



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: January 14th 2020

* = Mandatory, information must be provided

or Procurement Director Award ☐

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

Banner-University Medical Campus Center South Campus, LLC

***Project Title/Description:**

A sublease between Banner-University Medical Campus Center South Campus (Landlord) and Southwest Ambulance of Tucson (Tenant) for Suite 300 at 2800 E. Ajo Way Tucson, Az. 85713 which is located on Hospital Premises as described in Amended and Restated Hospital Lease contract #CT FM 15*474 "Prime Lease".

***Purpose:**

Southwest Ambulance of Tucson will operate its ambulance/EMT services out of the above location. Pima County as Prime Landlord, pursuant to Amended and Restated Hospital Lease contract #CT FM 15*474 must provide its consent to Banner (Landlord) and Southwest Ambulance of Tucson (Tenant) for sublease.

***Procurement Method:**

"Exempt pursuant to Pima County Code section 11.04.020.D."

***Program Goals/Predicted Outcomes:**

Tenant will pay rent and operating expenses during the term of this lease. Landlord honors terms and conditions of Prime Lease and provides an additional location to accommodate emergency medical technicians and ambulance services.

***Public Benefit:**

Additional location within Pima County for emergency services allows for faster overall response in emergent situations. Efficient use of space on Health Campus. Close proximity to other health care services.

***Metrics Available to Measure Performance:**

Improved response times, better medical outcomes, potential to save more lives.

***Retroactive:**

Yes. This is a sublease between Banner and Southwest Ambulance of Tucson. Pima County was waiting for Banner to get Southwest Ambulance of Tucson to re-sign lease after Banner and County, as consenting "Prime Landlord", made some lease modifications. Signed lease was not provided back to County prior to Clerk's deadline for December 17th 2019 Board of Supervisors meeting.

DEC 24 19 11 37 PM 11 37

To: CoB - 12.24.19
Ver. - 15
pgs - 116
(1)

Contract / Award Information

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

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

☐ Expense Amount: \$* _____ ☐ Revenue Amount: \$ _____***Funding Source(s) required:**Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No**If Yes, is the Contract to a vendor or subrecipient?**Were insurance or indemnity clauses modified? ☐ Yes ☐ No*If Yes, attach Risk's approval.*Vendor is using a Social Security Number? ☐ Yes ☐ No*If Yes, attach the required form per Administrative Procedure 22-10.***Amendment / Revised Award Information**Document Type: CT Department Code: FM Contract Number (i.e.,15-123): 15*474Amendment No.: 15 AMS Version No.: 24Effective Date: January 1, 2020 New Termination Date: 12/31/2024

Prior Contract No. (Synergen/CMS): _____

☐ Expense or ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ 00.00Is there revenue included? ☐ Yes ☒ No If Yes \$ _____***Funding Source(s) required:** Third party lease. County is only providing consent to Banner and SW Ambulance of Tucson as Prime Landlord of Premises.Funding from General Fund? ☐ Yes ☒ No If Yes \$ _____ % _____**Grant/Amendment Information** (for grants acceptance and awards) ☐ Award ☐ Amendment

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

Effective Date: _____ Termination Date: _____ Amendment Number: _____

☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____***All Funding Source(s) required:*****Match funding from General Fund?** ☐ Yes ☐ No If Yes \$ _____ % _____***Match funding from other sources?** ☐ Yes ☐ No If Yes \$ _____ % _____***Funding Source:** _____***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**Contact: Kevin M. ButtonDepartment: Facilities Management Telephone: 520.409.4614Department Director Signature/Date: [Signature] 12/17/19Deputy County Administrator Signature/Date: [Signature] 12/17/2019County Administrator Signature/Date: [Signature] 12/18/19
(Required for Board Agenda/Addendum Items)

CONTRACT	
NO. <u>CT-FM-15-474</u>	
AMENDMENT NO. <u>15</u>	
This number must appear on all invoices, correspondence and documents pertaining to this contract.	

SUBLEASE AGREEMENT

by and between

BANNER--UNIVERSITY MEDICAL CENTER SOUTH CAMPUS, LLC,
an Arizona limited liability company,

as "Landlord"

and

SOUTHWEST AMBULANCE OF TUCSON, INC.
"Tenant"

2800 E. Ajo Way Tucson, Suite 300
Arizona 85713

LMS NO. 483-07-089595

**SOUTHWEST AMBULANCE OF TUCSON, INC.
SUBLEASE AGREEMENT**

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**SOUTHWEST AMBULANCE OF TUCSON, INC
SUBLEASE AGREEMENT**

This Sublease Agreement (this "Sublease") is made as of this 1st day of January, 2020, by and between Banner--University Medical Center South Campus, LLC, an Arizona limited liability company ("Landlord"), and Southwest Ambulance of Tucson, Inc., an Arizona corporation ("Tenant").

1. TERMS AND DEFINITIONS

For the purposes of this Sublease, the following terms shall have the following definitions and meanings:

A. Tenant: Southwest Ambulance of Tucson, Inc. an Arizona corporation

(1) Address prior to the Commencement Date (as hereinafter defined):

Southwest Ambulance of Tucson, Inc.
6363 S Fiddler's Green Circle, 15th Floor
Greenwood Village, CO, 80111
ATTN: Law Department.

(2) Address after the Commencement Date:

Southwest Ambulance of Tucson, Inc.
6363 S Fiddler's Green Circle, 15th Floor
Greenwood Village, CO, 80111
ATTN: Law Department.

B. Landlord: Banner--University Medical Center South Campus, LLC, an Arizona limited liability company

(1) Address for notices prior to and after the Commencement Date:

Banner--University Medical Center South Campus, LLC
2901 N. Central Avenue, Suite 160
Phoenix, AZ 85012
Attn: Program Director, Real Estate

With a copy to:

Banner--University Medical Center South Campus, LLC
2901 N. Central Avenue, Suite 160
Phoenix, AZ 85012
Attn: Chief Legal Officer/General Counsel

(2) Address for payment of Rent (as hereinafter defined):

Banner--University Medical Center South Campus, LLC
LMS No.: 483-07-089595
2901 N. Central Avenue, Suite 160
Phoenix, AZ 85012
Attn: Real Estate Department

(3) Address for Prime Landlord:

Pima County
150 W. Congress, 3rd Floor
Tucson, AZ 85701
Attn: Pima County Facilities Management Department

or to such other place or places as Landlord may from time to time designate by notice to Tenant.

C. Premises: Those certain premises consisting of 3,260 square feet located in Suite 300 in the Building (as hereinafter defined), as depicted on Exhibit A.

D. Premises Area: Approximately 3,260 Rentable Square Feet (as hereinafter defined).

E. Initial Term: The period commencing on the actual Commencement Date and ending on December 31, 2024 which is Five (5) years thereafter.

F. Term: The Initial Term in accordance with Section 3.A hereof.

G. Prime Landlord: Pima County, a political subdivision of the State of Arizona

H. Prime Lease: Prime Landlord and University Physician, Inc. the name of which was later changed to University Physician Healthcare ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 pursuant to which Pima County, a political subdivision of the State of Arizona (the "Prime Landlord") leased to UPH a hospital facility and some associated real property. Said lease was amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease date June 21, 2011 ("Prime Lease"). Said Prime Lease has been amended several times and was assigned to Landlord effective February 27, 2015. The term of the Prime Lease runs through June 16, 2029. A copy of the Prime Lease is attached hereto and incorporated herein as Exhibit B. The area leased under the Prime Lease includes the structure formerly known as the Child Psychiatry Building (the "Building"), which is east of the main hospital building, in which the subleased Premises are located.

I. Commencement Date: January 1, 2020.

- J. Annual Basic Rent During Initial Term: \$45,916.00 annually paid in monthly installments of \$3,826.33.
- K. Base Year: January 1, 2020 – December 31, 2020.
- L. Tenant's Percentage: 100%
- M. Security Deposit: N/A.
- N. Permitted Use: Any of the following purposes, to the extent permitted under the Prime Lease: (a) general, medical administrative and/or executive offices for the administration of an ambulance service and all other related uses and (b) any other lawful purpose.
- O. Parking: The unreserved vehicle parking spaces in accordance with Section 40 below and the two advanced life support care ambulance parking spaces with power in back and three ambulance bays in the front of the Building as shown on the "Parking Site Plan" attached hereto and included herein as Exhibit D.
- P. Brokers: N/A
- Q. Building Area: 3,260 square feet.
- R. Number of card reader keys provided to Tenant: N/A
- S. Intentionally Omitted.
- T. Laws: Collectively, all laws, statutes, codes, ordinances, rules, requirements and regulations of all applicable federal, state, regional, municipal, and local governmental bodies, agencies and authorities, including, but not limited, to building and zoning laws, the Americans with Disabilities Act of 1990, the Anti-Kickback and Stark Laws (as defined in Section 57.A below), the HIPAA Rules (as defined in Section 17.B below), health, safety and fire codes, and the requirements and regulations of Boards of Fire Underwriters having jurisdiction and of insurance carriers of all insurance on the Premises.

This Section 1 represents a summary of the basic terms of this Sublease. In the event of any inconsistency between the terms contained in this Section 1 and any specific provision of this Sublease, the terms of the more specific provision shall prevail.

2. PREMISES AND COMMON AREAS SUBLEASED

- A. Landlord hereby Subleases to Tenant, and Tenant hereby Subleases from Landlord, the Premises.
- B. For purposes of this Sublease, the following terms shall have the meaning specified below:

(1) The "Building" means the entirety of the structural improvements consisting of the one (1) story building which includes the Premises.

(2) The "Site" means the parcel of real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference and any parking as shown on Exhibit D.

(3) The "Project" means the Building, and all other improvements located on the Site, including the Premises and the Exterior Project Common Areas (as hereinafter defined).

(4) The "Exterior Project Common Areas" shall mean all areas of the Project (other than the Building, attached Building canopies, Building support columns, attached overhangs and footings, appurtenant truck loading or delivery docks or areas, ramps, and wells located within the Building or projecting into the Exterior Project Common Area) encompassing, without limitation, all of those facilities within or upon the Site for the non-exclusive use of Landlord, tenants, occupants and permitted invitees in common, including, without limitation, utility lines, storm drains, parking areas, parking area lighting, service areas, driveways, areas of ingress and egress, sidewalk and other pedestrian ways, delivery areas, landscaped areas, areas containing signs or structures advertising the Project name.

C. The Premises are Subleased to Tenant in "AS IS, WHERE IS" condition, Tenant's acceptance "AS IS" shall not relieve Landlord of its regular maintenance obligations under the Sublease. Landlord and Tenant agree that the Premises have an area of the number of Rentable Square Feet designated in Section 1.D.

D. The term "Usable Square Feet" as used in this Sublease shall be calculated in accordance with Building Owners and Managers Association International standards, namely "Office Buildings: Standard Methods of Measurement (ANSI/BOMA Z65.1 – 2010)". The term "Rentable Square Feet" as used in this Sublease shall be calculated at one hundred fifteen percent (115%) of Usable Square Feet. For purposes of establishing the initial Tenant's Percentage and Annual Basic Rent as shown in Section 1 of this Sublease, Landlord and Tenant have agreed that the Rentable Square Feet of the Premises shall be fixed at the number set forth in Section 1.D and the Rentable Square Feet of the Building shall be as set forth in Section 1.Q.

E. Tenant shall have the nonexclusive right to use the Exterior Common Areas subject to applicable Laws and the Rules and Regulations referred to in Section 30 and attached hereto as Exhibit C.

F. Landlord reserves the right from time to time, to the extent permitted under the Prime Lease: (i) to install, use, maintain, repair and replace pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Premises which are located in the Premises or located elsewhere outside the Premises, and to expand the

Building; (ii) to make changes to the Exterior Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscape areas and walkways; (iii) to close temporarily any of the Exterior Common Areas for maintenance purposes so long as reasonable access to the Premises remains available; (iv) to designate other land outside the boundaries of the Building or Project to be a part of the Exterior Common Areas; (v) to add additional buildings and improvements to the Site; (vi) to use the Exterior Common Areas while engaged in making additional improvements, repairs or alterations to the Building or the Project, or any portion thereof; and (vii) to do and perform such other acts and make such other changes in, to or with respect to the Exterior Common Areas, the Building or the Project as Landlord may deem to be appropriate.

G. Tenant agrees not to cause or allow to be caused any default under the Prime Lease. Tenant will indemnify Landlord and the Prime Landlord against any loss, liability, and expenses (including reasonable attorneys' fees and costs) arising out of any default under the Prime Lease caused by Tenant. Any conflict between the terms of this Sublease and the Prime Lease will be controlled by the terms of the Prime Lease. Prime Landlord's consent to this Sublease in no way relieves Landlord of its obligation to comply, and cause Tenant to comply, with the Prime Lease. Prime Landlord is a third-party beneficiary of this Sublease with respect to those obligations of the parties that run to Prime Landlord.

3. TERM

A. The Initial Term of this Sublease shall be for the period designated in Section 1.E and Section 1.F, commencing on the Commencement Date, and ending on the expiration of such period, unless the Term hereby demised shall be sooner terminated as herein provided.

B. This Sublease shall at all times be contingent upon the continuation of the Prime Lease. Should said Prime Lease be terminated, this Sublease shall terminate commensurate with the termination of the Prime Lease.

4. POSSESSION

Tenant hereby acknowledges that in the event the Commencement Date has not occurred by the date set forth in Section 1.I for any reason, this Sublease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, nor shall the expiration date of the Term be in any way extended.

5. ANNUAL BASIC RENT

Tenant agrees to pay Landlord, as Annual Basic Rent for the Premises, the Annual Basic Rent designated in Section 1.J and Section 1.S in twelve (12) equal monthly installments, each in advance on the first day of each and every calendar month during the Term, except that one (1) monthly installment of Annual Basic Rent designated in Section 1.J shall be paid upon the

execution of this Sublease, which amount shall be applied toward the installment due for the first full calendar month of the Term. In the event the Term of this Sublease commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the "Rent" (as hereinafter defined) for such periods shall be prorated in the proportion that the number of days this Sublease is in effect during such periods bears to thirty (30), and such Rent shall be paid at the commencement of such period. In addition to the Annual Basic Rent, Tenant agrees to pay all other amounts required to be paid hereunder as and when same are due as hereinafter provided in this Sublease. Rent shall be paid to Landlord, without any prior notice or demand therefor, and without any abatement, deduction or offset whatsoever in lawful money of the United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in Section 1.B for the payment of Rent or to such other person or at such other place as Landlord may from time to time designate in writing. Annual Basic Rent together with Tenant's payments with respect to "Operating Expenses" (as hereinafter defined) are herein sometimes collectively referred to as "Gross Rent". Further, all charges to be paid by Tenant hereunder shall constitute rent, shall be paid in the manner provided herein and shall sometimes be collectively referred to as "Additional Rent". Gross Rent and Additional Rent are collectively referred to herein as "Rent".

6. OPERATING EXPENSES

A. For the purposes of this Section 6, the following terms are defined as follows:

(1) "Tenant's Percentage" shall be that percentage set forth in Section 1.L of this Sublease, which percentage is the quotient of the Rentable Square Feet of the Premises divided by the Rentable Square Feet of the Building.

(2) "Operating Expenses" shall, except as otherwise provided herein, consist of all costs of operation, management, ownership, maintenance and repair of the Building. Operating Expenses shall further include an equitable portion (based upon the portion of such cost or expense relating to the Building) of all costs of operation, management, ownership, maintenance and repair of the Exterior Project Common Areas, but in no event greater than twenty-five percent (25%) of all such costs. For purposes of this Sublease, the costs of operation, management, ownership, maintenance and repair of the Building and the Exterior Project Common Areas shall be determined by generally accepted accounting principles, calculated assuming the Building is at least ninety percent (90%) occupied, and shall include the following costs by way of illustration, but not limitation: real property taxes (as defined in Section 6.A(5)) and assessments separately assessed against the Building and the Exterior Project Common Areas and any taxes or assessments hereafter imposed in lieu thereof; rent taxes, gross receipt taxes (whether assessed against Landlord or assessed against Tenant and paid by Landlord, or both); water and sewer charges; accounting, legal and other consulting fees; the cost and expense of insurance which Landlord deems reasonably necessary or appropriate in connection with the Project, or is required under the Prime Lease; the cost of utilities, excluding, however, the cost of utilities for the Premises and all other office premises in the Building which are paid directly by tenants, but including any utility charges for the Exterior Project Common Areas; security, and labor; utilities surcharges, or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations or interpretations thereof, promulgated by any federal, state, regional, municipal or

local government authority in connection with the use or occupancy of the Building; the cost (amortized over the depreciable life of the items with interest at the Interest Rate (as hereinafter defined) on the unamortized balance) of any capital equipment or improvements or repairs made to the Project, or any life safety or energy efficiency equipment; costs incurred in the management of the Building including supplies, wages and salaries of employees used in the management, operation, maintenance and repair of the Building, and payroll taxes and similar governmental charges with respect thereto, management office rental, and a management fee; any and all assessments Landlord must pay for the Building and the Exterior Project Common Areas pursuant to any covenants, conditions and restrictions, reciprocal easement agreements, tenancy-in-common agreements or similar restrictions and agreements affecting the Project; the cost of air conditioning, waste disposal, heating, ventilating and elevator maintenance attributable solely to the Building; the cost of supplies, materials, equipment and tools required in the maintenance of the Building; maintenance costs, including utilities and payroll expenses, rental of personal property used in maintenance, and all other upkeep of the Exterior Project Common Areas; the costs and expenses of gardening and landscaping, maintenance of signs (other than Tenant's signs); personal property taxes levied on or attributable to personal property used in connection with the Building or the Exterior Project Common Areas; reasonable audit or verification fees; and costs and expenses of general repairs and maintenance, resurfacing, painting, lighting and similar items, including appropriate reserves for such items related to the Building or the Exterior Project Common Areas. In no event shall Operating Expenses shall increase by no more than 5% per annum on a non-cumulative, non-compounding basis (excluding expenses not within the Landlord's reasonable control, including, by way of example, weather-related expenses, insurance, and real estate taxes.)

(3) Operating Expenses shall further include a portion of the cost of repairs (including but not limited parking lot, electrical risers, plumbing and non-structural portions of walls) which shall be equitably proportioned on the basis that the square footage of the Building bears to the total square footage of either the Project or the Building, as the case may be and as reasonably determined by Landlord.

(4) Notwithstanding the foregoing, Operating Expenses shall not include: depreciation on the Building; Landlord's ground rents, executive salaries; real estate brokers' commissions; tenant marketing costs; financing costs; and expenditures for which Landlord is to be reimbursed by insurance, legal fees, accounting fees and other related costs incurred by Landlord pertaining or relating to Landlord's disputes with other Tenants; all costs and expenses attributable to the remediation or removal of any Hazardous Substances or Hazardous Materials as defined under applicable federal or state law not caused by Tenant; all costs and expenses incurred to correct construction defects or design defects in the Subleased Premises or the Building, Center, Plaza or Project in which the Subleased Premises is located; costs or expenses incurred due to Landlord's negligence or the negligence of its employees, agents, contractors, workmen, invitees or other Tenants.;

(5) As used herein, the term "real property taxes" shall include any form of assessment, license fee, license tax, business license fee, transit tax or fee, commercial rental tax, levy, charge, penalty, tax or similar imposition, imposed by any authority having the direct power to tax, including any city, county, state or federal government, or any political subdivision thereof,

or any school, agricultural, lighting, drainage, transportation or other improvement or special assessment district thereof, as against any legal or equitable interest of Landlord in the Project, or any portion thereof, including, but not limited to, the following:

(a) any tax on Landlord's right to collect the Rent or right to other income from the Premises, or as against Landlord's business of leasing the Premises;

(b) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessments, taxes, fees, levies and charges that may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants (It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies and charges be included within the definition of real property taxes for the purposes of this Sublease.);

(c) any assessment, tax, fee, levy or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the state, city or federal government, or any political subdivision thereof, with respect to the receipt of the Rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and

(d) any assessment, tax, fee, levy or charge upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises, or based upon a reassessment of the Project, or any portion thereof, due to a change in ownership or transfer of all or part of Landlord's interest in this Sublease, the Project, or any portion thereof.

(e) the Government Property Lease Excise Tax, as provided in A.R.S. § 42-6201 to 42-6210, to the extent applicable.

Notwithstanding any provision of this Section 6 expressed or implied to the contrary, real property taxes shall not include Landlord's federal or state income, franchise, inheritance or estate taxes. Tenant acknowledges that Landlord is a non-profit, tax-exempt entity and, in some cases, can claim an exemption from the payment of real property taxes.

(6) During the Term, Tenant shall pay to Landlord, Tenant's Percentage of the Operating Expenses, which amount shall constitute a portion of Gross Rent.

(a) On or before May 1st of each Sublease Year during the Term, Landlord shall endeavor to deliver to Tenant a statement ("Estimate Statement") wherein Landlord shall estimate the Operating Expenses of the then current Sublease Year. Tenant shall pay to Landlord, one-twelfth (1/12th) of the Operating Expenses each month thereafter, beginning with the next monthly installment of Annual Basic Rent due, until such time as Landlord issues a revised Estimate Statement or the Estimate Statement for the succeeding Sublease Year. "Sublease Year" shall mean each calendar year during the

Term subsequent to the Base Year. In addition, concurrent with the monthly installment of Annual Basic Rent next due following Tenant's receipt of such Estimate Statement, Tenant shall pay an amount equal to one-twelfth (1/12) of such Operating Expenses multiplied by the number of months from and including January in the current Sublease Year to the month of such Annual Basic Rent payment next due; provided, however, there shall be deducted from such amount any Operating Expenses previously paid by Tenant during the then current Sublease Year. Notwithstanding the foregoing, if at any time during the Term, but not more often than quarterly, Landlord determines that Tenant's Percentage of Operating Expenses for the then current Sublease Year will exceed the amount set forth in the Estimate Statement, Landlord may issue a revised Estimate Statement and Tenant shall pay to Landlord, within thirty (30) days of the delivery of the revised Estimate Statement, the difference between such revised Estimate Statement and the original Estimate Statement prorated for the portion of the then current Sublease Year which has then elapsed, and Tenant shall pay each month thereafter through February of the succeeding Sublease Year or until the receipt by Tenant of the Estimate Statement for the succeeding Sublease Year, if later (subject to receipt of an additional revised Estimate Statement), beginning with the next monthly installment of Annual Basic Rent due, an amount equal to the balance of such difference divided by the number of months remaining in the then current Sublease Year.

(b) On or before May 1st of each Sublease Year during the Term of this Sublease, Landlord shall endeavor to deliver to Tenant a statement ("Actual Statement") which states the actual Operating Expenses for the Base Year or the preceding Sublease Year, as applicable. If the Actual Statement reveals that Tenant's Percentage of the amount by which the Operating Expenses for the Base Year or the preceding Sublease Year, as applicable, exceeds the total amount of Operating Expenses paid by Tenant on account of the Base Year or the preceding Sublease Year, as applicable, Tenant shall pay Landlord the difference in a lump sum within thirty (30) days of receipt of the Actual Statement. If the Actual Statement reveals that Tenant's Percentage of the amount by which the Operating Expenses for the Base Year or the preceding Sublease Year, as applicable, is less than the amount of Operating Expenses paid by Tenant on account of the Base Year or such preceding Sublease Year, as applicable, Landlord shall credit any overpayment toward the next monthly installments of Tenant's Percentage of Operating Expenses which Tenant owes Landlord pursuant to this Sublease. Landlord shall calculate the said costs and expenses and submit them to the Tenant for payment within one hundred eighty (180) days of the end of each Sublease year. In the event that the Landlord fails to submit to the Tenant, a claim or demand for payment of the said expenses within the one hundred eighty (180) day period, then the Landlord forever releases, waives and relinquishes any right that the Landlord may have had pursuant to the Sublease, to collect such costs and expenses and under no circumstance shall the Tenant be liable or obligated to pay the same.

(c) In the event the Term has expired and Tenant has vacated the Premises, at such time as the final determination has been made regarding Tenant's Percentage of Operating Expenses for the Sublease Year in which this Sublease terminated, Tenant shall immediately pay any amounts due as a result of an increase over

estimated expenses paid and, conversely, any overpayment made in the event said expenses are less than estimated expenses paid shall be immediately remitted to Tenant by Landlord.

(7) Should the Landlord fail to deliver an Actual Statement, claim or demand for payment of the said expenses within one year of the end of the year in which the expenses accrued, then the Landlord forever releases, waives and relinquishes any right that the Landlord may have had pursuant to the Sublease, to collect such costs and expenses and under no circumstance shall the Tenant be liable or obligated to pay the same.

(8) Landlord's failure to charge Tenant for Operating Expenses for any year, to provide an Estimate Statement or to provide an Actual Statement will not operate as a waiver of Landlord's right to charge Tenant for Operating Expenses incurred in a subsequent year.

7. SECURITY DEPOSIT

Intentionally Omitted.

8. USE; HAZARDOUS MATERIALS

A. Tenant shall use the Premises for the use or uses set forth in Section 1.N above, and shall not use or permit the Premises to be used for any other purpose whatsoever. Nothing contained herein shall be deemed to give Tenant any exclusive right to such use in the Building or the Project. Tenant shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof. Tenant shall comply with all rules, orders, regulations and requirements of any insurance authority having jurisdiction over the Project or any present or future insurer relating to the Premises or the Building. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for any existing insurance policy or endorsement required by reason of Tenant's failure to comply with the provisions of this Section 8 or by reason of Tenant's use or occupancy of the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises and shall keep the Premises in first class repair and appearance. Tenant shall not use or occupy the Premises in violation of any Laws or of the certificate of occupancy (or equivalent thereof) issued for the Building by the City of Tucson ("Certificate of Occupancy"), and shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of any Laws or of said Certificate of Occupancy. Tenant shall not do or permit anything to be done in or about the Premises which will in any manner obstruct or interfere with the rights of other tenants or occupants of the Project, or injure or annoy them, nor shall Tenant use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all restrictive covenants and obligations created by private contracts which affect the use and operation of the Premises, the Building, the Exterior Common Areas or the Project.

B. Tenant shall not place a load upon the Premises exceeding the average pounds of live load per square foot of floor area specified for the Building by Landlord's architect, with the

partitions to be considered a part of the live load. Landlord reserves the right to prescribe the weight and positions of all safes, files and heavy equipment which Tenant desires to place in the Premises so as to distribute properly the weight thereof. Further, installation of Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be subject to the approval of Landlord and, if approved, shall be so installed, maintained and used by Tenant as to eliminate such vibration or noise. Tenant shall be responsible for all structural engineering required to determine structural load as well as the expense thereof if Landlord reasonably believes Tenant has violated the limitation on structural load. Anything contained in this Sublease to the contrary notwithstanding, all transferable development rights related in any way to the Project shall always remain vested in Landlord, and Tenant waives any rights thereto.

C. Except for materials and supplies typically used in an office area in the ordinary course of business for use in the manner for which they were designed, in such amounts as may be normal for the office business operations conducted by Tenant in the Premises as a Permitted Use and solely in compliance with all Environmental Laws (as hereinafter defined), neither Tenant nor its agents, employees, contractors, licensees, sublessees, assignees, concessionaires or invitees shall use, handle, store or dispose of any Hazardous Materials (as hereinafter defined) in, on, under or about the Premises or the Project, or any portion thereof. Tenant further agrees that Tenant and its agents, employees, contractors, licensees, sublessees, assignees, concessionaires or invitees will comply with all Environmental Laws, including, but not limited to, those involving the use, discharge, removal and presence of any Hazardous Substances. Tenant shall be solely responsible for and shall indemnify, defend and hold Landlord and Prime Landlord harmless for, from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in valuation of the Premises or the Project, and sums paid in settlement of claims, and for attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of the use, generation, manufacture, production, storage, release, discharge, disposal or presence of Hazardous Materials on the Premises (or off-site of the Premises) caused, directly or indirectly, by Tenant and/or its employees, agents, contractors, licensees and invitees. This indemnification of Landlord and Prime Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work whether on the Premises or off-site of the Premises. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the Premises, the Project and/or affected off-site area to the condition existing prior to the introduction of any such Hazardous Materials, provided Landlord's approval of such actions shall first be obtained and Tenant shall fully cooperate in connection with any such clean-up, restoration or other work, at Tenant's sole cost and expense. Furthermore, Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or the Premises concerning the presence of any Hazardous Materials. Tenant acknowledges that Landlord, at Landlord's election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued by any governmental authority with regard to any Hazardous Materials contamination which Tenant is obligated hereunder to remediate. Landlord shall indemnify and hold Tenant harmless from liability, damages, awards, judgments, fines, penalties and reasonable legal fees and costs of defense as they are incurred, arising from or pertaining to the Building or Subleased Premises for violation of such laws, rules and regulations resulting from actions by persons other than Tenant.

"Hazardous Materials" shall mean any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed or regulated now or in the future by any Law regulating, relating to or imposing liability or standards of conduct concerning, any environmental conditions, health or industrial hygiene, including, without limitation, (1) chlorinated solvents, (2) petroleum products or by-products, (3) asbestos, and (4) polychlorinated biphenyls. **"Environmental Law"** shall mean any Law, order or decree pertaining to health, industrial hygiene, environmental conditions or hazardous substances or materials including those defined in this Section 8 as Hazardous Materials. This Section 8.C shall survive expiration or termination of this Sublease.

9. NOTICES

All notices, demands, consents and approvals which may or are required to be given by either party to the other hereunder shall be in writing and shall be either served personally, or sent by overnight or next business day courier, or sent by registered or certified first class U.S. mail, return receipt requested with postage prepaid, as follows: If to Tenant, addressed at the address designated in said Section 1.A and to the Premises, and if to Landlord, at the address designated in said Section 1.B, or to such other place as the party to be notified may from time to time designate by at least fifteen (15) days' notice to the notifying party. Such notices, demands, consents and approvals shall be deemed sufficiently served or given for all purposes hereunder, unless otherwise specified in this Sublease, either (a) if personally served, upon such service, (b) if sent by overnight or next business day courier, the following business day, or (c) if mailed via U.S. mail in the manner specified above, two (2) business days after the time of mailing or on the date of receipt shown on the return receipt, whichever is earlier.

10. BROKERS

Tenant represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Sublease and that it knows of no other real estate broker, agent or finder who is or might be entitled to a commission or fee in connection with this Sublease. If Tenant has dealt with any other person or real estate broker with respect to leasing or renting space in the Project, Tenant shall be solely responsible for the payment of any fees due said person or firm, and Tenant shall indemnify, defend, and hold Landlord harmless for, from and against any liabilities, damages, costs or claims with respect thereto, including attorneys' fees.

11. HOLDING OVER

If Tenant holds over after the expiration or earlier termination of this Sublease without the express written consent of Landlord, Tenant shall become a tenant at sufferance only at a rental rate equal to the greater of (A) Landlord's then scheduled Rent for similar space in the Building, or (B) **one hundred and fifty percent 150%** of the Rent in effect upon the date of such expiration (subject to adjustment as provided in Sections 5 and 6 and prorated on a daily basis based on a thirty (30) day month), and otherwise subject to the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of Rent after such expiration or earlier termination shall not result in a renewal or extension of this Sublease. If Tenant fails to surrender the Premises upon

the expiration of this Sublease despite demand to do so by Landlord, Tenant shall indemnify, defend and hold Landlord and Prime Landlord harmless for, from and against any liabilities, damages, costs or claims, including any attorneys' fees, arising out of or relating to any claim made by any succeeding tenant with fully executed Sublease for the Premises founded on or resulting from such failure to surrender.

12. TAXES ON TENANT'S PROPERTY

Tenant shall be liable for and shall pay, before delinquency, all taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises, and on the value of any tenant improvements made therein by Tenant. If any such taxes on Tenant's personal property, trade fixtures or such tenant improvements are levied against Landlord or Landlord's property or if the assessed value of the Premises or the Project is increased by the inclusion therein of a value placed upon such personal property, trade fixtures or tenant improvements, Tenant shall pay the amount thereof as invoiced to Tenant by Landlord immediately upon receipt of such invoice.

13. CONDITION OF PREMISES

Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Building, the Exterior Common Areas or the Project or with respect to the suitability of any of the above for the conduct of Tenant's business. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Project were in satisfactory condition at such time.

14. ALTERATIONS; REMOVAL OF PROPERTY

A. Tenant shall not make or allow to be made any alterations, additions or improvements (collectively "Alterations") in or to the Premises without obtaining Landlord's and Prime Landlord's prior written consent, which consent may not be unreasonably withheld. Any request for consent shall be accompanied by two (2) complete sets of plans and specifications for the proposed Alterations suitable for submission to Landlord's architect for evaluation and a statement of the identity of the contractor who will perform such Alterations. In addition, as a condition to its consent, Landlord may require Tenant to (i) pay to Landlord prior to commencement of construction of the Alterations a construction fee for its overhead and supervision equal to ten percent (10%) of the cost of the Alterations, (ii) furnish assurances satisfactory to Landlord that all contractors who will perform such work have, in force, workers' compensation and such other employee and comprehensive general liability insurance as Landlord deems necessary to supplement the insurance coverage provided for in Section 21.A, (iii) post adequate completion and performance bonds, (iv) provide regular written progress reports to and consult with Landlord. It shall be reasonable for Landlord to withhold its consent to any Alterations based on the proposed contractor's or subcontractor's inadequate financial status, reputation for poor quality work, inability or unwillingness to obtain performance or completion bonds or insurance. All work to be performed by Tenant in the Premises, including the delivery, storage and removal of materials, shall be scheduled through and be subject to the reasonable supervision of Landlord, shall not unreasonably interfere with other tenants of the Building or the Project, and shall be performed in accordance with any conditions or regulations imposed by

Landlord. Such work shall be completed in a good and workmanlike manner in accordance with the plans and specifications approved by Landlord and in accordance with all applicable Laws. Any supervision by Landlord of such Alterations shall in no event constitute Landlord's approval of the work so performed, nor shall Landlord be responsible for or have any liability with respect to such supervision or work. Copies of required building permits or authorizations shall be obtained by Tenant at its expense and Tenant shall furnish copies of same to Landlord. Notwithstanding the foregoing, Tenant may, without permission of Landlord undertake non-structural and minor remodeling alterations such as carpet/flooring and painting and not to exceed \$10,000.

B. All Alterations upon the Premises, shall, become the property of Landlord, and shall remain upon and be surrendered with the Premises, as part thereof, at the expiration or sooner termination of this Sublease.

C. All articles of personal property and all business and trade fixtures, machinery, equipment, furniture and removable partitions owned by Tenant or installed by Tenant at its expense in the Premises may be removed by Tenant at any time during the Term of this Sublease, provided that Tenant shall, at its sole expense, repair any damage caused by such removal. If Tenant shall fail to remove all of its property from the Premises upon termination of this Sublease for any cause whatsoever, Landlord may, at its option, remove the same in any manner that Landlord shall choose, and store or dispose of said property without liability to Tenant for loss thereof, and Tenant agrees to pay to Landlord upon demand any and all expenses incurred in such removal, including court costs, attorneys' fees and storage charges on such property for any length of time that the same shall be in Landlord's possession. In the alternative, Landlord may, at its option, without notice, sell said property, or any of the same, at a private sale without legal process, for such prices as Landlord may obtain and apply the proceeds of such sale to any amounts due under this Sublease from Tenant to Landlord and to the expense incident to the removal and sale of such property.

15. REPAIRS

A. By entry hereunder, Tenant accepts the Premises as being in good and sanitary order, condition and repair. Tenant shall keep, maintain and preserve the Premises in a first class condition and repair, and shall, as and when needed, at Tenant's sole cost and expense, make all repairs to the Premises and every part thereof, including, without limitation, all interior walls, floors, ceilings and fixtures, and repair all damage caused by Tenant, its agents, employees, invitees and licensees to the utility outlets and other installations in the Premises or elsewhere in the Building or the Project. Subject to Section 14.B, Tenant shall, upon the expiration or sooner termination of the Term hereof, surrender the Premises to Landlord in the same condition as when received, reasonable wear and tear excepted.

B. Subject to Tenant's obligations to pay Tenant's Percentage of the Operating Expenses pursuant to Section 6, and subject to the indemnification provisions of Section 19, Landlord shall repair and maintain the structural portions of the Building (including the roof), and shall repair and maintain the basic plumbing, heating, ventilating, air conditioning, elevator and electrical systems installed or furnished by Landlord in the Building, unless such maintenance and

repairs are caused, in part or in whole, by the act, neglect, fault or omission of Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord, the cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance, unless such failure shall persist for an unreasonable time after written notice of the need for such repairs or maintenance is given to Landlord by Tenant. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Project or the Premises, or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any Laws now or hereafter in effect.

16. LIENS

Tenant shall not permit any mechanics', materialmen's or other liens to be filed against all or any part the Project, or against Tenant's leasehold interest in the Premises. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any such liens are filed, Landlord may, without waiving its rights and remedies based on such breach by Tenant and without releasing Tenant from any of its obligations, cause such liens to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such liens. Tenant shall pay to Landlord at once, as Additional Rent, upon notice by Landlord, any sums paid by Landlord to remove such liens. Without limiting the generality of the foregoing, Tenant covenants and agrees that any liens filed against the Premises or against the Building or the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant will be discharged by Tenant, by bond or otherwise, within ten (10) days after the filing thereof, at Tenant's sole cost and expense.

17. ENTRY BY LANDLORD; PROTECTED HEALTH INFORMATION

A. Subject to the provisions of Section 17.B below, Landlord reserves and shall at any and all times have the right to enter the Premises to inspect the same, to supply those services to be provided by Landlord to Tenant hereunder, to show the Premises to prospective purchasers, encumbrancers or tenants, to alter, improve or repair the Premises or any other portion of the Building, all without being deemed guilty of any eviction of Tenant and without abatement of Rent, and may, in order to carry out such purposes, erect scaffolding and other necessary structures where required by the character of the work to be performed. Notwithstanding the foregoing, except for emergencies, Building services, repairs and maintenance, Landlord shall provide Tenant with twenty-four (24) hours' prior notice of its intent to enter the Premises and Landlord shall limit the number to six (6) persons entering on behalf of Landlord at any one time and Landlord shall not enter treatment areas then in use. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss in, upon and about the Premises or the Project. Landlord shall at all times have and retain a key with which to unlock all doors to and in the Premises. In the event of an emergency, Landlord shall have the right to use any and all means which Landlord may deem necessary and proper to open said doors in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not be construed or deemed to be a forcible or unlawful entry into the Premises, or an eviction of Tenant from the Premises or any portion thereof. It is understood and agreed that no provision

of this Sublease shall be construed as obligating Landlord to perform any repairs, alterations or decorations, except as otherwise expressly agreed herein by Landlord.

B. For purposes of this Sublease, "protected health information", or "PHI", shall have the meaning defined by the HIPAA Rules – the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. Part 160 and 164 (the "HIPAA Rules"). Tenant will reasonably safeguard PHI from any intentional or unintentional disclosure in violation of the HIPAA Rules by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant will implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord or Landlord's subcontractors and agents. Neither Landlord nor its contractors, subcontractors or agents shall have access to, nor shall they use or disclose, any PHI of Tenant. In the event PHI is disclosed by Tenant or its agents to Landlord, or to its contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take all steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. In elaboration of the foregoing and without limitation, Landlord will refrain from entering any portion of the Premises where patient care is being given, except upon request by Tenant and accompanied by a Tenant representative; and in the performance of Landlord's obligations and exercise of rights under this Sublease, Landlord will endeavor and use its best efforts to avoid inadvertent or incidental discovery, use, access to, or disclosure of all PHI. The parties will provide access to the other party to its security plans and processes present and applicable to the Premises, and cooperate in the implementation of their respective safeguards to limit the disclosure of PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by the HIPAA Rules.

18. UTILITIES AND SERVICES

A. As long as Tenant is not in default under any of the terms, conditions, provisions or agreements of this Sublease, Landlord shall, during Tenant's occupancy of the Premises:

(1) Furnish air conditioning and heating in season, at such temperatures and in such amounts and during those Building hours of operation as are considered by Landlord to be standard, as same may be limited or controlled by applicable Laws. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all reasonable regulations and requirements which Landlord may prescribe for the proper function and protection of the heating, ventilation and air conditioning system (the "HVAC System"). Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or Project or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities. The cost of maintenance and service calls to adjust and regulate the HVAC System shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligations under this Section 18. Such work

shall be charged at hourly rates equal to then current journeyman's wages for air conditioning mechanics.

(2) Furnish electrical facilities to provide sufficient power for normal lighting purposes and operation of all business and medical machines as permitted by and consistent with the Permitted Uses, but not including electricity required in excess of Landlord's building standard for any item of electrical equipment which (singly) consumes more than .5 kilowatts per hour at rated capacity, or requires a voltage other than one hundred twenty (120) volts single phase. Tenant's use of electric current shall never exceed the capacity of the feeders to the Building, or the risers or wiring installation. Tenant shall not, without the prior written consent of Landlord, which consent may not be unreasonably withheld, use any apparatus or device in the Premises that will substantially increase the amount of electricity or water usually furnished or supplied to similarly situated Subleased premises for uses similar to the Permitted Use. Landlord may cause an electric current or water meter to be installed in the Premises to measure the amount of electrical current or water consumed for any such substantial, additional use. If Tenant is found to be using a substantially disproportionate amount of water or electricity in violation of this Section 18.A, the cost of such meter and other installations, and any additional cost of operating and maintenance occasioned thereby, shall be paid by Tenant. Any special electrical service or exhaust or heat dissipation system required by Tenant shall be installed and maintained as an Alteration in the manner provided for in Section 14 above.

(3) Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish to the extent that the same exceeds the refuse and rubbish usually attendant upon similarly situated Subleased premises for uses similar to the Permitted Use.

B. Tenant shall pay or cause to be paid (prior to delinquency) all charges for water, gas, heat, air conditioning, electricity, power, telephone and other data and communication services, and sewer service and sewer rentals charged or attributable to the Premises, and all other services or utilities used in, upon or about the Premises during the Term (collectively, "Tenant's Utilities"). Tenant shall further cause Tenant's Utilities to be separately metered as of the Commencement Date, and shall cause all bills or charges attributable to Tenant's Utilities to be directed to Tenant. Tenant acknowledges and agrees that Landlord shall not be responsible for the payment of Tenant's Utilities during the Term.

C. Any heating, ventilation, or air conditioning service provided by Landlord to Tenant during hours other than Building hours of operation shall be furnished at Tenant's sole cost and expense. Tenant shall not, without the prior written consent of Landlord which consent shall not be unreasonably withheld, use any apparatus or device in the Premises that will in any way materially affect the temperature otherwise maintained by the HVAC System for the Building. Landlord shall have the right to install any machinery and equipment which Landlord reasonably deems necessary to restore temperature balance, including, without limitation, modifications to the HVAC System. In the event that Tenant desires any service in amounts exceeding the services described herein as determined by Landlord, Tenant shall pay Landlord the cost of providing such additional services, plus a reasonable administrative fee, as Additional Rent. As of the Commencement Date, the cost of such additional services (including the reasonable administrative

fee) shall be Fifty Dollars (\$50.00) per hour. The costs of such service may be adjusted reasonably from time to time by Landlord to compensate for increased costs of operation and maintenance.

D. Landlord's failure to furnish any of such utilities and services whether caused by accident, breakage or repairs, strikes, lockouts or other labor disturbances or labor disputes of any such character, governmental regulation, moratorium or other governmental action, inability despite the exercise of reasonable diligence to obtain such utilities or services or otherwise shall not result in any liability to Landlord, nor shall Tenant be entitled to any abatement or reduction of Rent, nor shall Landlord be deemed to have evicted Tenant, nor shall Tenant be relieved from the performance of any covenant, obligation or agreement in this Sublease because of any such failure. In the event of any stoppage or interruption of services or utilities, Landlord shall use reasonable diligence to attempt to resume such services or utilities. If Tenant requires or utilizes more water than is considered reasonable or normal by Landlord, Landlord may, at its option, require Tenant to pay the cost, as determined by Landlord, incurred by such extraordinary usage. In addition, Landlord may install separate meters for the Premises, at Tenant's sole expense, and Tenant thereafter shall pay all charges of the utility providing service.

19. INDEMNIFICATION

Tenant shall indemnify, defend and protect Landlord and Prime Landlord (with counsel acceptable to Landlord or Prime Landlord as applicable), and hold Landlord and Prime Landlord harmless for, from and against any and all loss, cost, damage, expense and liability (including, without limitation, court costs and professional fees such as appraisers', accountants' and attorneys' fees) incurred in connection with, arising out of, or relating to any cause in, upon or about the Premises or the activities of Tenant, the contractors, agents, servants, employees, visitors or licensees of Tenant in, upon or about the Project, including, without limiting the generality of the foregoing: (A) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Sublease on Tenant's part to be observed or performed; (B) the use or occupancy of the Premises by Tenant or any person claiming by, through or under Tenant; (C) the condition of the Premises or any occurrence or happening on the Premises from any cause whatsoever; or (D) any act, fault, neglect or omission of Tenant or any person claiming by, through or under Tenant, or of Tenant's contractors, agents, servants, employees, visitors or licensees or any such person, in, upon or about the Premises or the Project, including, without limitation, any acts, omissions, or negligence in the making or performance of any Alterations.

Landlord shall indemnify and save harmless Tenant of and from liability for damages or claims against Tenant, including costs, attorneys' fees and expenses of Tenant in defending against the same, on account of injuries to any person or property arising out or about the Premises, if the injuries are caused by the gross negligence or willful misconduct of Landlord, its contractors, agents, servants or employees.

The provision of this Section 19 shall survive the expiration or sooner termination of this Sublease.

20. DAMAGE TO TENANT'S PROPERTY AND WAIVER

Notwithstanding anything contained in this Sublease to the contrary, Landlord or its agents and employees shall not be liable for (A) any damage to any property entrusted to employees of the Building or Project, (B) loss or damage to any property by theft or otherwise, or (C) any injury or damage to person or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from pipes, appliances or plumbing work therein or from the roof, street, subsurface or from any other place or resulting from dampness or any other cause whatsoever. Landlord or its agents shall not be liable for interference with light or other similar intangible property interests, nor shall Landlord be liable for any latent defects in the Premises or the Project. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or the Project, and of defects therein or in the fixtures or equipment located therein. No party shall be liable for, and each party hereby waives all claims against the other, for damage to any property or injury, illness or death of any person in, upon or about the Premises and/or the Project arising at any time and from any cause whatsoever, except for any negligence or willful acts of either party.

21. INSURANCE

A. Tenant shall keep in full force and effect, at its sole cost and expense, during the Term hereof and any other period of occupancy the following insurance:

(1) Standard form property insurance insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage ("All Risk"), business interruption and sprinkler leakage. This insurance policy shall be upon all property owned by Tenant, for which Tenant is legally liable, or that was installed at Tenant's expense, and which is located at the Premises, including, but not limited to, furniture, fittings, installations, fixtures (other than Tenant's improvements installed by Landlord), and any other personal property of Tenant, in an amount not less than one hundred percent (100%) of the replacement cost thereof.

(2) A Commercial General Liability Policy with limits of not less than Two Million Dollars (\$2,000,000) each occurrence and Two Million Dollars (\$2,000,000) in the aggregate covering bodily injury to persons, including death, and property damage, advertising injury, personal injury and contractual liability and One Million Dollars (\$1,000,000.) combined single limit automobile liability coverage. Such insurance shall be with a reputable insurer, and shall provide coverage for the Premises and Tenant's operations, independent contractors, and contractual liability assumed in Section 19 above. Tenant shall cause its Commercial General Liability insurer to name Landlord and Prime Landlord as an additional insured under such insurance to the extent of Tenant's insurable contractual liability assumed in Section 19 above. The insurance policy shall contain a severability of interests provision and a provision that the insurance provided to Landlord and Prime Landlord as additional insureds shall be primary to and not contributory with insurance maintained by Landlord. A certificate of insurance evidencing that the foregoing insurance is in effect shall be delivered to Landlord prior to Tenant's occupancy of the Premises, and shall be kept current throughout the Term of this Sublease. Such certificate shall reflect the status of Landlord and Prime Landlord, as additional insureds, and shall provide

for fifteen (15) days advance notice to Landlord in the event of cancellation or material change that adversely affects the interests of Landlord.

(3) Workers' Compensation and Employer's Liability Insurance in form and amounts not less than the compulsory coverage for employers of one or more employees. Employer's Liability coverage- \$1,000,000 each accident and each person – disease, as required by applicable Laws.

(4) Loss of income and business interruption insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils, excluding earthquakes, commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils.

(5) Additional Insured. The General Liability and Business Automobile Liability Policies shall each be endorsed to include Prime Landlord, its departments, districts, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Tenant.

(6) Subrogation. The General Liability, Business Automobile Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of Prime Landlord and Landlord, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Tenant.

Primary Insurance. The Tenant's policies shall stipulate that the insurance afforded the Tenant shall be primary and that any insurance carried by Prime Landlord and Landlord, its agents, officials, or employees shall be excess and not contributory insurance.

B. All policies shall be taken out with insurance companies holding a General Policyholders Rating of "A" and a Financial Rating of "A" or better, as set forth in the most current issue of Best's Insurance Reports. As soon as practicable after the placing of the required insurance, but not later than ten (10) days prior to the date Tenant takes possession of all or part of the Premises, Tenant shall deliver to Landlord copies of policies and certificates evidencing the existence of the amounts and forms of coverage required hereunder. No such policy shall be cancelable or reducible in coverage except after thirty (30) days' prior written notice to Landlord and Prime Landlord. Tenant shall, within ten (10) days prior to the expiration of such policies, furnish Landlord with renewals or binders thereof, or if Tenant fails to do so, Landlord may order such insurance and charge the cost thereof to Tenant as Additional Rent. If Landlord obtains any insurance that is the responsibility of Tenant under this Section 21, Landlord shall deliver to Tenant a written statement setting forth the cost of any such insurance and showing in reasonable detail the manner in which it has been computed and Tenant shall promptly remit said amount to Landlord.

C. During the Term, Landlord shall insure the Building (excluding any property which Tenant is obligated to insure under Section 21.A above), in such amounts and with such deductibles as Landlord considers appropriate. Furthermore, during the Term of this Sublease,

Landlord shall insure the Building against loss of rental income in such amounts and with such deductibles as are considered commercially reasonable for comparable buildings. Landlord may, but shall not be obligated to, obtain and carry any other form or forms of insurance as it or the Prime Landlord may determine advisable. Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided herein, Tenant acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord. Further, notwithstanding anything to the contrary contained in this Sublease, Landlord may (and shall have the sole right, in its sole discretion, to), to the extent permitted under the Prime Lease, elect to satisfy any or all insurance requirements set forth in this Sublease through high deductibles, self-insured retentions, any "self-insurance" program and/or any captive insurance company (as applicable).

D. Tenant will not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any insurance policy periodically in force covering the Premises or the Project. If Tenant's occupancy or business in or upon the Premises, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance periodically carried by Landlord with respect to the Project, Tenant shall pay as Additional Rent any such increase in premiums within ten (10) days after being billed therefor by Landlord. In determining whether increased premiums are a result of Tenant's use of the Premises, a schedule issued by the organization computing the insurance rate on the Project showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate.

E. If any of Landlord's insurance policies shall be canceled or cancellation shall be threatened, or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Premises or any part thereof by Tenant or by any assignee or subtenant of Tenant, or by anyone Tenant permits on the Premises and, if Tenant fails to remedy the condition giving rise to such cancellation, threatened cancellation, reduction of coverage, threatened reduction of coverage, increase in premiums, or threatened increase in premiums, within forty-eight (48) hours after notice thereof, Landlord may, at its option, either terminate this Sublease or enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay the cost thereof to Landlord as Additional Rent. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located on the Premises resulting from such entry.

F. Landlord and Tenant release and relieve the other, and waive their entire right of recovery for loss or damage to property located within or constituting a part or all of the Premises or the Project to the extent that the loss or damage is covered by (1) the injured party's insurance, or (2) the insurance the injured party is required to carry under this Section 21, whichever is greater. This waiver applies whether or not the loss is due to the negligent acts or omissions of Landlord or Tenant, or their respective officers directors, employees, agents, contractors, or invitees. Landlord and Tenant shall have their respective property insurers endorse the applicable insurance policies to reflect the foregoing waiver of claims; provided, however, that the endorsement shall not be required if the applicable policy of insurance permits the named insured to waive rights of subrogation on a blanket basis, in which case the blanket waiver shall be acceptable.

22. DAMAGE OR DESTRUCTION

A. Subject to the Prime Lease, if the Premises, through no fault of Tenant, its agents, employees, invitees or visitors, shall be partially destroyed by fire or other casualty so as to render the Premises untenantable as reasonably determined by Landlord, Rent shall, unless Landlord has elected not to rebuild as hereinafter provided, abate proportionately to the degree to which Tenant's use of the Premises is impaired during the period of such repair or reconstruction, until such time as the Premises are made tenantable as reasonably determined by Landlord. If the Premises, through the fault of Tenant, its agents, employees, invitees or visitors, shall be partially destroyed by fire or other casualty so as to render the Premises untenantable, Rent shall abate in the proportion of the Premises made untenantable by casualty, unless Landlord has elected not to rebuild as hereinafter provided, only abate to the extent of insurance proceeds received by Landlord under rental loss insurance maintained by Landlord. Except where Landlord determines not to rebuild the Project and/or the Premises as hereinafter provided, Landlord shall use reasonable diligence to repair the same subject to delays and adjustment of insurance proceeds (except that Landlord shall have no obligation to repair or replace Alterations). In the event of the total destruction of the Premises or the Project, or in the event of the partial destruction of the Premises or the Project and Landlord determines not to rebuild, then Landlord shall have no obligation to rebuild the Premises and/or the Project, and, subject to the rent abatement provision of this Section 22.A, all Rent up to the casualty shall be paid by Tenant and thenceforth this Sublease shall terminate. The proceeds from any insurance paid by reason of damage to or destruction of the Building or any part thereof, or any other element, component or property insured by Landlord shall belong to and be paid to Landlord, subject to the rights of the Prime Landlord. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises and/or any inconvenience or annoyance by such damage, repair, reconstruction or restoration.

B. Landlord and Tenant hereby waive the provisions of any statutes or court decisions which relate to the abatement or termination of Subleases when Subleased property is damaged or destroyed and agree that such event shall be exclusively governed by the terms of this Sublease.

23. EMINENT DOMAIN

A. If the Premises or any portion of the Project shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking to such an extent as to render the Premises or all or a portion of the Project untenantable as determined by Landlord, Landlord shall have the right to terminate this Sublease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking, and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. If Landlord does not so elect to terminate, Landlord shall, to the extent of proceeds received, commence to restore the Premises to substantially their same condition prior to such partial taking, and a proportionate allowance shall be made to Tenant for the Gross Rent corresponding to the time during which, and to the part of the Premises of which, Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Section 23.A shall be deemed to give

Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant.

B. In the event of a taking of the Premises or any part thereof for temporary use, (1) this Sublease shall be and remain unaffected thereby and Rent shall not abate, and (2) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Term, provided that if such taking shall remain in force at the expiration or earlier termination of this Sublease, Tenant shall then pay to Landlord a sum equal to the reasonable cost of performing Tenant's obligations under Section 15 with respect to surrender of the Premises and upon such payment shall be excused from such obligations. For purposes of this Section 23.B, a temporary taking shall be defined as a taking for a period of two hundred seventy (270) days or less.

24. DEFAULT BY TENANT AND REMEDIES

A. The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:

(1) The failure by Tenant to make any payment of Rent, or any other amounts due pursuant to this Sublease by the tenth (10th) day after such payment is due.

(2) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Sublease to be observed or performed by Tenant, other than as specified in Sections 24.A(1), (3), (4) or (5), where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter continuously and diligently prosecute such cure to completion, which completion shall occur not later than thirty (30) days from the date of such notice from Landlord.

(3) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Sublease, where possession is not restored to Tenant within thirty (30) days; the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Sublease where such seizure is not discharged within thirty (30) days; or if this Sublease shall, by operation of law or otherwise, pass to any person or persons other than Tenant.

(4) The default by any guarantor of this Sublease under any guaranty of this Sublease with the repudiation or revocation by such guarantor of any such guaranty or any obligation under such guaranty, or the occurrence of any event described in Section 24.A(3)

respecting any guarantor of this Sublease (as if Section 24.A(3) referred to such guarantor instead of Tenant).

(5) The vacation of the Premises by Tenant for a period in excess of ten (10) business days or the abandonment, coupled with non-payment of rent, of the Premises by Tenant. Nothing herein shall prevent Tenant from suspending operations in the Premises.

B. (1) In the event of any such default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Sublease and all rights of Tenant hereunder. In the event that Landlord shall elect to so terminate this Sublease, then Landlord may recover from Tenant: (i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds Fair Market Rent; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the Fair Market Rent; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom.

(2) As used in Sections 24.B(1)(i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the lesser of (A) the Bank of America, N.A. "prime or reference rate" plus seven and one-half percent (7.50%) per annum (or a substitute prime rate of a comparable lending institution reasonably selected by Landlord if Bank of America, N.A. no longer publishes a reference rate or ceases to exist), or (B) the maximum rate permitted by applicable Laws governing interest rate restrictions (such lesser rate herein referred to as the "Interest Rate"). As used in Section 24.B(1)(iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

C. In the event of any such default by Tenant, Landlord shall also have the right, with or without terminating this Sublease, to reenter, pursuant to legal process, the Premises and remove all persons and property from the Premises. Any such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant or disposed of in a reasonable manner by Landlord. No reentry or taking possession of the Premises by Landlord pursuant to this Section 24.C shall be construed as an election to terminate this Sublease unless a written notice of such intention is given to Tenant, or unless the termination of this Sublease is decreed by a court of competent jurisdiction.

D. If Landlord does not elect to terminate this Sublease as provided above, Landlord may either recover all Rent as it becomes due or relet the Premises or any part thereof for the Term of this Sublease on terms and conditions as Landlord in its sole discretion may deem advisable with the right to reenter the Premises to make alterations and repairs to the Premises, and to enable Landlord to take whatever other actions may be necessary to relet, protect or preserve the Premises. However, making reasonable efforts to relet the Subleased Premises on commercially reasonable terms and by taking all other available and reasonable steps to mitigate its damages. In the event that Landlord shall elect to so relet, then Rent received by Landlord from such reletting shall be

applied: first, to the payment of any indebtedness other than Annual Basic Rent due hereunder from Tenant to Landlord; second, to the payment of any cost of any reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of Additional Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied to payment of future Rent as the same may become due and payable hereunder. Should that portion of such Rent received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefore by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting, including, but not limited to, brokerage commissions, or in making such alterations and repairs not covered by the Rent received from such reletting.

E. All rights, options and remedies of Landlord contained in this Sublease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Sublease.

25. DEFAULT BY LANDLORD

Landlord shall not be in default hereunder unless Landlord has received written notice from Tenant specifying the obligation(s) that Landlord has failed to perform, and Landlord fails to perform such obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Sublease or withhold Rent as a result of Landlord's default, and Tenant's remedies shall be limited to an action for damages, injunction or specific performance of this Sublease.

26. ASSIGNMENT AND SUBLETTING

A. Tenant shall not voluntarily assign or encumber its interest in this Sublease or in the Premises or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Landlord's and Prime Landlord's prior written consent. Any assignment, encumbrance or sublease without Landlord's prior written consent shall be voidable at Landlord's election and shall constitute a default hereunder. No consent to an assignment, encumbrance or sublease shall constitute the consent to any future assignment, encumbrance or sublease, or a further waiver of the provisions of this Section 26. Tenant shall notify Landlord and Prime Landlord in writing of Tenant's intent to assign, encumber or sublease this Sublease or the Premises, the name of the proposed assignee or sublessee, information concerning the financial responsibility of the proposed assignee or sublessee and the terms of the proposed assignment or subletting, and Landlord shall, within thirty (30) days of receipt of such written notice, the financial responsibility information and such other information as may be requested by Landlord concerning the proposed assignee or sublessee, elect

one of the following: (1) consent to such proposed assignment, encumbrance or sublease; (2) refuse such consent, which refusal shall be on reasonable grounds.

B. If Tenant requests Landlord's consent to an assignment of this Sublease, or a sublease of all or a portion of the Premises, Landlord and Tenant agree, by way of example and not in limitation as to other reasonable grounds for withholding consent and without in any manner limiting Landlord's rights in the event of a proposed assignment or sublease, that it shall be reasonable under this Sublease and under any applicable Laws for Landlord to withhold its consent should Landlord determine that any of the following apply: (1) the proposed transferee's use of the Premises is inconsistent with the Permitted Use set forth in Section 1.N of this Sublease; (2) the proposed transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or would be a less prestigious occupant of the Building than Tenant; (3) the proposed transferee is not creditworthy, does not have unencumbered assets having a value at least equal to twice the amount of monetary obligations to be assumed in connection with the proposed assignment or sublease, or the present tangible net worth (*i.e.*, exclusive of any value for goodwill, trademarks, patents and other similar intangible items) of the proposed transferee is less than the greater of Tenant's tangible net worth as of the date of this Sublease or Tenant's tangible net worth on the date of Tenant's request for consent; (4) the space to be subleased is not regular in shape with appropriate means of ingress and egress suitable for normal leasing purposes; (5) the proposed transferee is a governmental agency or instrumentality thereof; (6) Tenant is in default under this Sublease at the time Tenant requests consent to the proposed assignment or sublease; (7) the proposed assignment or sublease would cause Landlord to be in violation of another Sublease or other agreement to which Landlord is a party or would give an occupant of the Building a right to cancel its Sublease; (8) the proposed assignee or sublessee or any person or entity that directly or indirectly controls, is controlled by, or is under common control with the proposed assignee or sublessee is an existing tenant in the Building; (9) the proposed assignment or sublease will result in more than a reasonable and safe number of occupants per floor within the space proposed to be assigned or sublet or will result in insufficient parking for the Building; or (10) the Prime Landlord will not agree to the assignment or sublease.

C. As a condition for granting its consent to any assignment, encumbrance or sublease, Landlord may require that the Rent payable by such assignee or sublessee be at the then current published rental rates for the Premises or comparable premises in the Building, but in no event less than the then current Rent under this Sublease, and may require that the assignee or sublessee remit directly to Landlord on a monthly basis all monies due to Tenant by said assignee or sublessee. In addition, a condition to Landlord's consent to any assignment, transfer or hypothecation of this Sublease shall be the delivery to Landlord of a true copy of the fully executed instrument of assignment, transfer or hypothecation, and the delivery to Landlord of an agreement executed by the assignee in form and substance satisfactory to Landlord and expressly enforceable by Landlord, whereby the assignee assumes and agrees to be bound by all of the terms and provisions of this Sublease and to perform all of the obligations of Tenant hereunder. As a condition to Landlord's consent to any sublease, Landlord may require that such sublease include among other items, provisions stating (1) that it is subject and subordinate to this Sublease and the Prime Lease; and (2) that in the event of a termination of this Sublease for any reason, including, without limitation, a voluntary surrender by Tenant or mutual cancellation by Landlord and Tenant, or in the event of

any reentry or repossession of the Premises by Landlord, Landlord may, at its option, terminate the sublease.

27. SUBORDINATION

A. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Sublease shall be subject and subordinate at all times to the Prime Lease and any and all amendments, renewals, modifications, supplements and extensions thereof.

B. In the event that the Prime Lease terminates for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the tenant of the Prime Landlord, at the option of the Prime Landlord.

28. ESTOPPEL CERTIFICATE

A. Within fifteen (15) days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord a statement, in a form satisfactory to Landlord, certifying: (1) the date of commencement of this Sublease; (2) the fact that this Sublease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Sublease is in full force and effect, as modified, and stating the date and nature of such modifications); (3) the date to which the Gross Rent and all other sums payable under this Sublease have been paid; (4) that there are no current defaults under this Sublease by either Landlord or Tenant except as specified in Tenant's statement; and (5) such other matters requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Section 28 may be relied upon by the Prime Landlord and any purchaser or prospective purchaser of Landlord's interest in the Site under the Prime Lease.

B. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant: (1) that this Sublease is in full force and effect, without modification except as may be represented by Landlord; (2) that there are no uncured defaults in Landlord's performance; and (3) that not more than one (1) monthly installment of Gross Rent has been paid in advance. Tenant's failure to deliver said statement to Landlord within ten (10) days of receipt shall constitute a default under this Sublease.

29. RELOCATION

Intentionally Omitted.

30. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the "Rules and Regulations", a copy of which is attached hereto and marked Exhibit C, and all modifications thereof and additions thereto from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the violation or non-performance of the Rules and Regulations by any other tenant or occupant of the Building or Project.

31. INTERPRETATION, AND CONFLICT OF LAWS

A. Each of the persons and entities comprising Tenant and Landlord has fully participated in and has been represented by independent qualified legal counsel licensed in the State of Arizona in connection with, the negotiation, preparation, execution and delivery of this Sublease and in undertaking its obligations set forth herein. Any generally applicable rule of construction to the effect that ambiguities in a document are to be interpreted in the manner less favorable to the drafting party shall not apply to this Sublease.

B. This Sublease shall be governed by and construed and enforced in accordance with the laws of the state where the Premises are located, without any regard to the principles of the conflict of laws. Venue for any action brought under this Sublease will be in Superior Court for the County of Pima, State of Arizona.

32. SUCCESSORS AND ASSIGNS

Except as otherwise provided in this Sublease, all of the covenants, conditions and provisions of this Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, administrators, successors, and assigns.

33. SURRENDER OF PREMISES

The voluntary or other surrender of this Sublease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or sooner termination of this Sublease, Tenant shall peaceably surrender the Premises and all alterations and additions thereto, in the same condition as and when received, reasonable wear and tear excepted, subject to compliance with the provisions of Section 14 and any other applicable provisions of this Sublease.

34. PROFESSIONAL FEES

If Landlord should bring suit for possession of the Premises, for the recovery of any sum due under this Sublease, or because of the breach of any provisions of this Sublease, or for any other relief against Tenant hereunder, or in the event of any other litigation between the parties with respect to this Sublease, then all costs and expenses, including, without limitation, actual professional fees and costs, such as appraisers', accountants', and attorneys' fees and costs, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

35. PERFORMANCE BY TENANT

A. All covenants and agreements to be performed by Tenant under any of the terms of this Sublease shall be performed by Tenant at Tenant's sole cost and expense without any abatement of Rent. If Tenant shall fail to pay any sum of money, other than Annual Basic Rent,

required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for ten (10) days after notice thereof by Landlord (or such other period as specifically provided herein), Landlord may, but shall not be obligated to, make any such payment or perform any such other act on behalf of Tenant to be made or performed under this Sublease, without waiving or releasing Tenant from any of its obligations hereunder. In such event, all sums so paid by Landlord and all necessary incidental costs together with interest thereon at the Interest Rate, from the date of such payment by Landlord until repayment, shall be payable by Tenant to Landlord on demand. Tenant covenants to pay any such sums, and Landlord shall have, in addition to all other rights or remedies of Landlord, the same rights and remedies in the event of the non-payment thereof by Tenant as in the case of default by Tenant in the payment of the Rent.

B. Tenant acknowledges that the late payment by Tenant to Landlord of any sums due under this Sublease will cause Landlord to incur costs not contemplated by this Sublease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by all or any portion of the Project. Therefore, if Tenant fails to pay any Rent within five (5) days of the due date under this Sublease for any reason, Tenant shall pay to Landlord, as Additional Rent, the sum of ten percent (10%) of the overdue amount as a late charge and Landlord shall be entitled to obtain such sum out of the Security Deposit. All past-due installments of Rent shall also bear interest, as Additional Rent, at the rate of ten percent (10%) per month, or the maximum legal rate, whichever is less, from the date due until paid.

C. Landlord's acceptance of any late charge or interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Sublease or any Laws now or hereafter in effect.

36. MORTGAGEE PROTECTION

Intentionally Omitted.

37. DEFINITION OF LANDLORD

The term "Landlord" as used in this Sublease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include the rights and obligations of Landlord as the tenant under the Prime Lease. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Sublease.

38. WAIVER

The waiver by either party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any term, covenant or condition herein contained, nor shall any custom or practice which may become established

between the parties in the administration of the terms hereof be deemed a waiver of or in any way affect the right of either party to insist upon the performance by the other in strict accordance with the terms of this Sublease. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Sublease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance by Landlord of a lesser sum than that owed and due pursuant to this Sublease shall be deemed to be other than on account of the earliest installment of such Rent or other amount due, nor shall any endorsement or statement on any check or any letter accompanying any check be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or other amount or pursue any other remedy provided in this Sublease.

39. IDENTIFICATION OF TENANT

If more than one person executes this Sublease as Tenant: (A) each of them shall be jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Sublease to be kept, observed and performed by Tenant; and (B) the term "Tenant" as used in this Sublease shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of any or all of them, with respect to the tenancy of this Sublease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Sublease, shall be binding upon each and all of the persons executing this Sublease on behalf of Tenant, and shall be deemed to have the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

40. PARKING

A. Provided Tenant is not in default of its obligations under this Sublease, Tenant shall be entitled to the number of parking spaces indicated in Section 1.O and shown on Exhibit D without charge, for the non-exclusive use of those portions of the parking facilities as may be provided by Landlord from time to time for the purpose of parking motor vehicles. To the extent parking passes are available and provided by Landlord, Tenant acknowledges that the cost for additional or replacement passes is Twenty Dollars (\$20.00), or the then current cost for a replacement parking pass as charged by Landlord, whichever is greater. To the extent parking passes are available and provided by Landlord, Tenant acknowledges that a deposit for the number of parking passes distributed to Tenant may be required. Tenant may use such pedestrian walkways and accessways in the parking facilities in accordance with the terms and conditions of any recorded easements or restrictive covenants, as such relate to Landlord's tenants. In the event Tenant desires additional parking in excess of those indicated in Section 1.O, Tenant shall notify Landlord of its request and, without being obligated to so do, and subject to availability, Landlord shall endeavor to provide additional Tenant parking [at the monthly parking fees established by Landlord from time to time. Monthly parking fees shall be payable one month in advance prior to the first day of each calendar month]. Landlord may assign any unreserved and unassigned parking spaces and/or make all or a portion of such spaces preferred and/or reserved, if it determines in its sole discretion that it is necessary for orderly and efficient parking. Tenant shall not use any spaces

which have been specifically assigned by Landlord, including, without limitation, spaces assigned for uses such as visitor parking or which have been designated as being restricted to certain uses. Tenant hereby agrees to comply with all Laws and the Rules and Regulations relating to parking, including, without limitation, the payment of all parking charges and costs for all of its employees, visitors and invitees, whether by validation or otherwise.

B. It is understood that a system of charges for parking (excluding the parking spaces to which Tenant is entitled pursuant to Section 1.O) and the Rules and Regulations with respect to parking, including employee parking and the location thereof, may be established and amended by Landlord, at Landlord's reasonable discretion, from time to time. The use by Tenant and its employees, visitors and invitees of the parking facilities on the Project shall be on the terms and conditions set forth herein, as well as in the Rules and Regulations so long as Tenant maintains parking as required by applicable zoning or other regulations. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or occupant of the Project of any of the Rules and Regulations. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein or in the Rules and Regulations, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable upon demand by Landlord.

C. Substitution of areas for parking use hereunder may be made of present and future areas as a whole or in part and upon the substitution of any area for parking use for any existing parking areas, all rights hereunder to the use of any such existing parking area for which another parking area has been substituted shall terminate. Parking areas may be Subleased by, added to, enlarged or established by Landlord for parking and any such addition to a then parking area or any new parking area so established by Landlord for the purpose of use under this Section 40 shall during the time of their respective use be considered as part of the parking area and shall be subject to all of the provisions of this Section 40.

41. EARLY TERMINATION

A. Landlord reserves the right to terminate this Sublease upon one hundred eighty (180) days' written notice to Tenant if: (1) Landlord proposes or is required to demolish the Building or any substantial portion of the Building which includes the Premises; or (2) Landlord closes or abandons the Project, or determines to use a substantial portion of the Project for uses other than office building purposes. Notwithstanding the above, the Parties agree that this Subleases will terminate commensurate with the termination of the Prime Lease.

B. If Landlord elects to terminate this Sublease, Landlord shall pay a termination fee (the "Termination Fee") to Tenant. The Termination Fee shall be an amount equal to (1) a sum equal to Tenant's actual cost of tenant improvements placed on the Premises by Tenant during the Term with Landlord's express written consent (except for those which Tenant has the right to remove upon Sublease termination or those for which no express consent is required), less depreciation based on straight-line depreciation with interest from the date of installation of such

tenant's improvements to the date of Sublease termination, plus (2) three (3) months of the monthly Gross Rent in effect at the time the notice to terminate is effected, which portion of the Termination Fee shall be in the form of an abatement of rent. Landlord shall pay the Termination Fee, except that portion which shall be in the form of an abatement of rent, within thirty (30) days after Tenant returns the Premises to Landlord.

42. FORCE MAJEURE

Landlord shall have no liability whatsoever to Tenant on account of: (A) the inability or delay of Landlord to fulfill any of Landlord's obligations under this Sublease by reason of fire, earthquake, explosion, flood, the elements, natural disasters or the public enemy, war, terrorist act or acts, strike, other labor trouble, interference of governmental authorities or agents, or shortages of fuel, supplies or labor resulting therefrom or any other cause, whether similar or dissimilar to the above, beyond Landlord's reasonable control; or (B) any failure or defect in the supply, quantity or character of electricity or water furnished to the Premises or the Project, by reason of any requirement, act or omission of the public utility or others furnishing the Project with electricity or water, or for any other reason, whether similar or dissimilar to the above, beyond Landlord's reasonable control. If this Sublease specifies a time period for performance of an obligation of Landlord, that time period shall be extended by the period of any delay in Landlord's performance caused by any of the events described above.

43. TERMS AND HEADINGS

The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The headings and titles to the sections of this Sublease are for convenience of reference only, do not limit in any way the terms, conditions and provisions of this Sublease, and shall have no effect upon the construction or interpretation of any part hereof. Whenever required by the context of this Sublease, the singular shall include the plural and the masculine shall include the feminine, and vice versa.

44. EXAMINATION OF SUBLEASE

Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for Sublease, and it is not effective as a Sublease or otherwise until execution by and delivery to Landlord, Prime Landlord and Tenant.

45. TIME

Time is of the essence with respect to the performance of every provision of this Sublease in which time of performance is a factor.

46. PRIOR AGREEMENT, INCORPORATION, AMENDMENTS

All negotiations, considerations, arrangements, representations, warranties and understandings between Landlord and Tenant with respect to any matter covered or mentioned in this Sublease are fully and completely incorporated in this Sublease, and this Sublease represents the entire

agreement of the parties with respect to all aspects of Tenant's leasehold interest and estate in the Premises and the terms and conditions thereof. No prior arrangements, agreements, representations, warranties or understandings, if any, pertaining to any such matters and not expressly incorporated in this Sublease shall be effective against Landlord or Tenant for any purpose. The submission of this document for examination and negotiation does not constitute an offer to Sublease, or a reservation of, or option for, the Premises, and this Sublease shall become and be effective and binding upon Landlord and Tenant only upon the execution and delivery hereof by Landlord, Prime Landlord and Tenant. All riders, exhibits and addenda, if any, affixed to this Sublease are hereby incorporated into and are an integral part of this Sublease, as if fully set forth herein. This Sublease may be modified or altered only by agreement in writing between Landlord or Landlord's agent, or their successors, Prime Landlord and Tenant, and no act or omission of any employee or other agent of Landlord or of Landlord's broker not specifically authorized by Landlord shall alter, change or modify any of the provisions hereof. No provision of this Sublease may be modified, amended or waived except by an agreement in writing signed by the parties hereto or their respective successors in interest.

47. SEVERABILITY

If any term or provision of this Sublease, or the application thereof to any persons or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Sublease, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Sublease shall be valid and shall be enforceable to the extent permitted by law.

48. RECORDING

Tenant shall not record this Sublease nor a short form memorandum thereof without the prior written consent of Landlord.

49. Intentionally Omitted.

50. QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that upon Tenant paying the Rent required under this Sublease and paying all other charges and performing all of the covenants and provisions on Tenant's part to be observed and performed under this Sublease, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises in accordance with and subject to the terms of this Sublease.

51. TENANT AS CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

If Tenant executes this Sublease as a corporation, limited liability company or partnership, then Tenant and the persons executing this Sublease on behalf of Tenant represent and warrant that such entity is duly qualified to do business in Arizona and that the individuals executing this Sublease on Tenant's behalf are duly authorized to execute and deliver this Sublease on its behalf.

52. SIGNAGE

Tenant shall not inscribe any inscription, or post, place, or in any manner display any sign, awning, canopy, marquee, decoration, graphics, notice, picture, placard or poster or any advertising matter whatsoever, anywhere in or about the Premises or the Project at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto, such consent to be at Landlord's sole discretion. Any such consent by Landlord shall be upon the understanding and condition that Tenant shall remove the same at the expiration or sooner termination of this Sublease, and Tenant shall repair any damage to the Premises or the Project caused thereby. All such signs and advertising matter shall comply with all applicable Laws and any agreements related to the Project to which Landlord is a party, and such signage shall be comparable to that used by Landlord for other similar office floors in the Building and shall comply with Landlord's Building standard signage program. All signage in or about the Premises is further subject to Rules and Regulations, which Landlord may from time to time promulgate and/or modify regarding use and operation of the Premises.

53. FINANCIAL STATEMENTS

Intentionally Omitted

54. SPECIFIC PERFORMANCE

With respect to any provision of this Sublease which provides, in effect, that Landlord shall not unreasonably withhold or unreasonably delay any consent or any approval, Tenant, in no event, shall be entitled to make, nor shall Tenant make, any claim for, and Tenant hereby waives any claim for, money damages; nor shall Tenant claim any money damages by way of setoff, rent abatement, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval; but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

55. LIMITATION ON LIABILITY

In consideration of the benefits accruing hereunder, and notwithstanding anything contained in this Sublease to the contrary, Tenant, on behalf of itself and any and all successors and assigns, covenants and agrees that, in the event of any actual or alleged failure, breach or default hereunder by Landlord, their sole and exclusive remedy shall be against Landlord's interest in the Project. Tenant, on behalf of itself and any and all such successors and assigns, agrees that the obligations of Landlord under this Sublease do not constitute personal obligations of the individual directors, officers, members, managers or shareholders of Landlord, and Tenant shall not seek recourse against such individual directors, officers, members, managers or shareholders of Landlord or any of their personal assets for satisfaction of any liability with respect to this Sublease. Any lien obtained to enforce any such judgment and any levy of execution thereon shall be subject and subordinate to any lien of the Prime Landlord.

56. COUNTERCLAIM AND WAIVER OF JURY TRIAL.

If Landlord commences any summary proceedings or action for non-payment of Rent or other charges provided in this Sublease, Tenant shall interpose any counterclaim of any nature or description in any such proceeding or action. Tenant and Landlord both waive a trial by jury of any and all issues arising in any action or proceeding between the parties hereto or their affiliates, under or connected with this Sublease, any of its provisions, or any transactions or agreements set forth herein or contemplated hereby.

57. HEALTHCARE REGULATORY MATTERS.

A. Landlord and Tenant are entering into this Sublease with the intent of conducting their relationship and performing their respective obligations under this Sublease in full compliance with applicable federal, State and local law, including, without limitation and as applicable, 42 U.S.C. section 1320a-7b(b), commonly known as the federal "Anti-Kickback Statute" and 42 U.S.C. section 1395nn, commonly known as the "Stark Law", and implementing regulations promulgated under such laws. No term or provision of this Sublease is intended or shall be construed to require either Landlord or Tenant, or any of their respective directors, officers, employees, agents, parents, subsidiaries, successors and assigns (collectively, "Affiliates"), to refer patients for items or services provided by the other party, or its Affiliates.

B. If any law, regulation or government agency decision is passed or adopted or made, the effect of which would cause either Landlord or Tenant, to be in violation of applicable Laws due to any provision of this Sublease, or if a court or administrative agency of competent jurisdiction determines that the Sublease violates applicable Laws, or that the Rent or other compensation payable pursuant to this Sublease is not fair market, commercially reasonable compensation for purposes of the Laws, including limitations applicable to either party as a tax-exempt entity, then Landlord and Tenant will negotiate in good faith for a period of ninety (90) days to modify the terms of this Sublease to comply with applicable Laws. Should the parties hereto fail to agree upon modified terms to this Sublease within such period, either Landlord or Tenant may terminate this Sublease effective upon providing written notice to the other party.

C. No charge or payment owed by either Landlord or Tenant to the other party under this Sublease has been determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties. Landlord and Tenant enter into this Sublease with the understanding that the Rent and any compensation provided under this Sublease represents the current fair market value for the Sublease of the Premises. In the event of any holdover tenancy following termination of the Term, the applicable rental and terms will be the same as immediately preceding termination.

[Signature Pages to Follow.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Sublease as of the date(s) set forth below.

LANDLORD:

**BANNER--UNIVERSITY MEDICAL CENTER
SOUTH CAMPUS, LLC,**
an Arizona limited liability company

Date: December 5, 2019 | 5:38 PM MST

By: David Kaubisch
David Kaubisch
Vice President of Finance

TENANT:

**SOUTHWEST AMBULANCE OF TUCSON,
INC., an Arizona Corporation**

Date: _____

By: J. Blake Polk
J. Blake Polk
Corporate Director -- Real Estate

LANDLORD'S CONSENT

The undersigned Prime Landlord hereby executes this instrument solely for the purpose of consenting to the Sublease, which consent is required under Section 19.1 of the Prime Lease. By giving this Consent, Prime Landlord is in no way approving any term or condition in this Sublease that may be inconsistent with the Prime Lease. Both the Landlord and Tenant under the Sublease are subject to all terms and conditions of the Prime Lease, which controls over the Sublease, and the Sublease Landlord is liable to the Prime Landlord for its and its subtenant's compliance with the Prime Lease:

Prime Landlord:

PIMA COUNTY, a political subdivision of the State of Arizona

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM

By: 

Name: Regina Nassen

Title: Deputy County Attorney

Date: 12-13-2019

APPROVED AS TO CONTENT:

By: 

Name: Lisa Josker

Title: Director, Facilities Management

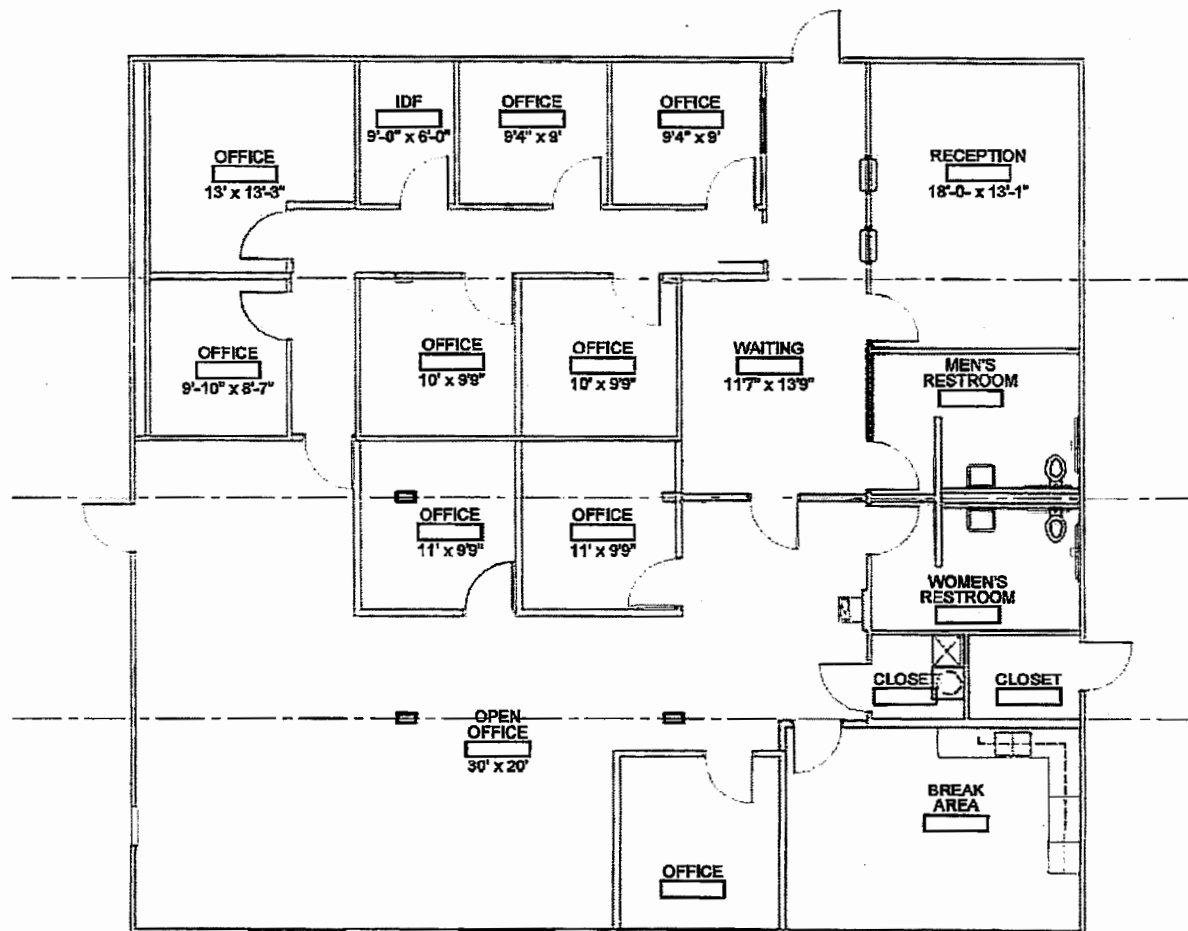
Date: 12/17/19

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

See Attached Floor Plan for 2800 E. Ajo Way Tucson, Suite 300, Arizona 85713



1 floor plan
a1.0 1/8" = 1'-0"





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 \$249,048.40 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 UPH campus, including a new helipad for medical transports to and from the Hospital (the "Helipad"); 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 shared 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 RBA 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 heathcare 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 UPH, 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 ICA dated June 15, 2010 (the "ICA"), 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 ICA, 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 ICA 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 I Assessment that shows the condition of the Helipad Parcel prior to construction. Tenant or Subtenant will conduct another such Phase I 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 "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims result in vicarious/derivative liability to the Indemnitee 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

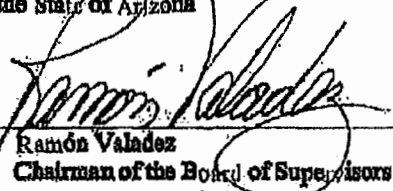
does not have authority to enter into this Lease, Landlord shall not be liable to Tenant or any third party by reason of such determination or by reason of this Lease.

- 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 matter 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.

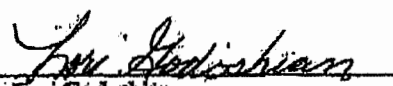
IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first written above.

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 Lesh
Interim Deputy County Administrator for
Medical and Health Services

APPROVED AS TO FORM:


By: Régine L. Nassan
Deputy County Attorney

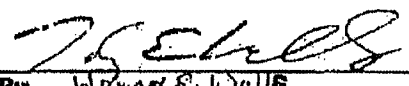
TENANT:

**UNIVERSITY PHYSICIANS
HEALTHCARE, an Arizona
nonprofit corporation**


By: Diane Raftery, CEO

CONSENT TO AMENDMENT OF LEASE:

**UA HEALTHCARE, INC. an Arizona
nonprofit corporation**


By: Wayne 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	
NOCT-FM-12 0000 0000 0000 21-2	
AMENDMENT NO.	01
To's 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 Helipad. 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.

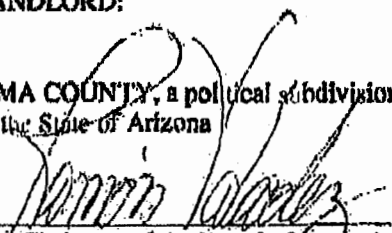
2. The provisions of Section 18.2 of the Restated Lease will apply to the GI Lab improvements. In particular, Tenant acknowledges that for some period of time warranties will be in effect with respect to the new GI Lab, and before undertaking any repairs in the GI Lab, Tenant will coordinate with Landlord 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.

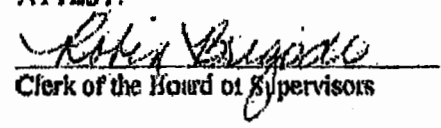
LANDLORD:

PIMA COUNTY, a political subdivision
of the State of Arizona


By: Chairman of the Board of Supervisors

AUG 20 2012

ATTEST:


Clerk of the Board of Supervisors

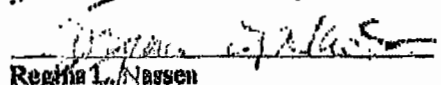
APPROVED AS TO CONTENT:


Director, Facilities Management Department

APPROVED AS TO CONTENT:

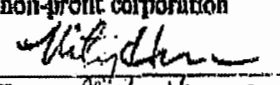

Jan Leshner
Deputy County Administrator for Medical and Health

APPROVED AS TO FORM:


Regina L. Nassen
Deputy County Attorney

TENANT:

UNIVERSITY PHYSICIANS
HEALTHCARE, an Arizona
non-profit corporation


By: Mistry Hansen
Its: CEO

CONSENT TO AMENDMENT:

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

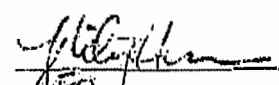
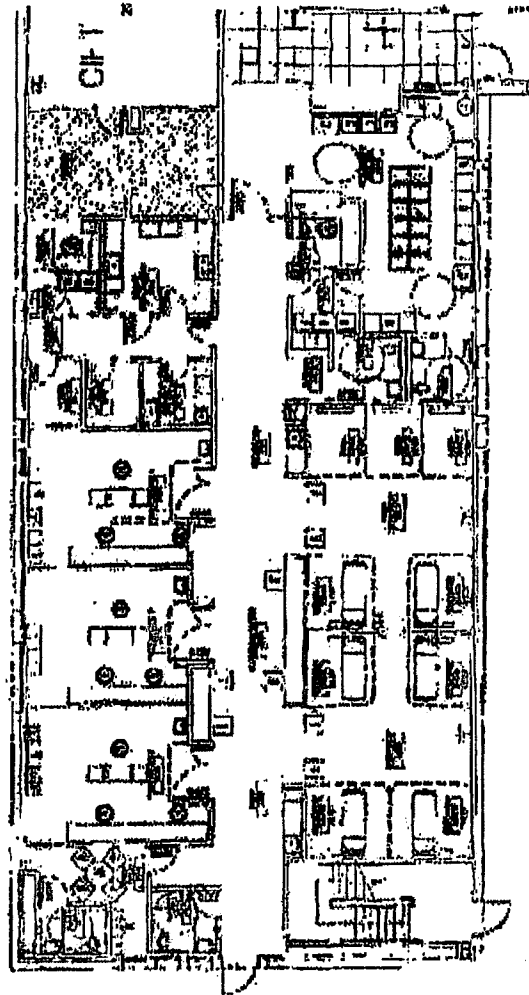
By: 
Its: CEO
Date: 7/5/12

EXHIBIT A
COUNTY PROPERTY-FLOOR PLAN



**EXHIBIT B-1
COUNTY PROPERTY-LOOSE FURNITURE**

Manufacturer	Vendor	Description	Quantity	Value (with Freight)	Tag #
Nemschoff Chairs LLC	Goodmans	Two seat w/full intervening arm- 2600X-22 S	9	\$13,218.93	M
Nemschoff Chairs LLC	Goodmans	Three seat w/full intervening arm- 2600X-33 S	2	\$4,295.38	N
Nemschoff Chairs LLC	Goodmans	Easy Access 2750H	3	\$2,809.08	D
Nemschoff Chairs LLC	Goodmans	Bariatric Chair 2700S- OB30		\$3,061.38	C
Herman Miller	Goodmans	Work Chair Angled Adjust Arms/Seat TriFlex Back MR123AAM-AJ-G1- C7-G1-BK-3Q-11 Airweave	2	\$1,176.00	G
Herman Miller	Goodmans	36" Round Table Laminate DT1C.36LP-LM-MT- 57	1	\$277.53	J
Herman Miller	Goodmans	Stacking Molded Seat Chair w/Fixed Arms WC410P-BK-G1-YX- BK	4	\$592.30	F
Herman Miller	Goodmans	Flip Door Unit w/Lock 13D 48W 15.5H A3353.1348-KA-MT- MT	1	\$150.75	Office
Herman Miller	Goodmans	Shelf B Style 7.5H 13D 48W A3221.1348-MT	1	\$42.76	Office
Herman Miller	Goodmans	Tackboard B Style 12H 48W A3410.1248-1V-02	1	\$62.54	Office
Herman Miller	Goodmans	Twist LED Task Light G6160.AM	1	\$112.69	Office
Herman Miller	Goodmans	Freestanding Pedestal Standard Pull F18- 1522-BBF-TS-MT-T1- KA-B2-NO-C	1	\$306.38	Office
Herman Miller	Goodmans	Pencil Tray for 15W Box Drawer 73-1516- PT	1	\$9.20	Office
Herman Miller	Goodmans	Keyboard/Mouse Fully Adjustable	1	\$193.60	Office

		Aluminum Tray w/Adjustable Mouse Tray 21.75" long track SA412723			
Herman Miller	Goodmans	Corner Wedge Square Edge Laminate Y2091 L-LM	1	\$41.80	Office
Herman Miller	Goodmans	Wall Strip 84H AO213.84-MT	3	\$56.64	Office
Herman Miller	Goodmans	Wall Fasteners	33	\$43.89	Office
Herman Miller	Goodmans	Lock Cylinder Key #320 232092-820	3	\$0.00	Office
La Z Boy Healthcare Division	Goodmans	Medical Stool HMSF1M	9	\$2,801.25	Procedure
Herman Miller	Goodmans	Multipurpose Molded Seat Chair w/Fixed Arms WC111P-BK-G1-07- BK	6	\$2,632.00	Corridor
Exemplis Corp. DBA Sit on It	Goodmans	Freelance Sled Chair w/Arms 6234-FABRIC-25- GRD7 G3	1	\$391.98	A
Exemplis Corp. DBA Sit on It	Goodmans	Freelance Sled Chair Armless 6233-FABRIC-26- GRD7 G3	4	\$1,447.60	Office-2 & Consult-2
Spec Furniture	Goodmans	Durm Drum Table 24" Diameter 18" High	1	\$398.61	I
Herman Miller	Goodmans	Shelf B-Style 7.5H 13D 24W A3221.1324-MT	1	\$34.81	Office
Herman Miller	Goodmans	Taskboard B Style 12H 24W A3410.1224-1V-02	1	\$53.69	Office
Herman Miller	Goodmans	Square Edge Vinyl Round End Peninsula Laminate Top 24"D 60"L Column Base Z2BLA-24-60-D-C- S7-LM-LM-MT	1	\$211.22	Office
Herman Miller	Goodmans	Work Surface Square Edge Rectangular Laminate 24D 48W. A2910.2448L-LM-MT	1	\$98.83	Office
Herman Miller	Goodmans	Flip Door Unit B-Style Paint w/lock 13D 24W 16.6H A3353.1324-KA-MT- MT	1	\$115.94	Office

EXHIBIT B-2
COUNTY PROPERTY-FIXED FURNITURE

Manufacturer	Vendor	Description	Quantity	Value (with Freight)	Tag #
Stanley Healthcare Solutions	Innerspace	Cabinet, Scope 16 capacity w/vent fan unit	1	\$3,917.12	119267
Stanley Healthcare Solutions	Innerspace	Cabinet, Scope 16 capacity w/vent fan unit	1	\$3,917.12	119268
Stanley Healthcare Solutions	Innerspace	Cabinet, Scope 16 capacity w/vent fan unit	1	\$3,917.12	119269
Stanley Healthcare Solutions	Innerspace	Cabinet, Scope 16 capacity w/vent fan unit	1	\$3,917.12	119270
Stanley Healthcare Solutions	Innerspace	Cabinet, Scope 16 capacity w/vent fan unit	1	\$3,917.12	119271
Penco - Vanguard	Arizona Furnishings	2-Tier Gray Ash Lockers 12"Wx16"Dx72"H with recessed handle	6	\$1,111.93	NA
Penco - Vanguard	Arizona Furnishings	Slope Top Kits	2	\$108.74	NA

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

This Second Amendment to Amended and Restated Lease Agreement, dated January __, 2014 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, an Arizona nonprofit corporation ("UPH" or "Tenant").

RECITALS

- A. County and University Physicians, Inc. (now University Physicians Healthcare) ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 (as subsequently amended, the "Lease"), pursuant to which County leased to UPH a hospital facility and some associated real property formerly operated by the County as Kino Community Hospital (the "Hospital").
- B. The Lease was subsequently amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease dated June 21, 2011 for reference purposes. The Lease was further amended by the First Amendment to Amended and Restated Lease executed by the County on August 20, 2012.
- C. UA Healthcare, the sole member of UPH referenced in the Lease, has changed its name and is now The University of Arizona Health Network, Inc. ("UAHN").
- D. The County, UAHN, and the Arizona Board of Regents ("ABOR") entered into an intergovernmental agreement dated June 15, 2010 (the "IGA"), pursuant to which the County agreed to contribute funding to further the public health and education mission of the University of Arizona College of Medicine at the Hospital.
- E. In the IGA, the County agreed that it would consent to an assignment of the Lease to UAHN if requested by UAHN, that County would not agree to a modification or termination of the Lease without UAHN's written consent, and that any early termination of the IGA would result in termination of the Lease.
- F. The parties amended the IGA by agreement dated July 2, 2012, to extend the County's funding through July 31, 2014.
- G. ABOR, UAHN, and the County are now entering into an agreement (the "Second IGA Amendment") further amending the IGA to extend County funding for two additional years. The County is also agreeing, in the Second IGA Amendment, to provide up to Eight Hundred Thousand Dollars (\$800,000) to fund capital improvements to the geriatric psychiatric section of the Hospital. UPH, UAHN, and the County have agreed to contemporaneously amend the Lease.

AGREEMENT

IN WITNESS WHEREOF, County and UPH have executed this Amendment as of the date and year indicated below.

1. Reimbursement for Capital Improvements.

1.1. Except as provided in Section 2 below, in the event the Lease is terminated pursuant to Section 3.5 of the Lease, County will reimburse UPH up to but not in excess of \$2 million for the actual cost of capital improvements made by UPH to the Premises between August 1, 2014, and June 30, 2016. The reimbursement amount will be reduced at a depreciation rate of 20-percent per year from the date the improvement is substantially complete. The reimbursement shall be made within thirty (30) days of UPH's written request for payment.

1.2. In order for an improvement to be eligible for reimbursement, UPH must obtain the County's prior written approval of the improvement even if not otherwise required pursuant to Section 17.1 of the Lease. UPH must also provide the County with documentation substantiating the actual cost of the improvements at the same time UPH provides the County with as-built drawings pursuant to Section 17.2 of the Lease. All other provisions of Section 17 regarding improvements apply as written to such improvements.

2. Geriatric Psych Improvements. No reimbursement will be made pursuant to Section 1 above for improvements to the geriatric psychiatric section of the Hospital for which the County provides funding pursuant to the IGA. All provisions of the Lease will apply fully to any such improvements, and UPH will be responsible for those improvements, regardless of whether the funding is provided to ABOR or UAHN, or directly to UPH at the direction of ABOR or UAHN.

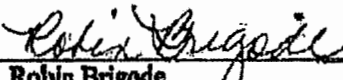
3. Lease. The Lease remains in full force and effect as modified by this Amendment.

PIMA COUNTY, a political subdivision
of the State of Arizona


By: Sharon Bronson
Chair of the Board of Supervisors

Date: MAY 18 2014

ATTEST:


By: Robin Brigode
Clerk of the Board of Supervisors
MAY 13 2014

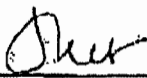
Date: _____

APPROVED AS TO CONTENT:


By: Michael Kirk
Director, Facilities Management Department

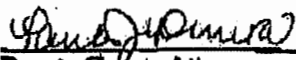
Date: _____

APPROVED AS TO CONTENT:


By: Jan Leshner
Deputy County Administrator for
Medical and Health Services

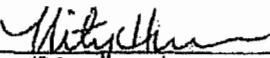
Date: 5-1-2014

APPROVED AS TO FORM:


Deputy County Attorney


Date: 5-1-14

**UNIVERSITY PHYSICIANS
HEALTHCARE**, an Arizona
nonprofit corporation


By: Misty Hansen
Its: CEO

CONSENT TO AMENDMENT OF LEASE:

THE UNIVERSITY OF ARIZONA HEALTH NETWORK, INC. an Arizona
nonprofit corporation


By: ~~CEO~~ Michael Waldman
Its: CEO (SAR)

Contract No: CFPM 12-2152 Amendment No: 03

This number shall appear on all correspondence and documents pertaining to this contract

**THIRD AMENDMENT TO
AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UNIVERSITY PHYSICIANS HEALTHCARE
FOR KINO HOSPITAL CAMPUS
(PIMA COUNTY CONTRACT CT FM 12*2152)**

This Third Amendment to Amended and Restated Lease Agreement, dated 4/16, 2016 for reference purposes, is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County"), and Banner-University Medical Center South Campus, LLC, an Arizona limited liability company ("Banner").

RECITALS

- A. County and University Physicians, Inc., which was later known as University Physicians Healthcare ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 (as subsequently amended, the "Lease"), pursuant to which County leased to UPH a hospital facility and some associated real property formerly operated by County as Kino Community Hospital (the "Hospital").
- B. The Lease was subsequently amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease dated June 21, 2011 for reference purposes. The Lease was further amended by the First Amendment to Amended and Restated Lease executed by the County on August 20, 2012 and the Second Amendment to Amended and Restated Lease which was fully executed on May 19, 2014.
- C. UPH assigned the Lease to Banner-University Medical Center South Campus, LLC, an Arizona limited liability company effective February 27, 2015.
- D. County has entered into a Solar Service Agreement with Solon Development LLC for solar covered parking structures to be constructed and operated in the parking lots within the Leased Premises as depicted in Exhibit A. The parties have agreed that Banner will not be responsible for any construction, maintenance, repair, or replacement obligations for any solar covered parking structures or the associated electrical equipment that will be installed in the Medical Examiner's building located at 2525 E. District Street, Tucson, Arizona, during the remaining Lease term.

AGREEMENT

Now, therefore, the parties agree as follows:

- 1. Solar Covered Parking Structure Construction. Banner is and will not be responsible for any construction, maintenance, repair, or replacement obligations related to or arising out of the the proposed solar covered parking structures or the associated electrical equipment that will be installed in the Medical Examiner's building located at 2525 E. District Street, Tucson, Arizona.
- 2. Lease Remains in Effect. The Lease remains in full force and effect as modified by this Amendment.

IN WITNESS WHEREOF, County and Banner have executed this Amendment as of the date indicated below.

PIMA COUNTY, a political subdivision
of the State of Arizona

BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC
an Arizona limited liability company

Sharon Bronson
By: Sharon Bronson
Chair of the Board of Supervisors

Tom Dulan
By:
Title:

Date: AUG 16 2016

Date: 6-16-16

ATTEST:

Robin Brigode
By: Robin Brigode
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

Lisa Josker
By: Lisa Josker
Director, Facilities Management Department

Date: 8/16/16

APPROVED AS TO CONTENT:

Jan Leshar
By: Jan Leshar
Deputy County Administrator for
Medical and Health Services

Date: 8-8-16

APPROVED AS TO FORM:

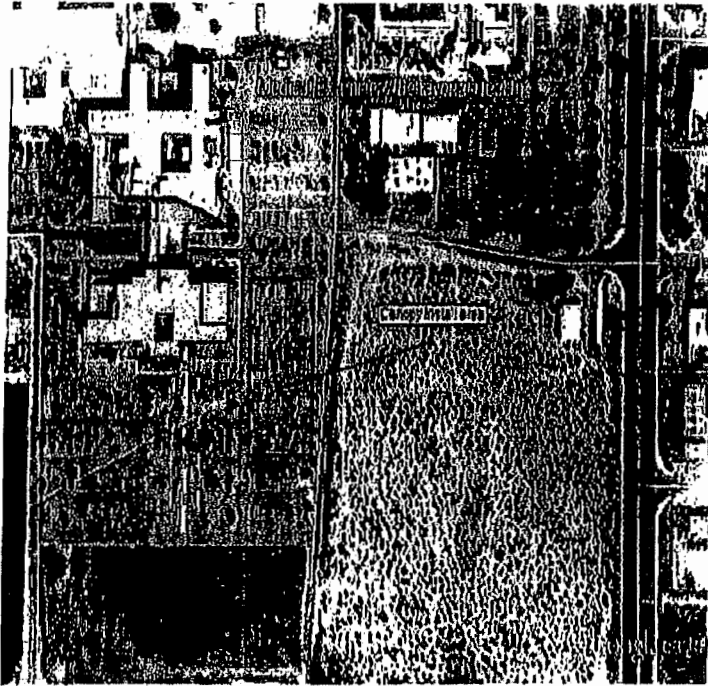
Tobin Rosen
Tobin Rosen, Deputy County Attorney

Date: 6/17/16

Banner Third Amendment

EXHIBIT A

Medical Examiner/Behavioral Health



Contract No: ~~12-400-15-41~~ Amendment No: ~~02~~

This number must appear on all correspondence and documents pertaining to this contract.

0484-07-49059

**FOURTH AMENDMENT TO
AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UNIVERSITY PHYSICIANS HEALTHCARE
FOR KING HOSPITAL CAMPUS
[PIMA COUNTY CONTRACT CT FM 13*2132]**

This Fourth Amendment to Amended and Restated Lease Agreement, dated November 15, 2016 for reference purposes, is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County"), and Banner-University Medical Center South Campus, LLC, an Arizona limited liability company ("Banner").

RECITALS

- A. County and University Physicians, Inc., the name of which was later changed to University Physicians Healthcare ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 (as subsequently amended, the "Lease"), pursuant to which County leased to UPH a hospital facility and some associated real property (the "Hospital") formerly operated by County as King Community Hospital.
- B. The Lease was subsequently amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease dated June 21, 2011 for reference purposes. The Lease was further amended by the First Amendment to Amended and Restated Lease executed by the County on August 20, 2012, the Second Amendment to Amended and Restated Lease which was fully executed on May 13, 2014, and the Third Amendment to Amended and Restated Lease which was fully executed on August 16, 2016.
- C. UPH assigned the Lease to Banner, effective February 27, 2015.
- D. Banner has informed County that the Hospital needs certain capital improvements in order for Banner to retain its accreditation from the Joint Commission, including but not limited to, a partial replacement and upgrade of the fire alarm system, and replacement of two critical air handlers, as described on Exhibit A (the "Improvements").
- E. Banner has also informed County that it intends to construct a new psychiatric outpatient clinic within the Hospital as shown on the floor plan attached as Exhibit B (the "Clinic").

AGREEMENT

Now, therefore, the parties agree as follows:

1. Payment for Capital Improvements.

- 1.1. Banner will construct the Improvements in compliance with Pima County's competitive procurement standards. All provisions of Section 17 of the Lease regarding improvements apply to such improvements, including the requirement to comply with Title 34 of the Arizona Revised Statutes in contracting for the work.

- 1.1. County will pay Banner for the actual cost of the improvements periodically as Banner incurs the cost, up to but not in excess of \$1,200,000, and for costs incurred between July 1, 2017 and June 30, 2019, up to but not in excess of an additional \$1,800,000.
- 1.2. The periodic payments will be made within ten (10) days after Banner delivers to the County an invoice with documentation substantiating the actual cost or portion of improvements completed. Documentation of the system and equipment specifications must be provided to County.
2. Preventive Maintenance. Banner will establish and implement a preventive maintenance program for any new systems that are part of the improvements. Banner will, before or at the same time it submits a request for reimbursement, provide a copy of the program to the Pinna County Facilities Management Director for review and approval.
3. Reimbursement for Outpatient Clinic Construction
 - 3.1. Banner will design and construct the Clinic in compliance with competitive procurement standards of Pinna County.
 - 3.2. In the event that the Lease is terminated pursuant to Section 3.5 of the Lease, County will reimburse Banner up to but not in excess of \$2 million for the actual cost of designing and constructing the Clinic. The reimbursement amount will be reduced at a depreciation rate of 20% per year from the date the Clinic is substantially complete. The reimbursement will be made within thirty (30) days of Banner's written request for payment.
 - 3.3. Banner must obtain County's prior approval of all Clinic plans and specifications, as required under Section 17.1 of the Lease. Banner must also provide County with documentation substantiating the actual cost of the Clinic at the same time Banner provides County with as-built drawings pursuant to Section 17.2 of the Lease. All other provisions of Section 17 regarding improvements apply as written to such improvements.
4. Lease Remains in Effect. The Lease remains in full force and effect as modified by this Fourth Amendment.

IN WITNESS WHEREOF, County and Banner have executed this Fourth Amendment as of the date indicated below.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

PIMA COUNTY, a political subdivision
of the State of Arizona

Sharon Bronson
By: Sharon Bronson
Chair of the Board of Supervisors

Date: MAR 07 2017

BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC
an Arizona limited liability company

Thomas C. Davis
By:
Title:

Date: 2/13/17

ATTEST:

Julie Castaneda
By: Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

John J. Jester
By: John Jester
Director, Facilities Management Department

Date: 2/6/17

Jan Lecher
By: Jan Lecher
Deputy County Administrator, Community
and Health Services

Date: 2/6/2017

APPROVED AS TO FORM:

[Signature]
By: Deputy Pima County Attorney

Date: 2/13/17

EXHIBIT A - Building Improvements
EXHIBIT B - Outpatient Clinic Location

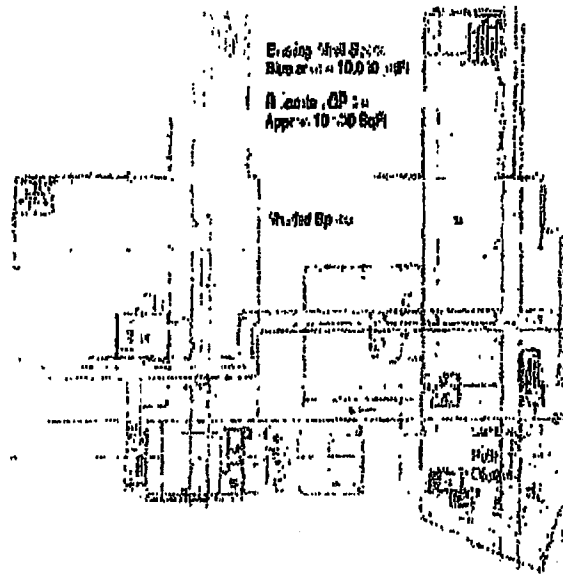
EXHIBIT A

Air Handler Unit #6 serving the Surgery Department on the 2nd floor.

Air Handler Unit #9 serving the Sterile Processing/Distribution and surrounding areas on the 1st floor.

Install a new Edwards System Technology Fire Alarm Control Panel and field devices for the retrofit which will replace the existing Simplex and Johnson Control fire alarm system.

EXHIBIT B





Lisa Joster, Director
250 W. Congress St., 3rd Floor
Tucson, AZ 85703
Office: 520.724.5705
Fax: 520.724.1900

*Rec'd
3/24/17*

March 14, 2017

Banner-University Medical Center South Campus
Sarah Frost
Administrator
2800 E. Ajo Way
Tucson, AZ 85713

VIA CERTIFIED MAIL

RE: Fourth Amendment to Amended & Restated Lease Agreement - Kino Campus

Sarah:

I have enclosed an original of the fully executed Fourth Amendment for your file.

Sincerely,

Melissa Leuschen
Melissa Leuschen
Program Manager - Senior

Enclosure

Contract No: CT-FM-15-424 Amend. No: 13

This number must appear on all correspondence and documents pertaining to this contract

**FIFTH AMENDMENT TO
AMENDED AND RESTATED LEASE AGREEMENT
BETWEEN PIMA COUNTY AND UNIVERSITY PHYSICIANS HEALTHCARE (NOW
ASSIGNED TO BANNER-UNIVERSITY MEDICAL CENTER SOUTH CAMPUS, LLC)
FOR KINO HOSPITAL CAMPUS
[PIMA COUNTY CONTRACT CT FM 12/2152]**

This Fifth Amendment to Amended and Restated Lease Agreement, effective on the date executed by both parties, is made and entered into by and between Pima County, a political subdivision of the State of Arizona ("County"), and Banner-University Medical Center South Campus, LLC, an Arizona limited liability company ("Banner").

RECITALS

- A. County and University Physicians, Inc., the name of which was later changed to University Physicians Healthcare ("UPH"), an Arizona nonprofit corporation, previously entered into a lease agreement dated April 27, 2004 (as subsequently amended, the "Lease"), pursuant to which County leased to UPH a hospital facility and some associated real property (the "Hospital") formerly operated by County as Kino Community Hospital.
- B. The Lease was subsequently amended several times and then completely amended and restated by the parties pursuant to the Amended and Restated Lease dated June 21, 2011 for reference purposes. The Lease was further amended by the First Amendment to Amended and Restated Lease executed by the County on August 20, 2012, the Second Amendment to Amended and Restated Lease which was fully executed on May 13, 2014, the Third Amendment to Amended and Restated Lease which was fully executed on August 16, 2016, and the Fourth Amendment to Amended and Restated Lease which was fully executed on March 7, 2017.
- C. UPH assigned the Lease to Banner, effective February 27, 2015.
- D. County and Banner have determined that the Hospital needs certain capital improvements to the County owned building in order for Banner to retain its accreditation from The Joint Commission and to maintain essential operations of the hospital campus, as described on Exhibit A (the "Improvements").

AGREEMENT

Now, therefore, the parties agree as follows:

- 1. Reimbursement for Capital Improvements.
 - 1.1. Banner shall be responsible for contracting for the Improvements in compliance with all applicable competitive procurement requirements of Pima County and the requirements of Title 34 of A.R.S.
 - 1.2. County will reimburse Banner for the actual cost of the Improvements in an amount up to but not to exceed Three Million Dollars (\$3,000,000.00).



FACILITIES MANAGEMENT

Lisa Josker, Director
150 W. Congress St, 3rd Floor
Tucson, AZ 85701
Office: 520.724.3703
Fax: 520.724.3900

October 13, 2017

*Rec'd
10-17-17*

Banner-University Medical Center South Campus
Sarah Frost
Administrator
2800 E. Ajo Way
Tucson, AZ

VIA CERTIFIED MAIL

RE: Fifth Amendment to Amended & Restated Lease Agreement – Kino Campus

Sarah:

I have enclosed a fully executed original of the above document for your file.

Sincerely,

Melissa Loesch
Program Manager – Senior

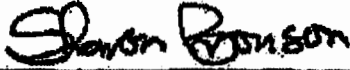
Enclosure

[illegible]

- IN WITNESS WHEREOF, County and Banner have executed this Fifth Amendment as of the date indicated below.**

40671 / 00501418 / v3Banner Fifth Amendment 2

PIMA COUNTY, a political subdivision
of the State of Arizona



Sharon Bronson
Chair of the Board of Supervisors

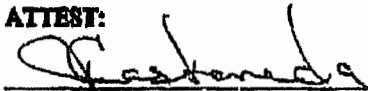
Date: OCT 03 2017

BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC
an Arizona limited liability company

By:
Title:

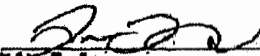
Date:

ATTEST:



Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:



Lisa Josker
Director, Facilities Management Department

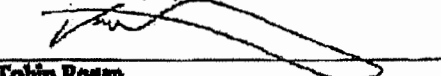
Date: 9/19/17



Francisco Garcia M.D.
Assistant County Administrator for Health
Services and Chief Medical Officer

Date: 11 September 2017

APPROVED AS TO FORM:



Tobin Rosen
Deputy County Attorney

Date: 9/15/17

EXHIBIT A -- Building Improvements

PIMA COUNTY, a political subdivision
of the State of Arizona

Sharon Bronson
Chair of the Board of Supervisors

Date: _____

ATTEST:

Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

Lisa Josker
Director, Facilities Management Department

Date: _____

Francisco Garcia M.D.
Assistant County Administrator for Health
Services and Chief Medical Officer

Date: _____

APPROVED AS TO FORM:

Tobin Rosen
Deputy County Attorney

Date: _____

EXHIBIT A – Building Improvements

**BANNER-UNIVERSITY MEDICAL
CENTER SOUTH CAMPUS, LLC**
an Arizona limited liability company

By: *Thomas C. Driskin*
Title: *CEO*

Date: *9-15-17*

EXHIBIT A

Replace Cooling Tower for Kitchen Equipment- equipment is failing and in need of replacement.

Replace Fire Pump Control System- Per State fire Marshal this system must be replaced to meet current code and life safety regulations.

Replace BHP Chiller #1- This unit has failed and replacement is required to keep the Behavioral Health Pavilion cool.

Replace sewage ejector pump and upgrade the float system- system is at end of life expectancy and frequent repairs are needed.

Replace BAS and install pressure monitors- served Sterile Processing and Operating Rooms for correct pressure regulation.

Replace Medical Gas System- system supplies medical air to entire hospital. Two of three compressors have failed and are in need of replacement.

Replace VFD's- Replaced based on prioritization and budget.

Replace ATS gear- switches are at end of useful life and at risk of failing. Replaced based on prioritization and budget.

Replace central plant roof- roof is leaking and in need of replacement.

**CONSENT TO ASSIGNMENT
(LEASE AND INTERGOVERNMENTAL AGREEMENT)**

This Consent to Assignment (this "*Consent*") is made and entered into as of January ____, 2015 ("*Consent Effective Date*"), by and among Pima County, a political subdivision of the State of Arizona (the "*County*"), University Physicians Healthcare, Inc., an Arizona nonprofit corporation ("*UPH*"), Banner—University Medical Center South Campus, LLC, an Arizona limited liability company (the "*UAHN Assignee*") and The University of Arizona Health Network, Inc., an Arizona nonprofit corporation ("*UAHN*").

RECITALS

A. The County and UPH are parties to an Amended and Restated Lease Agreement, dated June 21, 2011, as subsequently amended, a copy of which is attached as Schedule A to this Consent (the "*Lease*"), pursuant to which the County leases certain real property to UPH, including a hospital facility which UPH operates as the University of Arizona Medical Center—South Campus (the "*Hospital*") (collectively, the "*Premises*").

B. The County is also a party to an Agreement, dated June 15, 2010, as subsequently amended, a copy of which is attached as Schedule B to this Consent, among the County, UAHN and the Arizona Board of Regents, a public body corporate, acting on behalf of the University of Arizona, relating to the operation and funding of the Hospital as part of the University of Arizona College of Medicine Graduate Medical Education Program (collectively, the "*IGA*").

C. Section 7 of the IGA provides that the County will consent to an assignment of the Lease, or sublease of the Hospital building, from UPH to UAHN or a UAHN subsidiary if requested by UAHN.

D. The UAHN Assignee is a sole member limited liability company subsidiary of UAHN.

E. UAHN is requesting that the County provide the County's consent to the assignment of UPH's right, title and interest under the Lease to the UAHN Assignee (the "*Proposed Lease Assignment*").

F. In addition, UAHN has entered into a Principles of Agreement, dated June 21, 2014, whereby (1) UAHN intends to merge into Banner Health, an Arizona nonprofit corporation ("*Banner Health*"), and (2) UMCC, a sole member nonprofit corporation subsidiary of UAHN, intends to merge into Banner—University Medical Center Tucson Campus, LLC, an Arizona limited liability company (collectively, the "*Proposed Merger*").

G. In anticipation of the Proposed Merger, UAHN requests the County's acknowledgement that Banner Health will assume UAHN's obligations under the IGA by virtue of UAHN's merger into Banner Health, and the UAHN Assignee requests the County's consent to certain changes set forth in this Consent that the UAHN Assignee desires to implement as of the effective date of the Proposed Merger (the "*Merger Effective Date*").

AGREEMENT

1. Consent to Assignment.

a. Pursuant to Section 19 (Assignment and Subletting) of the Lease and Section 7 (Lease) of the IGA, at UAHN's request, the County hereby consents to the Proposed Lease Assignment, including the UAHN Assignee's assumption of UPH's obligations under the Lease, and acknowledges and agrees that such assignment will not be deemed an event of default under Section 24.1.3 (Exempt Status) of the Lease. The County further waives any and all of the County's right under Section 24.1.3 (Exempt Status) of the Lease to require the UAHN Assignee to maintain status as an exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (it being understood, however, that the sole member of the UAHN Assignee shall maintain status as an exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended). The terms and conditions of the Lease shall be binding on the UAHN Assignee following such assignment as if it were the original tenant thereunder. If for any reason, the Proposed Lease Assignment does not occur, UPH's interest in the Lease will be retained by UPH.

b. The County does hereby covenant, represent and warrant to the UAHN Assignee as follows:

- (i) The Lease has not been altered, supplemented, amended or modified in any manner whatsoever, except as indicated on Schedule A attached hereto. The Lease is in full force and effect and constitutes a valid and binding obligation of the County, enforceable against the County in accordance with its terms.
- (ii) None of the County or, to the County's best knowledge, UPH is in default under the Lease and no event which, with the passage of time would become an event of default, currently exists.
- (iii) All rental payments and other obligations of UPH under the Lease due or owing on or prior to the Consent Effective Date have been paid, performed or satisfied in full.
- (iv) The term of the Lease will expire on June 16, 2029. UPH has not exercised any of the options to renew granted in the Lease.
- (v) Base rent due under the Lease is Ten Dollars (\$10) per year, payable in annual installments on July 1 each year. UPH is not obligated under the Lease to pay any other rent, escrows, charges or fees to the County on a regular basis.

2. Additional Consents (Proposed Merger).

a. IGA. The County acknowledges that as of the Merger Effective Date, the Proposed Merger will result in UAHN merging into Banner Health, with Banner Health being

the surviving entity of the Proposed Merger, and, as such, the terms and conditions of the IGA shall be binding on Banner Health following such merger as if it were UAHN.

b. Signage and Name Change. Pursuant to Section 16 (Name Change) of the Lease, the County hereby consents to the UAHN Assignee's use of the new name, "Banner—University Medical Center South Campus" in its operation of the Premises on and after the Merger Effective Date. Pursuant to Section 15 (Signs) of the Lease, the County permits the UAHN Assignee to affix and maintain on the Premises such signs, names, insignia, trademarks and descriptive materials to reflect such change in name and the UAHN Assignee's operations on and after the Merger Effective Date, including those insignias and trademarks attached to this Consent as Schedule 2.b.

c. Insurance. Pursuant to Section 21 (Insurance) of the Lease and Section 12.2 (Insurance) of the IGA, the County hereby consents to the insurance policies which the UAHN Assignee anticipates obtaining on and after the Merger Effective Date through certain third party insurers, or through self-insurance, as identified on Schedule 2.c of this Consent.

3. Entire Agreement. This Consent constitutes the entire agreement of the parties with respect to the subject matters set forth herein and supersedes all other prior agreements and understandings, both written and oral, with respect to the subject matters hereof. This Consent may be modified or amended only by a written agreement executed by all parties to this Consent.

4. Severability. If any court of competent jurisdiction holds any provision of this Consent invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Consent shall not in any way be affected or impaired thereby.

5. Counterparts. This Consent may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Consent may be executed by facsimile or electronic signature (including signatures in Adobe PDF or similar format).

6. Governing Law. This Consent shall be construed and governed by Arizona law. This Consent shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned parties have executed this Consent as of the
Consent Effective Date.

THE COUNTY:

Pima County, a political subdivision
of the State of Arizona

UPH:

University Physicians Healthcare, Inc., an
Arizona nonprofit corporation

By: [Signature]
Name: Sharon Bronson
Title: Chair, Board of Supervisors
JAN 06 2015

By: [Signature]
Name: Michael Williams
Title: CEO UAHN

UAHN ASSIGNEE:

Banner—University Medical Center
South Campus, LLC, an Arizona
limited liability company

UAHN: [Signature]
The University of Arizona Health Network, Inc.,
an Arizona nonprofit corporation

By: [Signature]
Name: Jeffrey A. King
Title: Marsh VP, General Counsel

By: [Signature]
Name: Michael Williams
Title: CEO UAHN

ATTEST:

APPROVED AS TO FORM

By: [Signature]
Name: Robin Brigode
Title: Clerk of the Board of Supervisors

By: [Signature]
Name: REGINA WASSER
Title: Deputy Pima County Attorney

EXHIBIT C
RULES AND REGULATIONS

1. Except as may be specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building or Project without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

2. If Landlord objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which are visible from the exterior of the Premises, Tenant shall immediately discontinue such use. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.

3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Tenant's business invitees. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Project and its tenants. No tenant and no employee or invitee of any tenant shall go upon the roof of the Project.

4. Landlord will furnish Tenant, free of charge, with two keys to the entrance doors into the Premises. Landlord may make a reasonable charge for any additional keys. All such keys shall remain the property of Landlord. Tenant shall not make or have made additional keys, and Tenant shall not alter, lock or install a new additional lock or bolt on any door of the Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors in the Premises, and in the event of loss of any keys so furnished, shall pay Landlord therefor.

5. All contractors and technicians rendering any service to Tenant or the Premises shall be referred to Landlord for approval and supervision prior to performing any such service. This applies to all work performed in the Building, including, but not limited to, installation of telephone equipment and electrical devices and installations affecting floors, walls, woodwork, windows, ceilings and any other physical portion of the Building.

6. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours, in such elevators and subject to such scheduling as may be designated by Landlord. The freight elevator facilities within the Building are available for use by all tenants of the Building, subject to such reasonable scheduling as Landlord in its sole discretion shall deem appropriate. Tenant's initial move in and subsequent deliveries of bulky items, such as furniture, office equipment and

similar items shall comply with the foregoing and be under Landlord's supervision. No deliveries shall be made which impede or interfere with other tenants or the operation of the Building.

7. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

8. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds, fish or animals.

9. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord.

10. Tenant shall not waste electricity, water or air conditioning, and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations. Tenant shall not tamper with or attempt to adjust temperature control thermostats in the Premises. Tenant shall keep corridor doors closed.

11. Landlord reserves the right to exclude from the Building during hours other than Building hours of operation, any person unless that person is known to the person or employee in charge of the Building or has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

12. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.

13. The toilet rooms, toilets, urinals, wash bowls and other apparatus 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 the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

14. Tenant shall not use the Premises for any business or activity other than that specifically provided for in this Sublease.

15. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the Building or Project. Tenant shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.

16. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to Alterations. Landlord reserves the right to direct electricians as to where and how telephone wires and cables are to be introduced to the Premises. Tenant shall not cut or bore holes for wires or cabling. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

17. Tenant shall not install, maintain or operate upon the Premises any vending machines.

18. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Project are prohibited, and Tenant shall cooperate to prevent such activities.

19. Landlord reserves the right to exclude or expel from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

20. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

21. No cooking shall be done or permitted on the Premises except the use by Tenant of Underwriters' Laboratory (UL) approved equipment for brewing coffee, tea, and other similar hot beverages shall be permitted, and the use of an Underwriter's Laboratory approved microwave oven for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

22. Without the written consent of Landlord, Tenant shall not use the name of the Building or Project in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

23. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

24. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

25. The Building hours of operation are, excluding holidays:

[8:00 a.m. to 6:00 p.m. - Monday through Friday]

[9:00 a.m. to 1:00 p.m. - Saturday]

26. Tenant's requirements will be attended to only upon appropriate application to the Project management office by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

27. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant.

28. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of the Sublease.

29. Landlord reserves the right to rescind any of these Rules and Regulations and to make future Rules and Regulations as, in Landlord's judgment, may from time to time be needed for safety, comfort and security, for care and cleanliness of the Project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

30. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, customers, invitees and guests.

31. Landlord reserves the right to charge as Additional Rent to Tenant, any extra costs incurred by Landlord as a result of Tenant's violation of these Rules and Regulations.

32. If Tenant requires telephonic, burglar alarm or similar services, it shall first obtain Landlord's written consent thereto, which consent may be withheld in Landlord's sole discretion, and Tenant shall comply with all of Landlord's instructions in their installation.

33. No smoking is allowed in the Building, Premises, exterior common areas, landscaped areas or parking lots in accordance with Prime Lessor's Tobacco Free Policy C3-18 that is attached as Exhibit E.

EXHIBIT C

RULES AND REGULATIONS

1. Except as may be specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building or Project without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

2. If Landlord objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which are visible from the exterior of the Premises, Tenant shall immediately discontinue such use. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.

3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Tenant's business invitees. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Project and its tenants. No tenant and no employee or invitee of any tenant shall go upon the roof of the Project.

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8. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds, fish or animals.

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12. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.

13. The toilet rooms, toilets, urinals, wash bowls and other apparatus 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 the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

14. Tenant shall not use the Premises for any business or activity other than that specifically provided for in this Sublease.

15. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the Building or Project. Tenant shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.

16. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to Alterations. Landlord reserves the right to direct electricians as to where and how telephone wires and cables are to be introduced to the Premises. Tenant shall not cut or bore holes for wires or cabling. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

17. Tenant shall not install, maintain or operate upon the Premises any vending machines.

18. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Project are prohibited, and Tenant shall cooperate to prevent such activities.

19. Landlord reserves the right to exclude or expel from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

20. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

21. No cooking shall be done or permitted on the Premises except the use by Tenant of Underwriters' Laboratory (UL) approved equipment for brewing coffee, tea, and other similar hot beverages shall be permitted, and the use of an Underwriter's Laboratory approved microwave oven for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

22. Without the written consent of Landlord, Tenant shall not use the name of the Building or Project in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

23. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

24. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

25. Tenant shall have access to the Building 24 hours per day, seven days per week.

26. Tenant's requirements will be attended to only upon appropriate application to the Project management office by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

27. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant.

28. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of the Sublease.

29. Landlord reserves the right to rescind any of these Rules and Regulations and to make future Rules and Regulations as, in Landlord's judgment, may from time to time be needed for safety, comfort and security, for care and cleanliness of the Project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

30. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, customers, invitees and guests.

31. Landlord reserves the right to charge as Additional Rent to Tenant, any extra costs incurred by Landlord as a result of Tenant's violation of these Rules and Regulations.

32. If Tenant requires telephonic, burglar alarm or similar services, it shall first obtain Landlord's written consent thereto, which consent may be withheld in Landlord's sole discretion, and Tenant shall comply with all of Landlord's instructions in their installation.

33. No smoking is allowed in the Building, Premises, exterior common areas, landscaped areas or parking lots in accordance with Prime Lessor's Tobacco Free Policy C3-18 that is attached as Exhibit E.

2800 F. Ajo Way

3 ambulance spaces and staff can park in lot F

Suite 300 is Child Psychiatry building

The two spaces for ALS with power

**Site Directory
South Campus**
2800 E. Ajo Way
Tucson, AZ. 85713



- | | | | | | |
|---|------------------------------------|--|---|--------------------------------------|---|
| 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 | 11
Pima County
TB Clinic
(Park in Lot C) | 12
Abrams Public
Health Center | 13
Pima County
Medical Examiner's Office
Forensic Science Center |

EXHIBIT E
TOBACCO-FREE ENVIRONMENT POLICY



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Tobacco-Free Environment	Policy Number	Page
	C 3.18	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

<u>Subject:</u> Tobacco-Free Environment	Policy Number	Page
	C 3.18	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