ARIZONA DEPARTMENT OF ADMINISTRATION
PRIVATE SECTOR OFFICE SPACE LEASE

LESSOR: _____
LESSEE, AN AGENCY OF THE STATE OF ARIZONA: _____

THIS LEASE made the ____ of ____ , 20____ by and between ____ hereinafter called
“Lessor,” and the ____ , an Agency of the State of Arizona, hereinafter called “Lessee.”

1. PREMISES
LESSOR hereby leases to Lessee and Lessee hereby leases from Lessor those Premises,
hereinafter called “Premises,” consisting of approximately ____ rentable square feet located
at ____ , as shown on Exhibit A.

2. TERM
The term of this lease is for ____ years (or until sooner terminated as herein provided),
commencing ____ 20____ and expiring on ____ 20____.

Lessee shall not be liable for any rent until such time as Lessor delivers possession of the
Premises to Lessee. Rent shall begin on the date that Lessee takes possession of the
Premises. If the Lessee takes possession on other than the first day of a calendar month,
rent for the remainder of that month shall be paid by Lessee on a pro rata basis.

3. RENT
Lessee agrees to pay as base rent, at such a place as may be designated from time to time by
Lessor, the sums as shown below. Such sums will be inclusive of any and all applicable
local government rental taxes. This is a full service lease [some net lease terms are
permitted where negotiated].

Year One  ____/sq. ft./year [including] or [plus] rental occupancy tax.
Year Two  ____/sq. ft./year [including] or [plus] rental occupancy tax.
Year Three  ____/sq. ft./year [including] or [plus] rental occupancy tax.
Year Four  ____/sq. ft./year [including] or [plus] rental occupancy tax.
Year Five  ____/sq. ft./year [including] or [plus] rental occupancy tax.

Payment shall be initiated each month in the following manner:

Lessee shall prepare and issue a warrant at the end of each month. The warrant shall be
mailed to the address identified in paragraph 27 of this lease. Any partial month shall be
prorated for that portion of the month Lessee occupies the Premises.

4. TERMINATION
In the event the Lessee is directed by the Arizona Department of Administration (ADOA) to
move into an existing State-owned or leased facility, including, but not limited to, any newly purchased, constructed or wholly leased facility, during the term or renewal of this lease, Lessee may terminate this Lease upon sixty (60) days prior written notice to Lessor. In this event Lessee will be responsible for all obligations to Lessor incurred prior to the termination date specified in the notice.

In the event no funds or insufficient funds are available or allocated to Lessee for any payment that may be due under this Lease, including no funds or insufficient funds resulting from an act of the Legislature, for any portion of the term or renewal of this Lease, Lessee will be without further obligation under this Lease and will remove its personnel and property from the Premises by the end of the period for which funds are available. Lessee will advise Lessor at any time it appears that there may be insufficient funds to fully pay its Lease payments. No liability shall accrue to the Lessee or any other agency of the State of Arizona in the event the provision of this paragraph is exercised, and neither the Lessee or any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

5. **REPAIRS**

Lessor shall promptly make all repairs and replacements to the Premises, including all common areas, parking areas, the structural systems, roofs, lighting fixture ballasts, new light bulbs and tubes, exterior and interior walls, heating, plumbing, air conditioning, ventilation system filters, doors, windows, corridors and surrounding grounds. Lessor shall not be responsible for repairs caused by the sole negligence of Lessees, its employees, contractors or clients. Lessor shall repaint the Premises at five (5) year intervals.

6. **UTILITY CHARGES**

Lessor agrees to furnish and pay at no cost to the Lessee, water, gas, and electricity, heat and air conditioning consumed on the Premises occupied by the Lessee, except for telephone service. Lessor shall not be liable to Lessee for any stoppage or interruption of such services and utilities as a result of causes outside Lessor’s control.

7. **JANITORIAL**

Lessor agrees to provide and pay for five (5) days per week janitorial services, Monday through Friday. Janitorial services shall be conducted at such a time as not to interfere with the Lessee’s normal business operations.

Lessee is required to participate in the State paper-recycling program and will identify certain of its workstation waste containers for recyclable paper. Lessor shall collect the paper from these containers and place it in the centralized containers provided by Lessee for that purpose. Lessor shall allow the State’s paper recycling program contractor access to the building at times convenient to the contractor for purposes of removing the accumulated recyclable paper.

8. **PARKING**
Lessor shall provide Lessee with ____ covered, reserved parking spaces and ____ open, non-reserved spaces throughout the term of this lease or any renewal thereof at no additional charge. Lessor agrees to maintain an overall parking ratio of ____ spaces per one thousand (1,000) square feet of rentable area. Lessor shall not construct any additions to the building site that have the effect of reducing the available parking to less than the above ratio, unless equivalent replacement parking satisfactory to Lessee is made available to Lessee. Lessee shall not unreasonably withhold consent to such equivalent replacement parking.

9. **IMPROVEMENTS AND ALTERATIONS**

Lessor shall construct, at no cost to Lessee, those tenant improvements as shown on Exhibit B. Lessee shall not make any alterations, additions or improvements without the prior written consent of Lessor. Any such alterations, additions or improvements, except moveable furniture and trade fixtures, shall be made by Lessee at Lessee’s sole cost and expense and shall at once become a part of the realty and belong to Lessor.

10. **OFFSET**

In the event the Lessor fails to maintain the Premises in a clean, orderly, and safe condition, or fails to provide repairs, maintenance, or other services as required herein, or fails to pay for utility charges as required herein, or fails to provide janitorial services as required herein, then, in addition to all other rights and remedies to which the Lessee may be entitled, the Lessee may make written demand upon the Lessor to provide such service. If the maintenance, janitorial, or utility services are not provided within ten (10) days after written demand has been mailed to the Lessor by the Lessee then, in addition to all other rights or remedies that the Lessee may have, the Lessee may obtain such services and deduct its costs from any rental payment which becomes due after such service has been obtained.

11. **USE OF PREMISES**

The Premises described above are leased to Lessee for the sole purpose of providing Lessee’s governmental services. Lessee agrees to comply with applicable laws, ordinances, regulations and building codes, now or hereafter in force in connection with its use of the leased Premises. Lessee shall not commit or suffer the commission of any waste, overload any floor of the Premises beyond the load limit established by Lessor, or knowingly permit any explosives or hazardous substance in the Premises.

12. **COMPLIANCE WITH THE LAW**

The Lessor shall promptly execute and comply with all statutes, rules, orders, building codes, fire codes, ordinances, requirements, and regulations of the City, County, State and Federal governments, including O.S.H.A., the Americans with Disabilities Act of 1990 (42 USC Sections 12101 through 12213 and 47 USC Sections 225,611), Arizonans with Disabilities Act of 1992 (A.R.S. § 41-1492 et seq.) and their underlying regulations and rules, which are applicable to the Premises. Nothing herein contained shall be construed to restrict the Lessor from contesting the applicability of any such regulations, rule or
ordinance, provided the Lessor indemnifies the Lessee to its reasonable satisfaction against the consequences of non-compliance during the period of dispute.

The Lessor shall promptly execute and comply with A.R.S. § 41–4401, immigration laws and E-Verify requirement. The Lessor warrants compliance with all federal immigration laws and regulations relating to employee and warrants compliance with A.R.S. § 23-214.(A.) A breach of Lessor’s warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of this lease. The Lessor may be subject to penalties up to, and including, termination of this lease. The Lessee, retains the legal right to inspect the papers of any employee who works on this lease to ensure the Lessor or its sub-contractor(s) are in compliance with Lessor’s warranty under this paragraph.

13. EMINENT DOMAIN
In the event the building, the land on which it is located or any portion of the leased Premises is taken under, or a conveyance is made under the threat of condemnation proceedings, Lessee will be entitled to recover the value of its leasehold interest and all personal property, all fixtures and improvements installed by Lessee.

14. ASSIGNMENT AND SUBLEASE
Lessee shall not assign, transfer, or encumber this lease nor sublet the leased Premises or any portion thereof without the prior written consent of Lessor, and any such act shall constitute a breach of this lease. Consent to an assignment, subletting, occupation or use by other persons shall not be unreasonably withheld and shall not release Lessee from any of Lessee’s obligations hereunder or be deemed to be a consent to any subsequent assignment, subletting, occupation or use.

15. DESTRUCTION OF THE PREMISES
In the event the Premises are totally destroyed, this lease shall terminate. In the event the Premises are partially destroyed, Lessor, with reasonable promptness and dispatch, shall repair and rebuild the same within ninety (90) working days. Lessee shall pay rent, if the remaining Premises are tenantable, during such period of repair or rebuilding in the proportion of tenantable Premises occupied by Lessee. In case the remaining Premises, following a partial destruction, are un-tenantable by Lessee, Lessee shall have the option to cease occupancy and all rent payments until the Premises are tenantable or terminate the Lease. The word "tenantable" as heretofore used shall be understood by the parties to mean tenantable for the purpose of performing the duties and services provided by Lessee to its clients.

16. SUBORDINATION AND ATTORNMENT
Lessor reserves the right to place liens or encumbrances on said Premises or any part thereof or interest therein superior in lien and effect to this lease. This lease, at the option of Lessor, shall be subject and subordinate to any and all such liens or encumbrances now or hereafter imposed by Lessor without the necessity of the execution and delivery of any further instruments on the part of the Lessee to effectuate such subordination.
Notwithstanding the foregoing, Lessee covenants and agrees to execute and deliver upon demand the instrument, attached as Exhibit C, evidencing such subordination of this lease as may be requested by Lessor.

In the event of a transfer of ownership of the Premises, Lessee agrees to attorn to the new owner acquiring the Premises and to recognize such owner as Lessor under this Lease. Lessee hereby waives any right to terminate this Lease because of such transfer, provided neither the former owner nor the current Lessor is in breach of any provision of this Lease. Lessee shall have the ability to request and receive adequate assurances of performance by any new owner as a condition of attornment.

17. **ESTOPPEL CERTIFICATE**

Lessee shall, upon not less than ten (10) days prior written request by Lessor, deliver to Lessor a statement in writing, attached as Exhibit D, certifying: (1) that this lease is unmodified and in full force and effect or if there have been modifications, that this lease as modified is in full force and effect; (2) the dates to which rent and other charges have been paid, and (3) that Lessor is not in default under any provisions of this lease, or if in default, a detailed description of such default.

18. **NONDISTURBANCE**

Subject to the terms of this Lease, so long as Lessee is not in material breach of the terms of this lease, it shall have a right to the quiet possession of the Premises without disturbance from the Lessor or any person claiming rights through Lessor, for the term of the Lease. Any sale of the Premises by Lessor or other transfer of ownership, whether voluntary or by operation of law, shall not by itself operate to terminate this Lease or Lessee’s right of possession.

19. **ENVIRONMENTAL CONTROL**

The Lessor shall maintain adequate heating, ventilation, cooling and lighting equipment in operation to maintain the following environmental conditions within the Premises.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Temperature Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temperature in winter</td>
<td>70F - 75F</td>
</tr>
<tr>
<td>Temperature in summer</td>
<td>74F - 78F</td>
</tr>
<tr>
<td>Ventilation year round</td>
<td>5 air changes per hour</td>
</tr>
<tr>
<td>Lighting on all work stations</td>
<td>30 foot – candles (lm/ft²)</td>
</tr>
</tbody>
</table>

For the purpose of this paragraph summer is defined as the months April through October, inclusive and winter is defined as the months November through March, inclusive.

20. **ASSURANCE OF PERFORMANCE**

At any time during the term of this Lease or any renewal period of this Lease the Lessee may request reasonable assurances of continued performance from the current Lessor, successor in interest, or lien-holder. If such assurances to the request are not given, in writing, within ten (10) days, Lessee may in its sole discretion, vacate the Premises with no
further obligation under this Lease.

21. SELF-INSURANCE BY LESSEE

Lessor and Lessee acknowledge that Lessee is self-insured and shall provide Lessor with a certificate of self-insurance providing five hundred thousand dollars ($500,000) of general liability coverage. This self-insurance protects the Lessee only. The Lessee is not authorized to indemnify the Lessor.

22. TIME

Time is of the essence of this lease and each and all of its provisions.

23. DEFINED TERMS AND MARGINAL HEADINGS

The word "Lessor" and "Lessee" as used herein shall include the plural as well as the singular. If more than one person is named as Lessee, the obligations of such persons are joint and several. The marginal headings and titles to the articles of this lease are not a part of this lease and shall have no effect upon the construction or interpretation of any part hereof.

24. HOLDOVER

Should Lessee hold possession after expiration of the lease term or any renewal thereof, Lessee shall become a Lessee on a month-to-month basis upon the same terms and conditions of this lease. Either Lessor or Lessee shall have the right to terminate any holdover tenancy with thirty (30) days written notice to the Lessee or Lessor's last known address without incurring any penalty or damages.

25. ATTORNEY'S FEES

In the event of any legal action or proceeding brought by either party against the other arising out of this lease, the prevailing party shall be entitled to recover costs and reasonable attorney's fees, as determined by the court, not the jury, based on the prevailing hourly wage for attorneys in Phoenix, Arizona, and such other matters deemed relevant by the court, and such amount shall be included in any judgment rendered in such proceedings.

26. WAIVER

No waiver by Lessor of any provision of this lease or of any breach by Lessee hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to or approval of any act by Lessee requiring Lessor's consent to or approval shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act of Lessee.

27. NOTICES

All notices to be given by one party to the other shall be in writing, mailed or hand delivered to each as follows:
28. AGREEMENTS IN WRITING
All negotiations, considerations, representations, and understandings between the parties are incorporated and expressly stated herein and may be modified and altered only by agreement in writing between the parties delivered by certified mail.

29. PROHIBITION OF DISCRIMINATION
The Lessor agrees to comply with State of Arizona Executive Order No. 09-09, “PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS, NONDISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS.”

30. LIENS
The Lessee shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. In the event that Lessee shall not, within ten (10) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a proper bond, Lessor shall have, in addition to all other remedies provided herein by law, the right to cause the same to be released by such means as he shall deem proper, including the payment of the claim giving rise to such lien. All such sums paid by Lessor and all expenses incurred by him in connection therewith shall be considered additional rent and shall be payable by Lessee on demand with interest at ten percent (10%) per annum.

Lessor shall have no rights to or any interest in the personal property of the Lessee located on or about the Premises and will not place any lien on such property for any reason. Lessor will not take any action to deprive Lessee of possession of its personal property, including, but not limited to, taking possession of the Lessee’s personal property. Should the Lessor come into possession of any personal property of Lessee as an incident of the exercise of any of the rights of Lessor under this Lease, Lessor agrees to promptly deliver such property to Lessee upon Lessee’s request.

31. RIGHT OF RECOVERY
Neither party shall have a right of recovery from the other for Acts of God.

32. INSPECTION AND AUDIT
In accordance with A.R.S. §§ 35-214 and 35-215, all books, accounts, reports, files and other records, hereinafter refered to as “Records,” relating to this lease shall be subject at all reasonable times to inspection and audit by the Lessee, the State Auditor, or their agents, or employees at the Lessor’s office or at the Lessee’s offices designated in paragraph 27 at any time during the terms of the lease and for five (5) years after termination thereof. Upon request, the Lessor shall produce originals of any or all such Records.
33. **SEVERABILITY**

The provisions of this lease are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the lease, which shall remain in effect without the invalid provision or application.

34. **ARBITRATION**

The parties agree to use arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statute. In the event such a dispute is arbitrated, the parties hereby agree that the prevailing party is entitled to recover its attorneys' fees and costs. Attorney’s fees shall be based on the prevailing hourly rate for attorneys in Phoenix, Arizona.

35. **CONFLICT OF INTEREST**

This lease is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

36. **ANTITRUST VIOLATIONS**

Lessor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Lessor toward fulfillment of this lease.

37. **ARIZONA LAW**

This lease shall be governed and interpreted by the laws of the State of Arizona.
IN WITNESS WHEREOF, the parties hereto have executed this instrument by proper persons thereunto duly authorized so to do the day and year first above written.

LESSOR: ______________________________

FOR AND ON BEHALF OF THE LESSEE, an Agency of the State of Arizona:

By: ______________________________

Printed Name: _______________________

Position: ____________________________

Date: ______________________________

Approved pursuant to A.R.S. § 41-792.
FOR AND ON BEHALF OF THE ARIZONA DEPARTMENT OF ADMINISTRATION

By: ______________________________

Nola Barnes

Position: ____________________________

Assistant Director, ADOA

Date: ______________________________
EXHIBIT A
PREMISES
EXHIBIT B
TENANT IMPROVEMENTS
EXHIBIT C
SUBORDINATION AND ATTORNMENT AGREEMENT

The undersigned hereby certifies and agrees as follows:

1. The undersigned is the Lessee under a lease dated _____ for Premises located at _____, Arizona (Premises), as amended by the following amendments (the Lease): ___. If no amendments are listed, the undersigned certifies that the Lease has not been amended.

2. Lessor reserves the right to place liens or encumbrances on said Premises or any part thereof or interest therein superior in lien and effect to this lease. This lease, at the option of Lessor, shall be subject and subordinate to any and all such liens or encumbrances now or hereafter imposed by Lessor without the necessity of the execution and delivery of any further instruments on the part of the Lessee to effectuate such subordination.

3. In the event of a transfer of ownership of the Premises, Lessee agrees to attorn to the new owner acquiring the Premises and to recognize such owner as Lessor under this Lease. Lessee hereby waives any right to terminate this Lease because of such transfer, provided neither the former owner nor the current Lessor is in breach of any provision of this Lease. Lessee shall have the ability to request and receive adequate assurances of performance by any new owner as a condition of attornment.

LESSEE: FOR AND ON BEHALF OF THE LESSEE, an Agency of the State of Arizona

By: _______________________________ Date: __________

Position: _______________________________
EXHIBIT D
ESTOPPEL CERTIFICATE

The undersigned hereby certifies and agrees as follows:

The undersigned is the tenant under a lease dated       for Premises located at      ,      , Arizona       (Premises), as amended by the following amendments (the Lease):

1. The lease is unmodified and in full force and effect or if there have been modifications, that this lease as modified is in full force and effect;

2. rent and other charges due under the term of the lease have been paid through      , and

3. the Lessor is not in default under any provisions of this lease, or if in default, a detailed description of such default.

LESSEE: FOR AND ON BEHALF OF THE LESSEE, an Agency of the State of Arizona

By: _______________________________ Date: ____________

Position: _______________________________