upon the Premises in reasonably good order and reasonably good state of repair, subject to Section 7) with respect to repair obligations.
- 21) **QUIET ENJOYMENT.** Landlord warrants that Landlord is seized of the Premises and has the full right to make this Lease. Landlord further covenants that Tenant will have quiet and peaceful possession of the Premises during the entire Term as against lawful acts of third parties and as against the acts of all parties claiming title to, or a right to possess, the Premises.
- 22) **EXPENSES ADVANCED BY TENANT.** If Landlord fails within thirty (30) days (or such lesser time as is appropriate if there is a threat to health or safety) after requested by Tenant

to make such repairs or perform such other act as may be required of Landlord under this Lease, Tenant may cause such repairs to be made or such acts to be performed at the expense of Landlord. Tenant may apply such claims against any subsequent installment of Rent.

- 23) SIGNS. Tenant may, upon obtaining any necessary permits from governmental authorities, and the advance written approval of Landlord, erect, maintain and repair at Tenant's own expense signs of such dimensions and materials as it may desire. Tenant is responsible for all costs associated with the design, manufacture and connecting any utilities necessary for any signage on the exterior of the Building or in the Premises. Landlord's consent will not be unreasonably withheld.
- 24) CHANGE IN OWNERSHIP. If ownership of the Premises or the name or address of the party entitled to Rent is changed, Tenant may, until receipt of written notice of such change, continue to pay Rent to the party to whom and in the manner in which the last preceding installment of Rent was paid. Tenant will not be subject to double liability for any Rent so paid.
- 25) 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 current monthly Rent on the Lease expiration date, except that if Tenant holds over after the Initial Term without having exercised its extension option, the Rent will ~~market rent~~ be determined based on the then current market rent for both the Expansion and Existing Premises.
- 26) INTERPRETATION OF LEASE. The parties acknowledge that each has had the opportunity to review this Lease with counsel of its or their choice. This Lease will not be construed most strongly in favor nor most strongly against either of the parties but shall be interpreted fairly and equitably to effectuate the intent of the parties. All provisions contained in this Lease bind and inure to the benefit of the parties hereto, their successors and assigns.
- 27) ENTIRE AGREEMENT. This agreement contains the entire agreement between the parties and all previous agreements, negotiations, or understandings are superseded by and merged in this Lease. This Lease may be modified by the parties only by writing executed with the same formalities as this Lease.
- 28) NON-DISCRIMINATION. The parties will comply with all provisions and requirements of Arizona Executive Order 2009-09 which is hereby incorporated into this lease as if set forth in full herein, **including flow down of all provisions and requirements to any**

subcontractors. During the performance of this lease, neither party will 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.

- 29) **ARBITRATION.** Any dispute arising under this Agreement involving the sum of FIFTY THOUSAND DOLLARS (\$50,000) or less in money damages only will be resolved by arbitration pursuant to the Arizona Uniform Rules of Procedure for Arbitration. The decision of the arbitrator(s) will be final.
- 30) **NONAPPROPRIATION.** The parties recognize that the performance by Landlord may be dependent upon the appropriation of funds by the Board of Supervisors of the County, or the availability of funding from other sources. Should the Board of Supervisors fail to appropriate the necessary funds, or if funding becomes otherwise not legally available to the County to fund its responsibilities under this Lease, the County may terminate this Lease without further duty or obligation. Landlord agrees to notify Tenant as soon as reasonably possible after the unavailability of said funds comes to the Board's attention.
- 31) **CONFLICT OF INTEREST.** This Lease is subject to cancellation pursuant to the provisions of Arizona Revised Statutes § 38-511 regarding Conflict of Interest.
- 32) **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 applicable federal regulations under the Act as it pertains to facilities and use of the facilities. This does not obligate Landlord to make any modifications to the Building, as a result of any change in the law or regulations, if such repairs are not otherwise legally required.
- 33) **SUSTAINABILITY PLAN.** In accordance with the Landlord's Sustainability Plan, Tenant will use all reasonable efforts to use recycled products or re-use and recycle materials used in the Premises.
- 34) **APPLICABLE LAW.** The parties will comply with all federal, state and local laws, rules, regulations, standards, Executive Orders, and Pima County Board of Supervisors' policies, including Policy Number C. 3.18 entitled "Tobacco-Free Environment" attached hereto as **Exhibit D**, without limitation to those designated within this Lease. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this Lease and any disputes hereunder. Any action relating to this Lease will be brought in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, regulations, and Board of Supervisors' policies during the terms of this Lease will apply but do not require an amendment.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, the parties have executed this lease as of the date first written above.

ACCELERATE DIAGNOSTICS, INC.
a Delaware Corporation

PIMA COUNTY, a political subdivision
of the State of Arizona

By: 
Steve Reichling, CFO

By: _____
Chair, Board of Supervisors

Date: _____

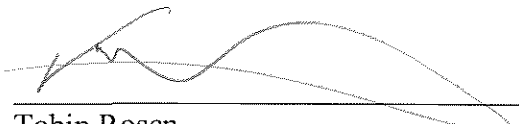
ATTEST:

Robin Brigode
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:


Director, Facilities Management Dept.

APPROVED AS TO FORM:


Tobin Rosen
Deputy County Attorney

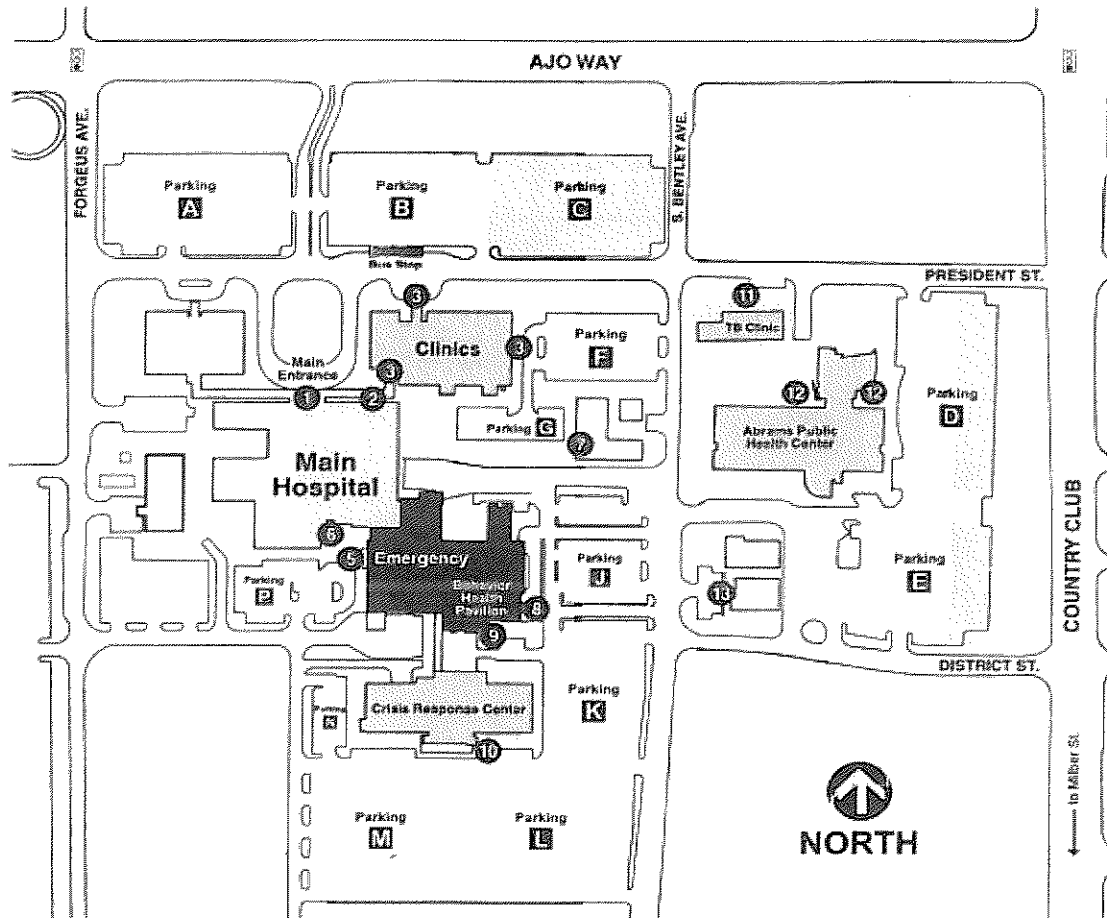
Exhibits:

- Exhibit A - Building and Parking Areas
- Exhibit B - Premises
- Exhibit B1- Description of Tenant Improvement and New Construction
- Exhibit C - Rules and Regulations
- Exhibit D - Tobacco-Free Environment Policy

EXHIBIT A

**Site Directory
South Campus**
2800 E. Ajo Way
Tucson, AZ. 85713
(520) 874-2000

South Campus



- | | | | | | |
|---|------------------------------------|--|--|---|--|
| ①
Main Lobby
Reception Desk | ②
Pharmacy
Lab Entrance | ③
South Campus
Clinics
(Outpatient) | ⑤
Emergency
Reception Desk | ⑥
Cardiovascular
Services | ⑦
Sports Medicine
Physical Therapy |
| ⑧
Behavioral
Health Pavilion/
Security | ⑨
Pima County
Superior Court | ⑩
Crisis Response
Center
(520) 622-6000 | ⑪
Pima County
TB Clinic
(Park in Lot C)
(520) 243-8450 | ⑫
Abrams Public
Health Center
(520) 243-7967 | ⑬
Pima County
Medical Examiner's Office
Forensic Science Center
(520) 243-8600 |

EXHIBIT B

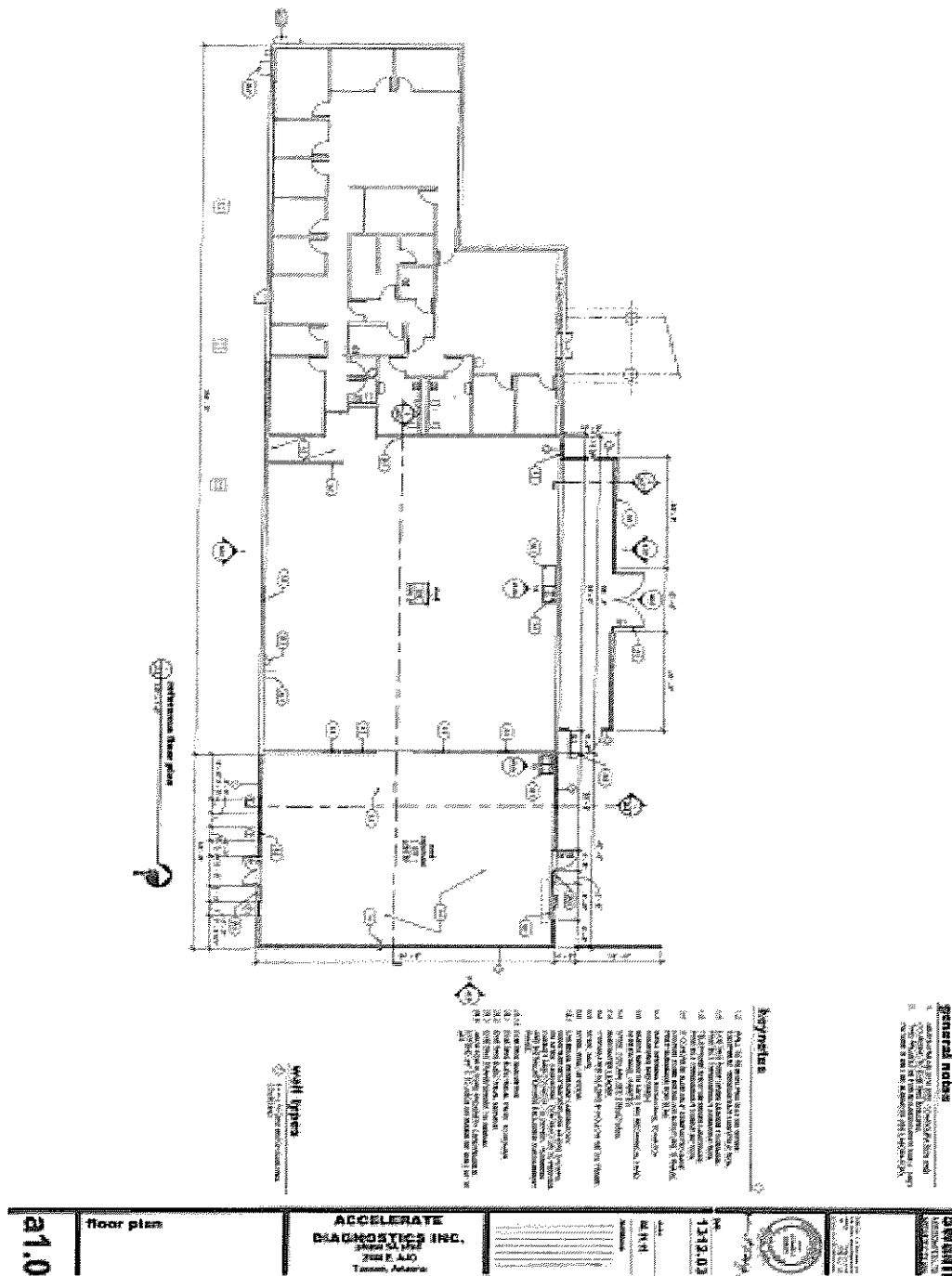


EXHIBIT B-1



June 3, 2015

ACCELERATE DIAGNOSTICS phase 5 formulation lab

Summary

1. Gut inside existing warehouse, removing office area, entire mezzanine.
2. Furr all exterior walls with 3-5/8" metal framing, R-19 batt insulation and vapor barrier.
3. Add R-30 batt insulation and vapor barrier to entire existing roof structure.

Finishes

4. 2x4 ceilings shall be vinyl faced gypsum panels with clean-room gaskets.
5. Exposed ceiling shall have paintable poly scrim covering insulation. Paint roof structure, ductwork etc.
6. Sheet vinyl flooring with welded seams and flash covered base shall be used in all lab spaces including Gowning and Utility. Sheet vinyl flooring with welded seams and rubber base shall be used in all spaces except FG Storage, IT and Janitor's spaces. Use sealed concrete in those areas.
7. Epoxy paint on level 5 GWB finish throughout clean area.
8. Ceramic tile wainscot to 5' on the wet wall of each restroom.
9. Plastic laminate counter and cabinets in the Break area.
10. Phenolic counter tops on prefabricated factory finished steel cabinets within the clean areas.
11. Antibiotics and Vestibule space shall be fully sealed with liquid applied vapor barrier system on all walls and under flooring. Roof vapor barriers shall be sealed to wall barrier system. Doors shall have full weather stripping system including active door bottoms to seal.
12. Access control electric strikes and prox readers on the two exterior man-doors.
13. Walk-in refrigerator to maintain 2-8 degrees Celcius.

7350 E SPEEDWAY 210
TUCSON, ARIZONA 85710
(520) 326-3700 FAX 326-1148

D:\1312\1312.05 Phase V\Documents\15 05-02 preliminary narrative for cost\rd\visual\06-03-15 Narrative schematic.docx



June 2nd, 2015

Mr. Ed Marley, AIA
Swaim & Associates
7350 E. Speedway #210
Tucson, Arizona 85710

FIGURE 10-1
10-10000

10-10000
10-10000

FIGURE 10-1

FIGURE 10-1

RE: Accelerate Phase 5- SD Structural Narrative

SSE Project No.: 115183

Mr. Marley,

The following is an SD structural narrative for a single story 2,400 SF (42' X 58'-8") CMU addition to the existing north building. This description is based on our preliminary discussions of the owner's requirements.

Design Criteria:

2012 Edition of the International Building Code, with local amendments. Risk Category II.

Loads:

Roof Dead Load = 18 PSF

Roof Live Load = 20 PSF

Design Wind Speed: (Vult) = 115 MPH. Exposure B.

Lateral System:

The lateral force system consists of horizontal steel deck roof diaphragms and vertical intermediate reinforced masonry shear walls.

Foundation:

SSE has not received the geotechnical report yet, but we anticipate that conventional concrete spread footings will be used below masonry walls. We also anticipate that the soils will need to be over-excavated and re-compacted to a depth of 2 feet below foundations and slab on grade.

Walls:

The walls are anticipated to be up to 20' tall and are expected to be reinforced CMU masonry construction. The anticipated design for the exterior wall is 8" thick masonry with (1) #5 vertical bars spaced at 32" O.C. Masonry lintels shall be designed over openings. Horizontal 9 Ga. Ladder type crack reinforcing shall be 16" O.C. vertically. CMU stem walls are anticipated.

Roof Framing:

The roof framing at all areas is expected to have 1-1/2" deep, 20 gauge galvanized steel roof "B" deck. The roof deck will be supported by 20" deep single pitched top chord open web prime painted steel joists typical spaced at 8' O.C. and spanning approximately 27'-8" between exterior walls and interior east-west prime painted steel wide flanged beam. The steel beam will be pocketed into the masonry at the east end and shall cantilever over an HSS column located in the walls intersecting at Printing, Gowning, and Walk in. The anticipated steel beam is a W 18 X 35. It is also anticipated packaged HVAC units will be layout over the steel beam.

Floor:

An isolated 5", 3000 psi concrete slab over a vapor barrier over 4" 95% compacted ABC on grade is expected to be used. Sawn control joints maximum 15'-0" O.C. will be specified. Due to the presence of a vapor barrier, low slump concrete and 7 day moist cure period shall be specified in order to reduce/ prevent random slab cracking/ curling.

Existing Roof Structure/ framing:

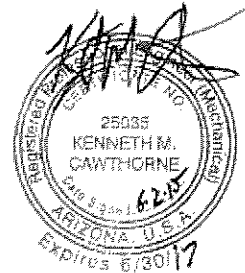
The existing roof framing will be reviewed for adequacy of new packaged HVAC units. Existing roof framing will be strengthened as required.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Schneider Structural Engineers

Dave Gibbens, S.E.



June 2, 2015

Mr. Ed Marley, AIA
Swaim & Associates
7350 E. Speedway #210
Tucson, Arizona 85710

Re: Accelerate Phase 5 – Mechanical Description
KC Mechanical Project Number 15201

Dear Ed,

The following is a brief description of the mechanical systems for this 6,000 sf renovation project in the existing north building. This description is based on our preliminary understanding of the owner's requirements.

DEMOLITION

All the existing evap coolers, split system heat pump, gas unit heaters, and plumbing fixtures shall be removed.

MECHANICAL

The Open/Break main entrance area will be conditioned with a 3-ton (700 lbs, 12MCA@460V/3ph) 15-SEER rooftop packaged gas/electric unit with ductwork distribution to (3) 12x12 ceiling diffusers, (1) 22x22 ceiling return grille, and a 6x6 ceiling diffusers in each toilet room. The toilet rooms will be exhausted using (2) ceiling exhaust fans controlled by a programmable time clock in the janitor's closet.

IT Room will be provided with a 5-ton (750 lbs, 14 MCA@460V/3ph) 15-SEER rooftop packaged cooling only unit with ductwork distribution to the IT Room.

The Gowning, Printing, Walk In, and FG Ambient Room (along with the Utility and Jan Closet) will be conditioned using a 6-ton (1,000 lbs, 17 MCA@460V/3ph) 15-SEER rooftop packaged gas/electric unit with supply ductwork to the ceiling supply plenum and return ductwork to 22x10 ceiling return grilles in each room and a 22x22 return grille in the FG Ambient room. The Gowning, Printing, and Walk-In rooms shall be provided with (1) 2x4 HEPA Fan Filter Unit (FFU) (70 lbs, 1.2FLA@277V/1ph) and (1) 2x2 FFU (50 lbs, 1.2FLA@277V/1ph). The FG Ambient Room will have (7) 2x4 FFUs (70 lbs, 1.2FLA@277V/1ph). The Utility room will have (1) 2x4 FFU (70 lbs, 1.2FLA@277V/1ph). The Janitor's Closet will have a ceiling exhaust fan that operates continuously.

5447 East Fifth Street #112 • Tucson, Arizona 85711 • 520/327-7611

The Deepwell and Formulation rooms will each be provided with a 4-ton (total of 2 units) (800 lbs, 13MCA@460V/3ph) 15-SEER rooftop packaged gas/electric unit with supply ductwork to the ceiling supply plenum and return ductwork to (2) 22x22 ceiling return grilles in each room along with (8) 2x4 FFUs (70 lbs, 1.2FLA@277V/1ph).

The Hardy Fill and Seal room will be provided with a 3-ton (700 lbs, 12MCA@460V/3ph) 15-SEER rooftop packaged gas/electric unit with supply ductwork to the ceiling plenum and return ductwork to a 22x22 ceiling return grille. (6) 2x4 FFUs (70 lbs, 1.2FLA@277V/1ph) will also be provided.

The Antibiotics room and Vestibule is required to maintain a maximum of 10%RH at 70F room temperature. For this extreme condition, a rooftop dehumidifier will be provided equal of Munters DCA-750-020 that provides 1,500 cfm for dehumidification and cooling. This unit is approximately 21'x5'x8'tall, weighs 5,000 lbs, and 5FLA@460V/3ph. This unit will also have a 10-ton condensing unit that is approximately 5'x4'x5.5' tall, weighs 500 lbs, and 22.5MCA@460V/3ph. Supply ductwork will be routed to the ceiling plenum and return ductwork to (2) 22x22 ceiling return grilles. (7) 2x4 FFUs (70 lbs, 1.2FLA@277V/1ph) will also be provided.

Each clean room will be provided with a 22x10 exhaust grille ducted to an inline fan (7FLA@120V) that will discharge 800 cfm into the vacuum pump enclosure.

PLUMBING

The plumbing fixtures will include the following:

- (2) floor mounted 1.6 gpi flush valve ADA water closets
- (2) wall hung ADA lavatories with floor mounted corner and 0.25 gallon metering faucet with ASSE mixing valve
- Mop basin
- Break room sink with goose neck faucet and wrist blades
- (2) 2-compartment sinks with goose neck faucet, wrist blades, and laminar flow outlet
- Emergency combination eye wash/shower
- Floor sink with trap guard for air compressor drain
- Hose bibb in north equipment yard

This building has a 1-1/2" water meter (#21144389) and 2" backflow preventer and main line. This system has adequate capacity for these additional fixtures. A new 2" cold water line will be connected to the existing 2" cold water serving the existing toilet rooms and routed to the new toilet rooms with 1/2" branches to the sinks, 3/4" branch to the hose bibb, 1-1/4" branch to the janitors closet/water heater/utility room, and 1-1/2" branch to the emergency eye wash/shower.

Hot water will be provided with a 40 gallon 9kW electric water heater located in the Janitor's Closet with an expansion tank and recirculation pump. A 1" hot water main and 3/4" hot water return shall be looped to all the fixtures and provided with 1" thick insulation with 1/2" thick insulation for all the branches.

Sewer and vent piping will be provided for the new fixtures and connected to the existing 4" sewer that exits on the north side near the center of the building. The underground sewer piping can be schedule 40 ABS or PVC and the overhead vent piping will be cast iron since it will be routed through a supply air plenum.

A 2" natural gas line will be connected to the existing gas meter at the southwest corner of the building and routed on the roof to avoid the existing tenant space. This piping will be routed to the (5) rooftop AC units and the rooftop dehumidifier with a shut-off valve, dirt leg, and union.

3/4" condensate drains with traps will be provided for the (5) rooftop AC units, dehumidifier, and mini-split system (no trap), combined to a 1" drain, and routed to the mop basin.

An auto drain will be provided for the owner provided air compressor along with drain lines from the owner provided filter/dryer to the new floor sink. This owner provided equipment will be installed and connected by the contractor with 3/4" piping (Type L copper) and flexible connectors. A 3/4" main compressed air line with a shut-off valve will be routed from the filter/dryer to (2) 1/2" drops with 3/8" quick disconnects at the ceiling in each clean room (total of 5 rooms). The contractor will also install the owner provided vacuum pump and provide drain piping to the new floor sink. A 1" vacuum line with a shut-off valve and flexible connector will be routed from the vacuum pump to (2) owner provided vacuum ovens with shut-off valves and unions in the Antibiotics Room.

The existing fire sprinklers will be modified for the new floor plan with new semi-recessed quick response chrome plated heads and white escutcheons provided.

This description is preliminary and cooling/heating/ventilation calculations have only been estimated. Let me know if you have any questions or need any additional information.

Sincerely,
KC Mechanical Engineering, LLC



Kenneth M. Cawthorne, PE

EXHIBIT C
LANDLORD'S RULES & REGULATIONS

Re: 2980 E. Ajo Way, Tucson, Arizona

Tenant: Accelerate Diagnostics, Inc.

These Rules & Regulations have been adopted by Landlord in order to set forth standards of conduct that will allow all tenants to enjoy a professional working environment that is compatible with the general character of the building. Landlord reserves the right to make amendments and/or additions to these Rules and Regulations from time to time. These Rules and Regulations are in addition to and shall not be construed to modify or amend any of the terms, covenants, or agreements and conditions of a tenant's lease. Each tenant shall be responsible for informing its employees and invitees as to the provisions of these Rules and Regulations and to enforce same with respect to its employees and invitees. Landlord may waive compliance with any one or more of these Rules and Regulations for the benefit of a tenant. Such waiver shall not be construed as a waiver for any other tenant, nor shall it prevent Landlord from enforcing the same against any or all other tenants. These rules may only be enforced by Landlord. The failure of Landlord to enforce any Rule or Regulation shall not give any tenant the right to enforce same against another Building occupant. Any concerns about violations of the Rules and Regulations should be addressed to the Building Manager's office or to such other place as Landlord may designate from time to time.

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed, printed or affixed on or to any part of the inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove any unapproved sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant. All approved signs must be placed or affixed on the wall adjacent to Tenant's entry doors. All approved signs shall be printed, painted, inscribed, affixed or removed at the expense of Tenant by a person approved by Landlord. All walls or other structures where Tenant's signs have been affixed or attached must be restored to their original condition at Tenant's expense after removal of such signs.
2. Tenant shall not place anything or allow anything to be placed near any window, door, partition or wall that may appear unsightly from outside the Premises, nor shall Tenant cause any window in the Premises to be color treated.
3. The sidewalks, exits and entrances, shall not be obstructed by Tenant or used for any purpose other than for ingress and egress from Tenant's Premises.
4. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors

or windows of the Premises without prior written consent of Landlord, which will not be unreasonably withheld. Landlord shall have no obligation to open Tenant's Premises due to the loss of keys by Tenant. All requests to open Tenant's Premises to guests or employees must be made by Tenant to Landlord. If Tenant needs to have its leased Premises rekeyed for any reason, Tenant shall use the Landlord's authorized building locksmith. Any rekeying shall keep the applicable lock on the existing building master keyway. Tenant shall bear the entire cost of rekeying, unless the rekeying is requested by Landlord. Any installation or repair of specialty locks shall be at Tenant's expense. Tenant assumes all responsibility for protecting its Premises from theft, robbery, and pilferage, including but not limited to, keeping all means of entry to Premises closed and locked.

5. The plumbing facilities shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by the Tenant whose employee, agent or invitee shall have caused it.
6. Tenant shall not deface the Premises or any part thereof. Tenant will not install, affix or fasten to the rooftop any signs, satellites, or antennas without the prior written approval of Landlord. Landlord may require design drawings, specifications and/or weight load structural tests prior to granting approval for any rooftop installation. Tenant shall bear the entire expense of any drawings or tests to be submitted to Landlord for approval.
7. All moving of furniture, freight, equipment or any other items into or out of the Building shall be done at such time and in such manner as Landlord will designate and considers the schedule of the other Building occupant. Any damage to the doors, frames, walls or ceilings caused by Tenant or Tenant's invitees or moving contractors will be repaired at Tenant's expense to Landlord's satisfaction.
8. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or the other occupant of the Building by reason of noise, odors and/or vibrations, or that would interfere in any way with the other Building occupant or those having business therein. No animals shall be brought in or kept in or about the Premises or the Building except service animals.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, or flammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Tenant acknowledges that periodically the Tucson Fire Department or other contractor or representative of the Landlord will inspect the Premises for Fire Code compliance and fire, sprinkler, and alarm testing. Tenant, and its employees, contractors and invitees shall comply

with any fire safety and handicap procedures and regulations established by the Landlord and/or any governmental agency. Tenant shall distribute to its employees, representatives, contractors and invitees a copy of these Rules and Regulations and all fire drill safety and handicap material provided to it from time-to-time by Landlord and/or any governmental agency. If an audible fire alarm is sounded in the Building or Premises, Tenant must take immediate and prudent actions to evacuate its employees, or guests from the Building or Premises through designated exits as posted by Landlord. Tenant shall notify Landlord in writing of the emergency contact information of two on-site employees or representatives who are responsible for emergency evacuations or fire drills for their Premises. Tenant is responsible for notifying the Landlord in writing of any changes to such assignments. Each Tenant will notify the Landlord of any handicapped occupants or other individuals who may require special assistance in the event of an emergency.

11. Landlord will direct electricians and/or phone installation employees or contractors as to where and how telephone and computer network cables are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
12. Outside of Business Hours, Tenant and its employees may access the Building or the Premises by using keys assigned by Landlord. The Landlord shall in no case be liable for damages with regard to the admission to or exclusion from the Building or Premises of any person. In case of invasion, mob, fire alarm, bomb threat, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or Premises during the continuance of the same by closing of the doors or otherwise, for the safety of the Building or Premises occupants and the protection of the Building Or Premises.
13. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of alcohol or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building or impair the safety of any Tenant, employee, or contractor of Landlord.
14. No machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same by others.
16. Landlord shall have the right to control and operate the Common Area(s), and the public facilities, and heating and air conditioning, in such manner as Landlord deems best for the benefit and safety of the Building occupants generally.

17. All entrance doors in the Premises shall be locked when the Premises are not in use. All emergency fire exit doors must remain free of debris from both the interior and exterior and remain locked when not in use.
18. All exterior areas adjacent to the Premises shall be kept clean and free from dirt and rubbish by Tenant and Tenant shall not place or permit any obstruction or merchandise in such areas.
19. There will be no storage, temporary or permanent, of bicycles, refuse containers or other such unsightly materials outside of the Premises.
20. Upon the termination of the tenancy, Tenant shall deliver to Landlord all keys to the Premises and security access cards for the Building that have been furnished to Tenant.
21. No electrical cooking appliances other than microwave ovens and coffee machines are allowed in the Premises.

EXHIBIT D

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

Purpose:

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

Background:

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

Policy:

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

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

Definitions:

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

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

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

Compliance:

County personnel are responsible for compliance with the policy.

Visitors and vendors observed to violate this policy shall be respectfully informed of the Tobacco-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>