LESSOR: **The Arizona Department of Administration (ADOA) an Agency of the State of Arizona**

LESSEE: **To Be Determined**

THIS LEASE made the _____ of _____, 20_____ by and between the Arizona Department of Administration, an Agency of the State of Arizona, hereinafter called "Lessor," and the _____, hereinafter called "Lessee." When reference is made in this Lease to either "Lessor" or "Lessee," the reference shall be deemed to include, wherever applicable, the heirs, administrators, executors, successors, and assigns of the parties.

1. INVITATION FOR BIDS

The term "Invitation for Bids" ("IFB") as used herein refers to and includes the IFB itself and Premises Descriptions, ADOA Lease, Important Instructions to Bidders, Bidder Registration and Bid Form for Lease of Real Property, and Exhibits, all of which are incorporated by reference to the IFB, and made a part hereof, and as may be modified and supplemented by any addenda or amendments that may be issued by Lessor prior to the conclusion of the public auction. The IFB and the bid, shall constitute an agreement for lease between the successful bidder and the Lessor, subject to any applicable conditions. A bid, when accepted by the Lessor, is expressly conditioned on issuance of a Notice of Award by Lessor to the Lessee.

2. DESCRIPTION PROVIDED IN IFB

The description of the Premises set forth in the IFB and any other information provided therein with respect to said Premises is based on the best information available to the Lessor. Verbal or written comments made by current or past Lessees, or their contractors or representatives, regarding the condition, use, safety, or value of the Premises will not be considered by the Lessor, nor will any such comments or assessments be grounds for disputing an award. Any error or omission including, but not limited to the omission of any information available to the agency having custody over the Premises and/or any other State agency, shall NOT constitute grounds or reason for breach, non-performance, or claim(s) by Lessee for damages or allowance, refund, or deduction from the lease rate.

3. PREMISES

Lessee hereby leases from Lessor those premises, hereinafter called "Premises," consisting of approximately 8,763 rentable square feet located at 1937 West Jefferson, in Phoenix, Arizona 85009, as shown at Exhibit A.

4. TERM

The term of this Lease is for _____ years (or until sooner terminated as herein provided), commencing _____ 20_____ and expiring on _____.

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.

5. TYPE OF LEASE AND 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. This is a Triple Net Lease (NNN). In addition to base rent, Lessee is also responsible for all operating expenses, including, but not limited to: taxes; utilities, janitorial, property insurance, routine repair and maintenance; and major maintenance and replacement of building equipment and building systems.

Year One _____/sq. ft./year plus rental occupancy tax.
Year Two _____/sq. ft./year plus rental occupancy tax.
Year Three _____/sq. ft./year plus rental occupancy tax.
Year Four _____/sq. ft./year plus rental occupancy tax
Year Five _____/sq. ft./year plus rental occupancy tax

Payment shall be made each month in the following manner:

Upon execution of this Lease, Lessee shall pay Lessor the base rent, as stated below, for the first and the last month of the lease Term. On the first day of the second month of the lease term and each month thereafter, Lessee shall pay Lessor the base rent, in advance, without offset, deduction, or prior demand. Time is of the essence.

Any partial month shall be prorated for that portion of the month Lessee occupies the Premises.

6. RENEWAL OPTION

Provided that Lessee is in possession of the Premises, and that this Lease is not previously cancelled or terminated by either party as provided in this Lease, by operation of law or otherwise, and further provided that Lessee has faithfully complied with and performed all of the covenants and conditions in this Lease on its part to be performed during the term, and any extension of said term, and is not in default at the time of attempting to exercise of this option, then Lessor and Lessee covenant and agree that Lessee shall have the option to extend the term of this Lease for three (3) additional one (1) year terms, commencing at the expiration of the term of this Lease, upon the same terms, covenants and provisions herein set forth except for rent as hereinafter provided.

The option for each of said Renewal Terms shall be exercised by Lessee giving Lessor not less than ninety (90)-days written notice of intention to extend the term prior to the expiration of this Lease or prior to the one (1) year extension term then in place.

Lessor and Lessee shall negotiate a new annual base rental rate payable hereunder upon Lessee's timely notice of intention to extend the term of this Lease. The Renewal Term annual rental rate shall be signed by Lessor and Lessee and incorporated as an amendment to this Lease. If the parties cannot agree, then the lease shall not be extended.

7. 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 a thirty (30)-day written notice to the Lessee or Lessor's last known address without incurring any penalty or damages.

8. TERMINATION

Lessor may terminate this Lease as follows and will provide Lessee with a thirty (30)-day written notice:

a. If Lease terminates pursuant to Arizona Revised Statute Section. 38-511 et seq.

b. If an Event of Default occurs pursuant to Paragraph 23 of this Lease.

c. If Lessor identifies the Leased Premises are required for State purposes. Lessee agrees Lessor's decision will be final. Lessee agrees the costs for vacating the Leased Premises will be borne exclusively by the Lessee, provided a thirty (30)-day written notice is rendered.

9. <u>REPAIRS</u>

Lessee shall promptly make all repairs and replacements to the Premises, including all common areas, designated parking areas, 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, fire alarms, fire suppression systems, and grounds. If Lessee fails to make necessary reapairs and/or replacements within a reasonable period of time, Lessor may arrange for such at Lessee's expense. Lessor shall not be responsible for repairs caused by the negligence of Lessee, its employees, agents, or customers.

10. <u>UTILITY CHARGES</u>

Lessee agrees to furnish and pay directly and in a timely manner for all utilities consumed on the Premises occupied by the Lessee, including, but not limited to, water, gas, electricity, heat and air conditioning, telephone, cable, and data services. Lessor shall not be liable to Lessee for any stoppage or interruption of such services and utilities as a result of causes outside control of the Lessor.

11. <u>JANITORIAL</u>

Lessee agrees to furnish and pay for janitorial services, including supplies and equipment.

12. <u>GROUNDS</u>

Lessee agrees to furnish and pay for grounds keeping services, including supplies and equipment.

13. <u>PARKING</u>

Lessor shall provide Lessee with approximately thirty-five (35) dedicated parking spaces in the common area parking without additional charge. The approximate dedicated parking area is depicted in Exhibit B.

14. IMPROVEMENTS AND ALTERATIONS

Lessee shall not make any alterations, additions or improvements without the prior review and 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 they shall at once become a part of the realty and belong to Lessor.

Lessee acknowledges that it has inspected the Premises and knows the condition of and is fully satisfied with the condition and accepts the Premises "AS IS" and "WITH ALL FAULTS." In addition, Lessee shall indemnify, defend and hold harmless Lessor against liability, loss, cost, damage, liens, and expense imposed upon Lessor arising out of the performance of such activities by Lessee. Lessee further acknowledges that, except as specifically set forth herein, Lessor has not made any representations or warranties whatsoever with respect to the Premises, and Lessee agrees that Lessor does not have any obligation to alter or repair the Premises or to prepare the same in any way for Lessee’s occupancy or use except as specifically set forth.

15. ASBESTOS DISCLOSURE

Lessee acknowledges that it is aware of the presence of asbestos in portions of the Premises. Lessor has provided asbestos survey information dated August 3, 1998 attached as Exhibit C. Lessee shall ensure that its employees, its contractors, sub-contractors, or customers are informed of the presence of asbestos-containing materials in the Premises and will not take or permit any action that can damage or disturb all or part of the asbestos-containing material.

Lessee acknowledges that asbestos testing and abatement is an operating cost associated with alterations, additions, or improvements to the Premises. Asbestos testing, maintenance and/or abatement shall be the sole cost and expense of Lessee. Lessee shall ensure that asbestos testing and/or abatement activity is performed by a licensed and insured asbestos abatement Lessee in accordance with applicable regulations.

Lessor reserves the right to review and retain copies of any and all documentation to support and discharge regulatory compliance obligations and to request and receive additional documentation it deems necessary, including, but not limited to: 1) asbestos inspection reports, 2) indoor air quality surveys, and 3) asbestos abatement project completion documentation.

16. <u>ENTRY BY LESSOR</u>

Upon reasonable notice and without breaching the security of the Lessee, or unreasonably interfering with Lessee's occupancy of, or access to the Premises, Lessor shall have the right to enter and inspect or secure the Premises. To the extent possible, such entry shall be scheduled in advance and take place during normal business hours.

17. <u>USE OF THE PREMISES</u>

The Premises described herein are leased to Lessee for the sole purpose of providing Lessee's stated services as attached in Exhibit D. 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, or firearms and personal weapons, in the Premises.

18. <u>COVENANTS AND RESTRICTIONS</u>

In addition to all other covenants and restrictions contained in this lease agreement and the IFB, the use of the Premises and the surrounding property are subject to the following covenants and restrictions: (i) the existence or operation of the business activity within the Premises shall not be apparent or detectable by sight, sound or smell from the outside of the Premises, except that the Lessee may have (a) one sign, pursuant to City of Phoenix zoning ordinances, attached to the building only identifying the name of the business operating in the Premises and (b) no more than two signs [not applicable] within the building identifying the location of the Lessee's business within the building; (ii) the business activity is legal and conforms to all applicable zoning ordinances or requirements; (iii) the business activity of Lessee conforms to the commercial character of the business area adjacent or surrounding the Premises and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other residents of the business area adjacent or surrounding the Premises; (iv) except as permitted in subsection (i) herein, no signs, banners, billboards, or placards of any kind, or anything of a similar nature, including, but not limited to, political issues or candidates, shall be displayed to the public view, from outside or from within the Premises such that it can be seen from the outside, on any portion of the building, the Premises or surrounding grounds; (v) no aluminum foil or paper, reflective coating which causes glare or a mirror effect shall be placed in, on or over any windows within the Premises; (vi) except for certified service animals, no animals, fish,

fowl, poultry or livestock shall be allowed into the Premises; and (vii) no trailer, tent, shack, garage, barn or other building of a temporary nature shall be installed, located or used on the grounds of the Premises.

19. <u>COMPLIANCE WITH THE LAW</u>

The Lessee 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 Sec. 12101 through 12213 and 47 USC Sections 225,611), Arizonans with Disabilities Act of 1992 (Arizona Revised Statute, Section 41 - 1492 et seq.) and their underlying regulations and rules, that are applicable to the Premises. Nothing herein contained shall be construed to restrict the Lessee from contesting the applicability of any such regulations, rule or ordinance, provided the Lessee indemnifies the Lessor to its reasonable satisfaction against the consequences of non-compliance during the period of dispute.

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

20. <u>SCRUTINZED BUSINESS OPERATIONS</u>

Pursuant to Arizona Revised Statutes, Sections 35-391.06 and 35-393.06, the Lessee warrants that it does not have a scrutinized business operation in the Republic of the Sudan or the Islamic Republic of Iran. For the purpose of this paragraph, the term "scrutinized business operations" shall have the meaning set forth in the preceding referenced statutes, as applicable. If the Lessor determines that the Lessee provided a false warranty, the Lessor may impose remedies as provided by law, including cancellation or termination of this Lease.

21. <u>EMINENT DOMAIN</u>

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.

22. <u>ASSIGNMENT AND SUBLEASE</u>

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 material 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.

<u>22. DESTRUCTION OF THE PREMISES</u>

a. In the event the Premises are totally destroyed, this Lease shall terminate.

b. In the event the Premises are partially destroyed, Lessor, with reasonable promptness and dispatch, shall repair and rebuild the same within one hundred eighty (180) working days. Lessee shall pay rent, if the remaining Premises are Lesseeable, during such period of repair or rebuilding in the proportion of Lesseeable Premises occupied by Lessee. In case the remaining Premises, following a partial destruction, are un-Lesseeable by Lessee, Lessee shall have the option to cease occupancy and all rent payments until the Premises are Lesseeable or terminate this Lease.

c. If no funds or insufficient funds are available for Lessor to repair and rebuild the same as described in Subparagraph b., this Lease shall terminate.

d. The word "Lesseeable" as heretofore used shall be understood by the parties to mean Lesseeable for the purpose of “performing the duties and services provided by Lessee to its customers.”

23. <u>SUBORDINATION AND ATTORNMENT</u>

Lessor reserves the right to place liens or encumbrances on said property 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 such further instruments evidencing such subordination of this Lease as may be requested by Lessor.

In the event of a transfer of ownership of the property, Lessee agrees to attorn to the new owner acquiring the property 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. Any sale of the Premises by Lessor or other transfer of ownership shall operate to release Lessor as of the date of sale or transfer of ownership from any and all future liability under this Lease.

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.

24. <u>ASSURANCE OF PERFORMANCE</u>

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.

25. <u>DEFAULT, REMEDIES, AND DAMAGES</u>

If an Event of Default occurs, Lessor shall exercise any remedy it has at law, or equity. Each of the following events shall constitute an "Event of Default" hereunder:

a. If Lessee shall default in the payment, when due, of any installment of base rent, or in the payment, when due, of any additional rent or other item of rental, and Lessee shall fail to remedy such default within ten (10) days after Lessee received notice of such default from Lessor; or

b. If Lessee shall default in the observance or performance of any other term, covenant or condition of this Lease on Lessee's part to be observed or performed, and Lessee shall fail to remedy such default within ten (10) days after notice by Lessor to Lessee of such default, or if such default is of such a nature that it cannot be completely remedied within said period and Lessee shall not commence within said period of ten (10) days, or shall not thereafter diligently prosecute to completion, all steps necessary to remedy such default.

If there shall occur any Event of Default, this Lease and the term shall expire and come to an end as provided in Paragraph 6, Subparagraph b. Lessee shall quietly and peacefully surrender the Premises to Lessor. Lessor and its agents at Lessor's option, may immediately or at any time after such default or after the date upon which this Lease and the term may expire and come to an end, re-enter and repossess the Premises or any part thereof.

All of the provisions of this Lease are material terms and conditions. Breach of any of these terms and conditions by Lessee shall be sufficient grounds for cancellation of this Lease by Lessor, subject to the other provisions of this paragraph.

26. <u>INSURANCE AND INDEMNITY</u>

Lessee shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "State of Arizona" in this paragraph) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Lessee or any of its owners, officers, directors, agents, employees or Lessees, arising out of or related to Lessee's occupancy and use of the Premises. It is the specific

intention of the parties that the State of Arizona shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the State of Arizona, be indemnified by Lessee from and against any and all claims. It is agreed that Lessee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

Lessee shall procure and maintain for the duration of this Lease, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Lease. The *insurance requirements* herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease. Lessor in no way warrants that the minimum limits contained herein is sufficient to protect Lessee from liabilities that might arise out of this Lease. Lessee is free to purchase such additional insurance as it determines necessary. Lessee shall shall provide coverage with limits of liability not less than those stated below:

Commercial General Liability – Occurrence Form - Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

GeneralAggregate	$2,000,000
Products – Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Blanket Contractual Liability – Written and Oral	$1,000,000
Fire Damage (Any one fire)	$500,000

Policy shall be endorsed to include the following additional insured language: "*The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees"* shall be named as additional insureds with respect to liability arising out of the use and/or occupancy of the property subject to this Lease.

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials,

agents, and employees for losses arising from work performed by or on behalf of the Lessee.

Property Insurance - Property insurance on the building is only required if the Lessee is the sole occupant of the building.

Coverage on Lessee's contents	Replacement Value
Coverage on building - *if Lessee is sole occupant*	Replacement Value - $765,340.

Property insurance shall be written on an "all risk, replacement cost coverage, including coverage for flood and earth movement. If property coverage on the building is required, *"the State of Arizona, the Arizona Department of Administration, shall be named as a loss payee".*

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Lessee.

Additional Insurance Requirements - The policies shall include, or be endorsed to include, the following provisions:

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

Notice of Cancellation - Each insurance policy required by the insurance provisions of this Lease shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the party(ies) identified in Paragraph 30of this Lease and shall be sent by certified mail, return receipt requested.

Acceptability of Insurers - Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less that A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Lessee from potential insurer insolvency.

Verification of Coverage - Lessee shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before the Lease term commences. Each insurance policy required by this Lease must be in effect at or prior to the commencement of the lease and must remain in effect for its duration. Failure to maintain the insurance policies as required by this Lease or to provide timely evidence of renewal will be considered a material breach of this Lease.

All certificates required by this Lease shall be sent directly to the party(ies) identified in Paragraph 30 of this Lease. The State of Arizona reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Lease at any time.

Approval - Any modification or variation from the *insurance requirements* in this Lease must have prior written approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

Exceptions - In the event the Lessee or sub-lessee(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Lessee or sub-Lessee(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

27. <u>BROKER</u>

Lessee represents and warrants that it has disclosed to Lessor (i) the identity of any broker(s) utilized by Lessee in connection with a Lease for space in the Premises, and (ii) any fee or other compensation received by a broker(s) in connection with a Lease for space in the Premises.

Lessee further represents and warrants that any broker(s) utilized by Lessee is the Lessee's broker and Lessee is fully responsible for all fees, costs, amounts, or commissions that may be owed to any broker in connection with a Lease for space in the Premises. Lessee further represents and warrants that it will completely indemnify and hold harmless Lessor, including any attorneys' fees and costs, for any claims made against Lessor for any fees, costs, amounts, or commissions that may be alleged by any broker in connection with a Lease for space in the Premises. The execution and delivery of this Lease by Lessee shall be conclusive evidence that Lessor has relied upon the foregoing representations and warranties.

28. <u>TIME</u>

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

29. <u>DEFINED TERMS AND MARGINAL HEADINGS</u>

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.

30. <u>ATTORNEY'S FEES</u>

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.

31. <u>WAIVER</u>

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.

32. NOTICES

All notices to be given by one party to the other shall be in writing, mailed or hand-delivered to each as follows:

LESSOR: The Arizona Deparment of Administration
General Services Divison
Attention: Nola Barnes
General Manager, Building and Planning Services
100 North 15th Avenue, Suite 202
Phoenix, Arizona 85007

LESSEE: _____

33. ESTOPPEL CERTIFICATE

Lessee shall, upon not less than ten (10) days prior written request by Lessor, deliver to Lessor a statement in writing 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.

34. AMENDMENTS 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 amendments in writing between the parties delivered by certified mail.

35. PROHIBITION OF DISCRIMINATION

The Lessee agrees to comply with State of Arizona Executive Order No. 99-4, "PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS, NONDISCRIMINATION IN EMPLOYMENT BY GOVERNMENT LESSEES AND SUBLESSEES."

36. 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 re-released by such means as Lessor 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.

37. RIGHT OF RECOVERY

Neither party shall recover from each other for Acts of God.

38. INSPECTION AND AUDIT

In accordance with Arizona Revised Statutes, Sections 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 Lessor, the State Auditor, or their agents, or employees at the Lessor's office or at the Lessee's offices designated in Paragraph 29 at any time during the terms of the Lease and for five (5) years after termination thereof. Upon request, the Lessee shall produce orignals of any or all such records.

39. ARBITRATION

The parties agree to use binding arbitration, after exhausting applicable administrative review, to the extent required by Arizona Revised Statutes, Section 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. Attorneys’ fees shall be based on the prevailing hourly rate for attorneys in Phoenix, Arizona.

40. CONFLICT OF INTEREST

All parties hereby are put on notice that this Lease is subject to cancellation by the Governor pursuant to Arizona Revised Statutes, Section 38-511, the provisions of which are incorporated herein.

41. ANTITRUST VIOLATIONS

Lessee assigns to the Lessor any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the

Lessee toward fulfillment of this Lease.

42. <u>ARIZONA LAW</u>

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.

FOR AND ON BEHALF OF THE

LESSEE:

By: _____ Date: _____

Position: _____

FOR AN ON BEHALF OF THE ARIZONA DEPARTMENT OF ADMINISTRATION, AN AGENCY OF THE STATE OF ARIZONA **(LESSOR):**

By:_____ Date: _____

Position: _____

EXHIBIT A

PREMISES

2,371 rentable square feet located at 14 North 18th Avenue, Phoenix, AZ 85007

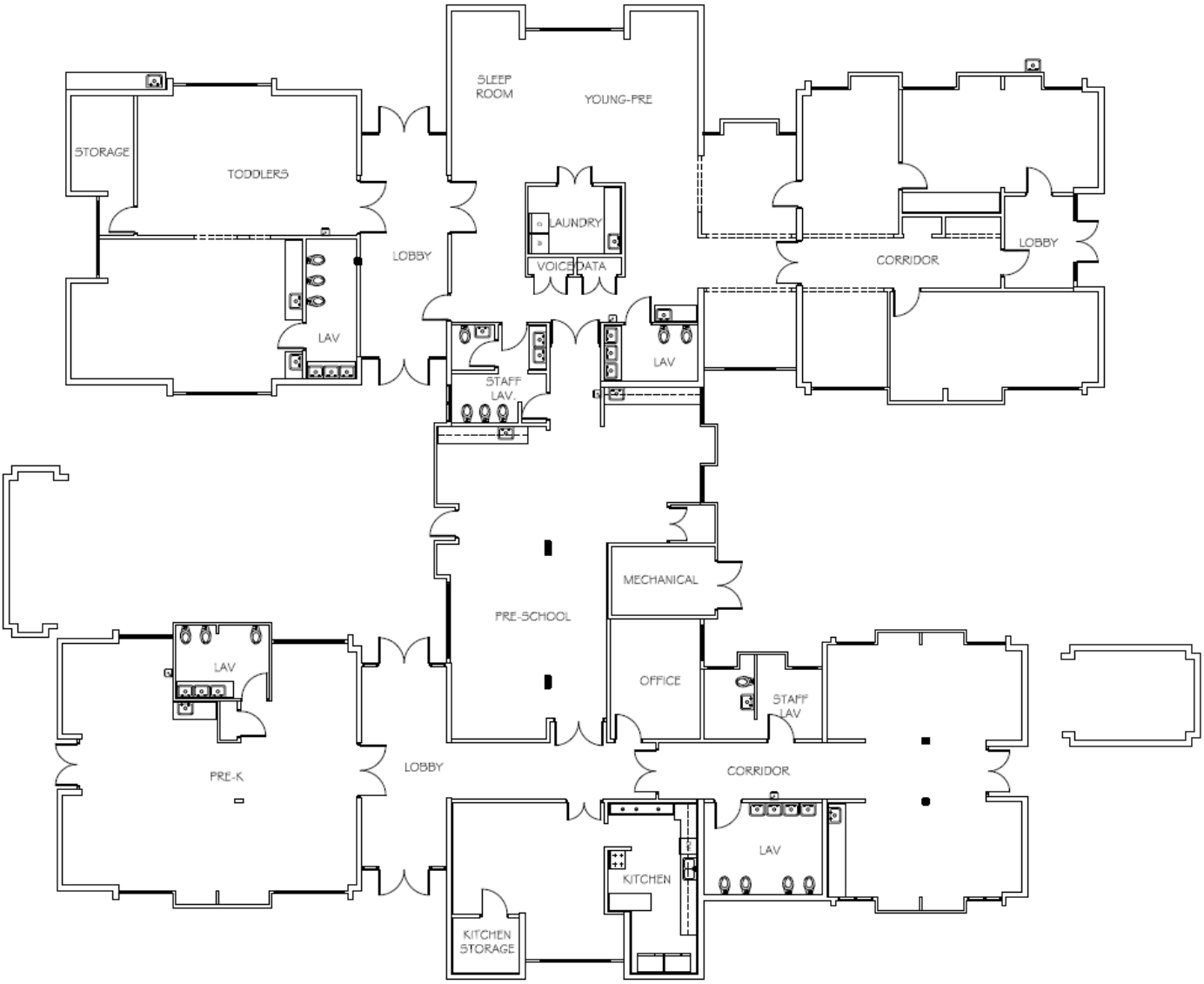

EXHIBIT B

PARKING

Lessor shall provide Lessee with nine (9) dedicated parking spaces as depicted below.

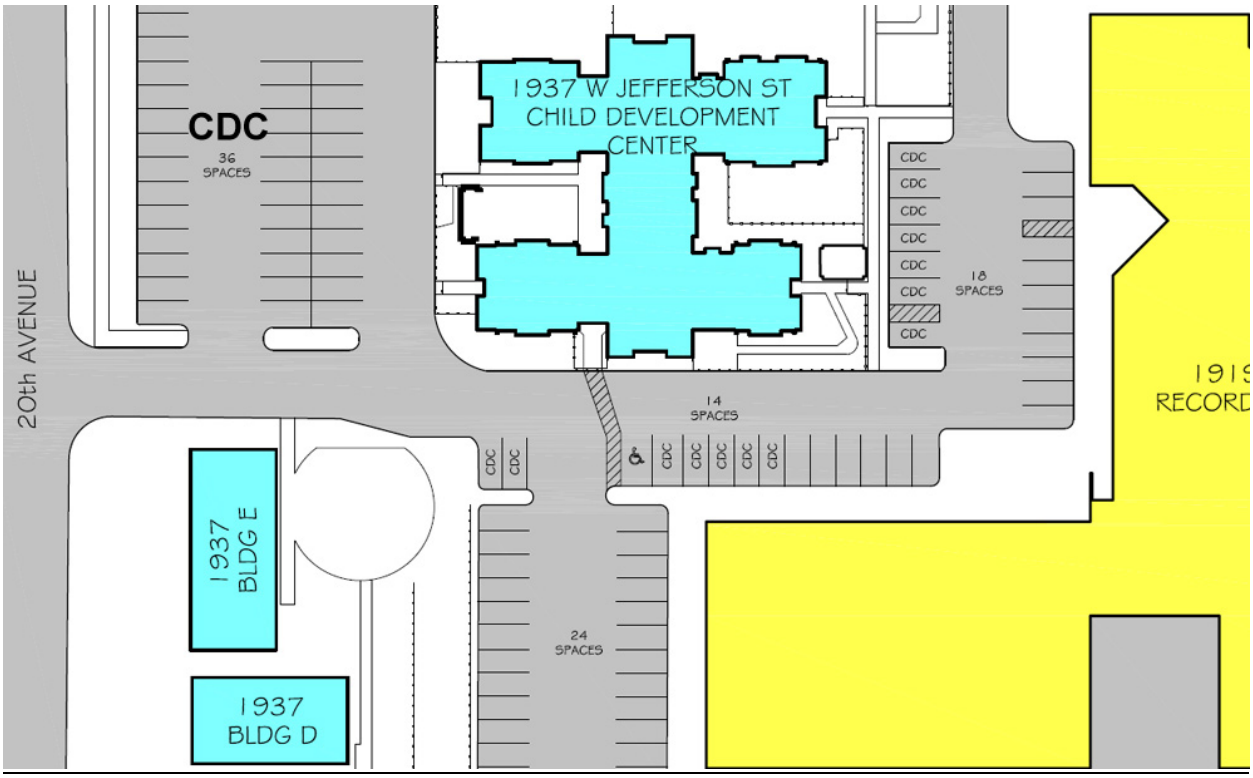

EXHIBIT C

ASBESTOS DISCLOSURE

Phase I Environmental Site Assessment and Asbestos Survey dated August 24, 2006.

http://gsd.azdoa.gov/assets/documents/14 N 18th Ave Phase I Survey.pdf

EXHIBIT D

USE OF PREMISES

The Premises are leased to Lessee for the sole purpose of providing Lessee's services as stated below:

Lessee statement here: