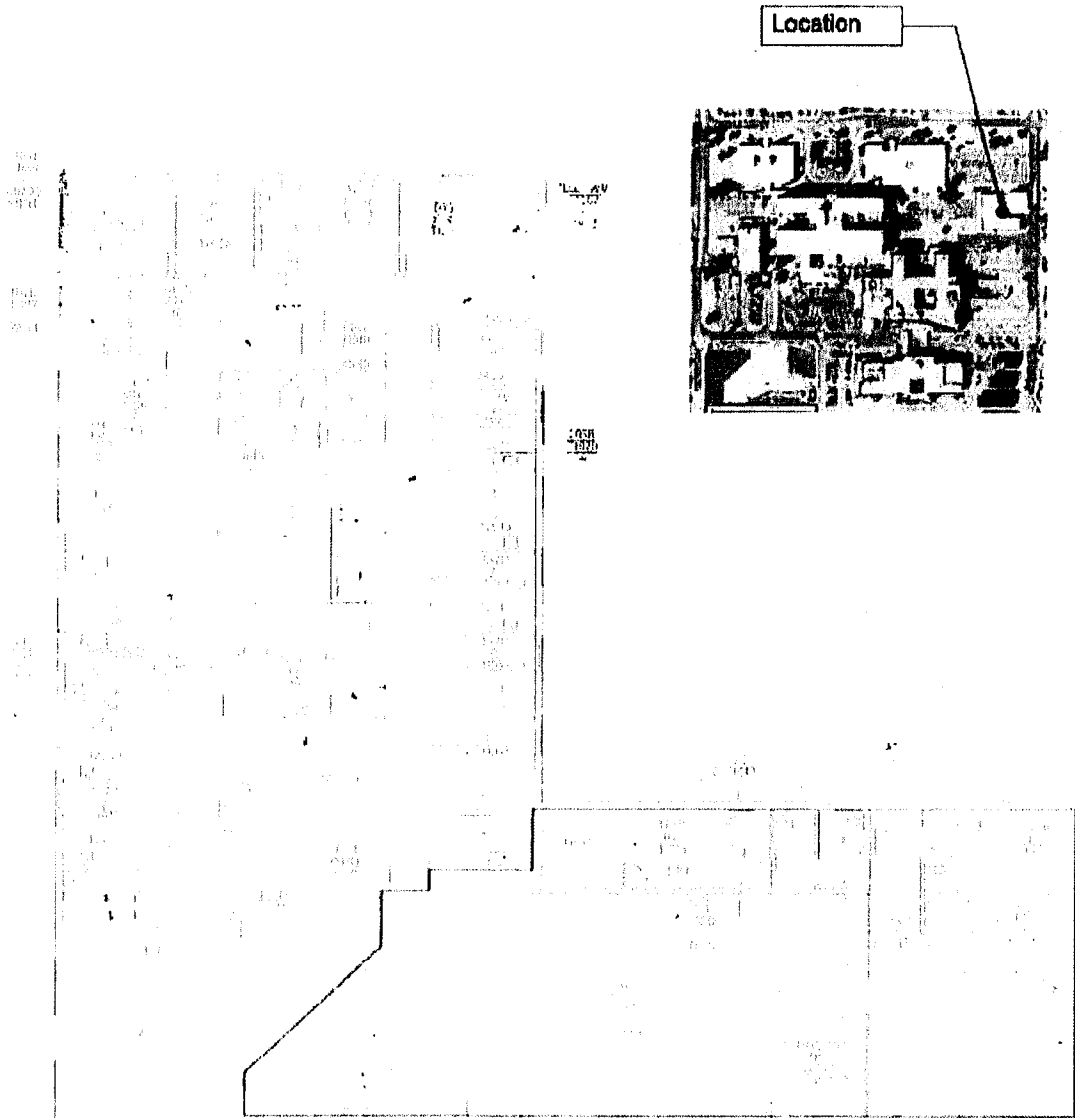


Exhibits:

- A: Premises
- B: Prime Lease
- C: Rules & Regulations
- D: Parking Site Plan
- E: Landlord's Tobacco-Free Environment Policy

EXHIBIT A **DEPICTION OR SITE PLAN OF PREMISES**



Usable sf: 3,237
 Rentable sf: 3,266
 Building sf: 8,921



ORIGINAL SIZE = 6 1/2x11


	DESCRIPTION	REVISION DATE	DRAWING NUMBER
	Banner Select Rehabilitation Services 2800 E. Ajo Way, Suite 201 Tucson, AZ 85714	9-18-2018	-

EXHIBIT B
PRIME LEASE

**AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UA HEALTHCARE, INC.
FOR KINO HOSPITAL CAMPUS
[PIMA COUNTY CONTRACT 04-65-U-134151-604-07]**

This Amended and Restated Lease Agreement, dated June 21, 2011 for reference purposes, is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County" or "Landlord"), University Physicians Healthcare ("UPH" or "Tenant"), an Arizona nonprofit corporation.

RECITALS

A. County and University Physicians, Inc. (now University Physicians Healthcare) ("UPH"), an Arizona nonprofit corporation that acts as the clinical practice group of the University of Arizona College of Medicine ("UACOM") faculty, previously entered into a lease agreement dated April 27, 2004 pursuant to which County leased to UPH a hospital facility (the "Hospital Building") and some associated real property formerly operated by the County as Kino Community Hospital, which is part of a larger public health campus (the "Health Campus").

B. This lease was subsequently amended by that certain First Amendment dated June 19, 2007; Second Amendment dated August 5, 2008; Third Amendment dated December 16, 2008; Fourth Amendment dated July 7, 2009; Fifth Amendment dated June 15, 2010; and Sixth Amendment dated April 5, 2011.

C. Pursuant to the above-described lease agreement (which, including all previous amendments, will be referred to in this document as the "Original Lease") UPH has operated University Physicians Healthcare Hospital ("UPHH") on the leased premises.

D. The area in which the Health Campus is located has been federally designated as both a Medically Underserved Area of the County, and a Health Professional Shortage Area with respect to primary care, dental care and behavioral health.

E. UA Healthcare ("UAH") is a new Arizona nonprofit corporation formed for the purpose of acting as a "parent" corporation to UPH and University Medical Center Corporation ("UMCC"), both nonprofit corporations associated with UACOM, and integrating their operations. ABOR appoints and removes members of the board of directors of UAH.

F. UPH has established a residency/graduate medical education ("GME") program at UPHH that it co-sponsors with the University of Arizona ("UA") (the "Co-Sponsored Residency Program"), but has also experienced serious operational and financial difficulties in connection with the operation of UPHH.

G. In connection with the Original Lease, County committed to ten years of gradually decreasing funding (service payments) to help UPHH become established as a financially self-sufficient full-service general hospital. All service payments under the Original Lease were accelerated and have been made by the County.

H. In connection with the Original Lease, UPH purchased furniture, fixtures, equipment and supplies in the Hospital Building, and agreed to pay for it over a ten year period. Three payments of \$249,018.40 each remain, to be paid on December 1 of 2011, 2012, and 2013.

I. The County has constructed, at public expense, various capital improvements (together with some associated furniture, fixtures, and equipment) to the UPHH campus, including a new heliport for medical transports to and from the Hospital (the "Heliport"); a new behavioral health in-patient facility, the Behavioral Health Pavilion (the "BHP") adjacent and connected to the original Hospital Building, which includes an emergency room, specially designed space referred to as the psychiatric emergency area, an outpatient clinic on the first floor, two 24-bed inpatient units on the second floor, administrative offices on the third floor, and sheltered space for two 24-bed units on the third floor; and a new building (the "CRC"), physically connected to the BHP by a covered walkway, that has been constructed to house a psychiatric urgent care crisis center on the first floor and a sub-acute behavioral health in-patient facility on the second floor, to be operated by the Regional Behavioral Health Authority and/or its designated contractor. This Lease does not lease the CRC to UPH. Rather, the CRC lease shall be a separate lease between the County and the RBHA and/or its designated contractor, not UPH. Various systems in the CRC operate from the BHP central plant.

J. Arizona and Pima County are faced with a healthcare workforce shortage limiting community access to healthcare. Revitalization of the Health Campus would provide a site for training of a much-needed professional healthcare workforce, including physicians, nurses and pharmacists. Through cooperation with Pima Community College as well as the University of Arizona, School of Public Health and School of Government and Policy and other colleges such as the Colleges of Medicine, Nursing and Pharmacy, operations on the Health Campus could also support other public health and health administration programs, all of which will ultimately improve the community's access to quality healthcare.

K. It is therefore in the best interests of the County and its residents for UACOM, UAH and its subsidiaries to succeed in maintaining, expanding, and further integrating the teaching and clinical operations at UMC and UPHH, creating a unified educational and clinical system that maximizes economic and healthcare opportunities for County residents. To assist with this endeavor, the County, UAH, and the Arizona Board of Regents entered into an IGA dated June 15, 2010 (the "IGA"), pursuant to which the County agreed to contribute Fifty Million Dollars of additional funding to further the UACOM's mission at the Health Campus.

L. In the IGA, the County agreed that it would consent to an assignment of the Original Lease to UAH if requested by UAH, and that County would not agree to a modification or termination of the Original Lease without UAH's written consent, and that any early termination of the IGA would result in termination of this Lease. At this time UAH has not requested that the Lease be assigned to it.

M. To the extent practicable, the County expects Tenant to maximize the County's investment in the Health Campus programs and services, including the healthcare workforce development initiatives, and anticipates that Tenant will cooperate with other area agencies, the Court, the County Attorney's Office and various County departments as the County's first-choice of provider for an array of services for which the County is the payer or is mandated to

provide, such as health services individuals housed in County detention centers, and Title 36 involuntary psychiatric evaluations and treatment.

N. Many provisions of the Original Lease have been modified or are no longer applicable given the passage of time and the way in which operations at the UPHH campus, and the relationship of the campus with UACOM, have evolved.

O. County has completed the mold abatement work and the ADA compliance work required of County under Section 4 of the Original Lease.

P. Because more than five years have passed since the Commencement Date of the Original Lease, the "Review Limit" for Alterations under Section 20(A) of the Original Lease is currently \$125,000. The next five-year incremental increase will occur in 2014.

AGREEMENT

1. **Amended and Restated Lease.** This Amended and Restated Lease Agreement (this "Lease") is intended to replace, in its entirety, the Original Lease, as of the date that this Lease is signed by all the parties (the "Effective Date").
2. **Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the property shown on the attached Exhibit A as "Hospital Parcel" and "Heliport Parcel," (but excluding therefrom the "Superior Court Space" as shown on Exhibit D) (the "Premises") for the Term, and under the conditions set forth in this Lease. This includes the Hospital Building (including the BHP) (the "Hospital"), the Heliport, and various landscaping and parking areas.
3. **Term.**
 - 3.1. **Initial Term.** This Lease commenced on June 16, 2004 (the "Commencement Date"). The initial term of this Lease shall be for a period of twenty- five (25) years from the Commencement Date (ending June 16, 2029), unless extended or terminated early as provided for herein.
 - 3.2. **Extension Term.** Tenant shall have the right (the "Extension Option") to extend the term of this Lease for an additional twenty-five (25) year period from and after the end of the initial Term (the "Extension Period") under the terms and conditions set forth herein, provided that it is in material compliance with all the terms of the Lease as of the date of Tenant's Extension Notice, as defined below, and as of the day that the parties actually execute a written agreement extending the Lease. (The exercise of the Extension Option will be considered effective as of the date that the parties execute the written agreement, but the Extension Period shall commence upon expiration of the initial Term, as set forth above.) Tenant may exercise this Extension Option in either of the two ways set forth below:
 - 3.3. **Extension Prior to the End of the Initial Term.** If the Lease has not already been extended under paragraph 3.4 below, Tenant shall give written notice to Landlord of its desire to exercise the Extension Option (an "Extension Notice") no sooner than three

(3) years, and no later than two (2) years, prior to expiration of the Initial Term. Landlord shall, within four months of its receipt of the Extension Notice, notify Tenant in writing specifically identifying any instances of material non-compliance that Tenant must address in order for the extension to be accepted by Landlord. Failure by Landlord to send this notice of non-compliance within the four-month period shall be deemed to be an acceptance by Landlord that Tenant is, at that time, in material compliance with the Lease. Tenant shall have until six (6) months prior to expiration of the initial Term to cure, to Landlord's reasonable satisfaction, any defaults identified in Landlord's notice. If additional defaults are identified by Landlord during this last six months, Tenant must cure them within thirty days after notice from Landlord.

3.4. Extension to Obtain Financing. In the event that Tenant needs to extend the Lease for the Extension Period, effective earlier than the end of the Initial Term, in order to obtain financing for the construction of Improvements on the Premises pursuant to Section 17 below, Tenant shall give Landlord an Extension Notice as soon as reasonably practicable. Landlord shall have a reasonable period of time, in no event less than thirty days from the date of the Extension Notice, to notify Tenant in writing regarding any material Tenant breaches of the Lease of which Landlord is aware. Tenant must cure any such non-compliance, to the reasonable satisfaction of Landlord, prior to execution of an agreement to extend the Lease.

3.5. Early Termination Option. If the IGA is terminated, this Lease will also terminate.

4. Tenant's Use of Premises.

4.1. Permitted Uses. Tenant shall use the Premises solely for the operation of a licensed general hospital also licensed to provide level-one acute psychiatric care; healthcare professional offices and outpatient clinics; the provision of healthcare services, including behavioral health; the conducting of medical and health-related education and research; and uses incidental thereto, and in support thereof.

4.2. Prohibited Activities. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the Premises or which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents or cause a cancellation of any insurance policy covering the Premises or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which materially obstructs or interferes with the rights of other occupants of the Premises or allow the Premises to be used for any unlawful purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises. Tenant shall not store within the Premises equipment other than that to be used in the Premises or used in connection with the operation of Tenant's business at the Premises.

4.3. Compliance with Laws. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be

enacted or promulgated (herein referred to as a "Law" or collectively as "Laws"). Except as otherwise set forth herein, Tenant shall, at its sole cost and expense, promptly comply with all Laws in connection with its use of the Premises, including without limitation all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) (the ADA") and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36, and all applicable provisions of the Clean Air Act, 42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any Law shall be conclusive of that fact as between Landlord and Tenant.

4.4. Equipment & Furniture.

4.4.1. New Furnishings & Equipment. Tenant has the right to use the equipment and furniture purchased by the County and installed in the new BHP (or in the remodeled ED area), which is listed on the attached Exhibit B (the "County Property"). Tenant will be responsible for maintaining and repairing the County Property, including maintaining and updating, as needed, any software that is part of or is used in connection with the equipment that is part of the County Property.

4.4.2. Property of County. The County Property will remain the property of the County, and Tenant does not have the right to dispose of it. If Tenant no longer wishes to use any items of County Property, Tenant must notify Landlord (Director of Procurement) to arrange for its removal. Tenant must provide Landlord (Deputy County Administrator for Medical and Health Services) an annual inventory of the County Property. In addition, Landlord may conduct periodic and unscheduled inspections of the County Property.

4.4.3. Payment for Original Property. Tenant will make the three remaining payments described in Recital H above. This obligation will survive any early expiration or termination of the Lease.

4.5. General Hospital. Tenant shall, at all times during the term of this Lease and any extension or renewal thereof, operate and maintain the Premises and the personal property located on the Premises, and operate the Hospital as a Medicare-certified, licensed, accredited general hospital also licensed to provide level-one acute psychiatric care, and licensed for at least 245 beds. Tenant may increase or decrease the number of beds, or alter the number of beds licensed for psychiatric services, if Tenant provides an alternative configuration that Landlord agrees meets community needs. Tenant will continue offering, under its Hospital license (whether on the campus, or in other clinical space), the services for which it is currently licensed, which are described on Exhibit C (the "Required Healthcare Services").

4.6. Title 36 Services. Tenant shall, to the extent of its available capacity, provide all medical clearance, psychiatric evaluations, treatment, and testimony for the Landlord's adult civil commitment proceedings under A.R.S. Title 36.

- 4.6.1. Records. Tenant shall give Landlord access to all Tenant's non-patient records related to the Title 36 services rendered, and all patient records related to Title 36 services for which Landlord is a payer, so that Landlord can perform comprehensive reviews of the operation of the Title 36 program at the Hospital with respect to matters such as (but not limited to) lengths of stay, business processes, scheduling of evaluations and court hearings, and discharge planning. Landlord shall provide such request in writing and with at least forty-eight (48) hours advance notice to Tenant.
- 4.6.2. Cooperation with Court and County Attorney. Tenant must cooperate and respond to inquiries and requests for meetings and trainings from the Pima County Attorney's Office ("PCAO") and the Court, and must review and process all evaluation paperwork to ensure complete and accurate filing of petitions for court-ordered treatment in the timelines specified by PCAO.
- 4.7. Coordination with CRC Operator. Tenant also agrees to work cooperatively with the CRC Operator with respect to their respective operations (in particular, the coordination of the psychiatric urgent care crisis center and sub-acute behavioral health in-patient facility in the CRC, and the Hospital's psychiatric emergency room services) in order to
- 4.7.1. Create a "no wrong door" approach at the campus, ensuring that individuals presenting for assistance at either facility are guided to the appropriate care setting.
- 4.7.2. Ensure that individuals presenting for assistance are treated in the least restrictive environment available, and that the inappropriate use of emergency departments and detention centers for adults in crisis is minimized.
- 4.7.3. Develop an outpatient court-ordered evaluation program.
5. Provision of Services to the CRC. The outline of the area containing the CRC that Landlord intends to let to another entity (the "CRC Operator") is shown on the attached Exhibit A (labeled the "CRC Parcel"). Tenant acknowledges that the CRC Operator will depend on Tenant for certain services, as more specifically set forth on the attached Exhibit G, because of the physical configuration of the buildings and related infrastructure. Tenant agrees to provide these services to the CRC Operator. Landlord agrees that its lease with the CRC Operator will require the CRC Operator to reimburse Tenant for the cost of those services allocable to the CRC, as set forth on Exhibit G. Landlord and Tenant agree that in the case of the CRC remaining unoccupied the Tenant shall bill and the Landlord shall pay for the utilities and services associated with the CRC Parcel, but the allocation will be adjusted to take into account the decreased use of utilities and security services due to the fact that the facility is unoccupied.
6. Condition of Premises. Subject to the Landlord's representations and obligations contained herein, the Premises have been accepted by Tenant in "as is" condition.

- 6.1. Environmental Condition.** Landlord represents, to the best of Landlord's knowledge, that there are no pending actions or notices from regulatory agencies relating to violations of environmental laws on the Premises.
- 6.2. Asbestos.** Tenant acknowledges that Landlord has disclosed the presence of asbestos containing materials within the Premises as set forth in that certain Asbestos Survey at Kino Community Hospital, Survey Findings and Management Plan, dated June 22, 1989, prepared by Environmental Sciences Inc., a copy of which was provided to Tenant in connection with the Original Lease.
- 7. Landlord's Use of Premises and Superior Court Space.** Landlord shall have the right to continue to use certain space within and on the Hospital, as set forth below.
- 7.1. Superior Court Space.** Landlord will use the space identified on the attached Exhibit D as the Superior Court Space for attorneys, judges, courtrooms, meeting rooms and other space relating to the adult civil commitment process under Title 36 of the Arizona Revised Statutes. The Superior Court Space will not be used for any other civil or criminal proceedings.
- 7.1.1. Access.** Landlord and Landlord's employees, contractors and invitees, and all court personnel and users of court services, will have access to the Superior Court Space at all times. Tenant will issue Landlord and the Superior Court the number of key cards requested, and will replace them as and when needed. Landlord will pay Tenant a standard charge for each keycard, currently \$11.00, with the anticipation that minimal increases may occur during the Term of this Lease. At no time will the charged fee exceed the actual cost to Tenant.
- 7.1.2. Shared Walls.** Landlord and Tenant will each have the right to open shared walls, as necessary, to do work required for use, maintenance, repair and improvements of its space. The party doing any such work will do so in a manner, and at times, so as to minimize disruption of the other's use of its adjacent space to the extent reasonably practicable, and will repair any damage caused by such work.
- 7.1.3. Utilities.** Tenant will provide all utilities for the Superior Court Space, including electrical and HVAC, 24 hours per day, seven days per week. Landlord will reimburse Tenant for the electricity and HVAC usage at the conclusion of each lease year after the effective date of this Amended and Restated Lease. The allocation of these utility costs will be based on the Court's actual operating hours (currently 9:00am to 5:00pm) and the size of the Superior Court Space (which is 5,120 square feet or 2.5% of the total BHP and CRC space of 203,648 square feet). The annual reimbursement is, at the time of the execution of this Amended and Restated Lease, estimated at \$8,000. Tenant will send Landlord an invoice each year, with supporting documentation, showing the actual costs and Tenant's calculation of the amount owed.

- 7.1.4. Security & Janitorial Services. Tenant will provide security services for the Court, as set forth on Exhibit E attached to this Lease. Tenant will also provide daily cleaning for the Superior Court Space (approximately 2 hours), Monday through Friday, including: daily trash removal, daily vacuuming, general cleaning, and restocking restrooms as needed.
- 7.1.4.1. Landlord will pay for these services, in advance, on or before the first day of each month following the start of Court hearings. The monthly payment will initially be \$9,200.00. Each year, Tenant will provide Landlord with a reconciliation statement showing the actual costs for the services for the last year, along with supporting documentation, and a comparison to amounts paid. If an additional amount is due, Landlord will pay that amount within thirty days of receipt of the reconciliation statement; if Landlord has overpaid, the amount of the overpayment will be credited against subsequent payments from Landlord. The monthly payment amount will then be adjusted based on the actual costs shown in the reconciliation statement.
- 7.1.4.2. Pest control within the Superior Court Space will be provided as needed, in addition to UPHH's regularly scheduled exterior building pest control services, at no cost to Landlord or the Court.
- 7.1.5. Parking. Tenant will issue parking permits to all Court personnel, at no charge. The Court will be allocated one parking space in the sally port (which is within the CRC leased area, and not within Tenant's Premises under this Lease) for the exclusive use of the assigned Judge. All other Court staff may be directed by Tenant to park in the unassigned parking spaces located in the east Hospital parking lot.
- 7.1.6. Furnishings. All personal property and all fixtures located within the Superior Court Space is the property of Landlord or the Court and may be removed or replaced by Landlord or the Court at any time.
- 7.2. Landlord's Use of Roof. Landlord and Landlord's agents, contractors, and licensees may use the roof of the Hospital for the location of telecommunications equipment and antennae on a nonexclusive basis. This use may not materially interfere with Tenant's operation of the Hospital. Landlord shall be solely responsible for repairing any and all damage to the roof resulting from the addition, repair or maintenance of equipment thereon.
- 7.3. Data Lines. Landlord reserves an easement for data transfer equipment and fiber optic connections as identified in Exhibit F.
- 7.4. Abandonment of Space. If at any time Landlord determines that it will no longer occupy all or a portion of the roof space, or if Landlord removes the data lines, Landlord will give notice to Tenant and Tenant may, upon Landlord's removal of the lines and/or equipment, occupy the space under the provisions of this Lease.

8. **Rent.** Tenant shall pay to Landlord, without demand, as annual rent for the Premises, the sum of Ten Dollars (\$10.00), payable in annual installments, in advance, to be received by Landlord on or before the Commencement Date, and on July 1st of each year thereafter throughout the term of this Lease and any renewal or extension hereof.

9. **North Parking Lot.**

9.1. **Use.** The Premises do not include the large parking area located north of the Hospital (the "North Parking Lot"). During the term of this Lease and any extended term, Tenant, its employees, contractors, agents, patients and invitees shall have a non-exclusive right to use the North Parking Lot, for parking, ingress and egress to the Premises, and installation and maintenance of utilities, data and communication cables and lines and the like to the Premises. The North Parking Lot will also be used by persons associated with neighboring County-related facilities. Tenant shall coordinate with Landlord regarding the location and installation of any utility, data, or communications facilities, in order to avoid unnecessary disruption of the North Parking Lot, and in order to avoid unduly hampering future development on or off the Premises.

9.2. **Maintenance.** Tenant will, at its expense, provide routine day-to-day maintenance of the North Parking Lot, including trimming vegetation as appropriate, and picking up trash. Landlord will provide capital repairs such as repair or replacement of curbs and paving, and striping of the North Parking Lot, except that Tenant must repair, at its expense, any damage caused by the installation of utilities by Tenant as permitted above. Landlord will have the right to close portions of the North Parking Lot from time to time with twenty-four (24) hour advance notice to Tenant in order to perform these repairs, provided such closures do not materially interfere with the operation of Tenant's business at the Premises.

9.3. **Vehicle Towing.** County hereby authorizes security personnel of Tenant, pursuant to A.R.S. § 9-499.05(C), to call a designated towing company, approved by Landlord, for towing of any private vehicle parked in the North Parking Lot that 1) creates a hazard; 2) interferes with the day-to-day operations of the Hospital or associated clinics; or 3) is in violation of County or State ordinances. Before calling the towing company, Tenant security personnel must first establish that the private vehicle is either abandoned or the occupant of the vehicle is not doing business or employed at any of the Health Campus buildings (including the Hospital, the Behavioral Health Clinic, the BHP, CRC, UPH Medical Clinic, Sports Medicine offices, the Abrams Public Health Building or the Pima County TB Clinic). Tenant's security personnel must sign a State of Arizona Motor Vehicle Department form before the vehicle is towed from the premises. UPH must ensure that signage is posted, clearly visible and readable from any point within the North Parking Lot and at each entrance, stating (i) the restrictions on parking; (ii) the disposition of vehicles found in violation of the parking restrictions; (iii) the maximum towing and storage charges; and (iv) a telephone number and address where the violator can locate the violator's vehicle.

10. Heliport.

10.1. Laws & Regulations. The heliport must be utilized in compliance with industry standards and all applicable codes, laws, regulations, and ordinances, including without limitation any and all environmental regulations, Arizona State Fire Code, and City of Tucson zoning code.

10.2. Alterations. Except in an emergency, Tenant may not make or permit to be made any changes or improvements to the Heliport without the prior written approval of Landlord except that Tenant may:

- a) Install a portable office structure in a location acceptable to Landlord.
- b) Connect all utilities to the portable structure and pay monthly bills.
- c) Install no greater than 4,000 gallon double wall above ground fuel tank and fueling system that includes a fuel spill recovery kit.
- d) Install and connect fuel lines from the above ground fuel tank to the heliport pad.

10.3. Fuel Tank Requirements. If a fuel tank is installed, as permitted above, the following will apply:

10.3.1. Maintenance Program. Tenant or Subtenant will develop and institute a program to properly maintain the fuel tank that will be located on the Heliport Parcel, and all safety features installed with the tank including, but not limited to, overfill protection. Tenant will provide a copy of the above referenced maintenance policy and procedures to Landlord within 30 days of the installation of the fuel tank.

10.3.2. Spill Recovery Kit. Tenant or Subtenant will maintain a spill recovery kit in the immediate vicinity of the refueling pad and will ensure that the kit is readily available at all times to refueling personnel. Tenant or Subtenant will also provide and use a fuel sample disposal receptacle that is protected from precipitation events. In no event are fuel samples to be poured onto the refueling pad or soil.

10.3.3. Baseline. Tenant has supplied to Landlord a baseline Phase 1 Assessment that shows the condition of the Helipad Parcel prior to construction. Tenant or Subtenant will conduct another such Phase 1 Assessment at the end of the leasehold to establish whether any contamination arose during the term of the lease; the assessment report must be addressed to Landlord as well as to the Tenant or Subtenant, and a copy must be delivered to Landlord at the same time it is delivered to the Tenant and/or Subtenant.

10.4. Delegation to Subtenant. If Tenant subleases the Heliport to a helicopter company acceptable to County, Tenant will be permitted to delegate the responsibilities under this Section 10 to such subtenant, meaning that Tenant will not be liable to Landlord for

any breach of these provisions by Subtenant. Any sublease of the Heliport will require Landlord's approval as provided in Section 19 below, and it must provide specifically that the subtenant is assuming Tenant's obligations under this section as to the County and that a breach of any of these provisions will be cause for termination of the sublease. Tenant agrees that it will terminate the sublease for breach if Landlord informs it that a breach has occurred.

- 10.5. Indemnity.** Without limiting the scope of any general indemnities in Section 20 below, Tenant agrees to indemnify and defend the County and its officers, employees, and agents, from and against any liability or expenses suffered or incurred related to operations on the Heliport Parcel, including any liability or expenses related to environmental contamination or helicopter use and flight, but this shall not extend to liability or damages that County suffers or incurs as a result of any negligent or intentionally wrongful conduct on the part of County, or any County employee, agent, or contractor, or that arises as a result of the original design and construction of the Helipad.
- 11. Licenses.** Throughout the term of this Lease, Tenant shall obtain (if necessary) and maintain all necessary licenses, permits and authorizations required to provide the services being offered at the Premises, and shall maintain the Hospital's general hospital license, Medicare certification, and license to provide level-one acute psychiatric care.
- 12. Annual Report.** Notwithstanding anything in the IGA to the contrary, Tenant shall, on or before October 1 of each year during the Term, submit a written report to the County Administrator and the members of the County Board of Supervisors regarding the status of the Hospital, including its financial condition, the services being offered, and any significant events or accomplishments since the previous report. As part of this report, Tenant shall outline the economic benefit that can reasonably be expected to accrue to individuals residing in the surrounding community as a result of Tenant's operations on the Premises, including such benefits as increased employment and educational opportunities and access to a broader range of health care services and authority to provide court-ordered evaluation and treatment services.
- 13. Taxes.** Tenant shall be responsible for payment of all personal property taxes, income taxes, or any other taxes, if any, that are or may be assessed relating to the Premises or any use of the Premises by Tenant, including, if applicable, the government property lease excise tax levied pursuant to A.R.S. § 42-6202.
- 14. Hazardous Materials.**
- 14.1. Hazardous Materials Prohibited.** Tenant shall not cause or permit any Hazardous Material (as hereinafter defined) to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, other than such Hazardous Materials which 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 Hazardous Materials. Tenant's operations on the Premises shall comply with all applicable federal, state, and local environmental

laws and regulations including applicable provisions of the Clean Air Act, 42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3.

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

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

14.4. Pre-existing Contamination. Landlord agrees that any Hazardous Materials contaminating the Premises prior to Tenant's possession of the Premises shall not result in liability for Tenant under this Section except to the extent such contamination is aggravated by the action of Tenant. Except as may otherwise be referenced in this Lease, Landlord hereby warrants and represents to Tenant that there was no contamination of the Premises, or the soil or ground water under or adjacent to the

Premises, prior to Tenant's possession of the Premises, and Landlord, its agents and employees shall allow no such contamination to take place at any time during the Lease term or any renewal thereof. In the event that contamination is discovered for which Landlord is responsible hereunder and cleanup of the contamination is ordered by a governmental agency with authority to so order, or is required in order for Tenant to lawfully carry on its use of the Premises, Landlord shall promptly, and at its sole cost and expense, take all actions necessary to adequately remediate the contamination.

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

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

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

15. Signs. Tenant may affix and maintain upon the Premises only such signs, names, insignia, trademarks and descriptive material as have first received the written approval of the Director of Pima County Facilities Management (or such other County official as Landlord may, from time to time, designate in writing) as to type, size, color, location, copy nature and display qualities. Any failure by the Director to respond within thirty (30) days to a request made by Tenant for approval of proposed signage shall be deemed to be an approval. All signs installed by Tenant on or about the Premises shall at all times comply with the City of Tucson Sign Code and shall be installed and maintained at Tenant's sole cost. Any and all signs placed by Tenant on the Premises or at other locations approved by Landlord shall be immediately removed by Tenant upon termination of this Lease for any reason, and any damage resulting from such removal shall be repaired immediately by Tenant at its sole cost.

15.1. County-Installed Signage. County is in the process of working with UPH and the CRC Operator regarding County's placement of way-finding signs on the campus, including the Premises, and signs identifying the CRC. Any of these signs that are within the Premises must, after initial installation, be maintained by Tenant.

15.1 Other Signage on Campus. With respect to other third-party operations on the Health Campus, County will either install and maintain at its expense, or require the third-party to install and maintain, appropriate signage identifying the operation as belonging to the third party and not to Tenant.

16. Name Change. Tenant may change the name of its operations on the Premises during the term of this Lease with Landlord's prior approval, which shall not be unreasonably withheld.

17. Improvements.

17.1. Approval Requirement/As-Built Drawings. Tenant may not make any improvements, alterations, additions, or changes to the Premises (the "Improvements") without first obtaining the written consent of the Landlord's Director of Facilities Management unless the cost of the Alterations is less than \$100,000 (the "Review Limit"). The Review Limit will increase by \$25,000 every five years during the term of the Lease (as acknowledged in the Recitals, at the time of execution of this Amended & Restated Lease, the Review Limit is \$125,000). The next five year incremental increase will occur in 2014 and then, every five years thereafter. Tenant shall provide Landlord with notice of the proposed Improvements and shall, within twenty (20) days after completion of the Improvements, deliver to Landlord a reproducible copy of the drawings of any Improvements as built.

17.2. Scope of Review. Landlord's review of the plans and specifications shall be solely for Landlord's purposes and shall not imply Landlord's review for quality, design, laws compliance or other like matters. Accordingly, notwithstanding that any construction drawings are reviewed by Landlord or its architects, engineers, or consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in any construction drawings, and Tenant's indemnity set forth in Section 20 of this Lease shall specifically apply to the construction drawings. Landlord shall not unreasonably withhold consent to proposed Improvements for which Landlord's approval is required; provided, however, it shall be reasonable for Landlord to withhold consent if, in Landlord's reasonable judgment, the proposed Improvement is likely to:

- a) affect the integrity of any structural, mechanical, or electrical system of any existing buildings or improvements; or
- b) result in Landlord being required to perform any work that Landlord could otherwise avoid or defer; or
- c) result in an increase in the premiums for any hazard or liability insurance carried by Landlord; or
- d) result in an increase in the demand for utilities or services that Landlord is required to provide; or
- e) fail to contribute to the financial viability of the hospital operation, improved access to essential health care for the community, or the healthcare workforce development goals of the campus; or
- f) adversely affect the provision of the Required Healthcare Services; or

- g) adversely affect the Landlord's use of the remaining property owned by Landlord adjacent to the Premises.

17.3. Ownership of Improvements. During the term of this Lease, Improvements constructed by Tenant on the Premises shall belong to Tenant. Tenant agrees that, upon the termination (for any reason whatsoever) or expiration of this Lease, any Improvements constructed by Tenant on the Premises, together with all fixtures installed therein, shall become the property of Landlord.

17.4. Encumbrance of Leasehold. Tenant shall not permit, and is not authorized to permit, any lien against the Premises. Notwithstanding this prohibition, Tenant may place a lien upon Tenant's leasehold interest in order to finance construction of Improvements on that parcel, or to refinance a loan secured by such a lien, provided that such refinancing does not extend the term of the lien beyond the remaining term of the original lien. In order to facilitate Tenant's financing, Landlord shall execute consent, estoppel, non-disturbance and similar instruments reasonably requested by Tenant's lenders, provided, however, Landlord shall not be required to amend this Lease or consent to additional notice or cure provisions as part of any such consent, estoppel, non-disturbance and similar instruments. Landlord shall in no event be responsible for payment of any loans obtained by Tenant.

17.5. Construction. If the construction disbursements for Tenant's construction of the Improvements are not handled through a controlled escrow, lender disbursement, or other controlled disbursement vehicle, Tenant shall cause payment and performance bonds to be recorded in accordance with Arizona Revised Statutes § 33-1003. The Improvements shall be constructed in a good and workmanlike manner using new materials, in compliance with the approved plans and specifications and with all applicable laws (including Title 34 of the Arizona Revised Statutes, which Tenant acknowledges is applicable to its construction if any funds received from Landlord are used for the construction) and regulations, and zoning, electrical, building and other codes, and shall be diligently prosecuted to completion. Tenant shall indemnify and hold Landlord harmless from and against any liability, loss, cost, expense or penalty suffered or incurred by Landlord as a result of any violation of Title 34 caused by Tenant. The infrastructure (including wiring, HVAC, and utilities) for each building constructed shall be independent of every other building on the Premises.

18. Repairs and Maintenance.

18.1. Tenant's Obligation. Tenant shall, at Tenant's sole cost and expense, keep the buildings, walkways, parking areas and landscaping located within the Premises and all exterior and interior portions thereof, and all utility lines thereon and thereunder, in good condition and repair, including without limitation, any doors, window casements, glazing, plumbing, pipes, electrical wiring and lighting fixtures and conduits, all fire suppressant systems and related equipment, all heating and air conditioning systems, all foundations, walls (exterior and interior), sidewalks, corridors and roofs. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to Landlord in good condition and broom clean, ordinary wear and tear and damage from

causes beyond the reasonable control of Tenant excepted. Tenant shall further make all repairs to the Premises made necessary by reason of the negligence or intentional misconduct of Tenant, its employees, sublessees, licensees, invitees, servants or agents. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.

18.2. Warranties. Landlord shall make available to Tenant any and all warranties which Landlord receives relating to improvements on the Premises. In particular, Tenant acknowledges that will for some period of time be warranties in effect with respect to the new BHP, and before undertaking any repairs connected with this new construction, Tenant will coordinate with Landlord to make sure that these warranties are utilized, and that nothing is done that might void them.

18.3. Landlord's Obligation. Landlord shall make all repairs to the Premises made necessary by the negligence or intentional misconduct of Landlord, its employees, subtenants, licensees, invitees, servants or agents.

19. Assignment and Subletting.

19.1. Consent Required. Except as specifically provided otherwise in this Lease, Tenant shall neither voluntarily, nor by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld; provided it shall not be unreasonable to withhold consent to a sublease to a for profit entity. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any other assignment, subletting, occupation, or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease and shall not impose any additional burden or obligation on Landlord. Any such assignment or subletting without such consent shall be void, and shall, at the option of Landlord, constitute a default under the terms of this Lease. Concession contracts entered into by Tenant in the normal course of operating the Premises, of a type normally associated with the uses to which the Premises may be put, shall not be considered to be subleases for purposes of this Section. In no event shall a sublease of the entire Premises, or an assignment of Tenant's obligations under the Lease, be permitted.

19.2. Restrictions on Permitted Subleases. Any subtenant shall be subject to all terms and conditions of this Lease affecting its use of the portion of the Premises subleased to it, including restrictions on the permitted uses of the Premises. In the event that Tenant is permitted to sublease space to a for-profit entity, Tenant shall charge such entity fair market rent.

20. Indemnification.

20.1. Indemnity. To the extent permitted by law, each party (as "Indemnitor") agrees to indemnify, defend, 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 result in vicarious/derivative liability to the Indemnatee as a result of the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers, including a claim arising out, in whole or in part, of or relating directly or indirectly to:

- a) the conduct or management of the Premises or of any business therein, or any work or thing whatsoever done, or any condition existing or created in or about the Premises during the term of this Lease and any renewals thereof;
- b) any act, omission, breach of any provision of this Lease, or negligence of either party's licensees or the partners, directors, officers, agents, employees, invitees or contractors of either party, or of either party's subtenants or licensees;
- c) any accident, personal or bodily injury, or damage whatsoever occurring in or at the Premises or on the North Parking Lot; or
- d) any audit, investigation, subpoena, or other action by either federal or state agencies involving business and/or health care operations occurring on or involved with the Premises.

20.2. Survival of Indemnities. The indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease until all claims involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

20.3. Cooperation of Parties. Landlord and Tenant each agrees that in all circumstances it will assist and cooperate with the other to the fullest extent allowable by law in defense of claims and the collection of necessary documents and evidence involved in such claims.

21. Insurance and Subrogation.

21.1. Types and Amounts of Insurance Required. Tenant shall, at Tenant's expense, obtain and maintain during the Lease Term and any renewals thereof, and for a period not less than two (2) years beyond the Term of this Lease, the following insurance policies:

- a) Commercial General Liability insurance with coverage at least as broad as ISO form CG 00 01 in an amount not less than \$10,000,000, covering portions of the Premises furnished to the Tenant for exclusive use, endorsed to include Pima County as an additional insured

- b) Commercial Automobile Liability insurance with coverage at least as broad as ISO form CA 00 01 in an amount not less than \$1,000,000 for vehicles actually used in the performance of services under this Lease (as compared to use for simple commuting, for which there is no obligation hereunder to provide insurance).
 - c) Medical Malpractice insurance in an amount not less than \$10,000,000 per claim or occurrence, maintaining coverage for a period of not less than two years beyond the term of this Lease and any renewals thereof. If reasonably available, the policy(ies) shall be endorsed to include Pima County as an additional insured.
 - d) Workers' Compensation insurance with statutory limits, with Employers' Liability coverage in an amount not less than \$1,000,000 per injury, illness, or disease.
 - e) Commercial Property, Boiler and Machinery insurance with coverage at least as broad as ISO forms CP 00 01 and BM 00 20, covering the full replacement cost of real property, including tenant improvements and betterments, and personal property located at the Premises, endorsed to include Pima County as an additional insured; provided, however, that Tenant is not required to insure the personal property of Landlord. Tenant shall include not less than Ten Million Dollars (\$10,000,000.00) of coverage for earthquake and flood damage.
 - f) Business Interruption insurance sufficient to permit Tenant to continue services required under this Lease in the event of serious loss or damage to the Premises.
 - g) Host Liquor Liability insurance in an amount not less than \$5,000,000 per occurrence if alcohol is sold or provided on the Premises, endorsed to include Pima County as an additional insured.
 - h) Environmental insurance as necessary to cover exposures related to any hazardous materials or substances, including radioactive isotopes or materials stored or used at the Premises, and any fuel stored at the Heliport.
 - i) Aviation Liability insurance must be in place prior to commencement of operations on the Heliport, and maintained continuously thereafter, covering exposures related to aircraft operation, in an amount not less than \$5,000,000.
- 21.2. Insurers.** Tenant's third party insurers shall be authorized by the Arizona Department of Insurance to transact business in Arizona, shall be financially stable, and shall be subject to review and approval by Landlord.
- 21.3. Self Insurance.** Tenant may reasonably self-insure any liability insurance required by this Section if approved by a regulatory body or otherwise approved by Landlord.
- 21.4. Certificates/Notice of Cancellation.** Tenant shall provide current certificates of insurance to Landlord evidencing insurance coverage required by this Lease. Tenant shall ensure that its insurance policies require at least 30 days notice prior to cancellation, non-renewal, or material change, except that at least 10 days notice shall be required prior to cancellation for non-payment of premium.

21.5. Waiver of Subrogation. Landlord and Tenant shall have no liability to one another, or to any insurer, by way of subrogation or otherwise, on account of any loss or damage to their respective property, the Premises or its contents, regardless of whether such loss or damage is caused by the negligence of Landlord or Tenant, arising out of any of the perils or casualties insured against by the insurance policies carried, or required to be carried, by the parties pursuant to this Lease. The insurance policies obtained by Landlord and Tenant pursuant to this Lease shall permit waivers of subrogation which the insurer may otherwise have against the non-insuring party. In the event the policy or policies do not allow waiver of subrogation prior to loss, either Landlord or Tenant shall, at the request of the other party, deliver to the requesting party a waiver of subrogation endorsement in such form and content as may reasonably be required by the requesting party or its insurer.

21.6. Change in Insurance Requirements. Landlord may review and reasonably adjust the types and limits of insurance required under this Lease from time to time, as it deems reasonably necessary. If Tenant contests an increase in insurance requirements or other determination by Landlord under this Section, or if Tenant requests Landlord to reduce any requirement hereunder because the insurance required has become commercially unavailable, Landlord and Tenant shall each select a person experienced in evaluating risk and insurance, who shall together agree on a third person with like experience, to evaluate the proposed insurance requirements. The panel of three experts shall determine what increase or decrease is appropriate and such panel's decision shall be binding on Tenant and Landlord. Tenant and Landlord shall equally share in the cost of any review under this subsection.

21.7. Builder's Risk/Payment & Performance Bonds. Tenant shall provide or require Builders' Risk insurance or an Installation Floater as necessary to reasonably insure losses during construction projects, endorsed to include Pima County as a loss payee. Tenant shall require payment and performance bonds as necessary, ensuring that no liens may be placed against the Premises.

22. Utilities.

22.1. Cost of Utilities. Tenant shall pay for all gas, heat, light, power, water, sewer charges, telephone service, garbage removal, recycling services and all other services and utilities supplied to the Premises and any buildings located within the Premises, together with any taxes thereon.

22.2. Interruption. Landlord shall not be liable to Tenant if any utilities or services, whether or not furnished by Landlord hereunder, are interrupted or terminated because of necessary repairs, installation or improvements, or any other cause beyond Landlord's reasonable control, nor shall any such termination relieve Tenant of any of its obligations under this Lease. Landlord shall have no liability to Tenant if any utility service is interrupted by the utility provider or otherwise.

22.3. Water. Potable water delivered to the Premises is currently provided by the City of Tucson. Reclaimed water is used to irrigate vegetation and landscaping in and around

the Premises; the County will continue to provide reclaimed water to Tenant, without charge, for this purpose.

22.4. Sustainability. Tenant must prepare and implement an integrated waste management plan to re-use, recycle, and/or compost any consumable materials utilized on the Premises, and shall submit the plan for County review at least annually.

23. Entry by Landlord. Landlord reserves, and shall at any and all times with at least four (4) business days advance written notice to Tenant have the right to enter the Premises to inspect the same. Landlord shall use its reasonable best efforts to not interrupt Tenant's business at the Premises. Landlord at any and all times shall have the right to use any and all means which Landlord may deem proper to open doors in an emergency in order to obtain entry to the Premises without liability to Tenant, except for any failure to exercise due care for Tenant's property, and any entry to the Premises obtained by Landlord by any such means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof. Landlord shall have access at all times, without the necessity of any type of notice, to those portions of the Premises utilized by Landlord pursuant to Section 7 hereof.

24. Tenant's Default.

24.1. Events of Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

24.1.1. Abandonment. The vacating or abandonment of the Premises, or any portion thereof, by Tenant.

24.1.2. Monetary Payments. The failure by Tenant to make any monetary payment of rent or any other monetary payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of fifteen (15) business days after Tenant's receipt of written notice of late payment.

24.1.3. Exempt Status. Failure of Tenant to maintain at all times Tenant's status as an exempt organization within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or to maintain at all times appropriate licenses.

24.1.4. Maintenance & Repair. If Tenant fails to perform its repair and maintenance obligations under Section 18.1, Tenant shall be in default hereunder after prior written notice of such failure from Landlord and at least twenty (20) days thereafter to cure such failure, it being agreed that if the nature of such repairs or maintenance is such that more than twenty (20) days are reasonably required for completion Tenant shall not be in default hereunder if such repairs and/or maintenance are commenced within said twenty (20) day period and diligently pursued to completion.

24.1.5. Other Covenants. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than as otherwise specifically set forth herein, where such failure shall continue 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 shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion provided such cure is completed within one hundred and eighty (180) days of the notice by Landlord.

24.1.6. Dissolution or Liquidation. Dissolution or the commencement of any action or proceeding for the dissolution or liquidation of Tenant, whether instituted by or against Tenant, or the taking of possession of the property of Tenant by any governmental officer or agency pursuant to statutory authority for the dissolution or liquidation of the Tenant.

24.1.7. Licensure. Loss of Medicare certification for the Hospital, loss of the general hospital license, loss of the license to provide level-one acute psychiatric care or loss of authority to provide court-ordered evaluation or treatment services.

24.2. Remedies upon Tenant's Default. In the event of any default or breach by Tenant, Landlord, unless otherwise limited herein, may at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy generally available at law or in equity which Landlord may have by reason of such default or breach:

24.2.1. Termination. Give notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than thirty, (30) days from the date of such notice.

24.2.2. Possession. Provided that the Lease has been terminated in accordance with Subsection 24.1 above or Tenant has vacated or abandoned the Premises, reenter and take possession of the Premises and remove Tenant, Tenant's agents, licensees, invitees or anyone in the Premises under agreement with Tenant, and any or all of their property from the Premises. Reentry and removal may be affected by any means permissible by law.

24.2.3. Enforcement. Enforce, by suit or otherwise, any term or provision hereof on the part of Tenant required to be kept or performed.

24.2.4. Lien. Enforce a Landlord's lien upon all personal property of the Tenant on the Premises and apply all proceeds therefrom to the amounts due by Tenant to Landlord under this Lease. Pending sale of said personal property to satisfy the Landlord's lien, Tenant agrees that Landlord has the right at its option to allow the personal property to remain in place, to store the seized personal property in a location other than the Premises or to relet the Premises and any such personal

property of Tenant remaining on the Premises and apply all proceeds to Tenant's account.

24.2.5. Collection. Require Tenant to pay Landlord, without demand or notice, all monetary rent and other payments accrued to the date of such default and a proportionate part of such rent or other sums otherwise payable for the year in which such default occurs, all monetary rental and other payments due hereunder shall continue to accrue and be due to Landlord by Tenant in the event the Lease is not terminated after a default by Tenant.

24.3. Cure. Landlord may but is not required to, upon Tenant's default, pay any sum or perform any act that requires the payment of any sum and the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid by Tenant at a later date, the outstanding principal amount thereof shall bear interest at the statutory rate for interest on judgments (A.R.S. § 44-1201) from the date the sum is paid by Landlord until Landlord is reimbursed in full by Tenant. Any such sum, together with interest thereon, shall constitute additional rent. Tenant's default shall not be deemed cured until such time as Tenant has fully reimbursed Landlord as required hereunder.

25. Default By Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord hereunder within a reasonable time, but in no event later than thirty (30) (or, in the case of Landlord's obligations under Section 18.3, twenty (20)) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation. If the nature of Landlord's obligation is such that more than thirty (30) (or twenty (20), as applicable) days are required for performance then Landlord shall not be in default if Landlord commences performance within such period and thereafter diligently prosecutes the same to completion. In the event of Landlord's default, Tenant shall have all remedies available at law or in equity. Additionally, Tenant shall have the right, but not the obligation, to pay any sum or perform any act that requires payment of any sum in the event of a default hereunder by Landlord. Such sum paid by Tenant shall be due immediately from Landlord to Tenant at the time the sum is paid, and if paid by Landlord at a later date, the outstanding principal amount thereof shall bear interest at the statutory rate for interest on judgments (A.R.S. § 44-1201) from the date the sum is paid by Tenant until Tenant is reimbursed in full by Landlord.

26. Damage to Premises

26.1. Damage due to Insured Casualty. In the event the Premises or any portion thereof are damaged by fire or other perils covered by the insurance that Tenant is required to maintain pursuant to Section 21 above (whether or not Tenant actually has such insurance) (an "Insured Casualty"), Tenant shall forthwith repair the same, restoring the Premises to the condition which existed prior to the Insured Casualty or to a comparable facility, subject to compliance with applicable building codes, and this Lease shall remain in full force and effect without abatement of rent or Tenant's non-monetary obligations except as set forth in Subsection 26.4 below.

The above notwithstanding, in the event the Premises are destroyed or damaged by an Insured Casualty to such an extent that the cost of restoring the Premises exceeds fifty percent (50%) of the then insured value thereof, Tenant may, at its option, elect to terminate this Lease in its entirety or as to the damaged parcel(s) only, at any time within one hundred twenty (120) days after the occurrence of the casualty, which termination shall be effective as of the date specified in such notice, with such date to be no more than thirty (30) days after the giving of such notice. In the event of such termination (in whole or in part), Tenant shall deliver to Landlord all insurance proceeds received by Tenant for the damage to the Premises and the improvements thereon, except any portion of such proceeds that must be paid to a lender that has extended financing with respect to the damaged improvements. Landlord shall have no claim or right to receive any portion of other proceeds paid for losses sustained by Tenant, such as proceeds from personal property insurance (with respect to property in which Landlord has no insurable interest) or business interruption insurance.

26.2. Damage due to Uninsured Casualty. In the event the Premises or any portion thereof are damaged to an extent that the cost of repair will exceed, by more than Two Million Dollars (\$2,000,000), the insurance proceeds that Tenant is entitled to receive under the insurance policies that Tenant is required to carry pursuant to Section 21 above, Tenant shall have the option to: (1) repair, reconstruct or restore the Premises, in which event this Lease shall continue in full force and effect without abatement of rent or Tenant's non-monetary obligations; or (2) give notice to Landlord at any time within sixty (60) days after such damage, terminating this Lease, in its entirety or as to the damaged parcel(s) only, as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. If Tenant elects to terminate the Lease in whole or in part, Tenant shall pay to Landlord all insurance proceeds paid to Tenant for the damage to the parcels with respect to which Tenant is terminating the Lease except any portion of such proceeds that must go to a lender that has extended financing with respect to the damaged improvements.

If Tenant elects to terminate this Lease (in its entirety or only with respect to the damaged parcel(s)) in accordance with this Subsection, Landlord shall have the right to repair, reconstruct and/or restore the Premises at its sole cost (but including the insurance proceeds paid to it by Tenant pursuant to the preceding paragraph) by providing written notice of the same to Tenant within thirty (30) days of receipt of Tenant's notice of termination in which case this Lease shall remain in full force and effect and Landlord shall diligently pursue the repair, reconstruction and/or restoration of the Premises to the condition which existed prior to the casualty or to a comparable facility subject to compliance with applicable building codes. Rent due hereunder and Tenant's non-monetary obligations shall not abate.

26.3. Casualty Near End of Lease Term. Anything to the contrary contained in this Section notwithstanding, Tenant shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section occurs during the last sixty (60) months of the Lease term. In the event of any casualty during such periods, Tenant shall have the right to terminate the Lease, in its entirety or with respect to the damaged portion only, or elect to repair the Premises as

set forth in Subsection 26.2 above. In the event this Lease is terminated in accordance herewith (either partially or in its entirety), Tenant shall deliver to Landlord all insurance proceeds received by Tenant resulting from the commercial property policy of insurance maintained by Tenant in accordance with Section 21 hereof, except any portion of such proceeds that must go to a lender that has extended financing with respect to the damaged improvements.

26.4. Restoration/Construction/Abatement. Tenant's obligation as set forth in Subsections 26 and 26.2 shall be only to restore the Premises to the condition which existed prior to the casualty or to a comparable facility, both subject to compliance with all applicable building codes. In the event of any such casualty which damages Tenant's furniture, fixtures and/or equipment at the Premises and does not result in the termination of this Lease in accordance with this Section, Tenant shall proceed with reasonable diligence and at Tenant's sole cost and expense to restore, repair or replace all of Tenant's leasehold improvements, fixtures, and other personal property of Tenant to the same condition which existed prior to the casualty. Tenant shall continue the operation of its business within the Premises to the extent practicable during any period of reconstruction or restoration, it being agreed that Tenant's failure to provide any Service as the result of a casualty to the Premises shall not result in a default hereunder by Tenant or in any liability on the part of Tenant.

26.5. Effect of Full or Partial Termination. In the event Tenant terminates the Lease in its entirety as provided in this Section, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date so specified in Tenant's notice of termination and the monetary rent and all other amounts due hereunder shall be deemed abated as of the date of the casualty. In the event the Lease is only partially terminated as set forth above, the parties' obligations with respect to the released parcel(s) shall be deemed abated as of the date of the casualty, but the Lease shall continue in full force and effect with respect to the remaining parcels.

27. Eminent Domain. If any portion of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, such that Tenant's operations on the Premises are materially impaired, either party hereto shall have the right, at its option, within sixty (60) days after said taking, to terminate this Lease upon thirty (30) days' written notice. If any portion of the Premises are taken (and neither party elects to terminate as herein provided), the rent thereafter to be paid shall be equitably reduced. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given on account of the reduction in the value of the leasehold, the taking of the fee or otherwise and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term.

28. General Provisions.

28.1. Conflict of Interest. This Lease is subject to cancellation pursuant to Arizona Revised Statutes § 38-511 which is incorporated herein by reference.

- 28.2. Waiver.** The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained by the subject party. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such rent. Failure of Landlord or Tenant to insist upon strict performance of any provision or to exercise any remedy hereunder shall not be deemed to be a waiver by such party of any breach relating to such provision or giving rise to such remedy. No provision of this Lease shall be deemed to have been waived unless such waiver shall be in writing signed by the party against whom such waiver is sought to be enforced.
- 28.3. Marginal Headings.** The marginal headings and section titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
- 28.4. Time.** Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.
- 28.5. Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the successors and assigns of the parties hereto.
- 28.6. Recordation.** Either this Lease or a short form memorandum hereof may be recorded at the request of either party.
- 28.7. Quiet Possession.** Upon Tenant's paying the rent and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Lease Term, subject to all the provisions of this Lease.
- 28.8. Prior Agreements, Amendments, and Modifications.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, but nothing in this Lease will be deemed to limit or change the rights and obligations of the parties under the IGA.. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
- 28.9. Partial Invalidity.** Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect unless an essential purpose of this Lease would be defeated by loss of the invalid, void, or illegal provision.
- 28.10. Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

28.11. Choice of Law and Venue. This Lease shall be governed by the laws of the State of Arizona and the venue for any action in regard hereto shall be the Pima County Superior Court.

28.12. Attorneys Fees. In the event of any action or proceeding brought by either party against the other under this Lease the prevailing party shall be entitled to recover its expenses and costs, including its attorneys' fees and expert witness fees in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable.

28.13. Notices. Wherever this Lease requires or permits notice or demand to be given by either party to the other, such notice or demand shall be in writing and given or served either personally or in writing forwarded by regular mail or by certified mail, return receipt requested, addressed to the parties at the addresses specified below and to the following individuals, unless otherwise required by law or as more specifically indicated in this Lease. Either party may change such address by written notice to the other as herein provided.

If notice is to Landlord:

Pima County
Attention: County Administrator
130 W. Congress, Tenth Floor
Tucson, Arizona 85701
Telephone Number: (520) 740-8661
Fax Number: (520) 740-8 171

And: Pima County Attorney's Office - Civil Division
Attention: Chief Civil Deputy County Attorney
32 N. Stone Avenue, #2100
Tucson, Arizona 85701-1412
Telephone Number: (520) 740-5750
Fax Number: (520) 620-6556

If notice is to Tenant:

University Physicians Healthcare Hospital
Attention: CEO
2800 E. Ajo Way
Tucson, AZ 85713

And: University Physicians Healthcare
Attention: CEO
2701 East Elvira
Tucson, AZ 85756

28.14. Authority of Tenant. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she has full authority to do so and that this Lease binds the corporation. If any court or administrative agency determines that Landlord

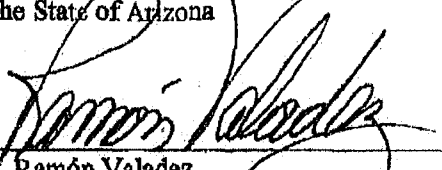
does not have authority to enter into this Lease, Landlord shall not be liable to Tenant or any third party by reason of such determination or by reason of this Lease.

- 28.15. Partial Payment and Performance.** Nothing herein shall require or obligate Landlord to accept any partial payment of the then current and owed rent or additional rent due or partial performance of obligations under this Lease. Landlord may, in its sole discretion, accept partial payments of amounts due or partial performance of obligations hereunder, such acceptance of partial payments of rent or additional rent due or partial performance of obligations hereunder shall in no way be considered or constitute a waiver by Landlord of any failure on the part of Tenant to timely pay rent or additional rent due or perform the obligations hereunder nor shall such acceptance be considered an accord and satisfaction of the rentals then due under this Lease.
- 28.16. No Subsidy by Landlord.** Tenant acknowledges that Landlord does not intend to and cannot legally pay, subsidize or otherwise contribute to Tenant for the operation of the Hospital.
- 28.17. Hospital Advisory Board.** An advisory board shall be created, with fifteen members, constituted as follows: two members who shall be Supervisors on the County Board of Supervisors, to be appointed by the Board of Supervisors; one member who shall be appointed by the County Administrator; two members who shall be appointed by the Tenant; five members appointed by the University of Arizona Health Sciences Center; and five community members, to be appointed by the Board of Supervisors (the "Advisory Board"). This Advisory Board will meet on a quarterly basis during the term of the Lease, to act as a community advisory board. It shall not have any governing authority over Tenant's operations.
- 28.18. Dispute Resolution.** Except as otherwise specifically set forth above with respect to specific types of disputes, in the event of a dispute with respect to this Lease, the parties agree to meet informally and promptly to confer regarding their respective positions and interests, and to use their best efforts to resolve the dispute in a manner satisfactory to both. If the parties are unable to resolve the dispute through negotiation, either party may submit the dispute to mediation by sending to the other party a written demand that the dispute be submitted to mediation (the "Mediation Notice"). The mediation will be conducted pursuant to the Mediation Rules for Commercial Disputes of the American Arbitration Association ("AAA") (or the rules of another nationally recognized dispute resolution agency, agreed upon by the parties, in the event that AAA is not functioning at the time of the dispute). The costs of the mediation, including the fees and expenses of the mediator, shall be shared equally by the parties, but each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentations at the mediation. The parties agree to mediate in good faith through executives or officials attending the mediation sessions who have authority to resolve the dispute at the mediation sessions. If the dispute is not resolved through mediation within 45 days after the date of the Mediation Notice, the mediation may thereafter be terminated by either party. Pending the conclusion of the mediation, neither party shall bring a lawsuit with respect to the dispute.

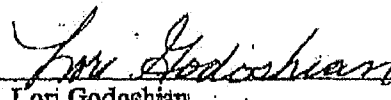
IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first written above.

LANDLORD:

PIMA COUNTY, a political subdivision
of the State of Arizona


By: Ramón Valadez
Chairman of the Board of Supervisors

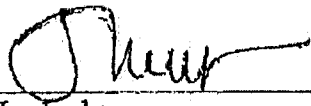
ATTEST: JUN 21 2011


By: Lori Godoshian
Clerk of the Board of Supervisors

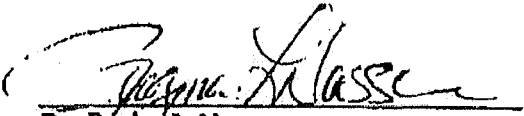
APPROVED AS TO CONTENT:


By: Reid Spaulding
Director, Facilities Management Department

APPROVED AS TO CONTENT:


By: Jan Lesher
Interim Deputy County Administrator for
Medical and Health Services

APPROVED AS TO FORM:


By: Regina L. Nassen
Deputy County Attorney

TENANT:

UNIVERSITY PHYSICIANS
HEALTHCARE, an Arizona
nonprofit corporation


By: Diane Rafferty, CEO

CONSENT TO AMENDMENT OF LEASE:

UA HEALTHCARE, INC. an Arizona
nonprofit corporation


By: Henry E. Wells
Its: INTERIM PRESIDENT & CEO

Exhibits:

- A: Diagram of Hospital (including BHP), Heliport and CRC Parcels
- A-1 Legal Description of Hospital Parcel
- A-3 Legal Description of Heliport Parcel
- A-4 Legal Description of CRC Parcel
- B: County Property - Equipment
- B-1 County Property - Loose Furniture
- B-2 County Property - System Furniture
- C: Healthcare Services
- D: Superior Court Space
- E: Courtroom Security Services
- F: Data Lines
- G: Shared Services with CRC

CONTRACT	
NO. CT FM 12 00000 00000 0000 21 52	
AMENDMENT NO.	01
This number must appear on all	

**FIRST AMENDMENT TO THE AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UNIVERSITY PHYSICIANS HEALTHCARE
FOR KINO HOSPITAL CAMPUS
[PIMA COUNTY CONTRACT #CT FM 12*2152]**

This First Amendment to the Amended and Restated Lease Agreement (the "Restated Lease"), is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County" or "Landlord") and University Physicians Healthcare, an Arizona non-profit corporation formerly known as University Physicians, Inc. ("Tenant" or "UPH").

RECITALS

A. Landlord and Tenant previously entered into a lease, dated April 27, 2004, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain premises more fully described therein, including a hospital facility in which the County formerly operated Kino Community Hospital (the "Hospital"), and in which UPH continues to operate the Hospital. The lease was amended several times and then restated by the parties pursuant to that certain Amended and Restated Lease Agreement dated June 21, 2011.

B. The Restated Lease includes the newly constructed Behavioral Health Pavilion and furniture fixtures and equipment owned by Pima County, in addition to the original hospital building and the Heliport. The Restated Lease provides, in Section 4.4, that certain furniture, fixtures and equipment in the BHP, which was provided by the County, can be used by Tenant but remains the property of the County.

C. The Landlord is now constructing improvements on the 2nd floor of the Hospital for a gastrointestinal lab ("GI Lab") as shown on Exhibit A and installing in the GI Lab the fixtures, furniture and equipment listed on Exhibit B to this First Amendment (the "GI Lab Property").

AGREEMENT

Landlord and Tenant agree to modify the terms of the Restated Lease as follows:

1. The GI Lab Property will be treated for all purposes as part of the "County Property" within the meaning of Section 4.4 of the Restated Lease, and the provisions of that section will also apply to the GI Lab Property.

2. The provisions of Section 18.2 of the Restated Lease will apply to the GI Lab improvements. In particular, Tenant acknowledges that for some period of time warranties will be in effect with respect to the new GI Lab, and before undertaking any repairs in the GI Lab, Tenant will coordinate with Landlord to make sure that these warranties are utilized, and that nothing is done that might void them.

All other terms and conditions of the Restated Lease remain unchanged.

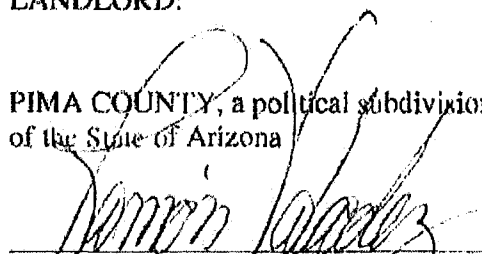
IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first written above.

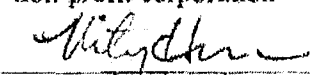
LANDLORD:

TENANT:

PIMA COUNTY, a political subdivision
of the State of Arizona

UNIVERSITY PHYSICIANS
HEALTHCARE, an Arizona
non-profit corporation

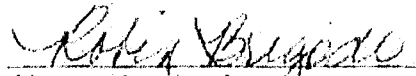

By: Chairman of the Board of Supervisors


By: Misty Hansen
Its: CEO

AUG 20 2012

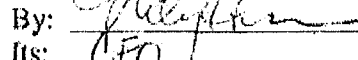
ATTEST:

CONSENT TO AMENDMENT:


Clerk of the Board of Supervisors

THE UNIVERSITY OF ARIZONA
HEALTH NETWORK, INC.,
an Arizona non-profit corporation

APPROVED AS TO CONTENT:

By: 
Its: CEO
Date: 7/5/12


Director, Facilities Management Department

APPROVED AS TO CONTENT:


Jan Leshner
Deputy County Administrator for Medical and Health

APPROVED AS TO FORM:

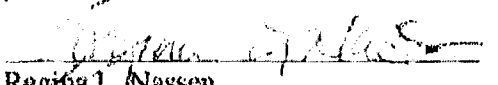

Regina L. Nassen
Deputy County Attorney

EXHIBIT A
COUNTY PROPERTY-FLOOR PLAN

