

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

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

50
51 In the event no funds or insufficient funds are available or allocated to Lessee for any
52 payment that may be due under this Lease, including no funds or insufficient funds
53 resulting from an act of the Legislature, for any portion of the term or renewal of this Lease,
54 Lessee will be without further obligation under this Lease and will remove its personnel
55 and property from the Premises by the end of the period for which funds are available.
56 Lessee will advise Lessor at any time it appears that there may be insufficient funds to fully
57 pay its Lease payments. No liability shall accrue to the Lessee or any other agency of the
58 State of Arizona in the event the provision of this paragraph is exercised, and neither the
59 Lessee or any other agency of the State of Arizona shall be obligated or liable for any future
60 payments or for any damages as a result of termination under this paragraph.

61
62 **5. REPAIRS**

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

69
70 **6. UTILITY CHARGES**

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

75
76 **7. JANITORIAL**

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

80
81 Lessee is required to participate in the State paper-recycling program and will identify
82 certain of its workstation waste containers for recyclable paper. Lessor shall collect the
83 paper from these containers and place it in the centralized containers provided by Lessee
84 for that purpose. Lessor shall allow the State's paper recycling program contractor access to
85 the building at times convenient to the contractor for purposes of removing the
86 accumulated recyclable paper.

87
88 **8. PARKING**

89 Lessor shall provide Lessee with _____covered, reserved parking spaces and _____open,
90 non-reserved spaces throughout the term of this lease or any renewal thereof at no
91 additional charge. Lessor agrees to maintain an overall parking ratio of _____ spaces per
92 one thousand (1,000) square feet of rentable area. Lessor shall not construct any additions
93 to the building site that have the effect of reducing the available parking to less than the
94 above ratio, unless equivalent replacement parking satisfactory to Lessee is made available
95 to Lessee. Lessee shall not unreasonably withhold consent to such equivalent replacement
96 parking.

97
98 **9. IMPROVEMENTS AND ALTERATIONS**

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

104
105 **10. OFFSET**

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

116
117 **11. USE OF PREMISES**

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

124
125 **12. COMPLIANCE WITH THE LAW**

126 The Lessor shall promptly execute and comply with all statutes, rules, orders, building
127 codes, fire codes, ordinances, requirements, and regulations of the City, County, State and
128 Federal governments, including O.S.H.A., the Americans with Disabilities Act of 1990 (42
129 USC Sections 12101 through 12213 and 47 USC Sections 225,611), Arizonans with
130 Disabilities Act of 1992 (A.R.S. § 41-1492 et seq.) and their underlying regulations and rules,
131 which are applicable to the Premises. Nothing herein contained shall be construed to
132 restrict the Lessor from contesting the applicability of any such regulations, rule or

133 ordinance, provided the Lessor indemnifies the Lessee to its reasonable satisfaction against
134 the consequences of non-compliance during the period of dispute.

135
136 The Lessor shall promptly execute and comply with A.R.S. § 41-4401, immigration laws and
137 E-Verify requirement. The Lessor warrants compliance with all federal immigration laws
138 and regulations relating to employee and warrants compliance with A.R.S. § 23-214.(A.) A
139 breach of Lessor's warranty regarding compliance with immigration laws and regulations
140 shall be deemed a material breach of this lease. The Lessor may be subject to penalties up
141 to, and including, termination of this lease. The Lessee, retains the legal right to inspect the
142 papers of any employee who works on this lease to ensure the Lessor or its sub-
143 contractor(s) are in compliance with Lessor's warranty under this paragraph.

144
145 **13. EMINENT DOMAIN**

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

150
151 **14. ASSIGNMENT AND SUBLEASE**

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

158
159 **15. DESTRUCTION OF THE PREMISES**

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

170
171 **16. SUBORDINATION AND ATTORNMENT**

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

177 Notwithstanding the foregoing, Lessee covenants and agrees to execute and deliver upon
178 demand the instrument, attached as Exhibit C, evidencing such subordination of this lease
179 as may be requested by Lessor.
180

181 In the event of a transfer of ownership of the Premises, Lessee agrees to attorn to the new
182 owner acquiring the Premises and to recognize such owner as Lessor under this Lease.
183 Lessee hereby waives any right to terminate this Lease because of such transfer, provided
184 neither the former owner nor the current Lessor is in breach of any provision of this Lease.
185 Lessee shall have the ability to request and receive adequate assurances of performance by
186 any new owner as a condition of attornment.
187

188 **17. ESTOPPEL CERTIFICATE**

189 Lessee shall, upon not less than ten (10) days prior written request by Lessor, deliver to
190 Lessor a statement in writing, attached as Exhibit D, certifying: (1) that this lease is
191 unmodified and in full force and effect or if there have been modifications, that this lease as
192 modified is in full force and effect; (2) the dates to which rent and other charges have been
193 paid, and (3) that Lessor is not in default under any provisions of this lease, or if in default,
194 a detailed description of such default.
195

196 **18. NONDISTURBANCE**

197 Subject to the terms of this Lease, so long as Lessee is not in material breach of the terms of
198 this lease, it shall have a right to the quiet possession of the Premises without disturbance
199 from the Lessor or any person claiming rights through Lessor, for the term of the Lease.
200 Any sale of the Premises by Lessor or other transfer of ownership, whether voluntary or by
201 operation of law, shall not by itself operate to terminate this Lease or Lessee's right of
202 possession.
203

204 **19. ENVIRONMENTAL CONTROL**

205 The Lessor shall maintain adequate heating, ventilation, cooling and lighting equipment in
206 operation to maintain the following environmental conditions within the Premises.
207

| | | |
|-----|-------------------------------|-----------------------------------------|
| 208 | Temperature in winter | 70F - 75F |
| 209 | Temperature in summer | 74F - 78F |
| 210 | Ventilation year round | 5 air changes per hour |
| 211 | Lighting on all work stations | 30 foot – candles (lm/ft ²) |

212
213 For the purpose of this paragraph summer is defined as the months April through October,
214 inclusive and winter is defined as the months November through March, inclusive.
215

216 **20. ASSURANCE OF PERFORMANCE**

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

221 further obligation under this Lease.

222

223 **21. SELF-INSURANCE BY LESSEE**

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

228

229 **22. TIME**

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

231

232 **23. DEFINED TERMS AND MARGINAL HEADINGS**

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

238

239 **24. HOLDOVER**

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

245

246 **25. ATTORNEY'S FEES**

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

253

254 **26. WAIVER**

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

260

261 **27. NOTICES**

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

264

265 LESSOR: _____

266 LESSEE: _____

267
268 **28. AGREEMENTS IN WRITING**

269 All negotiations, considerations, representations, and understandings between the parties
270 are incorporated and expressly stated herein and may be modified and altered only by
271 agreement in writing between the parties delivered by certified mail.
272

273 **29. PROHIBITION OF DISCRIMINATION**

274 The Lessor agrees to comply with State of Arizona Executive Order No. 09-09,
275 "PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS, NONDISCRIMINATION
276 IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS."
277

278 **30. LIENS**

279 The Lessee shall keep the Premises free from any liens arising out of any work performed,
280 materials furnished or obligations incurred by Lessee. In the event that Lessee shall not,
281 within ten (10) days following the imposition of any such lien, cause the same to be released
282 of record by payment or posting of a proper bond, Lessor shall have, in addition to all other
283 remedies provided herein by law, the right to cause the same to be released by such means
284 as he shall deem proper, including the payment of the claim giving rise to such lien. All
285 such sums paid by Lessor and all expenses incurred by him in connection therewith shall be
286 considered additional rent and shall be payable by Lessee on demand with interest at ten
287 percent (10%) per annum.
288

289 Lessor shall have no rights to or any interest in the personal property of the Lessee located
290 on or about the Premises and will not place any lien on such property for any reason.
291 Lessor will not take any action to deprive Lessee of possession of its personal property,
292 including, but not limited to, taking possession of the Lessee's personal property. Should
293 the Lessor come into possession of any personal property of Lessee as an incident of the
294 exercise of any of the rights of Lessor under this Lease, Lessor agrees to promptly deliver
295 such property to Lessee upon Lessee's request.
296

297 **31. RIGHT OF RECOVERY**

298 Neither party shall have a right of recovery from the other for Acts of God.
299

300 **32. INSPECTION AND AUDIT**

301 In accordance with A.R.S. §§ 35-214 and 35-215, all books, accounts, reports, files and other
302 records, hereinafter referred to as "Records," relating to this lease shall be subject at all
303 reasonable times to inspection and audit by the Lessee, the State Auditor, or their agents, or
304 employees at the Lessor's office or at the Lessee's offices designated in paragraph 27 at any
305 time during the terms of the lease and for five (5) years after termination thereof. Upon
306 request, the Lessor shall produce originals of any or all such Records.
307
308

309 **33. SEVERABILITY**

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

313

314 **34. ARBITRATION**

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

320

321 **35. CONFLICT OF INTEREST**

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

323

324 **36. ANTITRUST VIOLATIONS**

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

328

329 **37. ARIZONA LAW**

330 This lease shall be governed and interpreted by the laws of the State of Arizona.

331

332 **IN WITNESS WHEREOF**, the parties hereto have executed this instrument by proper persons
333 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: _____

By: _____

Printed Name: _____

Printed Name: _____

Position: _____

Position: _____

Date: _____

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 [REDACTED] for Premises located at [REDACTED], [REDACTED], Arizona [REDACTED] (Premises), as amended by the following amendments (the Lease): [REDACTED]. 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 [redacted] for Premises located at [redacted], [redacted], Arizona [redacted] (Premises), as amended by the following amendments (the Lease): [redacted].

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 [redacted], 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: _____