Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

STUDY SESSION
TUESDAY, JULY 21, 2020
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

AGENDA

1) CALL TO ORDER; ROLL CALL

2) **p.3** Review and discussion regarding the allocation of funding in the amount of $1,420,731 from the AZ Cares Act Fund. (Joe Duffy, Administrative Services Director)

3) **p.5** Discussion regarding the Professional Services Agreement with Stroh Architecture Inc. for the Police Station 30% Schematic Design Services in the amount of $148,057.00. (Frank Marbury, Public Works Director/Town Engineer)

4) **p.63** Consideration and discussion regarding proposed changes to the Town's Procurement Code.(Joe Duffy, Administrative Services Director)

5) **p.65** Presentation and discussion regarding the ground lease prepared by the Town Attorney between the Town of Chino Valley and future "Tenant." (Maggie Tidaback, Economic Development Project Manager)

6) **p.109** Presentation and discussion regarding the preparation of a 1/2 - 1 acre dirt pad and real estate sign with rendering at the Business Park at Old Home Manor. (Maggie Tidaback, Economic Development Project Manager)

7) ADJOURNMENT

Dated this 16th day of July, 2020.

By: *Jami C. Lewis, Town Clerk*

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at http://www.chinoaz.net/agendacenter, and in the Public Library and Town Clerk's Office.

Council meetings are live-streamed on Cable Channel 57, Town of Chino Valley Facebook page, and Zoom.

Join Zoom Webinar: https://us02web.zoom.us/j/88089355589
Telephone: 877 853 5247 (toll free) or 888 788 0099 (toll free)
iPhone one-tap: US: +13462487799,,88089355589# or +16699009128,,88089355589#
Webinar ID: 880 8935 5589

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:____________________ Time:_________________ By:___________________________________
Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **2)**

Meeting Date:	07/21/2020
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of Staff Presentation:	10 minutes
Physical location of item:	N/A

Information

AGENDA ITEM TITLE:

Review and discussion regarding the allocation of funding in the amount of $1,420,731 from the AZ Cares Act Fund. (Joe Duffy, Administrative Services Director)

SITUATION & ANALYSIS:

On May 29, 2020, Governor Douglas Ducey informed the Town of Chino Valley that they were awarded $1,420,731 from the AZ Cares Fund.

The funds are intended to reimburse the Town for its Public Safety expenses from March 1, 2020, through December 31, 2020.

The reimbursement resulted in a saving in the General Fund of $1,420,731.

Mayor and Council should review and discuss the use of these funds by the Town.

Attachments

Award Letter

DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

May 29, 2020

Dear Mayor Croft:

I am pleased to inform you that we are awarding $1,420,731 from the AZCares Fund to the Town of Chino Valley. We appreciate your leadership and partnership during this difficult time. We have designed this program to provide maximum flexibility to local leaders like yourself so that you can best respond to the individual needs of your community.

As you know, this program was designed based on specific feedback we received from you and your colleagues. We look forward to seeing the many innovative ways that you all will utilize these dollars on behalf of our shared citizens.

If there is anything my office can do to assist in the implementation of your efforts, please don't hesitate to reach out.

Further details are enclosed.

Sincerely,

Douglas A. Ducey
Governor, State of Arizona

1700 W WASHINGTON STREET, PHOENIX, ARIZONA 85007
602-542-4331 · www.azgovernor.gov

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **3)**

Meeting Date:	07/21/2020
Contact Person:	Frank Marbury, Public Works Director/Town Engineer Phone: 928-636-7140 x-1226
Department:	Public Works
Item Type:	Action
Estimated length of staff presentation:	15 minutes
Physical location of item:	Town Hall Campus (202 N State Route 89)

Information

AGENDA ITEM TITLE:

Review and discussion regarding the Professional Services Agreement with Stroh Architecture Inc. for the Police Station 30% Schematic Design Services in the amount of $148,057.00. (Frank Marbury, Public Works Director/Town Engineer)

RECOMMENDED ACTION:

Direct Staff based on Council recommendation.

SITUATION AND ANALYSIS:

The Town of Chino Valley advertised a Request for Statements of Qualifications (RFQ) seeking Statements of Qualifications (SOQs) from qualified, licensed firms interested in providing Police Station 30% Schematic Design Services on November 8, 2019. The planned site for the police station is the western portion of Parcel No. 306-23-047F, located at 202 North State Route 89.

On January 9, 2020, the Town received six SOQs which were then reviewed and scored by a Selection Committee made up of Town Staff and members of the community. On January 30, 2020, the Selection Committee developed a shortlist of the three top scoring consultants to interview. Consultant interviews occurred on February 13, 2020. The Selection Committee tallied the final scores for both the SOQs and the interviews with the final ranking as follows:

1. Stroh Architecture Inc.
2. Architekton Inc.
3. LEA Architects, LLC.

Town staff entered into negotiations with the highest scoring vendor (Stroh Architecture Inc.). The final scope and associated fees are as follows:

Produce preliminary design and construction documents to build a new approximate 15,000 SF Police Station.

Programming: The Architect shall provide, through investigation and addressing the Owner's needs, a program of space, approximate size, functional relationship and character of each space required for the project. Cost estimate provided.

Schematic Design Phase: The Architect shall review the program with the Owner as developed by the Architect to ascertain the requirements of the Project and shall arrive at a mutual understanding of such requirements with the Owner. The Architect shall review with the Owner alternative approaches to design and construction of the Project. The Architect shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings, and other documents illustrating the scale and relationship of the project's components. Cost estimate, geotechnical investigation, IT and security systems provided.

Design Development Phase: Based on the approved Schematic Design documents and any other adjustments authorized by the Owner in the program, the Architect shall prepare, for approval by the Owner, Design Development documents consisting of drawings, colored renderings and other documents to affix and describe the size and character of the Project as to architectural, materials and such other elements as may be appropriate. A finish materials and colors board will be provided as part of this phase. Cost estimate provided.

Architecture	$64,575
Electrical Engineering	$6,000
Mechanical Engineering	$6,000
Structural Engineering	$10,000
Cost Estimating	$22,980
Landscape Architecture	$5,000
Geotechnical Engineering	$4,200
Civil Engineering	$28,302
Estimated Printing Budget	$1,000
Total 30% Professional Fees	**$148,057**

Fiscal Impact

Fiscal Impact?:	148,057
If Yes, Budget Code:	05-90-5465
Available:	148,057
Funding Source:	

Funds will be paid out of the Capial Improvement Fund.

Attachments

Professional Services Agreement

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
STROH ARCHITECTURE, INCORPORATED

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of March 24, 2020, between the Town of Chino Valley, an Arizona municipal corporation (the "Town"), and Stroh Architecture, Incorporated, an Arizona corporation (the "Consultant").

RECITALS

A. The Town issued a Request for Statements of Qualifications, "Police Station 30% Schematic Design Services" (the "RFQ"), a copy of which is on file in the Town's Finance Office and incorporated herein by reference, seeking statements of qualifications from vendors for the 30% schematic design of a new police station and budget estimate (the "Services").

B. The Consultant responded to the RFQ by submitting a Statement of Qualifications (the "SOQ"), attached hereto as Exhibit A and incorporated herein by reference, and the Town desires to enter into an Agreement with the Consultant for the Services.

C. Upon review of the 30% design, at Town Council's sole discretion, this Agreement may be amended for Consultant to complete the design through construction documents (the "Additional Services").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until September 30, 2020, unless terminated as otherwise provided in this Agreement.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work attached hereto as Exhibit B and incorporated herein by reference. Consultant shall (i) provide the Services required by this Agreement, (ii) be responsible for all means, methods, techniques, sequences and proceedings associated with the Services and (iii) be responsible for the acts and omissions of its employees, agents and other persons performing any of the Services under a contract with Consultant. Prior to commencing the Services, Consultant shall tour the Project site and become familiar with existing conditions, including utilities, and notify the Town of any constraints associated with the Project site. If, in Town Council's sole discretion, this Agreement is amended for Consultant to provide the Additional Services, this Scope of Work will be amended accordingly.

3. Compensation. The Town shall pay Consultant an amount not to exceed $148,057.00 for the Services at the rates set forth in the Fee Proposal attached hereto as Exhibit C and incorporated herein by reference. If this Agreement is amended to include the Additional Services, Consultant's compensation will be increased to a mutually-agreed price.

4. Payments. The Town shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. Consultant shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Consultant's sole determination, the Services to be provided do not require a safety plan, Consultant shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town. The Town may use such documents for other purposes without further compensation to the Consultant; however, any reuse without written verification or adaptation by Consultant for the specific purpose intended will be at the Town's sole risk and without liability or legal exposure to Consultant.

7. Consultant Personnel. Consultant shall provide experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire Town residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.

9. Licenses. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement.

10. Materials; Equipment. Consultant shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, tools, transportation and other facilities and services necessary for the proper execution and completion of the Services.

11. Performance Warranty. In addition to any specific obligations set forth in Exhibit B, Consultant warrants that the Services rendered will conform to the requirements of this Agreement and shall be carried out with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

12. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the Consultant, its officers, employees, agents, or any tier of subcontractor in connection with Consultant's work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

13. Insurance.

13.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Town and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate reference to this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Agreement will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Consultant shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Section 13.

13.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. If Consultant employs anyone who is required by law to be covered by workers' compensation insurance, Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

13.3 Cancellation and Expiration Notice. Consultant shall provide at least 30 days prior written notice to the Town before insurance required herein expires, is canceled, or is materially changed.

14. Termination; Cancellation. The Town may, by written notice to Consultant as set forth in this Section, terminate this Agreement in whole or in part.

14.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Consultant of written notice by the Town. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

14.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

14.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. If Consultant abandons the Services without the consent of the Town, Consultant shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (A) the difference between the cost of a replacement Consultant to complete the Services and the contract price for Consultant under this Agreement; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by Consultant. The Town shall use its best efforts to replace Consultant within a reasonable time.

14.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

14.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

14.6 Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Consultant hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

14.7 Obligations Upon Receipt of Termination Notice. Upon receipt of a notice of termination as set forth above, Consultant shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both parties at the time of termination). Such termination shall not relieve Consultant of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by Consultant will be without liability or legal exposure to Consultant. Consultant shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

15. Suspension of Work.

15.1 Order to Suspend. The Town may, for its convenience, order the Consultant, in writing, to suspend all or any part of the Services for such period of time as it may determine to be appropriate.

15.2 Adjustment to Contract Sum. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of the Town in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay (A) to the extent that performance was suspended or delayed for any other cause, including the fault or negligence of the Consultant, or (B) for which a change order is executed.

16. Miscellaneous.

16.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit A. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Consultant do not intend to nor will they combine business operations under this Agreement.

16.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

16.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws and (C) existing and future OSHA standards.

16.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Consultant.

16.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

16.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

16.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

16.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

16.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

16.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

16.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

16.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

16.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

16.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323 Attn: Cecilia Grittman, Town Manager
With copy to:	GUST ROSENFELD P.L.C. One East Washington Street, Suite 1600 Phoenix, Arizona 85004-2553 Attn: Andrew J. McGuire
If to Consultant:	Stroh Architecture, Incorporated 1577 Plaza West Drive, Suite B Prescott, Arizona 86303 Attn: Douglas D. Stroh

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

16.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

16.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 16.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 16.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

16.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

16.18 Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

16.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any Town-approved Purchase Order, the Fee Proposal, the RFQ and the Consultant's SOQ, the documents shall govern in the order listed herein.

16.20 Time is of the Essence. The timely completion of the Services is of critical importance to the economic circumstances of the Town.

16.21 Meaning of Terms. References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.

16.22 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

"**Town**"	"**Vendor**"
TOWN OF CHINO VALLEY, an Arizona municipal corporation	STROH ARCHITECTURE, INCORPORATED, an Arizona corporation
________________________________ Darryl Croft, Mayor	By: ____________________________ Douglas D. Stroh, President

ATTEST:

____
Jami Lewis, Town Clerk

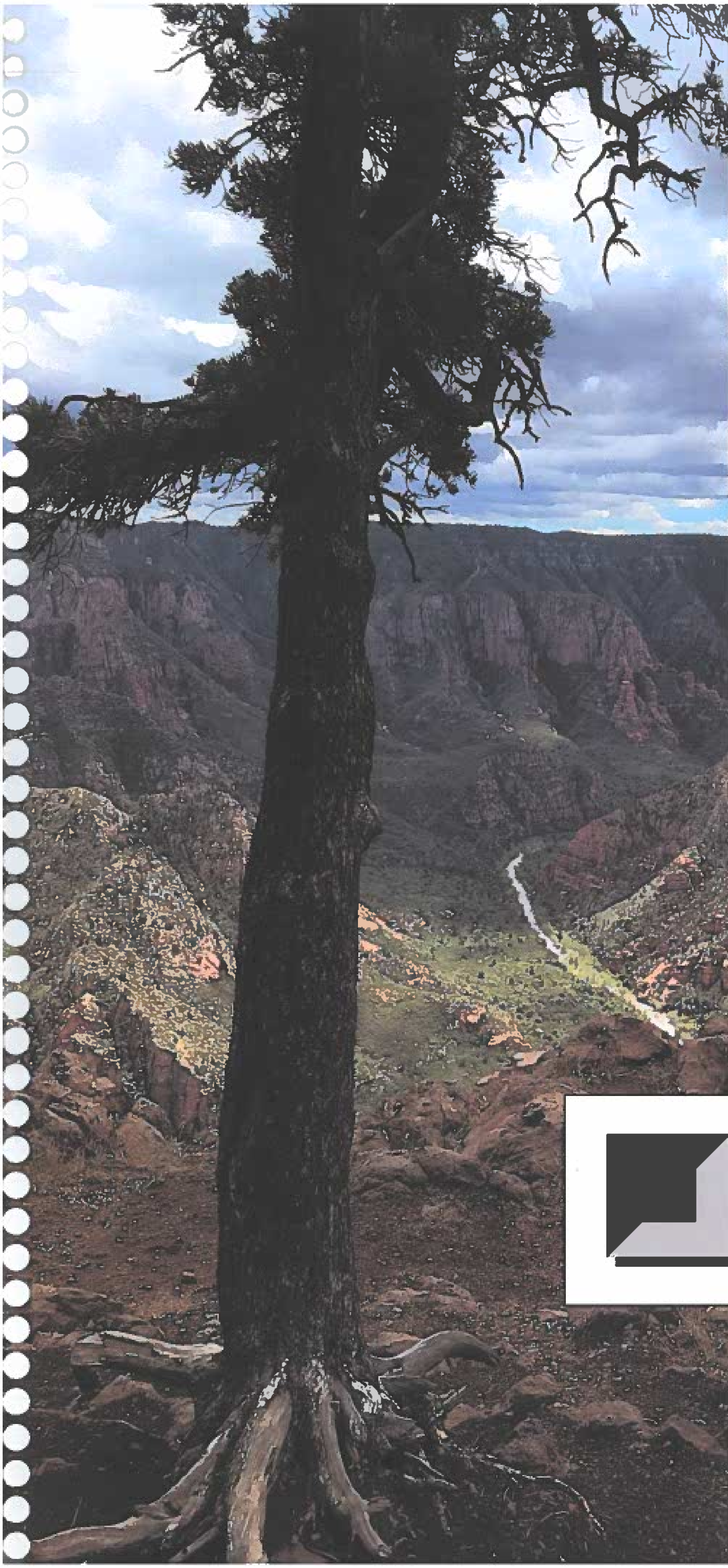
APPROVED AS TO FORM:

____
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
STROH ARCHITECTURE, INCORPORATED

[SOQ]

See following pages.



TOWN OF CHINO VALLEY

POLICE STATION DESIGN

CHINO VALLEY, ARIZONA

Stroh Architecture Inc.

In Collaboration with

Otwell Associate Architects

STROH ARCHITECTURE INC.

January 9, 2020

Frank Marbury
Town of Chino Valley Public Works Department
1982 Voss Drive
Chino Valley, AZ 86323

Re: Police Station 30% Design Services

Mr. Marbury,

This is a very important project for the Chino Valley Police Department. The completion of this facility will have a long-lasting impact on the health and well-being of the community.

We are pleased to submit the qualifications of Lead Architect, Stroh Architecture Inc., in collaboration with Otwell Associates Architects. As partner firms, we have collaborated on sixteen projects for public sector clients valued at over $42M including the Yavapai College Administration Offices, the City of Prescott Public Library expansion and renovations and the 10,000 SF expansion of the Prescott Valley Police Station.

We offer the Town of Chino Valley a seamless Architectural/Engineering Team with extensive experience designing sustainable projects for Cities, Towns, Counties, Colleges and School Districts throughout Arizona.

Founded in Prescot in 1992, Stroh Architecture Inc. has designed numerous projects for the Town of Chino Valley including the Aquatic Center, Boys and Girls Club and additions and renovations to the Library.

The firm designed the 11,000 SG Camp Verde Marshal's facility and was the local architect on the team that designed the Yavapai County Juvenile Detention Center.
Otwell Associates Architects was founded in Prescot in 1979. The firm designed the Prescott Police Station and recently completed the total renovation of the Yavapai County Courthouse in Prescott.

Stroh and Otwell combined have practiced Architecture here for 59 years. We are locals. No site trip charges. We are good listeners and proud of our record of working cooperatively with Town Councils, boars, building committees and other user groups. Recognition and awards earned by our projects is evidence of the success of our methods and efforts. The vast majority of our work is generated by return clients. The single contact person for our Team will be Douglas Stroh. We have received addendum number one.
Please view our website www.stroharchitectureinc.com.

Sincerely,

Douglas Stroh, NCARB, AIA
Principal Architect

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

Architectural Design and Construction Administration/Oversight Services for Town of Chino Valley Police Station

January 9, 2020

Table of Contents

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

General Information

OAA

Vender Identification Information

Firm Name:	Stroh Architecture Inc.
Contact Person:	Douglas Stroh
Business Address:	1577 Plaza West Drive, Suite B
	Prescott, AZ 86303
Telephone Number:	928-771-0548
Email:	doug@stroharchitectureinc.com
Type of Organization:	S Corporation
EIN:	35-2221892
Stroh Architecture Inc:	Founded 1992

Stroh Architecture Inc. has not had any contract terminated in the last five years.

Stroh Architecture Inc. has not been involved in any litigation in the last five years.

See following page for Stroh Architecture's national design award from Metal Architecture Magazine.

PHOTOS: LARRY KANTOR PHOTOGRAPHY

Dynamic Desert Design

Arizona fire substation exemplifies energy efficiency and withstands environmental extremes

By Mark Robins, Senior Editor

The Colorado River Indian Tribes (CRIT) consists of four distinct tribes: the Mohave, Chemehuevi, Hopi and Navajo. There are currently about 4,277 active Tribal members. The CRIT Reservation was created in 1865 by the Federal Government for "Indians of the Colorado River and its tributaries." The reservation stretches along the Colorado River on both the Arizona and California side. It includes almost 300,000 acres of land, with the river serving as the focal point and lifeblood of the area. The primary community in the CRIT Reservation is Parker, Ariz.

Recently, increased tourism, a new casino and economic growth has fueled the need for additional fire and life safety capabilities for the CRIT. The development of a new state-of-the-art fire safety substation was identified as a top priority by the CRIT Tribal Council. The council needed a facility that not only met all current and 10-year future operational needs, but also the image of success and conveyed pride for community members.

The fire safety substation is a 13,327-square-foot, multifunctional facility with a fire station, crew quarters, fire department administration space, community meeting rooms, an emergency operation center, triage and stabilization clinic, and six apparatus bays.

FIRE STATION IN THE MOHAVE DESERT

Temperatures exceed 120 F in the western Arizona desert area. Winds and sandstorms are present year-round with more than 25 mph winds blowing regularly, and gusts of 75 mph occurring. In addition to withstanding these adverse Mohave Desert weather conditions, the fire station also had to meet energy efficiency guidelines and require minimal maintenance.

The building envelope selected to meet these requirements needed to be extremely durable to withstand the natural elements. To meet the project's durability and aesthetic goals, Prescott, Ariz.-based Stroh Architecture Inc. used a combination of metal. Tempe, Ariz.-based Arizona Corporate Builders LLC erected Oklahoma City-based Star Building Systems' metal building system, and for the roof it installed 14,833 square feet of Houston-based MBCI's 24-gauge Battenlock HS metal roof panels in White. For the walls, it installed 5,188 square feet of Salem, Ore.-based Taylor Metal Inc.'s 1.125-inch-deep, 24-gauge MX-1 metal wall panels with concealed clips in Terra Cotta. The general contractor was Low Mountain Construction Inc., Phoenix.

Doug Stroh, president and principal architect at Stroh Architecture, says metal roofing and siding were an obvious solution to create the sustainable facility. "The Kynar 500 premium paint coatings on the metal roof and wall panels are projected to be maintenance free for well over 30 years. White was chosen for the standing seam roof color to maximize reduction of solar heat gain. Earth-tone, red-colored horizontal metal siding was inspired by surrounding mountains and traditional firefighter colors. [The fire station] is oriented on an east-west axis to maximize solar orientation. Foam insulation was utilized beneath the roof and in the walls. Thermally broken, low U-value dual-pane windows complete the building envelope. The building is designed to Energy Star standards."

The building's design meets the fire department's operation program and has been well received by the CRIT community members.

Colorado River Indian Tribes' Fire Safety Substation, Parker, Ariz.

Completed: February 2019
Size: 13,327 square feet
Owner: Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California
General contractor: Low Mountain Construction Inc., Phoenix, *www.lowmountain.com*
Architect: Stroh Architecture Inc., Prescott, Ariz., *www.stroharchitectureinc.com*
Erector/installer: Arizona Corporate Builders LLC, Tempe, Ariz., *www.azcorporatebuilders.com*
Metal building system: Star Building Systems, Oklahoma City, *www.starbuildings.com*, Circle #35
Metal roof panels: MBCI, Houston, *www.mbci.com*, Circle #36
Metal wall panels: Taylor Metal Inc., Salem, Ore., *www.taylormetal.com*, Circle #37

Fire Station Feedback

This project was a great example of the use of the pre-engineered steel structure along with a conventional concrete masonry unit (CMU) and wood structures to create an economical yet aesthetically pleasing architectural look. The architect was brilliant in his choice of multiple metal panels. The schedule of this project was definitely a big challenge. The use of the PEMB structure played a big part in providing a structure that was quick to erect. Extra consideration had to be taken to accommodate most of the trades having to travel distances to perform on this project to be able to do their work with only one mobilization.

Greg St. Clair, president, Arizona Corporate Builders LLC, Tempe, Ariz.

I believe this facility is the first of its kind for the Colorado River Indian Tribe Community and was designed and developed to be a prototype for future fire stations in the community. My favorite part of this building is the horizontal metal siding. I love how it gives texture and shadows to the building during different times of the day without being overbearing. It gives the high walls of the building some character.

Wayne Hatch, vice president, Low Mountain Construction Inc., Phoenix

The project had a lot going on with it due to different angles, textured surfaces and color contrast. We incorporated different wind beam bracing rather than our conventional portal frame or X-bracing due to clearance requirements. It was a great project to be a part of in that it had numerous metal systems that were all working together.

Joe Simas, builder service representative, Star Building Systems, Atwater, Calif.

I'm very happy with the finished result of this project. The tribe wanted a building with an attractive design, while also keeping construction costs reasonable and long-term maintenance low. That's exactly what was delivered.

Rick Ench, projects administrator at the Colorado River Indian Tribes

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

OAA

Vendor Experience & Qualifications

Stroh Architecture Inc.
Description of Firm and Team Experience

Stroh Architecture, Inc. originated in 1992 in Prescott Arizona. Principal Douglas Stroh offers 45 years of professional experience. The Firm has successfully completed over 200 projects for public sector clients, including the following:

- Town of Prescott Valley 11,000 SF Police Department Expansion (Stroh/Otwell Collaboration)
- Town of Prescott Valley 5300 SF Police Department Remodel
- Town of Camp Verde 11,000 SF Marshal's Facility and Courthouse
- Prescott Police Station 12,000 SF (Otwell)
- Yavapai Apache Fire Station/Police Station
- Town of Chino Valley Aquatic Center
- Town of Chino Valley boys and Girls Club (formerly the community center)
- Town of Chino Valley Library Renovations & Addition
- Town of Parker Food Bank 2,000 SF
- Town of Parker Library Addition 1,000 SF
- Town of Parker Senior Center Addition 2,600 SF
- Town of Pinetop-Lakeside Community Center Master Plan & Park 50 Acres
- Town of Prescott Valley 12,000 SF Town Hall Remodels
- Town of Prescott Valley Amphitheatre/ Band Shell
- City of Prescott Library Addition/Expansion (Stroh Otwell Collaboration)
- City of Prescott Rowle P. Simmons Community Center
- Town of Safford Library Design 20,852 SF
- City of Sedona 6,000 SF City Hall Remodel
- ADOT 10,000 SF Payson Maintenance Facility
- U.S. Department of Veterans Affairs Phoenix Veterans Administration Hospital Building 21; 18,000 SF
- U.S. Forest Service Bradshaw Ranger Station Remodel 3,000 SF
- Yavapai College Rock House & ADOT Buildings Renovations 5037 SF (Stroh/Otwell Collaboration)
- Prescott Ruger Shooting Range Addition 5000 SF
- Town of Tusayan Fire Station
- Colorado River Indian Tribes 10,000 SF Fire Station
- Yavapai Prescott Indian Tribe Prescott Resort Renovations 160,000 SF $13M
- Yavapai Apache Administration Building 15,000 SF
- Cornville Community Park Phases I & II 10 Acres
- Seligman Post Office 5,400 SF
- Verde Valley Senior Center 8,558 SF

We have been recognized in numerous publications and honored with many design awards including the following:

- Colorado River Indian Tribes Fire Safety Substation; Metal Architecture 2019 Design Award
- 2015 Master Builder Award from Star Building Systems for Little Dealer Little Prices in Prescott Valley, AZ. Selected Best of the Auto Dealership Category.
- The 2014 Governor's Heritage Preservation Award for the renovation and adaptive reuse of the McHat Inn, now known as the Wagon Wheel Lodge, located in Pittman, Arizona
- The 2009 Governor's Heritage Preservation Award for the renovation and adaptive reuse of the Lorenzo Hubbell Trading Post, located in Winslow, Arizona
- The 2007 Governor's Housing Hero Award for the Ak-Chin Homes II (Tax Credit Housing)
- The 2006 Governor's Heritage Preservation Award for the adaptive reuse of the Clemenceau Smelter Building, now known as the Verde Valley Senior Center, located in Cottonwood, Arizona.
- The City of Prescott's 2006 Preservation Award for the adaptive reuse of the Yavapai College Rock House.
- The Prescott Valley Economic Development Foundation's 1998 Beautification Award for Outstanding Architectural Design for the National Bank
- The prestigious 1994 Arizona Masonry Guild Merit Award for design of the Arizona Institute of Medicine and Surgery, located in Kingman, Arizona
- A 1991 Silver Award for the best new office building in Las Vegas, Nevada, for the 50,000 SF Flamingo Place.
- Southwest Contractor, "Native American Construction on the Rise", April/May, 2010.
- Engineering News-Record, "Indian Tribes put $3 Billion in Stimulus Funds to Work", June 7, 2010.

The ability to consistently design and produce buildings within an established budget is of critical importance to our clients, particularly in these times of volatile materials costs and labor fluctuations. Cost control is a discipline that cuts across all phases of project development. Our approach to coast control has resulted in an enviable record of success in designing projects at or under budget. Our Team approaches the task of cost control by first establishing a realistic budget based on specific requirements of the project and current costs for comparable construction. Stroh Architecture Inc. has never been involved in errors and omissions litigation.

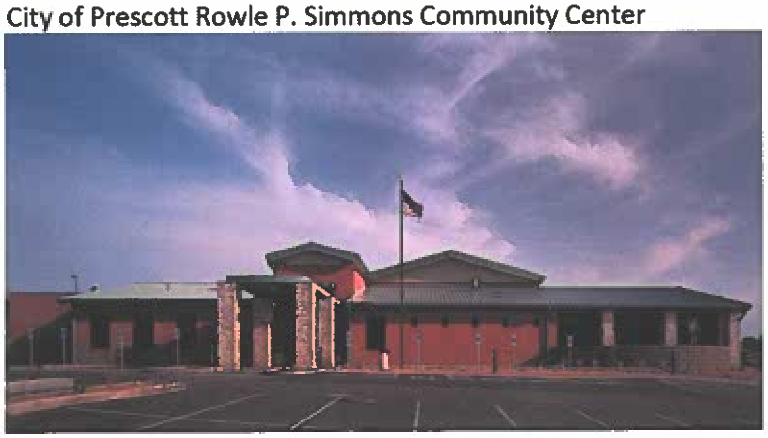
Town of Prescott Valley Police Department Addition

Contact: Steven Roser (PV Police Chief)
7601 Civic Circle
Prescott Valley, AZ 86314
stevenroser@pvpolicedept.org
Total Architectural and Engineering Services provided by Stroh Architecture Inc. & Otwell Associates Architects.
Date of Contract: Nov. 2016 - Nov. 2017
Total Construction Cost: $2,400,000.00
Total Area: 11,000 SF

Colorado River Indian Tribes Fire Safety Substation

Contact: Rick Ench
26600 Mohave Road
Parker, AZ 85344
(845) 639-1926
rickench@msn.com
Total Architectural and Engineering Services provided By Stroh Architecture Inc.
Date of Contract: Jan 2018 – Jan 2019
Total Construction Cost: $3,670,000.00
Total Area: 13,327 SF

City of Prescott Rowle P. Simmons Community Center



Contact: Ron Miller (Project Manager; Retired)
1280 E. Rosser Street, Suite B
Prescott, AZ 86301
(928) 925-3232
Total Architectural and Engineering Services provided by Stroh Architecture Inc.
Date of Contract: Jan 2007
Total Construction Cost: $3,500,000.00
Total Area: 21,000 SF

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

Key Positions

Firm Identification and Proposed Project Team Members

Please see resumes under Appendix for relevant experience

LEAD ARCHITECT

Firm: Stroh Architecture, Inc.
Established in 1992 in Arizona
Address: 1577 Plaza West Drive, Suite B Prescott, AZ 86303 Phone: (928) 771-0548
Email: Doug@StrohArchitectureInc.com
Website: www.StrohArchitectureInc.com

Team Members		License
Principal Architect:	Douglas Stroh	AZ-13991
Project Architect:	William Waldrom	AZ-28033

COLLABORATING ARCHITECT

Firm: Otwell Associates Architects Sole Proprietor Est. 1979
Address: 121 E Goodwin Street Prescott, AZ 86303 Phone: (928) 445-4951
Email: Bill@otwell-architects.com
Website: www.otwell-architects.net

Team Members	License
Principal Architect: William Otwell, FAIA	AZ-12645

MECHANICAL/ELECTRIC ENGINEER

Firm: Ardebili Engineering
Address: 8100 E. Indian School Road, Suite 205, Scottsdale AZ 85251
Phone: (480-626-7072)
Website: www.ardebiliengineering.com

Team Members		License
Mechanical Engineer:	Omid Ardebili	AZ-
Electrical Engineer:	Don Tuley	AZ-

STRUCTURAL ENGINEER

Firm: Frost Structural Engineering Est. 1995
Address: 1678 Oaklawn Drive Prescott, AZ 86305 Phone: (928) 776-4757
Website: www.frost-structural.com

Team Members		License
Owner/Principal:	Rick Frost, P.E., S.E.	AZ-27341

CIVIL ENGINEER

Firm: Civiltec Engineering
Address: 2054 N Willow Creek Rd, Prescott, AZ 86301 Phone: (928) 771-2376
Website: www.civiltec.com

Team Members		License
Chief Engineering Principal:	Richard Shroads	AZ-24601
Chief Engineer in Charge:	Richard Aldridge	AZ-22752

LANDSCAPE ARCHITECT & Planner

Firm: T. Barnabas Kane & Associates Est. 1999
Address: 7353 S. Alton Way Ste. A135, Centennial, CO 80112 Phone: (303) 224-9520
Website: www.tbkadesign.com

Team Members	License
Principal: T. Barnabas Kane	AZ-32714

Estimator

Firm: Abacus Project Management Inc.
Address: 3030 N. Central Avenue, Suite 803, Phoenix, AZ 85012 Phone: 800-518-0876
Website: www.abacuspm.com

Team Members	
Senior Cost Estimator:	Larry Brown

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

Project Approach

Project Approach

The Project Team will conduct a complete Master Planning study for the Chino Valley Police Station. This will include periodic reviews of draft documents prior to issuing the listed final reports and drawings. The following further describes the items included in each of these studies:

Site & Area Analysis

- Research: We will research utilities, topography, surrounding land use, and jurisdictional procedures to provide the basis for site planning.
- Existing Information: Dependent on the level of existing information, some research may involve solely updates, while other items will discern the current and future status of systems and the character of surrounding properties.
- Analysis: The results of the research will be analyzed to determine the physical impact on development of the property. This includes identifying any "red flags" that may inhibit appropriate development.
- Alternative Solutions: In situations where constraints are identified, alternative solutions including appropriate cost estimates will be provided.
- Processing: The site and area analysis will include matters associated with processing of a proposed development through construction to include circulation, public parking and secure employee parking.
- The result will be a written report, and site plan graphically depicting our proposed recommendations including electric, water and wastewater distribution, storm water retention/adaptive reuse, site lighting, site circulation, sidewalks, landscaping concepts and secure officer parking.

Programming Phase

In the initiation of the project, the first major step will be developing a Detailed Facility Program for the Chino Valley Police Station which meets all required codes and regulations.

After initially distributing a series of questionnaires to the various stakeholders we will conduct a series of work sessions with user/client group representatives to develop a comprehensive facility program. After submittal and review of the draft program we will continue to add detail to circumscribe the detailed design criteria for each physical space. This will include both architectural and engineering design criteria such as : name, identification code for each space, function, occupancy, net area, basis for area allocation, adjacencies (next to, near, away from), critical dimensions, special features, security provisions, wall and floor finishes, communication needs, primary utility connections required (water, waste, electric),ambient air temperature, air changes, fire safety elements, and built-in moveable equipment.

Schematic Design Phase

This phase will include the exploration of various design alternatives based on the approved program. Proposed operational procedures for the facility will be analyzed and documented a part of the design/review efforts. The operational procedures for the facility will be developed as scenarios which directly impact design.

Structural, HVAC, plumbing and electrical systems will be analyzed, and a final recommendation on system design will be made. The probable energy consumption of the complex will be studied. Opportunities for conservation will be identified, including the analysis of alternative sources of energy including wind or solar energy. Of primary concern, will be the finalization of utility services to the site relative to the rough grading and utility infrastructure requirements. Decisions made in this phase are critical to meeting the goals and objectives of the project. The Design Team will include extensive participation with police staff in the design process. All design proposals will be checked as developed to measure compliance with the programmed and budgeted area. As part of the schematic effort, a system estimate of probable construction cost will be developed within 2 weeks after delivery of the SD package concurrent with Owner and QA/QC reviews.

Design Development Phase

During the Design Development Phase, 95% of all required design decisions relative to materials, systems and equipment will be finalized. These decisions are made within the overall framework established in the schematic design package. The primary objective of this phase is to develop a set of documents which define the character and construction of the project. These documents will be bass for the development of biding and construction documents. During this phase all construction and finish materials are determined. The structural, HVAC, Plumbing, electrical and security systems are defined and incorporated into the overall project.

A high degree of client and user involvement is anticipated as part of the development of the Design Development package. Review meetings will be held on a periodic basis to allow opportunities for input by all parties. Additionally, other Town of Chino Valley and any other review agencies involved with the development of the project will involved during the process. As a great many decisions affecting the eventual operation of the facility will be made during this phase it is important that these decisions be documented as part of the DD process. The responsiveness of the Design Development Package to budge constraints will be further evaluated based on a detailed quantity estimate. This detailed estimate will be initiated during later stages of the development of the DD documentation, concurrent with Owner reviews. The completion of this phase concludes the Police Station 30% design scope.

Construction Documents Phase
During the construction document phase, the design decisions made during the previous phases will be incorporated into a final set of documents in sufficient detail to bid and construct the project. These documents will be the basis for securing bids and constructing the facility. The documents will fix and describe all parts of the project. The construction documents will be developed in accordance with the requirements of the tribes and accepted standards of professional practice.

The quality of the documents will be constantly monitored throughout the development of the CD package. Additionally, a formal in-house quality review will be held at 65% and 95% completion. This review will be completed by senior design and technical staff of our Team. The purpose of this review is twofold: first, is to check the coordination of the drawings and specifications and second, to review the overall quality of the package relative to clarity and constructability. Additionally, the detailed quantity estimate will be updated at these points in order to validate conformance with the established budget.

Bidding Phase
During bidding, members of the Design Team will assist the Town in obtaining responsive bids. Activities include attending the pre-bid conference and clarifying questions from bidders via addenda. A major focus of our Team during bidding is reviewing pre-bid substitutions to assure that "or equals" are in fact equal. Upon receipt of responsible and responsive bids, our Team will assist the town in evaluating the bids and make recommendations regarding contract award.

Construction Administration Phase
Construction Administration is one of the most critical phases of the project. It is during this phase that the success of the project becomes a reality. Key to our approach is a responsiveness. Stroh Architecture will provide the local hands on support during this phase of the work in support of the Design Team.

Douglas Stroh, project manager and key architectural staff responsible for design will maintain their involvement and responsibility through the construction phase. We do not believe in handing the project off to a separate CA Phase group. This continuity coupled with monthly, and when required more frequent, site visits by the project architect allow us to rapidly and accurately respond to the needs of the project during construction.

Our approach to construction administration consists of two phases:

The Start-up Phase begins with the pre-construction conference where associated document requirements such as documentation of the contract set, notice to proceed, reporting formats, and administrative procedures are established.

The Construction Phase encompasses activities and procedures critical to document control and project coordination. The detailed administrative requirements established for this particular project are maintained through time-proven logging, review and documentation procedures. Critical items such as shop drawings, proposed changes, change orders and action item lists are monitored through computer generated reports and will be placed on a construction administration website.

Contract Closeout Phase
The close-out phase begins with substantial completion and ends only after all work is in place and the required record drawings and documents have been received and accepted. A detailed document checklist is issued well in advance of completion to ensure that all requirements for completion are met.
Our coordinated approach to Budget Control includes the following key elements:

Program Phase Estimate - area-based estimate developed on a component by component basis utilizing historic cost data for similar projects adjusted to reflect the current bidding climates as well as the geographic location;

Schematic Phase – verification of area relative to program and concepts and development of a systems-based estimate for every major component of the project.

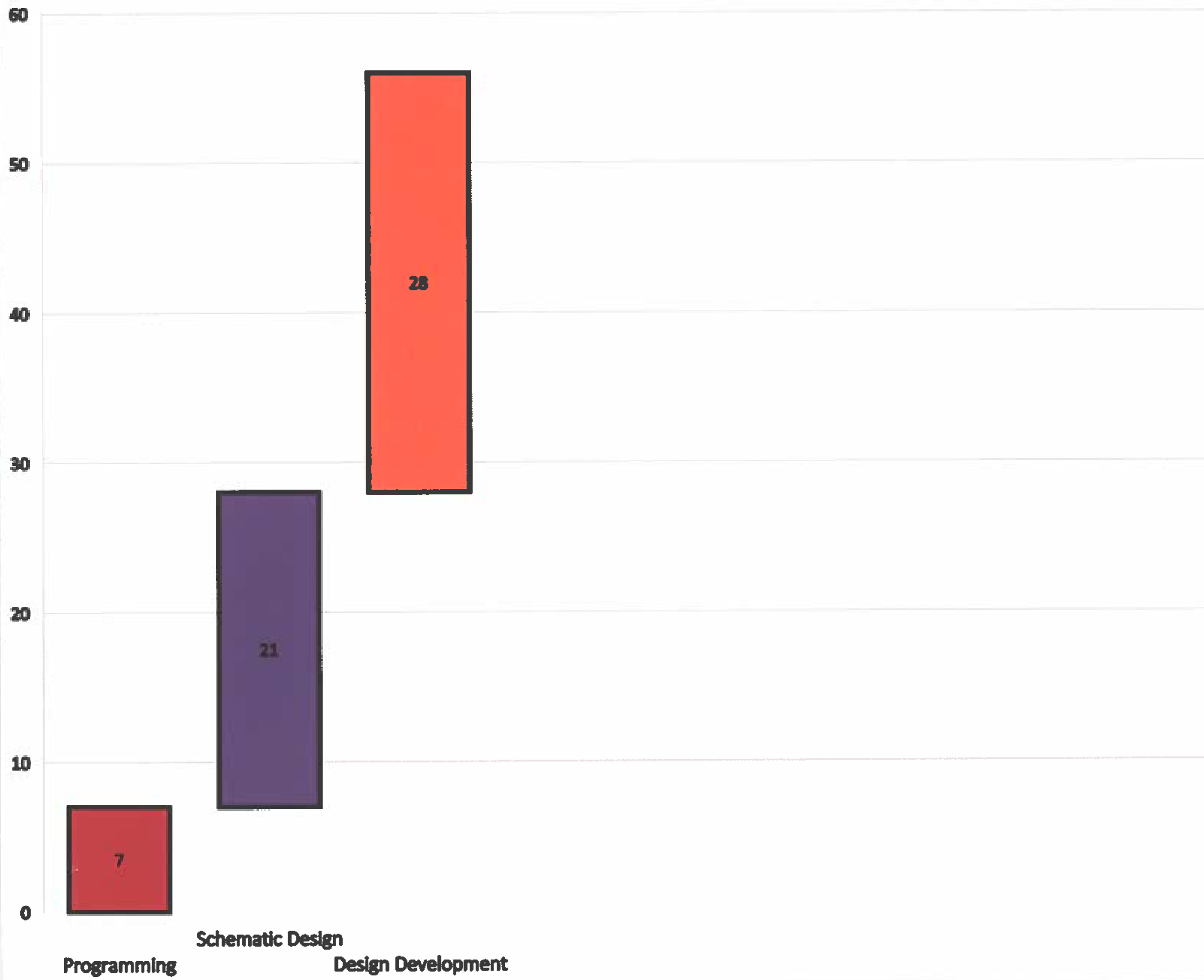
Design Development – verification of area relative to Schematics, review of material selections and approach to construction relative to assumptions of schematic system based on estimate, and preparation of a detailed quantity-based material and labor estimate.

Construction Documents – review of detailing relative to DD assumptions and update of the detailed quantity and labor estimate.

Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

Project Schedule

Chino Valley Police Department
Proposed Work Schedule



Stroh Architecture Inc.
in collaboration with
Otwell Associates Architects

Appendix

PART IV. VENDOR INFORMATION FORM

By submitting a Statement of Qualifications, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Stroh Architecture Inc.
VENDOR SUBMITTING SOQ

352221892
FEDERAL TAX ID NUMBER

Douglas D. Stroh
PRINTED NAME AND TITLE

AUTHORIZED SIGNATURE

1577 Plaza West Dr., Suite B
ADDRESS

928-771-0548
TELEPHONE FAX #

Prescott AZ 86303
CITY STATE ZIP

January 8, 2020
DATE

WEB SITE: www.stroharchitectureinc.com

E-MAIL ADDRESS: doug@stroharchitectureinc.com

ARIZONA CORPORATION COMMISSION FILE NO. 11017672

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

__X__ Small Business Enterprise (SBE)
_____ Minority Business Enterprise (MBE)
_____ Disadvantaged Business Enterprise (DBE)
_____ Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise? No.

If yes, please provide details and documentation of the certification.

DOUGLAS STROH
PRINCIPAL ARCHITECT

Douglas Stroh is the President of Stroh Architecture, Inc. which he founded in 1987. The Firm is well known for its Public Sector design work, as well as historic renovation and sustainable energy-efficient, low maintenance buildings. After receiving his architectural degree in 1975 from the University of Nebraska, Mr. Stroh moved to Phoenix where he worked for several prominent architects. Stroh Architecture was established in Prescott Arizona in 1992 and has since designed over 50 projects for Cities and Counties in Northern Arizona. Mr. Stroh has designed 18 historic preservation/adaptive re-use projects and was on the City of Prescott Historic Preservation Commission for thirteen years.

EXPERIENCE

- Architectural Industry since 1975
- President Stroh Architecture since 1987

EDUCATION

- University of Nebraska
- College of Architecture
- Bachelor of Architecture 1975

CERTIFICATIONS

- Arizona Architect License 13991
  Year Registered 1981
- Nebraska Architect License A1724, Year Registered 1982
- National Council of Architectural Registration Boards (NCARB)
  License 28557, Registered 1983

AWARDS

- Colorado River Indian Tribes Fire Safety Substation; Metal Architecture 2019 Design Award
- 2015 Master Builder Award from Star Building Systems for Little Dealer Little Prices in Prescott Valley, AZ. Selected Best of the Auto Dealership Category
- The 2014 Governor's Heritage Preservation Award for the renovation and adaptive reuse of the McHat Inn, now known as the Wagon Wheel Winery located in Pittman, AZ
- The 2009 Governor's Award for the renovation and adaptive reuse of the Lorenzo Hubbell Trading Post, located in Winslow, AZ
- The 2007 Governor's Housing Hero Award for the Ak-Chin Homes II (Tax Credit Housing)

AWARDS CONTINUED

- The 2006 Governor's Heritage Preservation for the adaptive reuse of the Clemenceau Smelter Building, now known as the Verde Valley Senior Center, located in Cottonwood, AZ
- The 2006 City of Prescott Preservation Award for the adaptive reuse of the Yavapai College Rock House

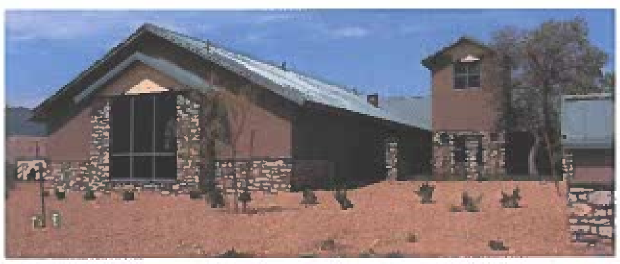
PROJECT EXPERIENCE

- City of Prescott:
  - Activities Center Renovations (15,000 SF)
  - Antelope Hills North Clubhouse Addition/Renovation (4,800 SF)
  - Library Addition/Renovation (14,000 SF)
  - Library Expansion (25,000 SF)
  - Rowle P. Simmons Community Center (21,000 SF)
  - Sundog Office Building (1,600 SF)
  - Water Warehouse (3,000 SF)
- Town of Prescott Valley
  - Police Building Expansion 2nd Floor Project (12,000 SF)
  - Senior Center Addition (6,000 SF)
  - Civic Center Remodel (22,000 SF)
  - Civic Center Bandshell
  - Treatment Plant Equipment Storage Building
- Prescott
  - Coldwell Banker Office Building (8,356 SF)
  - Communications Data Service Facility (40,000 SF)
  - Burmister Mercantile Building (10,000 SF)
  - Goldwater Building Historic Renovations, Prescott, AZ (7,000 SF)
  - Owl Drugs Building/Keller Williams Reality, Prescott AZ (5,000 SF)
- Taylor-Shumway Historical Society: Shumway One-Room Brick Schoolhouse (800 SF)
- Town of Chino Valley
  - Awuatic Center (8,000 SF Water Area, 5,500 SF Building)
  - Head Start Center (4,004 SF)
  - Library Renovation & Addition
  - Park & Aquatic Center Master Plan (50 Acres)

DOUGLAS STROH
Stroh Architecture Inc.

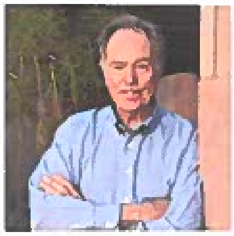
Project Experience Continued

Yavapai-Apache Administration Building, Middle Verde, Arizona; 1,500 SF



Camp Verde Marshal's Facility; Camp Verde, Arizona; 11,000 SF

Chino Valley Aquatic Center; Chino Valley, Arizona; 8,000 SF



WILLIAM OTWELL, FAIA
OTWELL ASSOCIATES ARCHIECTS
PRINCIPAL ARCHITECT

William Otwell is principal of Otwell Associates Architects, a firm specializing in historic preservation, solar and energy efficient design, and preservation of natural site features. Bill is a native Arizonan, born and raised in Phoenix. After completion of his architectural degree in 1973, he moved to Prescott, Arizona and began his career, working for a local architect, and later as Assistant Director of Planning for the City of Prescott. In 1979, he established his own architectural practice in Prescott. Bill has a thorough working knowledge of the local environment, which gives his projects a strong sense of connection and compatibility with the location and climatic conditions.

EXPERIENCE

- 47 years of Architectural Experience

EDUCATION

- College of Architecture and Environmental Design at Arizona State University, Bachelor or Architecture, 1973

CERTIFICATIONS

AWARDS

- Governor's Award for Historic Preservation for the Milagro Arts Center Rehabilitation, Prescott, Arizona 2016
- American Institute of Architects, College of Fellows, Class of 2016
- Governor's Heritage Preservation Honor Award, 3-year Rehabilitation of Yavapai County Courthouse; 2015
- AIA Arizona College of Fellows awarded Class of 2016
- AIA Arizona College of Fellows Chairman's Award; 2012
- Governor's Heritage Preservation Honor Award, Grand Award Winner; 2012
- Arizona Culturekeeper; Only Architect out of 100 Honored; 2011
- Prescsott Area Leadership Man of the Year; 2011
- Arizona Main Street Individual of the Year Award; 2010
- Governor's Heritage Preservation Award for the Knights of Pythias Building, Prescott Arizona; 2010

PROJECT EXPERIENCE

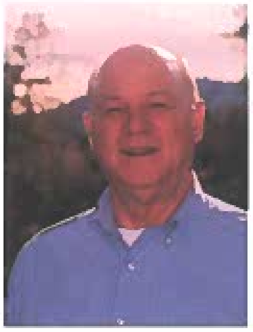
- City or Prescott Police Headquarters, Prescott, Arizona; Joint Venture with Rhodes & Associates Architects 1991 (22,000 SF)
- Regional Communications Center, Prescott, Arizona. A complete interior renovation of a former Social Security Administration Building to serve as the 911 emergency call center for the City of Prescott Police Department, the Town of Prescott Valley Police Department, Prescott Fire District, and Central Yavapai Fire District; 2005
- Prescott High School – Performing and Fine Arts Facility, Prescott, Arizona. (31,000 SF)
- Yavapai County Courthouse, Prescott, Arizona 2014
- City of Prescott Fire Station Number One, Prescott, Arizona. 1991
- Eastridge Professional Offices, Prescott Valley, Arizona; (7,460 SF) 2006
- Prescott Public Library, Prescott, Arizona (39,000 SF) 2006
- Windsong Medical Park, Prescott Valley, Arizona; 2005
- Yavapai College – District Services Complex, Prescott, Arizona. 2004
- Restoration of the Arizona State Capital Building, Phoenix, Arizona; 2001
- Charlie Ben Wilson Home, Prescott, Arizona, Historic Preservation of 1935 home in 2016
- Rosewood Ranch Campus, Wickenburg, Arizona 2008
- West Yavapai Guidance clinic – Psychiatric Hospital, Prescott Valley, Arizona (23,025 SF) 2008
- McCormick Place, Prescott, Arizona 2005
- Granite Street Garage, Prescott, Arizona 2005
- Bradshaw Mountain Labs, Prescott & Prescott Valley, Arizona 2002
- West Yavapai Guidance Clinic, Outpatient Facility, Prescott Valley, Arizona (9,800 SF) 2000
- Kingman Powerhouse, Kingman, Arizona 1997
- Ballard Pediatric Care Facility, Prescott, Arizona; 1996

WILLIAM OTWELL
Otwell Associates Architects

PROJECT EXPERIENCE CONTINUED

Prescott Public Library Renovation & Expansion; Prescott, Arizona; 38,892 SF

Prescott Police Headquarters; Prescott, Arizona; 22,000 SF



William X Waldrom

PROJECT ARCHITECT

William X Waldrom has been practicing architecture in the state of Arizona since 1983. Most of his work has been done in the Metro Phoenix Area, but it also extends throughout the state. Concentrating on public work early on, then expanding to housing, industrial, health care, retail and office type projects over the years. Mr. Waldrom believes that architecture is a very important part of the environment and works to create sustainable designs in all projects.

EXPERIENCE

- 40 years of professional experience

EDUCATION

- Bachelor of Architecture
  University of Arizona 1979

AFFILIATIONS

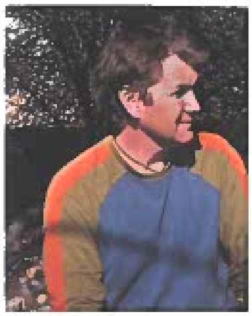
- License Architect Arizona # 28033

SELECTED PROJECT EXPERIENCE

STROH ARCHIECTURE INC.

HOUSING/COMMERCIAL/ MEDICAL PROJECTS

- Ak-Chin Ibarra Family Farms
- Apache Behavioral Health Services
- Colorado River Indian Tribe Fire Substation
- Colorado River Indian Tribe Head Start Facility
- Havasupai Head Start Facility
- Havasupai Learning Center
- Havasupai Tribal Administration Building
- Keyenta Vender Village Restrooms
- Navajo Nation Chilchinbeto Chapter House
- Navajo Nation Council Chamber – Historic Renovation
- Yavapai Prescott Indian Tribe Administration Offices
- Arizona Associates in Dermatology and Cosmetic Surgery Facility
- Canyon Plaza Resort – Restaurant Remodel Tusayan, AZ
- Dr. Hojat Askari Outpatient Clinic
- Dr. Hojat Askari Urgent Care Facility
- Hillside Apartments – 10 Units
- McCormick Street Hotel
- Mingus Mountain Academy – 16 and 12 Bed Dormitories
- Mingus Mountain Office and Cafeteria
- Montezuma Heights Apartments – 141 Units
- Orchard Park Clubhouse Ranch & R.V. Park
- Phoenix Meadery Restaurant
- Prescott Plaza Hotel
- The Palmer House Personal Residence – 9000sqft
- Town of Prescott Valley Boys & Girls Club Expansion
- Town of Prescott Valley Police Building Expansion
- Town of Prescott Lake Valley Well House
- Valley Street Apartments – 14 Units



T. Barnabas Kane, ASLA
CONSILIUM DESIGN
SENIOR LANDSCAPE ARCHITECT

Barnabas is a second-generation landscape architect and planner. His multi-disciplined approach blends architecture, landscape architecture, ecology, art, and community planning skills in an ever-emerging industry. Because of his passion for the field he founded his design firm in 1999 with the intent to influence every project and client to design the best possible project while improving all the cultural and ecological systems involved. His design philosophy draws from a broad spectrum of disciplines with projects ranging from sustainable agriculture to off-grid tiny homes. He looks at every project as an opportunity to treat people as change agents, an integral part of the solution for repairing our relationships with our compromised planet. Optimizing the potential of every design challenge with people, place and purpose.

EXPERIENCE

- 30 Years Experience
- Landscape Architecture
- Site and Master Planning
- Stormwater Management
- Erosion Control
- Sustainable Habitat
- Parking and Circulation
- Efficient Irrigation and Low Water Landscape
- Permaculture
- Northern Arizona Environment
- LEED Certification

EDUCATION

- BS of Environmental Design, university of Massachusetts—Amherst. Cum Laude

LICENSES, CERTIFICATIONS & TRAININGS

- Arizona Landscape Architect No. 32714; Since 1998
- Also Licensed in California, Colorado, Nevada, New Mexico, Utah and Vermont
- Council of Landscape Architecture Registration Boards (CLARB)
- American Society of Landscape Architects (ASLA)
- Multiple Awards

PUBLIC WORK PROJECT LIST

- Yavapai County Water Quality Improvement Study Manzanita & Aspen Creeks, Prescott
- Austin House – Independent Senior Living Campus, Landscape Architecture, Cottonwood
- Nature Conservancy Hart Prairie, Water Management and Rainwater Harvesting System, Flagstaff
- Prescott Area Tennis Association, Yavapai College Campus – Landscape Architecture, Prescott
- NAU Health & Science Building, Site Planning, Landscape Architecture, Flagstaff
- Storm Ranch – Landscape Master Plan for Streets and Open Spaces, Prescott
- Kotzin Ranch Mixed – Use Master Planned Community, Public Outreach, Planning, Tusayan
- Lake Havasu City Public Buildings, Rain Water Harvesting Design & Implementation, Lake Havasu City
- Leman Academy – Addition to Existing School, Landscape Architecture, Tucson
- Colorado River Indian Tribes Fire Station – Landscape Architecture, Parker

Colorado

- City of Leadville Park and Town Entry Sign-scape Improvements, Leadville
- Haskins Station Mixed-use Neighborhood Parks – Master Planning, Entitlements, Landscape, Arvada
- High Point Academy Landscape Architecture, Aurora
- Leadville Irish Miners Memorial, Mountain View Cemetery, Leadville
- Leman Academy – Site Planning, Landscape Architecture for New K-12 School, Parker
- Poudre Learning Center, Campus Improvements & 20 Year Master Plan, Greeley

ARDEBILI
Engineering

OMID ARDEBILI
PRINCIPAL ENGINEER
Omid Ardebili is the President of Ardebili Engineering LLC, founded in 2009. Omid is a licensed Professional Electrical Engineer with an emphasis in the design of electrical power protection and distribution for low and medium voltage power. His expertise includes evaluation of existing systems, site verification, specifications development, project management, quality control and construction administration.

EDUCATION
Arizona State University
Electrical Engineering 2007

LICENSES
Arizona #53834
California #20186
Colorado #46861
Florida #77202
Hawaii #17438
Idaho #17206
Illinois #62069431
Indiana #11700223
Kansas #25052
Maryland #43221
Minnesota #54574
Missouri #2017006932
Nebraska #16503
Nevada #024890
New Jersey #24GE05083600
New Mexico #21313
New York #92047
North Carolina #039974
Ohio #82024
Oklahoma #30801
Oregon #92200PE
Puerto Rico #27775
Tennessee #120598
Texas #112305
Utah #9059534-2202
Virginia #402051686
Washington #49779
West Virginia #22839
Wisconsin #47298-6

PUBLIC WORKS / OFFICE PROJECTS

- Control Tower Small Arms , US Army
- Mohave County Mental Health Clinic
- Hu Hu Kam Medical Facility – Sacaton, AZ
- Indian Health Services Facility
- Bureau of Indian Affairs Headquarters
- Anasazi Office Building - Tempe AZ
- Eastline Village (office/retail) - Tempe, AZ
- Parkview (office/retail) - Scottsdale, AZ
- El Cajon (office/retail) - San Diego, CA
- Roosevelt Point (office/retail) - Phoenix, AZ
- Surgenex Regenerative Medicine Headquarters - Scottsdale, AZ
- WTPC Office Scottsdale, AZ
- Arizona Water Company Phoenix, AZ
- Aurora Behavioral Health Systems (Tempe, AZ)
- Honor Health Gastroenterology Offices (Phoenix, AZ)
- Honor Health Primary Care Center (Anthem, AZ)
- Honor Health Primary Care Center (Mesa, AZ)
- Honor Health Primary Care Center (Phoenix, AZ)

ARDEBILI Engineering

DONALD TULEY
PROFESSIONAL ENGINEER

Don Tuley has been providing electrical engineering/design in Phoenix since 1978 and has provided a full range of engineering services from preliminary design and evaluation of existing building electrical systems, schematic design alternatives, construction documents, through construction observation and contract administration for projects such as public parks, street lighting, sports facilities, building system electrical evaluations, system deficiency studies, and equipment evaluations.

EXPERIENCE

- Electrical Engineer since 1998
- President of Tuley Engineering since 1998

LICENSES

Arizona #32861
California #E17185

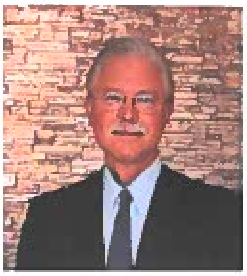
PUBLIC WORKS PROJECTS

- Prescott Valley Police Station (Architect, Doug Stroh, of Prescott)
- Mesa Fire Station #14
- Mesa Fire Station #16
- Mesa Fire Station #201
- Mesa Fire Station #2 (remodel)
- Mesa Fire Station #3 (remodel)
- Mesa Fire Station #6 (remodel)
- Mesa Fire Station #210 (remodel)
- Mesa Communications addition at Fire Station #13
- Phoenix Union High School Deficiency study (a study for all Phoenix Union High schools - recommending replacements or upgrades)
- Colorado River Indian Tribe (CRIT) 6 bay fire station (Parker, AZ)
- Scottsdale Ranch Park electrical system was designed by Don Tuley (including pedestrian lighting, parking lighting, ball field lighting and the entire distribution system design.
- Encanto Park upgrades (Phoenix)
- National Guard, Indian Health Services, Bureau of Indian Affairs, Marine Corps Air Station, Arizona Department of Administration, Arizona Department of Transportation, Mingus High School major remodel, ASU Law Library, Cottonwood Elementary School, Mesa High School remodels, Mohave County Mental Health building.

RICHARD SHROADS, PE, PLS

CIVILTEC ENGINEERING, INC.

FOUNDER



Mr. Shroads has been involved in civil engineering arena since 1976. In 1986, he founded Civiltec Engineering, Inc. and served as President for 28 years. Mr. Shroads has 40+ years (33+ with Civiltec) of experience in the project management and design of grading/drainage, roadways, water supply and distribution systems, sewer systems, hydrology and drainage systems, airport specialty design and site development plans. He has performed and prepared boundary analysis and establishment surveys, aerial control surveys, mapping, platting, title research and analysis, land title discrepancy resolution, legal assistance, and hundreds of construction survey projects.

PROFESSIONAL REGISTRATION

- Professional Civil Engineer
  Arizona No. 24601
  California No. 35447
- Professional Land Surveyor
  Arizona No. 26405
  California No. 5640

EDUCATION

- B.S. Civil Engineering
  California Polytecnic University;
  Pomona, 1981

PROFESSIONAL AFFILIATIONS

- American Council of Engineering Companies
- American Public Works Association
- American Society of Civil Engineers
- Arizona Floodplan Management Association
- Arizona Professional Land Surveyors Association
- California Land Surveyors Association

EXPERTISE

- Civil Engineering
- Drainage Engineering
- Transportation Engineering
- Wastewater Engineering
- Water Engineering
- Survey
- Construction Management

PROJECT EXPERIENCE

- 360-degree Tactical Police Shooting Range; Town of Chino Valley
- Chino Valley Soccer Complex and Pump Station; Town of Chino Valley
- Yavapai County Jail, Water System Design; Camp Verde
- State Route 89 Deep Well Ranch Road to South Chino Valley Limits
- Area Drainage Master Study; Town of Chino Valley
- Old Home Manor Industrial Park Improvements; Town of Chino Valley
- Chino Valley and Central Arizona Static Control Backbone
- Road One West; Chino Valley

RICHARD ALDRIDGE, PE, MBA

CIVILTEC ENGINEERING, INC.

BRANCH MANAGER/PRINCIPAL ENGINEERING

Mr. Aldridge has been an area resident for the last 16 years. He brings 39+ years (1+ with Civiltec) of diverse engineering expertise that includes project management, planning and design for public and private entities throughout Northern Arizona. He is an area Expert in master planning, local utility coordination/design, cost estimating and civil/site design. Richard provided a conceptual parking layout design for this site when it was owned by Yavapai College prior to joining Civiltec. Mr. Aldridge's quality assurance/quality control (QA/QC) experience includes construction plan reviews for various agencies for code compliance and competent design, subdivision plat reviews for conformance with project specifications. He has also served as a contracted Town/City Engineer for 24+ years in various small Northern Arizona communities. He is committed to seeing real improvements in the local communities.

PROFESSIONAL REGISTRATION

- Professional Civil Engineer
  Arizona No. 20878

EDUCATION

- MBA, Northern Arizona University 1996
- B.S., Civil Engineering Technology, Northern Arizona University, 1980

PROFESSIONAL AFFILIATIONS

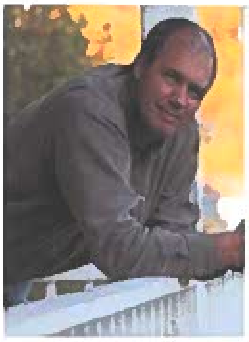
- American Council of Engineering Companies
- American Society of Civil Engineers, Associate Member

EXPERTISE

- Civil Engineering
- Drainage Engineering
- Transportation Engineering
- Wastewater Engineering
- Water Engineering
- Survey
- Construction management

PROJECT EXPERIENCE

- Chino Valley Engineering Standards Development
- Integrated Water Master Plan and Capital Improvement Program for Old Home Manor (to begin in January 2020)
- Perkinsville Water and Sewer Extensions
- Century Ranch Development, Civil/Site Design
- Nighthawk Ridge, Site Design
- Road 1 East, Low Water Crossing
- Gheral Brownlow and 4 ½ South, Low Water Crossing
- Yarnell Fire Department Helipad and Paving, Yarnell Arizona
- Williams Justice, City of Williams/Coconino County
- School of Forestry Southwest Forest Science Complex and U.S, Forest Services Greenhouse, Northern Arizona University
- Swing Space, Northern Arizona University
- Marcus J. Lawrence Hospital, Cottonwood Arizona
- Community College New Campus Developments, Prescott Valley, Sedona and Page Arizona



RICK FROST

PE, SE

President, founder of FROST Structural Engineering; Prescott, Arizona. Since its beginning in 1995, the firm has become one of the largest full-service structural engineering firms in Northern Arizona. Outstanding structural design on over 8,000 projects that include educational, office, medical, and residential buildings. Keep the solution as simple and elegant as possible. The most elegant solution is often the one that eliminates the problem rather than the one that over analyses it. Scoutmaster for Boy Scouts of America, Coach for YMCA Youth Basketball League.

EXPERIENCE

- President Frost Structural Engineering since 1992
- Licensed Professional and/or Structural Engineer AZ, California, Colorado, Idaho and Utah
- NCEES Registration

EDUCATION

- BS Civil Engineering, Brigham Young University, 1988
- MS Civil/Structural Engineering, Brigham Young University, 1989
- Continuing Education Professional Development 12 hours Annually

CERTIFICATIONS, AFFILIATIONS & AWARDS

- Structural Engineers Association of Arizona (SEAOA)
- Advisory Board member for Yavapai County Development Services

SELECTED PROJECT EXPERIENCE

- Yavapai Juvenile Justice Center
- Music Mountain High School
- National Bank of AZ
- Compass Bank
- Yavapai Regional Medical Center – Del Web Center
- Tim's Toyota Car Dealership
- Summit Financial Plaza
- McCormick Place Office Building
- Hopi Twin Arrows Masterplan and Design
60 Units
- Hopi Winslow Housing Masterplan, Design and Construction Documents
40 Units

LARRY BROWN, LEED AP
ABACUS
SENIOR COST ESTIMATOR

Larry has serves as the Lead Estimator, directly responsible for the management estimation, and completion of more than 400 projects with a combined construction value over $4.4 billion. His experience includes new construction and renovation / addition of both public and private construction projects including, but not limited to; Office Buildings, office Tenant Improvements, Industrial Buildings, Educational Facilities, Airport Facilities, Native American Housing and Medical Facilities, Private Country Clubs, Athletic Facilities and Parking Structures. Larry's project involvement spans through all phases of estimating including conceptual, programming, schematic, design development and construction documents. His qualifications include the ability to itemize complete structural and architectural takeoffs. His expertise is geared to manage and estimate multiple projects with a wide range of responsibilities. Larry is regularly involved in value engineering and evaluating various materials and building systems.

EXPERIENCE

- 34+ Years' Experience

EDUCATION

- Arizona State University – Accounting
- Glendale Community College – AAS

CERTIFICATIONS

- LEED Accredited Professional

AFFILIATIONS

- ASPE, Chapter 6

PROJECT EXPERIENCE

- City of Avondale Police Expansion
- Town of Marana Facility
- City of Phoenix Police Facility Condition Assessments
- City of Phoenix Sky Harbor Int'l Airport Development Program
  - Police Bureau Building ADA Modifications
  - Police Explosives Bunker
- City of Phoenix Pecos Park Community Center & Police Substation
- City of Goodyear Police Operations Facility
- City of Maricopa Copper Sky Police Substation
- City of Glendale Public Safety Building & Courts Complex
- City of Mesa Preliminary Programing Level Budgets / Estimating for Multiple Roadway and Public Safety Capital Improvements Projects
- City of Show Low Public Safety Headquarters Renovation
- City of Casa Grande Public Safety Facility
- City of Surprise Public Safety Facility
- Yuma County Jail Annex
- John M. Roll U.S. Courthouse
- City of Glendale Municipal Court Complex
- City of Casa Grande Courts Building
- Maricopa County Courts Master Plan
- Maricopa County Southwest Justice Courts
- Maricopa County Courthouse Remodel
- City of Imperial Marshal Service Facility
- Salt River Pima-Maricopa Indian Community Evidence and Storage Facility
- Phoenix Sky Harbor Int'l Airport Command Center

LARRY BROWN
ABACUS

PROJECT EXPERIENCE CONTINUED

- Phoenix Sky Harbor Int'l Airport Rental Car Center
- Phoenix Sky Harbor Int'l Airport Bus Maintenance Facility
- Arizona Department of Administration Facility Condition Assessments
- City of El Paso, Lomaland, Chamizal and Alameda Community Center Projects
- City of Avondale Resource Center
- City of El Mirage Recreation Center
- City of Goodyear Fire Station 181
- City of Goodyear Fire Station 186
- City of Goodyear Facilities Master Plan Square Footage Costs, Various Building Types
- City of Maricopa City Center
- City of Maricopa Copper Sky Multigeneration Center
- City of Maricopa Copper Sky regional Park
- City of Mesa Fire Station No. 203
- City of Scottsdale Fire Station No. 616
- Town of Gilbert Saint Zavier University
- City of Chandler New City Hall
- City of Chandler Fire Station 2811
- City of Surprise City Hall
- City of Tempe Downtown Fire Station
- City of Tempe Downtown Transportation Center
- Phoenix/Goodyear Airport Terminal and Maintenance Building
- City of Eloy New City Hall
- Town of Marana Municipal Building Tenant Improvements
- Tucson Airport Authority Maintenance Facility and Warehouse
- Ft. Huachuca Predator Aircraft Hangar
- Salt River Pima-Maricopa Indian Community Youth Services Center
- White Mountain Apache Tribe Transportation Facility
- Arizona State University College Avenue Commons (Block 12 Development)
- Arizona State University Alameda Warehouse
- Northern Arizona University Science & Health Building
- Northern Arizona University Capital Assets and Services Building Renovation
- Northern Arizona University Hotel Restaurant Management (HRM) Renovations

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
STROH ARCHITECTURE, INCORPORATED

[Scope of Work]

See following pages.

STROH ARCHITECTURE INC.

March 9, 2020

Steve Sullivan
1982 Voss Drive
Chino Valley, AZ 86323

Re: Chino Valley Police Station

PROPOSAL

The preliminary scope of services as we know it is as follows:

Produce preliminary design and construction documents to build a new approximate 15,000 SF Police Station.

▣ Basic Services ▣

The Architect's Basic Services consist of: architecture; structural, mechanical, plumbing, electrical, geotechnical, civil engineering, landscape architecture, cost estimating, surveying and computer renderings.

30% PHASE SCOPE

Programming

The Architect shall provide, through investigation and addressing the Owner's needs, a program of space, approximate size, functional relationship and character of each space required for the project. Cost estimate provided.

Schematic Design Phase

The Architect shall review the program with the Owner as developed by the Architect to ascertain the requirements of the Project and shall arrive at a mutual understanding of such requirements with the Owner.

The Architect shall review with the Owner alternative approaches to design and construction of the Project.
The Architect shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings, and other documents illustrating the scale and relationship of the project's components. Cost estimate, geotechnical investigation, IT and security systems provided.

Design Development Phase

Based on the approved Schematic Design documents and any other adjustments authorized by the Owner in the program, the Architect shall prepare, for approval by the Owner, Design Development documents consisting of drawings, colored renderings and other documents to affix and describe the size and character of the Project as to architectural, materials and such other elements as may be appropriate. A finish materials and colors board will be provided as part of this phase. Cost estimate provided.

▣ Additional Services ▣

The Additional Services described, but not necessarily limited to the following, are not included in the Basic Services and shall be considered extras to this Agreement and shall be paid for by the Owner. The Additional Services shall only be provided if confirmed in writing by the Owner.

- Making revisions in the Drawings, Specifications or other documents when such revisions are inconsistent with approvals or instructions previously given by the Owner, including revisions made necessary by adjustments in the Owner's program or Project budget.

- Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice (such as FFE specifications and procurement).

Hourly Rates for Additional Services:

Principal Architect	$ 165 / hour
Principal Engineer	$ 165 / hour
Project Manager	$ 135 / hour
Architectural Production	$ 115 / hour
Engineering Production	$ 115 / hour
Clerical Production	$ 65 / hour

▣ Owner's Responsibilities ▣

The Owner shall provide full information regarding requirements for the Project, which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements, special equipment, systems and site requirements.

▣ Summary of Services Included ▣

Basic Services Included:

- **Architecture**
- **Structural Engineering**
- **Mechanical Engineering**
- **Plumbing Engineering**
- **Electrical Engineering**
- **IT & Security System Design**
- **Geotechnical Engineering**
- **Civil Engineering**
- **Landscape Architecture**
- **Surveying**
- **Cost Estimating**
- **Computer-Generated Renderings**

Compensation for the Basic Services listed above shall be as noted on Fee Schedule:

Project to be billed monthly based on percentage of completion.

Programming	$ 34%
Schematic Design Phase Complete	$ 33%
Design Development Phase Complete	$ 33%
Total Compensation	**$ 100%**

Professional fees are due and payable 30 days from the date billed.

In the event of termination, suspension or abandonment of the project, which is not the fault of the Architect, the Architect shall be compensated for services performed prior to the termination, suspension or abandonment, together with any reimbursable expenses.

30% Reimbursable Expenses shall be as follows:

▪ Printing Expenses:	At cost
Estimated printing Budget	$1,000.00
▪ Site Trip	No charge

Douglas Stroh
STROH ARCHITECTURE, INC.

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
STROH ARCHITECTURE, INCORPORATED

[Fee Proposal]

See following page.

STROH ARCHITECTURE INC.

CHINO VALLEY POLICE STATION

30% Professional Fees Schedule

Programming, Schematic Design
Design Development

Architecture		**$ 64,575.00**
Electrical Engineering		**$ 6,000.00**
Mechanical Engineering		**$ 6,000.00**
Structural Engineering		**$ 10,000.00**
Cost Estimating		**$ 22,980.00**
Landscape Architecture		**$ 5,000.00**
Geotechnical Engineering		**$ 4,200.00**
Civil Engineering		**$ 28,302.00**
Task 1 – Topographic and Boundary Verification Survey, Permits	$5082.00	
Task 2 – Base Map Preparation	$1,464.00	
Task 3 – Bluestake & Utility Coordination & Legal Descriptions	$1,056.00	
Task 4 – TIA & ADOT Coordination	$9,350.00	
Task 5 – Final 30% Site Plan Preparation	$6,280.00	
Task 6 – Meetings and Coordination	$1,400.00	
Task 7 – 30% Drainage Report	$3,670.00	
Estimated printing budget		**$ 1,000.00**
Total 30% Professional Fees		**$148,057.00**

1577 Plaza West Dr., Suite B Prescott, AZ 86303 T: (928) 771-0548 E: doug@stroharchitectureinc.com

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TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **4)**

Meeting Date:	07/21/2020
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of Staff Presentation:	5 minutes
Physical location of item:	N/A

Information

AGENDA ITEM TITLE:

Consideration and discussion regarding proposed changes to the Town's Procurement Code.(Joe Duffy, Administrative Services Director)

SITUATION & ANALYSIS:

The Finance Committee recommended changes to the procurement code. Staff would like to discuss the proposed changes with council.

Attachments

Summary

Town of Chino Valley
Procurement Policy Summary with proposed changes

Purpose	Finance Director	Department Head Approval	Town Manager Approval	Mayor Approval	Council Approval Required
BUDGETED ITEMS	Approves all PO's ~~over $5,000~~ under $50,000 ~~prior~~ to order	Division Managers may issue PO's up to ~~$25,000~~ $10,000			**ANYTHING OVER ~~$25,000~~ $50,000**
NON BUDGETED ITEMS (NOT CONTINGENCY)	Approves all PO's over ~~$5,000~~ $10,000prior to order, within approved department budget	Division Mangers may issue PO's up to ~~$5,000~~,$10,000 within approved department budget	Over ~~$5,000~~ $10,000 less than ~~$25,000~~ $50,000 prior to order within approved department budget		**ANYTHING OVER ~~$25,000~~ $50,000**
ALL USES OF RESERVE FUNDS					**COUNCIL APPROVES**
ALL USES OF CONTINGENCY FUNDS			Up to $25,000		**COUNCIL APPROVES OVER $25,000**
DECLARATION OF "IN HOUSE" PROJECT					**COUNCIL APPROVES**
COUNCIL APPROVED "IN HOUSE" PROJECT EXPENDITURES					**ANYTHING OVER $50,000**
Change Order Approval			Up to $50,000		
EMERGENCY PURCHASES			Up to $50,000	Mayor May Authorize	**Full Report to Council at next regular meeting**
CONTRACTING AUTHORITY		~~Under $10,000 or~~ under $50,000 if acting as Managers Designee	~~$10,000 - $25,000~~ Under $50,000		**ANYTHING OVER ~~$25,000~~ $50,000**
BIDDING					
Oral Bids		Less Than $2,500 ~~- $10,000~~			
Informal Written Bids (3)		$2,500 - $10,000			
Written Bids (3)		$10,000 - $50.000	$10,000 - ~~$25,000~~ $50,000		
Competitive Sealed Bids Public Process					**ANYTHING OVER ~~$25,000~~ $50,000**
EXCEPTIONS	Sole Source Provider	Must document in writing			**COUNCIL APPROVES**
	Used Equipment		Recommends to Council		**COUNCIL APPROVES**
	Cooperative Purchasing				**COUNCIL APPROVES**
	Intergovernmental Agreements				**COUNCIL APPROVES**
	Professional Services				**COUNCIL APPROVES**
	Waiver by Town Council*				**COUNCIL APPROVES**

* Town Council may waive the requirements upon finding that doing so is in the best interest of the Town.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **5)**

Meeting Date: 07/21/2020

Contact Person: Maggie Tidaback, Economic Development Project Manager
Phone: 928-636-2646 x-1201

Department: Town Manager

Estimated length of Staff Presentation:

Physical location of item: N/A

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding the ground lease prepared by the Town Attorney between the Town of Chino Valley and future "Tenant." (Maggie Tidaback, Economic Development Project Manager)

SITUATION & ANALYSIS:

Discussion regarding the ground lease prepared by the Town Attorney between the Town of Chino Valley and "Tenant." Discussion to involve lease terms; with the understanding that the "Tenant" will be making an offer to the Town and at that time the terms will be presented to council for approval.

Attachments

Ground Lease at Old Home Manor

Rounds Consulting Fiscal Impact

GROUND LEASE

between

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

as Landlord,

and

________________________________,
a(n) ________________________

as Tenant

_____________, 2020

GROUND LEASE

This Ground Lease is made and entered into as of the date set forth on the preceding page by and between the TOWN OF CHINO VALLEY, an Arizona municipal corporation ("Landlord" or "Town"), and ___________________________________, a(n) _________________________________ ("Tenant").

DEFINITIONS

Capitalized terms used in this Lease and not defined elsewhere have the meanings given them on Exhibit A.

BASIC TERMS

The following Basic Terms are applied under and governed by the particular section(s) in this Lease pertaining to the following information:

1.	**Premises:**	Approximately _____ acres of land as described and depicted on Exhibit B.
2.	**Buildings:**	The buildings to be constructed by Tenant at the Premises and all Alterations thereto from time to time.
3.	**Property:**	The Premises, the Buildings, and all utilities and other improvements located on or under the Premises from time to time.
4.	**Initial Term:**	__ years (See Section 1.2)
5.	**Extension Periods:**	__ successive periods of __ years
6.	**Commencement Date**:	See Section 1.2.
7.	**Closing Date**:	See Section 1.5.7.
8.	**Permitted Use:**	The construction and operation of a full-service recreational vehicle park as described in the Landlord's Request for Proposals, dated ____________, 2020 (the "RFP")
9.	**Rent Payment Address:**	Town of Chino Valley Attn: Town Manager 202 North State Route 89 Chino Valley, Arizona 86323
10.	**Address of Landlord for Notices and Rent:**	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323
11.	**Address of Tenant for Notices:**	________________________ Attn: ___________________ ________________________ ________________________ Email:__________________

	With a copy to:	_________________________ Attn: ____________________ _________________________ _________________________ Email:___________________
12.	**Address for Leasehold Mortgagee (pursuant to Section 14.6)**	_________________________ Attn: ____________________ _________________________ _________________________

EXHIBITS

EXHIBIT "A"	Definitions
EXHIBIT "B"	Description of Premises
EXHIBIT "C"	Memorandum of Lease
EXHIBIT "D"	Subordination, Non-Disturbance and Attornment Agreement

ARTICLE 1
LEASE OF PREMISES AND LEASE TERM

1.1 Premises. In consideration of the covenants and agreements set forth in this Lease and other good and valuable consideration, Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord, upon and subject to the terms and conditions set forth in this Lease. During the Term, Tenant will have the exclusive right to use and occupy the Premises. Landlord will tender possession of the Premises to Tenant on the Closing Date (as defined in Subsection 1.5.6 below).

1.2 Commencement Date; Initial Term. The “Commencement Date” will be ___________, and the Initial Term will end on _____________.

1.3 Extension Periods. Tenant has the option to extend the Term for the number of successive Extension Periods specified in the Basic Terms. If Tenant desires to exercise its right to extend the Term for an Extension Period, it will give Landlord notice of its intent to do so at least three months prior to the expiration of the Initial Term or the then-current Extension Period (but not earlier than 24 months prior to the expiration of the Initial Term or the then-current Extension Period). Failure to timely exercise an Extension Period shall be deemed to be a waiver of the right to extend.

1.4 Quiet Enjoyment. Landlord represents and warrants to Tenant that Landlord owns fee title to the Premises. So long as no Event of Default by Tenant is in existence, Landlord covenants and agrees that, on and after the Closing Date, Tenant may quietly hold, occupy and enjoy the Property during the Term without any manner of hindrance or interference with its quiet enjoyment, possession and use.

1.5 Approvals and Conditions.

1.5.1 Property Documents. Within five days after the date of this Lease, if not already given by Landlord to Tenant, Landlord will deliver to Tenant copies of its most recent survey, environmental report, geotechnical report, and utility plans with respect to the Premises to the extent the same are currently in Landlord’s possession.

1.5.2 Feasibility Period. The period beginning on the date on which this Lease has been fully executed and ending 60 days thereafter is herein referred to as the “Feasibility Period”. Tenant’s obligations under this Lease are conditioned on Tenant approving the feasibility of the Premises for Tenant’s specific development and use and Tenant’s physical inspections of the Premises. Tenant has the right to enter upon the Premises on and after the date of this Lease to conduct such inspections, and Landlord will reasonably cooperate with Tenant in connection with such inspections. If Tenant determines, in its sole and unfettered discretion, that it cannot proceed with its use and development of the Premises based on its evaluation and inspection of the Premises, Tenant has the right to terminate this Lease by notifying Landlord of such termination on or before the last day of the Feasibility Period. If Tenant does not elect to terminate this Lease on or before the last day of the Feasibility Period, Tenant will have no further right to terminate this Lease pursuant to this paragraph. Tenant shall return all Property documents to the Landlord and shall repair any physical damages to the Property arising from the inspections made by the Tenant or its contractors. Tenant shall indemnify, defend and hold harmless Landlord from and against all losses, damages, claims, liens, liabilities, costs and expenses caused by Tenant’s exercise of its right under this Section 1.5.2 except those arising from the negligence or willful acts of Landlord or conditions on the Property existing before Tenant’s entry thereon.

1.5.3 Title Review. Within five days after Tenant obtains a legal description of the Premises in form acceptable to Tenant, Tenant will order a commitment (the “Commitment”) for the issuance of an ALTA extended coverage leasehold policy of title insurance (the “Title Policy”) from [Title Company], Attn: [Agent Name], [Address] (“Title Company”). Upon Tenant’s receipt of the Commitment, Tenant will order an ALTA survey of the Premises using the legal description set forth in the Commitment (the “Survey”). The Survey shall be certified to the Landlord. The Commitment and the Survey are herein referred to as the “Title Documents”. If the Title Documents reflect encumbrances or other conditions not acceptable to Tenant (“Defects”) and Tenant notifies Landlord of same in writing on or before the earlier of

(a) the expiration of the Feasibility Period or (b) within 30 days after its receipt of the Title Documents, then within 15 days after Landlord's receipt of Tenant's notification of the Defects, Landlord will notify Tenant which Defects Landlord will cure prior to the Closing (as defined below) and which Defects Landlord will not cure prior to the Closing (herein called a "Landlord's Notice"). If Landlord's Notice specifies Defects that will not be cured by Landlord prior to the Closing, then Tenant may, within 15 days after receipt of Landlord's Notice, accept the Defects or Tenant may terminate this Lease. If Tenant does not timely receive Landlord's Notice, Landlord will be deemed to have elected not to remove any Defects. Landlord will cooperate (at no out-of-pocket expense to Landlord) with Tenant and Title Company with respect to the issuance of the Title Policy, which will include, without limitation, executing any documents reasonably required by Title Company. If required by Title Company, Landlord will execute an instrument that will enable the Title Company to issue the Title Policy without any exceptions for tenants or parties in possession (or similar exceptions) (other than Tenant).

1.5.4 Entitlements. Tenant's obligations under this Lease are conditioned on Tenant's receipt of the Landlord's approval of all planning, zoning, design, parking, traffic and other approvals required for Tenant to develop and use the Premises for the Permitted Use, Tenant obtaining all other governmental approvals and easements, abandonments of easements, and relocations of easements necessary for the development of the Premises for the Permitted Use, and Tenant obtaining a loan for the construction of Tenant's Improvements (collectively, the "Entitlements"), which Entitlements and any conditions and stipulations associated therewith must be acceptable to Tenant in its sole and unfettered discretion. In consideration of Landlord granting the Entitlements contingency set forth in this Section, Tenant agrees to diligently pursue all lender approvals and all other Entitlements, including, but not limited to, planning, zoning and design review approvals and to engage such consultants as required to attempt to obtain the Entitlements. Landlord will reasonably cooperate with Tenant and support Tenant's applications in connection with Tenant's attempt to obtain the Entitlements. If Tenant has not obtained the Entitlements on or before ________________ (the "Entitlements Contingency Date"), then, as long as Tenant is diligently pursuing the Entitlements, Tenant may extend the Entitlements Contingency Date until ________________, as long as Tenant has submitted substantially all of the documents and information to the appropriate governmental entity as may have been required by such governmental entity at such time for processing of all approvals necessary for conducting the Permitted Use at the Premises. If Tenant has not obtained the Entitlements on or before the Entitlements Contingency Date (as the same may have been extended), Tenant has the right to terminate this Lease by notifying Landlord of such termination. In the event that the Tenant has not affirmatively exercised its right to terminate this Lease within 10 days of the Entitlements Contingency Date (as the same may have been extended), the Tenant shall be deemed to have waived its right to terminate this Lease pursuant to this Section 1.5.5.

1.5.5 Closing Date. The "Closing Date" will occur once all of the following have occurred: (a) Tenant has approved the condition of title to the Premises, as provided above; and (b) Tenant has obtained the Entitlements. Notwithstanding the above, in all events the Closing Date will occur not later than 10 days following the Entitlements Contingency Date. On the Closing Date, the parties will instruct the Title Company to record the Memorandum of Lease and issue the Title Policy.

1.5.6 Reports. Tenant will deliver to Landlord, without warranty, copies of all appraisals, surveys, environmental and geotechnical reports, and other third-party reports obtained by Tenant with respect the physical condition of the Premises (excluding any confidential documents).

1.6 Ownership of Tenant Improvements; Depreciation. During the Term, title to and ownership of the Tenant Improvements will remain solely in Tenant, and Tenant alone will be entitled to deduct all depreciation with respect to the Tenant Improvements on Tenant's income tax returns. Upon the expiration or earlier termination of this Lease, title to and ownership of any portion of the Tenant Improvements which is not removed from the Premises by Tenant will automatically transfer to and vest in Landlord, free of any deed of trust, mortgage or other security instrument securing loans entered into by Tenant. Upon the request of Landlord, Tenant will, upon the expiration or earlier termination of this Lease, execute and deliver to Landlord a recordable quit claim deed (without warranty) evidencing the transfer of title of such remaining Tenant Improvements.

ARTICLE 2
RENT

2.1 Rent. Tenant will pay (without demand, offset or deduction of any kind except as expressly provided herein) the rent set forth below in this Article 2 ("Rent") in monthly installments to Landlord, in advance, beginning on the Commencement Date and thereafter on the first day of each and every calendar month during the Term. Tenant will make all Rent payments to Landlord's address specified in the Basic Terms or at such other place as Landlord may from time to time designate in writing. The parties will prorate Rent, on a per diem basis, for any partial month within the Term.

2.1.1 Rent During Initial Term. The monthly Rent during the Initial Term will be as follows:

Applicable Portion of Initial Term	Monthly Rent	Annual Rent
Months 1 – 12	$________	$________
Months 13 – 24	$________	$________
Months 25 – 36	$________	$________
Months 37 – 120	$________	$________
Months 121 – 180	$________	$________
Months 181 – 240	$________	$________
Months 241 – 300	$________	$________
Months 301 – 360	$________	$________
Months 361 – 420	$________	$________

2.1.2 Rent During Extension Periods. The monthly Rent during the Extension Periods will be as follows:

Applicable Portion of Extended Term	Monthly Rent	Annual Rent
Months 1 – 60	$________	$________
Months 61 – 120	$________	$________
Months 121 – 180	$________	$________
Months 181 – 240	$________	$________
Months 241 – 300	$________	$________
Months 301 – 360	$________	$________

2.2 Delinquent Rental Payments. If Landlord does not receive any payment of Rent within 10 days after the date on which Tenant has received written notice that such payment is delinquent, Tenant will pay Landlord interest on the delinquent payment calculated at the Maximum Rate from the date the payment was due through the date the payment is received by Landlord. Notwithstanding the foregoing, if, during any calendar year, Landlord gives Tenant written notice of Tenant's failure to pay an installment of Rent when due, then during the remainder of such calendar year, if Tenant fails to pay any installment of Rent when due, such interest charge shall immediately become due from Tenant without Landlord having to give Tenant any written notice of non-payment.

2.3 Rent Tax. In addition to the Rent required above, Tenant will pay to Landlord all Rent Tax (if any) due in connection with the payment of Rent hereunder, which Rent Tax will be paid by Tenant to Landlord concurrently with each payment of Rent made by Tenant to Landlord under this Lease.

ARTICLE 3
REAL ESTATE TAXES

Pursuant to ARIZ. REV. STAT. §§ 42-6201 *et seq*. (the "Excise Tax Statutes"), because the Town is the fee owner of the Premises, the Premises will not be assessed property taxes. Pursuant to the Excise Tax Statutes, the Premises is instead subject to the assessment or levy of an excise tax (the "Excise Tax"), which is calculated in accordance with the provisions of ARIZ. REV. STAT. § 42-6203. Assessments (both special and general) imposed in connection with any financing district, transportation development district, special assessment district, special benefit district, sanitary improvement district, local improvement district or any similar district of which the Premises (or any portion thereof) is a part are treated as "Real Estate Taxes" according to the terms of this Section. The parties agree Real Estate Taxes are included in the amounts listed as Rent in Article 2. Tenant shall pay all taxes applicable to all other property in the Property that is not taxed as real property and included in Real Estate Taxes, as set forth in Section 16.2 (captioned "Tenant's Property").

ARTICLE 4
USE OF PROPERTY

Tenant shall only use the Property for the Permitted Use. Landlord's prior, written consent (not to be unreasonably withheld) is required in order for the Tenant to make any use of the Property other than the Permitted Use. Landlord represents and warrants to Tenant that the Property will not, in the future, be encumbered by any restrictions or prohibitions on Tenant's use of the Property for the Permitted Use. It is expressly acknowledged by Tenant that the Rent has been calculated based upon Tenant's express covenant that Tenant will maintain the Permitted Use in operation at the Property continuously during the Term and, when conducting business at the Property, Tenant will operate during reasonable hours and conduct its business in a manner consistent with other top-quality full-service recreational vehicle parks. Tenant expressly acknowledges that its failure to operate at the Property in the manner described herein for any period longer than 10 days shall be a default pursuant to Section 13.1; provided, however, that Tenant may have periods of inoperability in excess of 10 days upon the prior, written consent of the Landlord. During any period of time in which Tenant is not operating its business at the Property, Tenant will continue to comply with all of the provisions of this Lease. On and after the date of this Lease, Landlord may record any additional documents against title to the Property without the written consent of the Tenant.

ARTICLE 5
HAZARDOUS MATERIALS

5.1 Tenant s Compliance with Hazardous Materials Laws. Tenant will not cause any Hazardous Materials to be brought upon, kept or used at the Property in a manner or for any purpose that violates any Hazardous Materials Laws. Tenant, at its sole cost and expense, will comply with all Hazardous Materials Laws related to Tenant's use of the Property.

5.2 Tenant s Hazardous Materials Indemnification. To the fullest extent allowable under the Laws, Tenant releases and will indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless for, from and against any and all Claims whatsoever arising or resulting, in whole or in part, directly or indirectly, from the presence, treatment, storage, transportation, disposal, release or management of Hazardous Materials in, on, under, about or from the Property (including water tables and atmosphere), but only to the extent arising during the Initial Term and any Extension Periods as a result of the acts of the Tenant Parties. The obligations of Tenant under this Article survive the expiration or earlier termination of this Lease.

5.3 Landlord s Hazardous Materials Indemnification. To the fullest extent allowable under the Laws, Landlord releases and will indemnify, protect, defend (with counsel reasonably acceptable to Tenant) and hold Tenant harmless from and against any and all Claims whatsoever arising or resulting, in whole or in part, directly or indirectly, from the presence, treatment, storage, transportation, disposal, release or management of Hazardous Materials in, on, under, about or from the Premises (including water tables and atmosphere), but only to the extent arising prior to the Closing Date as a result of the acts of the Landlord Parties. The obligations of Landlord under this Article survive the expiration or earlier termination of this Lease.

ARTICLE 6
UTILITIES

6.1 Tenant s Rights and Obligations; Cost of Utilities. With respect to all utilities serving the Property, (a) Tenant will contact the applicable utility company or other service provider to arrange for such utility to be provided to the Property, and (b) Tenant is solely responsible for paying directly to such utility company or other service provider, prior to delinquency, all charges owed for such utility service. Tenant has the right to choose its own telephone service provider, internet service provider, data line service provider, and providers for any other similar services for the Property. Landlord will permit the companies selected by Tenant to have reasonable access to the lines, cables, conduits, and facilities at the Landlord's Adjacent Property in order to install and provide such services to Tenant.

6.2 Other Provisions Relating to Utilities. If any utilities or other services to the Property are disrupted for more than 24 hours as a result of the acts of any of the Landlord Parties, Tenant will be entitled to a reasonable abatement of Rent based on the severity of the disruption.

ARTICLE 7
MAINTENANCE AND REPAIR

Tenant, at its sole cost and expense, shall comply with Laws applicable to the maintenance and upkeep of the Property. Upon Tenant's completion of construction of its initial improvements at the Premises, Tenant will keep and maintain in a clean and attractive condition the parking and landscaped areas of the Premises, the outdoor recreation areas of the Premises, and the exteriors of the Buildings, including the windows and plate glass. Tenant will provide for the collection and removal of all trash from the Premises. Tenant's maintenance and repair obligations under this Section are subject to the provisions of Article 10 and Article 11 of this Lease regarding any Casualty or Taking.

ARTICLE 8
ALTERATIONS

8.1 Construction Obligations; Ownership of Alterations. Tenant will cause all Buildings and Alterations to be constructed in a good and workmanlike manner and in compliance with all Laws. Tenant has the right to remove all Alterations installed by Tenant at the Premises as long as Tenant repairs any damage to the Premises caused by such removal. If Tenant does not remove any Alterations from the Premises at the end of the Term, such Alterations will become the property of Landlord at no cost to Landlord. Prior to commencing construction of any Buildings and Alterations or any other improvement to the Premises, Tenant shall provide Landlord with performance and payment bonds covering the full cost of the improvements, in a form acceptable to the Town Attorney.

8.2 Liens. Tenant will keep Landlord's interest in the Premises free from any mechanics', materialmens', professional services, or other liens arising out of any work performed at the Premises by Tenant. If any such lien is filed or recorded against the Premises, Tenant will, within 15 days after being notified of such filing or recording, cause such lien to be released of record or provide Landlord with a bond or other security protecting Landlord against such lien. Landlord will keep the Premises free from any mechanics', materialmens', professional services, or other liens arising out of any work performed by Landlord. If any such lien is filed or recorded against the Premises, Landlord will, within 15 days after being notified of such filing or recording, cause such lien to be released of record.

ARTICLE 9
INSURANCE

9.1 General.

9.1.1 Insurer Qualifications. Without limiting any obligations or liabilities of Tenant, Tenant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Landlord. Failure to maintain insurance as specified herein may result in termination of this Lease at the Landlord's option.

9.1.2 No Representation of Coverage Adequacy. By requiring insurance herein, the Landlord does not represent that coverage and limits will be adequate to protect Tenant. The Landlord reserves the right to review any and all of the insurance policies and/or endorsements cited in this Lease, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Lease or failure to identify any insurance deficiency shall not relieve Tenant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Lease.

9.1.3 Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Lease, the Landlord, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Lease. Tenant shall ensure all necessary endorsements are executed related to the Additional Insured coverage.

9.1.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Lease are satisfactorily performed, completed and formally accepted by the Landlord, unless specified otherwise in this Lease.

9.1.5 Primary Insurance. Tenant's insurance shall be primary insurance with respect to performance of this Lease and in the protection of the Landlord as an Additional Insured.

9.1.6 Claims Made. In the event any insurance policies required by this Lease are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

9.1.7 Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Landlord, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Tenant. Tenant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

9.1.8 Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Landlord. Tenant shall be solely responsible for any such deductible or self-insured retention amount.

9.1.9 Use of Subcontractors. If any work under this Lease is subcontracted in any way, Tenant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Landlord and Tenant. Tenant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance and endorsements verifying the insurance requirements.

9.1.10 Evidence of Insurance. Prior to commencing any work or services under this Lease, Tenant will provide the Landlord with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Lease, issued by Tenant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages (including necessary endorsements), conditions and limits of coverage specified in this Lease and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Lease. The Landlord shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Lease. If any of the policies required by this Lease expire during the life of this Lease, it shall be Tenant's responsibility to forward renewal certificates and declaration page(s) to the Landlord 30 days prior to the expiration date. All certificates of insurance and declarations required by this Lease shall be identified by referencing this Lease. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Lease. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Lease will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Landlord, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Tenant's insurance shall be primary insurance with respect to performance of this Lease.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against the Landlord, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Tenant under this Lease.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

9.2 Required Insurance Coverage.

9.2.1 Commercial General Liability. Tenant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $2,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $5,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Lease, the Landlord, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

9.2.2 Property Insurance. Tenant will maintain insurance on the Buildings providing coverage comparable to that provided by a standard causes of loss – special form property insurance policy. Tenant may maintain such insurance in whole or in part under a blanket policy. Tenant is not required by this Lease to maintain personal property or business interruption insurance. Accordingly, Tenant's Personal Property is located at the Premises at Tenant's sole risk, and Landlord is not liable for any damage to or loss or destruction of Tenant's Personal Property.

9.2.3 Vehicle Liability. Tenant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Tenant's owned, hired and non-owned vehicles assigned to or used in the performance of the Tenant's work or services under this Lease. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Landlord, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

9.2.4 Professional Liability. If this Lease is the subject of any professional services or work, or if the Tenant engages in any professional services or work in any way related to performing the work under this Lease, the Tenant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the professional services performed by the Tenant, or anyone employed by the Tenant, or anyone for whose negligent acts, mistakes, errors and omissions the Tenant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

9.2.5 Workers Compensation Insurance. If Tenant employs anyone who is required by law to be covered by Workers' Compensation Insurance, Tenant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Tenant's employees engaged in the performance of work or services under this Lease and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

9.3 Cancellation and Expiration Notice. Tenant shall provide at least 30 days prior written notice to the Landlord before insurance required herein expires, is canceled, or is materially changed.

ARTICLE 10
DAMAGE OR DESTRUCTION

10.1 Substantial Casualty. If any Casualty renders the whole or more than 50% of the floor area of the Buildings untenantable or occurs during the last five years of the Term, Tenant may terminate this Lease by notifying Landlord of such election within 60 days after the date of the Casualty, which termination will be effective thereafter on the date set forth in such notice of termination. If Tenant terminates this Lease pursuant to this paragraph (other than during the last five years of the Term), then, within 30 days after such termination, Tenant shall demolish the damaged Buildings, remove all Personal Property and debris from the Property, and restore the surface of the affected portion of the Premises to a level condition. Tenant will pay Landlord an amount equal to all Rent that would have accrued during the 6-month period following such termination.

10.2 Repair of Tenant s Buildings. If Tenant does not elect to terminate this Lease following a Casualty, Tenant will either repair and restore the portion of the Buildings affected by such Casualty to as near their condition prior to the Casualty as is reasonably possible with all commercially reasonable diligence and speed, or Tenant will demolish the damaged Buildings, remove all Personal Property and debris from the Premises, and restore the surface of the affected portion of the Premises to a level condition.

ARTICLE 11
EMINENT DOMAIN

11.1 Termination of Lease. If a Condemning Authority desires to effect a Taking of all of the Property, this Lease will terminate as of the date the Condemning Authority takes possession of same. If a Condemning Authority desires to effect a Taking of less than all of the Property in a manner that materially adversely affects access to the Property, then Tenant, at its option, by notifying Landlord not later than 60 days after the date the Condemning Authority takes possession of such property, may terminate this Lease effective on the date set forth in such notice of termination, and if so requested by Landlord, Tenant shall demolish the damaged Buildings, remove all Personal Property and debris from the Property, and restore the surface of the affected portion of the Premises to a level condition. Tenant will pay Rent to the date of termination.

11.2 Adjustment of Rent. If this Lease does not terminate with respect to the entire Property under Section 11.1 and the Taking includes a portion of the Property, this Lease automatically terminates as to the portion of the Property taken as of the date the Condemning Authority takes possession of such portion, and the Rent will be reduced on such date to an amount equal to the product of the Rent provided for in this Lease multiplied by a fraction, the numerator of which is the land area of the Premises after the Taking, and the denominator of which is the land area of the Premises prior to the Taking.

11.3 Award. Tenant is entitled to receive and keep all damages, awards or payments resulting from or paid on account of the Taking of the Tenant Improvements, Tenant's Personal Property, the value of the leasehold estate for the remainder of the Term, and for moving expenses. Landlord is entitled to receive and keep all other damages, awards or payments resulting from or paid on account of such Taking. With respect to any claim Tenant is entitled to make based on a Taking, Tenant may interpose and prosecute such claim in any proceeding in respect of such Taking, either independent of any claim of Landlord or, if only a single award is made for such Taking, a part of Landlord's claim.

ARTICLE 12
TRANSFERS

12.1 Transfers Requiring Landlord s Consent. Except for any Permitted Transfer described below, Tenant will not enter into any Transfer without obtaining Landlord's prior, written consent, which consent will not be unreasonably withheld, conditioned or delayed. Tenant's request for Landlord's consent to a Transfer must describe the parties, terms, portion of the Property, and other circumstances involved in the proposed Transfer. Landlord will notify Tenant of Landlord's election to consent or withhold consent to such Transfer within 30 days of Landlord's receipt of such a written request for consent to the Transfer from Tenant. If Landlord withholds its consent to a Transfer, Landlord's notice to Tenant will include a detailed explanation of the reason that Landlord has withheld its consent. If Landlord does not properly respond to Tenant's request within such 30-day period, Landlord's consent to the Transfer will be deemed to be given by Landlord. No Transfer requiring Landlord's consent releases Tenant from any liability or obligation under this Lease.

12.2 Transfers Not Requiring Landlord s Consent. Tenant may, without Landlord's consent, enter into any Transfer with an Affiliate of Tenant, a parent or subsidiary of Tenant, an entity with which Tenant merges or consolidates, as part of the reorganization of Tenant's business. Each of the foregoing Transfers described in this Section 12.2 is referred to as a "Permitted Transfer." No Transfer without Landlord's consent releases Tenant from any liability or obligation arising under this Lease.

ARTICLE 13
DEFAULTS; REMEDIES

13.1 Tenant s Default. Tenant will not be in default under this Lease unless one of the following events occurs (an "Event of Default"):

13.1.1 Failure to Pay Rent. Tenant fails to pay Rent or any other amount owed by Tenant under this Lease for a period of 10 days after Landlord has notified Tenant that such payment is delinquent.

13.1.2 Failure to Perform. Tenant breaches or fails to perform any of Tenant's non-monetary obligations under this Lease and such breach or failure is not cured within 30 days after Landlord notifies Tenant of Tenant's breach or failure; provided that if Tenant is not able through the use of commercially reasonable efforts to cure such breach or failure within such 30-day period, Tenant's breach or failure is not an Event of Default if Tenant commences to cure such breach or failure within such 30-day period and thereafter diligently pursues the cure to completion, which cure in all events must be accomplished within 90 days after the Landlord notification.

13.1.3 Bankruptcy. The occurrence of any one or more of the following: (A) Tenant's filing of a petition under any chapter of the Bankruptcy Code, or under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted; or (B) the filing of an involuntary petition under any chapter of the Bankruptcy Code, or under any federal, state or foreign bankruptcy or insolvency statute now existing or hereafter enacted, by or against Tenant and such filing not being dismissed within 60 days.

13.1.4 Unauthorized Assignment. Tenant, without having obtained the consent of the Landlord as required in this Lease, assigns any interest requiring the consent of the Landlord.

13.2 Remedies. Upon the occurrence of any Event of Default, Landlord may notify Tenant that Landlord intends to exercise one or more of the remedies set forth below, and if such Event of Default is not cured within 15 days thereafter, Landlord may, at any time and from time to time, without further notice or demand and without preventing Landlord from exercising any other right or remedy, exercise any one or more of the following remedies:

13.2.1 Termination of Tenant s Possession/Re-entry and Reletting. Terminate Tenant's right to possess the Property by any lawful means with or without terminating this Lease, in which event Tenant will immediately surrender possession of the Property to Landlord as provided in Article 15. In such event, this Lease continues in full force and effect (except for Tenant's right to possess the Property) and Tenant continues to be obligated for and must pay all Rent as and when due under this Lease. If Landlord terminates Tenant's right to possess the Property, Landlord may re-enter the Property and remove all persons and property from the Property. Landlord may store any property Landlord removes from the Property in a public warehouse or elsewhere at the cost and for the account of Tenant, and if Tenant fails to pay the storage charges therefor, Landlord may deem such property abandoned and cause such property to be sold or otherwise disposed of without further obligation or any accounting to Tenant. Upon terminating Tenant's right to possess the Property, Landlord will use commercially reasonable efforts to relet the Property.

13.2.2 Termination of Lease. Terminate this Lease effective on the date Landlord specifies in Landlord's notice to Tenant. Upon such termination, Tenant will immediately surrender possession of the Property to Landlord as provided in Article 15. If Landlord terminates this Lease pursuant to this Section, Landlord may recover from Tenant and Tenant will pay to Landlord on demand: (A) all Rent due and payable under this Lease as of the effective date of the termination; and (B) an amount equal to the amount by which (i) the present value, as of the effective date of the termination, of the Rent for the balance of the Term remaining after the effective date of the termination (assuming no termination) exceeds (ii) the present value, as of the effective date of the termination, of a fair market Rent for the Property for the same period. For purposes of this Section, Landlord will compute present value by utilizing a discount rate of 8% per annum.

13.3 Landlord s Default. Landlord will not be in default under this Lease unless Landlord breaches or fails to perform any of Landlord's obligations under this Lease and the breach or failure continues for a period of 30 days after Tenant notifies Landlord in writing of Landlord's breach or failure; provided that if Landlord is not able through the use of commercially reasonable efforts to cure the breach or failure within such 30-day period, Landlord's breach or failure is not a default as long as Landlord commences to cure its breach or failure within the 30 day period and thereafter diligently pursues the cure to completion, which cure in all events must be accomplished within 90 days of the Tenant notification. Upon the occurrence of default by Landlord, Tenant may at any time and from time to time, without further notice or demand, cure such default on behalf of Landlord or exercise any other right or remedy available to Tenant at law or in equity. Within 30 days after Tenant's request, Landlord will reimburse Tenant for any reasonable out-of-pocket costs incurred by Tenant to cure Landlord's default. If Tenant does not receive any payment owed by Landlord to Tenant within 30 days after Tenant notifies Landlord that such payment is delinquent, Tenant may deduct such amount from Rent.

13.4 No Waiver. No failure by either Landlord or Tenant to insist upon the performance of any provision of this Lease or to exercise any right or remedy upon a breach or default hereof constitutes a waiver of any such breach or default. Any such waiver may be made only in a writing signed by the party providing the waiver. One or more waivers by a party is not to be construed as a waiver by that party of a subsequent breach or default of the same provision. In no event are any of the Landlord Parties or the Tenant Parties liable to any person for consequential, indirect, special or punitive damages.

13.5 Conflict of Interest. This Lease is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Landlord may cancel this Lease without penalty or further obligations by the Landlord or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the Landlord or any of its departments or agencies is, at any time while this Lease or any extension of this Lease is in effect, an employee of any other party to this Lease in any capacity or a contractors to any other party of this Lease with respect to the subject matter of this Lease.

13.6 Gratuities. The Landlord may, by written notice to Tenant, cancel this Lease if it is found by the Landlord that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by Tenant or any agent or representative of Tenant to any officer, agent or employee of the Landlord for the purpose of securing this Lease. In the event this Lease is canceled by the Landlord pursuant to this provision, the Landlord shall be entitled, in addition to any other rights and remedies, to recover and withhold from Tenant an amount equal to 150% of the gratuity.

13.7 Lease Subject to Appropriation. The Landlord is obligated only to pay its obligations set forth in this Lease as may lawfully be made from funds appropriated and budgeted for that purpose during the Landlord's then current fiscal year. The Landlord's obligations under this Lease are current expenses subject to the "budget law" and the unfettered legislative discretion of the Landlord concerning budgeted purposes and appropriation of funds. Should the Landlord elect not to appropriate and budget funds to pay its lease obligations, this Lease shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Landlord shall be relieved of any subsequent obligation under this Lease. The parties agree that the Landlord has no obligation or duty of good faith to budget or appropriate the payment of the Landlord's obligations set forth in this Lease, if any, in any budget in any fiscal year other than the fiscal year in which this Lease is executed and delivered. The Landlord shall be the sole judge and authority in determining the availability of funds for its obligations under this Lease. The Landlord shall keep Tenant informed as to the availability of funds for this Lease. The obligation of the Landlord to make any payment pursuant to this Lease is not a general obligation or indebtedness of the Landlord. Tenant hereby waives any and all rights to bring any claim against the Landlord from or relating in any way to the Landlord's termination of this Lease pursuant to this Section.

13.8 Transition to New Tenant. Subsequent to Tenant receiving written notification of the termination or expiration of this Lease as set forth above, Tenant shall cooperate reasonably with the Landlord in the transition of management responsibility to a new management company or operator. In connection therewith, Tenant shall provide reasonable training, assistance, and direction to the new management company or operator, and shall, in good faith, endeavor to facilitate a smooth, seamless and efficient transition of management responsibility. Tenant's failure to comply with this Section shall constitute a material default of this Lease. Tenant and the Landlord acknowledge that in the event that Tenant fails to perform its obligations under this Section 13.8, the Landlord will incur substantial damages and the extent of such damages shall be incapable of accurate measurement. Nonetheless, the parties acknowledge that on the date of this Lease, an amount of liquidated damages of $5,000 represents a good faith estimate as to the actual potential damages that the Landlord would incur as a result of Tenant's breach of its obligations under this Section 13.8. Such liquidated damages shall be the sole and exclusive remedy of the Landlord for Tenant's breach of its obligations under this Section 13.8, and the Landlord hereby waives all other remedies available at law or in equity. The amount of the liquidated damages calculated hereunder does not include any penalty.

ARTICLE 14
CREDITORS; ESTOPPEL CERTIFICATES

14.1 No Existing Mortgages. Landlord represents and warrants to Tenant that, on the date of this Lease, there are no Mortgages encumbering the Premises.

14.2 Subordination to Future Mortgages. Any Mortgage granted by Landlord after the date of this Lease is herein referred to as a "Future Mortgage". Subject to the following provisions of this Section 14.2, this Lease is subordinate to each Future Mortgage. The automatic subordination to each Future Mortgage provided for in this Section is expressly conditioned upon the Mortgage holder's agreement that as long as no Event of Default is in existence under this Lease, the holder of such Future Mortgage will not disturb Tenant's rights of possession of the Property under this Lease or terminate this Lease. Tenant will, upon Landlord's request with respect to any Future Mortgage, execute and deliver to Landlord a subordination, nondisturbance and attornment agreement in the form of Exhibit D or such other form as is reasonably acceptable to Landlord, Tenant and the holder of such Future Mortgage. The lien of any Future Mortgage will not encumber the Tenant Improvements or Tenant's Personal Property.

14.3 Attornment. Upon the purchase of the Premises at a foreclosure sale under a Future Mortgage, Tenant will attorn to and recognize such purchaser as Landlord under this Lease.

14.4 Estoppel Certificates. Upon either party's written request, the other party will execute and deliver to the requesting party a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been any modifications, that this Lease is in full force and effect, as modified, and stating the modifications); (b) the last date of payment of Rent and the time period covered by such payment; (c) whether, to the best of such party's actual knowledge, there are then existing any breaches or defaults by the other party under this Lease, and, if so, specifying the same; and (d) such other matters as the requesting party may reasonably request. The party from whom such statement is requested will deliver the statement to the requesting party within 20 Business Days after the request for such statement.

14.5 Landlord s Lien. If Tenant obtains financing for all or any portion of the Tenant Improvements or Tenant's Personal Property, Landlord will execute and deliver to any such secured creditor and/or equipment lessor an instrument subordinating its statutory landlord's lien to the lien of any such secured creditor and/or equipment lessor; provided, however, that Landlord will not subordinate its fee title interest in the Premises.

14.6 Leasehold Mortgage. Tenant has the right, without Landlord's consent, to grant one or more mortgages, deeds of trust or similar encumbrances or liens (individually, a "Leasehold Mortgage") with respect to Tenant's interest in this Lease, and its interest in the Tenant Improvements or any part thereof, and to assign such interests and any sublease as collateral security for such Leasehold Mortgage, upon the condition that all rights acquired under a Leasehold Mortgage will be subject to the terms and provisions of this Lease and to all rights and interests of Landlord herein, none of which terms and provisions will be modified by reason of the right given to Tenant to enter into Leasehold Mortgages, except as may be expressly provided in this Section 14.6. If Tenant enters into a Leasehold Mortgage, and if the holder of the Leasehold Mortgage (the "Leasehold Mortgagee") sends Landlord a true copy of the Leasehold Mortgage, together with written notice specifying the name and address of the Leasehold Mortgagee and the recording data with respect to the Leasehold Mortgage, then Landlord agrees that so long as the Leasehold Mortgage remains in effect, the following provisions will apply:

14.6.1 Notice to Leasehold Mortgagee. If Landlord notifies Tenant of any breach or default by Tenant under this Lease, Landlord will concurrently send a copy of such notice to the Leasehold Mortgagee. The Leasehold Mortgagee will then have the same period as is given to Tenant under this

Lease to cure such breach or default on behalf of Tenant, in which event Landlord will accept such cure by the Leasehold Mortgagee as if such breach or default had been cured by Tenant. Notwithstanding the foregoing, if Landlord is permitted by the terms of this Lease to terminate this Lease based on a breach or default by Tenant under this Lease, and if Landlord desires to exercise such right to terminate this Lease, Landlord will notify the Leasehold Mortgagee of same, in which event the Leasehold Mortgagee may notify Landlord, within 30 days after the date of its receipt of Landlord's notice, that it will cure such breach or default on behalf of Tenant. Upon Landlord's receipt of such notice from the Leasehold Mortgagee, Landlord will have no right to terminate this Lease based on such breach or default as long as the Leasehold Mortgagee commences to cure such breach or default within such 30-day period and diligently pursues such cure to completion, which cure in all events must be accomplished within 90 days after Landlord's notification; provided, however, that a breach of Subsection 13.1.1 must be cured within 10 days.

14.6.2 Conveyance by Leasehold Mortgagee. Notwithstanding anything to the contrary contained in this Lease, upon the foreclosure of a Leasehold Mortgage (whether by judicial proceeding on by non-judicial action) or an agreement in lieu of such foreclosure, the Leasehold Mortgagee may assign Tenant's interest in this Lease and convey Tenant's interest in the Premises, the Tenant Improvements and Tenant's Personal Property without Landlord's consent.

14.6.3 Bankruptcy of Tenant. Landlord agrees that in the event of termination of this Lease by reason of the bankruptcy or insolvency of Tenant, Landlord will, upon the request of the Leasehold Mortgagee, enter into a new lease of the Premises with the Leasehold Mortgagee or its nominee for the remainder of the Term (as if this Lease had not been terminated) effective as of the date of such termination, upon the terms and provisions as are contained in this Lease, and subject only to the same conditions of title to which this Lease is subject on the date of this Lease, together with any exceptions to title created by or at the request of Tenant, provided:

A. the Leasehold Mortgagee or its nominee makes written request upon Landlord for the new lease within 30 days after the date of such termination;

B. the Leasehold Mortgagee or its nominee pays to Landlord, at the time of the execution and delivery of the new lease, any reasonable expenses which Landlord has incurred by reason of such new lease;

C. the Leasehold Mortgagee or its nominee cures any remaining breach or default by Tenant under this Lease which is reasonably capable of being cured by the Leasehold Mortgagee or its nominee and for which Landlord has previously given notice to the Leasehold Mortgagee;

D. the tenant under the new lease will have all right, title and interest in and to the Premises, the Tenant Improvements and Tenant's Personal Property as Tenant had under this Lease; and

E. the Leasehold Mortgagee or its nominee or assignee will bear the fees and costs related to drafting the new lease and recording a new memorandum of lease with respect to the new lease if the Leasehold Mortgagee desires recordation thereof.

14.6.4 No Obligation to Cure. Nothing contained herein will require the Leasehold Mortgagee or its nominee or assignee to cure any breach or default of Tenant under this Lease. Notwithstanding anything to the contrary contained herein, in the event of an incurable breach or default by Tenant under this Lease, the Leasehold Mortgagee will not be required to cure such breach or default in order to prevent a termination of this Lease by Landlord based on such breach or default, and upon the transfer of Tenant's interest in this Lease in connection with a foreclosure of the Leasehold Mortgage (whether by judicial proceeding or non-judicial action) or an agreement in lieu of such foreclosure (or upon the execution of a new lease as set forth in this Section 14.6, Landlord will not be entitled to exercise any rights or remedies against the new Tenant under this Lease (or its successors) or under a new lease based on such incurable breach or default.

14.6.5 Proceeds. The proceeds from any insurance policies relating to the Property or any condemnation proceeds to which Tenant is entitled pursuant to this Lease are to be held by the Leasehold Mortgagee and distributed pursuant to the provisions of this Lease.

14.6.6 Separate Instrument. Landlord will, upon request, execute, acknowledge and deliver to the Leasehold Mortgagee a separate instrument containing all of the provisions of this Section 14.6, which instrument will identify the Leasehold Mortgagee and will specifically state that all of the provisions of such instrument are for the benefit of the Leasehold Mortgagee. Such instrument will be prepared by the Leasehold Mortgagee and will contain such other provisions as are reasonably acceptable to Landlord, Tenant and the Leasehold Mortgagee.

ARTICLE 15
SURRENDER; HOLDING OVER

15.1 Surrender of Premises. Tenant will surrender possession of the Property to Landlord at the expiration or earlier termination of this Lease. Tenant will at such time remove all of Tenant's Personal Property from the Premises. As long as Tenant repairs any damage to the Premises caused by such removal, Tenant will also have the right to remove all or any portion of the Tenant Improvements. Any of the Tenant Improvements or Tenant's Personal Property not removed on or before the last day of the Term is deemed abandoned.

15.2 Holding Over. If Tenant remains in possession of the Property after the Term expires or is otherwise terminated, Tenant will be deemed to be occupying the Property as a tenant from month-to-month, subject to all provisions of this Lease applicable to a month-to-month tenancy, provided that the Rent during the holdover period will equal 150% of the Rent payable by Tenant in the last year of the Term.

ARTICLE 16
LANDLORD IMPROVEMENTS AND TENANT IMPROVEMENTS

16.1 Landlord Improvements. Landlord is leasing the Premises to Tenant in "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition and is not responsible to construct or install any improvements at the Premises.

16.2 Tenant Improvements. Tenant is solely responsible for the construction and installation of any Tenant Improvements described in Tenant's response to Landlord's RFP, including the extension of water, sewer and electric utilities to the Premises. Once Tenant elects to proceed with any Tenant Improvements, Tenant will obtain all building permits necessary for the construction of the Tenant Improvements and will cause the Tenant Improvements to be constructed in a good and workmanlike manner and in compliance with all Laws.

ARTICLE 17
ADDITIONAL PROVISIONS

17.1 Security Deposit. The parties acknowledge that no security deposit is being required under this Lease.

17.2 Approvals. If either party's consent or approval is required under this Lease, then, unless otherwise specifically provided in another Section of this Lease, such consent or approval will not be unreasonably withheld, conditioned or delayed. If a provision of this Lease requires either Landlord or Tenant to obtain the other party's consent to or approval of any matter, then a party's failure to respond to a request for such consent or approval within 45 days after its receipt of such request (or such other period of time as may be specifically stated in this Lease) will constitute such party's consent to or approval of such matter, but only if the request for such consent or approval clearly and conspicuously states that the failure to respond in writing within the applicable period constitutes the recipient's consent or approval of such matter. If either Landlord or Tenant withholds or denies its consent to or approval of any such matter, it must specifically state the reason it is withholding or denying such consent or approval and must propose an alternative (if any) which would cause the submitted item to be approved by the recipient of such request for consent or approval.

ARTICLE 18
MISCELLANEOUS PROVISIONS

18.1 Notices. All Notices must be in writing and must be sent by personal delivery, by United States registered or certified mail (postage prepaid), or by an independent overnight courier service, addressed to the addresses specified in the Basic Terms or at such other addresses as either party may designate to the other party by written notice given in accordance with this Section. Notices given by mail are deemed delivered within four Business Days after the party sending the Notice deposits the Notice with the United States Post Office. Notices delivered by courier are deemed delivered on the next Business Day after the day the party delivering the Notice timely deposits the Notice with the courier for overnight (next day) delivery. Any Notice given by an attorney or agent acting on behalf of a party shall be effective as Notice from such party.

18.2 Landlord s Conveyance of Premises. If Landlord conveys fee title to the Premises, the transferor Landlord will remain liable for the obligations of the “Landlord” under this Lease that arose prior to the date of such conveyance, but will have no liability for the obligations of the “Landlord” that arise on and after the date of such conveyance. Upon such conveyance, the new landlord will be deemed to have assumed all obligations of the “Landlord” that arise on and after the date of such conveyance.

18.3 Successors. Subject to the express provisions of this Lease, this Lease is binding on and inures to the benefit of the parties hereto and their respective successors and assigns.

18.4 Captions and Interpretation. The captions of the articles and sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular includes the plural and the plural includes the singular.

18.5 Relationship of Parties. This Lease does not create, between the parties to this Lease, the relationship of principal and agent, or of partnership or joint venture, or any other association or relationship, other than that of landlord and tenant.

18.6 Entire Agreement; Amendment. The Basic Terms and all exhibits, addenda and schedules attached to this Lease are incorporated into and made a part of this Lease as though fully set forth in this Lease and together with this Lease contain the entire agreement between the parties with respect to the Property. All prior and contemporaneous negotiations, including, without limitation, any letters of intent or other proposals and any drafts and related correspondence, are merged into and superseded by this Lease. No subsequent alteration, amendment, change or addition to this Lease is binding on Landlord or Tenant unless it is in writing and signed by Landlord and Tenant.

18.7 Severability. If any covenant, condition, provision, term or agreement of this Lease is, to any extent, held invalid or unenforceable, the remaining portion thereof and all other covenants, conditions, provisions, terms and agreements of this Lease will not be affected by such holding, and will remain valid and in force to the fullest extent permitted by law.

18.8 Attorneys Fees. If either Landlord or Tenant commences any litigation or judicial action to determine or enforce any of the provisions of this Lease, the prevailing party in any such litigation or judicial action or appeal thereon is entitled to recover all of its costs and expenses (including, but not limited to, reasonable attorneys’ fees, costs and expenditures) from the non-prevailing party.

18.9 Brokers. Landlord and Tenant each represents and warrants to the other that it has not had any dealings with any realtors, brokers, finders or agents in connection with this Lease, and each releases and agrees to indemnify the other from and against any Claims based on the failure or alleged failure to pay any realtors, brokers, finders or agents and from any cost, expense or liability for any compensation, commission or charges claimed by any realtors, brokers, finders or agents claiming by, through or on behalf of it with respect to this Lease or the negotiation of this Lease.

18.10 Governing Law. This Lease is governed by, and must be interpreted under, the internal laws of the state in which the Property is located without reference to any choice of law provisions or principles. Any suit against Landlord or Tenant relating to this Lease must be brought in the county in which the Property is located or, if the suit is brought in federal court, in any federal court appropriate for suits arising in such county; Landlord and Tenant waive the right to bring suit against each other elsewhere.

18.11 Time is of the Essence. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor. All time periods which are contemplated under this Lease to be measured in "days" shall be measured in calendar days unless expressly stated to be measured in "Business Days".

18.12 Memorandum of Lease. Tenant will not record this Lease. However, concurrently with the execution of this Lease, Landlord and Tenant will execute a Memorandum of Lease in the form of Exhibit C, and Tenant may record such instrument. In accordance with ARIZ. REV. STAT. § 42-6202(C), the Landlord shall record a memorandum of this Lease in the Yavapai County Recorder's Office.

18.13 Construction of Lease and Terms. The terms and provisions of this Lease are the result of negotiations between Landlord and Tenant, each of which are sophisticated parties and each of which has been represented or been given the opportunity to be represented by legal counsel and/or other advisors of its own choosing, and neither of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Lease are to be interpreted and construed in accordance with their usual and customary meanings, and Landlord and Tenant each waive the application of any rule of law that ambiguous or conflicting terms or provisions are to be interpreted or construed against the party who drafted the same. Tenant's submission of this instrument to Landlord in draft or final form for examination or signature does not constitute any agreement by Tenant to lease the Premises or any representation by Tenant that it will execute this Lease. This Lease will be a binding agreement between Landlord and Tenant only when it has been executed by both parties.

18.14 Relationship. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating a relationship between the parties hereto other than the relationship of landlord and tenant.

18.15 Submission. The submission of this Lease for examination does not constitute a reservation or any option for the Premises and this Lease becomes effective only upon its execution and delivery by both parties hereto.

18.16 Independent Covenants. The doctrine of independent covenants shall apply in all matters relating to this Lease including, without limitation, all obligations of Landlord and Tenant to perform their respective obligations under this Lease. All obligations of Tenant which by their nature involve performance after the end of the Term, or which cannot be ascertained to have been performed until after the end of the Term of this Lease, shall survive the expiration or earlier termination of this Lease.

18.17 Trial Waiver. **THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT S USE AND OCCUPANCY OF THE PREMISES.**

18.18 Tenant Liability; Authority. If this Lease is executed by more than one person or entity as "Tenant , each such person or entity shall be jointly and severally liable hereunder. It is expressly understood that any one of the parties who have executed this Lease as "Tenant" (herein individually referred to as "Signatory") shall be empowered to execute any modification, amendment, exhibit, floor plan, or other document ("Future Instrument") and bind each such Signatory who has executed this Lease regardless of whether each Signatory, in fact, executes such Future Instrument. If Tenant is a corporation, limited liability company or partnership, each individual executing this Lease on behalf of such entity represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said entity, in accordance with the organizational documents of said entity, and that this Lease is binding upon said entity.

18.19 Homeland Security. Tenant represents, certifies and warrants to Landlord as follows: (A) Tenant is not named by, and is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by, any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by the Office of Foreign Assets Control; (B) Tenant is not engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; and (C) none of the proceeds used to pay Minimum Rent and Additional Rent have been or will be derived from a "specified unlawful activity" as defined in, and Tenant is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other applicable laws regarding money laundering activities. Furthermore, Tenant agrees to immediately notify Landlord if Tenant was, is, or in the future becomes a "senior foreign political figure," or an immediate family member or close associate of a "senior foreign political figure," within the meaning of Section 312 of the USA PATRIOT Act of 2001. Notwithstanding anything in this Lease to the contrary, Tenant acknowledges and agrees that this Lease is a continuing transaction and that the foregoing representations, certifications and warranties are ongoing and shall be and remain true and in full force and effect on the date hereof and throughout the Term and that any breach thereof shall constitute an automatic Event of Default giving rise to Landlord's remedies and Tenant agrees to indemnify, defend and hold harmless Landlord and Landlord's management agent from and against all losses, damages, costs and expenses resulting from or relating to any breach of the foregoing representations, certification and warranties.

18.20 Conflict of Interest. The Landlord may cancel this Lease pursuant to ARIZ. REV. STAT. § 38-511 without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Lease on behalf of the Landlord is, at any time while the Lease or any extension of the Lease is in effect, an employee of the Tenant in any capacity or a consultant to the Tenant with respect to the subject matter of the Lease. The cancellation shall be effective when written notice from the Landlord is received by the Tenant, unless the notice specifies a later time.

18.21 Incorporation of Exhibits. All Exhibits identified in this Lease, including, but not limited to those listed in the Basic Terms, shall be and are hereby incorporated into this Lease by this reference

Landlord and Tenant have each caused this Lease to be executed and delivered by their duly authorized representatives.

Landlord:

TOWN OF CHINO VALLEY, an Arizona municipal corporation

By: ____

Name: ______________________________________

Title: _______________________________________

ATTEST:

By: ______________________________________

Name: ____________________________________

Title: Town Clerk

Tenant:

____,
a(n) _____________________________________

By: ______________________________________

Name: ____________________________________

Title:_____________________________________

3703543.3

EXHIBIT A
DEFINITIONS

Affiliate means, with respect to any person or entity, any other person or entity that, directly or indirectly, controls, is controlled by or is under common control with such person or entity. For purposes of this definition, "control" means possessing the power to direct or cause the direction of the management and policies of the entity.

Alterations means any changes, alterations, additions or improvements made to the Premises by Tenant after Tenant initially opens its business on the Property.

Bankruptcy Code means the United States Bankruptcy Code as the same now exists and as the same may be amended, including any and all rules and regulations issued pursuant to or in connection with the United States Bankruptcy Code now in force or in effect after the date of this Lease.

Basic Terms means the terms of this Lease identified as the "Basic Terms" located before Article 1 of this Lease.

Buildings has the meaning set forth in the Basic Terms.

Business Days means any day other than Saturday, Sunday or a legal holiday in the state in which the Property is located.

Casualty means any physical loss, destruction or damage to property which is caused by fire, windstorm, hail, lightning, vandalism, theft, explosion, collision, accident, flood, earthquake, collapse, or any other peril (including, without limitation, malfunctions or failures of equipment, machinery, sprinkling devices, or air conditioning, heating or ventilation apparatus; occurrences or presence of water, snow, frost, steam, gas, sewage, sewer backup, odors, noise, hail or excessive heat or cold; broken or falling plaster, ceiling tiles, fixtures or signs; broken glass; or the bursting or leaking of pipes or plumbing fixtures). "Casualty" does not include (a) any waste or excessive or unreasonable wear and tear, or (b) any loss, destruction or damage arising or resulting from the placement, disposal or release of Hazardous Materials in, on, under, about or from the Property by either Landlord or Tenant.

Claims means all claims, actions, demands, liabilities, damages, costs, penalties, forfeitures, losses or expenses including, without limitation, reasonable attorneys' fees and the costs and expenses of enforcing any obligation under this Lease.

Commencement Date has the meaning set forth in the Basic Terms.

Condemning Authority means any person or entity with a statutory or other power of eminent domain.

County means Yavapai County, Arizona.

Event of Default has the meaning set forth in Article 13 of this Lease.

"**Future Mortgage** has the meaning set forth in Article 14.2 of this Lease.

Hazardous Materials means any of the following, in any amount: (a) any petroleum or petroleum product, asbestos in any form, urea formaldehyde and polychlorinated biphenyls; (b) any radioactive substance; (c) any toxic, infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound; and (d) any chemicals, materials or substances, whether solid, liquid or gas, defined as or included in the definitions of "hazardous substances," "hazardous wastes," "Hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "solid waste," or words of similar import in any federal, state or local statute, law, ordinance or regulation now existing or existing on or after the date of this Lease as the same may be interpreted by government offices and agencies, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) oil or any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde, (vii) radioactive materials and waste, and (viii) infectious waste; provided, however, that notwithstanding all of the foregoing, for all purposes of this Lease the term "Hazardous Materials" does not and is not intended to include fungus, mold or mildew of any type or kind, or any spores, secretions, or other substances or odors emanating from or relating to any fungus, mold or mildew of any type or kind.

Hazardous Materials Laws means any federal, state or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority, existing now or in the future, which classify, regulate, list or define Hazardous Materials.

Landlord Parties means Landlord and its officers and employees.

Laws means any law, regulation, rule, order, statute or ordinance of any governmental entity in effect on or after the date of this Lease and applicable to the Property or the use or occupancy of the Property, including, without limitation, Hazardous Materials Laws.

Lease means this Ground Lease, as the same may be amended or modified after the date of this Lease.

Maximum Rate means interest at a rate equal to the lesser of (a) 12% per annum, or (b) the maximum interest rate permitted by law.

Mortgage means any mortgage, deed of trust, security interest or other security document of like nature that at any time may encumber all or any part of Landlord's interest in the Premises and any replacements, renewals, amendments, modifications, extensions or refinancing thereof, and each advance (including future advances) made under any such instrument, excluding Leasehold Mortgages.

Notices means all notices, deliveries, demands or requests that may be or are required to be given, provided, demanded or requested by either party to the other as provided in this Lease.

Premises has the meaning set forth in the Basic Terms.

Property has the meaning set forth in the Basic Terms.

Property Taxes means any and all general and special real property taxes and assessments which are levied or assessed on the Property by any governmental authority having the power to tax, including any city, county, state or federal entity or any improvement district. The term "Property Taxes" does not include: income, excess profits, gross profits, estate, single business, inheritance, succession, transfer, franchise, capital, occupancy, margin, or other tax or assessment upon Landlord or the Rent.

Rent means the rent payable by Tenant under this Lease in the amounts specified in Section 2.1.

Rent Tax means any rental taxes, gross receipt taxes, transaction privilege and sales taxes which are levied or assessed by any governmental authority on the Rent received by Landlord under this Lease; provided, that "Rent Tax" does not include any federal, state or local income tax or other tax, however denominated, which is applied to the net income of Landlord.

Taking means the exercise by a Condemning Authority of its power of eminent domain on all or any part of the Property, either by accepting a deed in lieu of condemnation or by any other manner.

Tenant Improvements means the Buildings and all other improvements constructed by Tenant from time to time at the Premises.

Tenant Parties means Tenant and, to the extent applicable, its officers, directors, partners, shareholders, members and employees.

Tenant s Personal Property means any trade fixtures, furniture, equipment, bleachers, removable sports facilities (such as basketball standards and scoreboards), signage, office and school equipment, audio/video equipment, computers, lockers, cubbies and other storage facilities, smart boards and white boards, or other personal property of any type or kind located at or about the Property which is owned or leased by the Tenant Parties.

Term means the Initial Term of this Lease specified in the Basic Terms and, if applicable, any exercised Extension Period then in effect.

Transfer means an assignment of this Lease by Tenant or any subletting of the Premises by Tenant. The term "Transfer" does not include any assignment, transfer, mortgage, deed of trust, pledge or other encumbrance of (a) Tenant's interest in this Lease, its interest in the Premises, or its interest in the Tenant Improvements as security for one or more loans, or (b) any membership or equity interest in the entity which constitutes Tenant.

EXHIBIT B
DESCRIPTION OF PREMISES

EXHIBIT C

When recorded, return to:

Andrew J. McGuire
Gust Rosenfeld P.L.C.
One E. Washington Street, Suite 1600
Phoenix, Arizona 85004-2553

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is by and between ______________________ ("Landlord"), and _____________________________ ("Tenant").

1. Landlord is the owner of that certain real property described on Exhibit 1 attached hereto (the "Premises").

2. Landlord and Tenant have entered into that certain Ground Lease dated ______________, (the "Lease"), pursuant to which Landlord has leased the Premises to Tenant.

3. The Lease provides that Landlord will not convey fee title to the Premises without first giving Tenant the right of first refusal to acquire fee title to the Premises pursuant to the Lease. Any such conveyance in violation of such right of first refusal will be void.

4. In order to give record notice to the public of the Lease, Landlord and Tenant have executed this Memorandum. All terms and provisions of the Lease are incorporated herein by reference as if fully set forth herein.

Landlord and Tenant have each caused this Memorandum to be executed and delivered by their duly authorized representatives.

[SIGNATURES ON FOLLOWING PAGES]

Landlord:

TOWN OF CHINO VALLEY, an Arizona municipal corporation

By: ____

Name: ____

Title: ____

ATTEST:

By: ____

Name: ____

Title: Town Clerk

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of ________________, by ____________________________, the ___________________ of the Town of Chino Valley, an Arizona municipal corporation, on behalf of the Town.

____
Notary Public

My Commission Expires:

____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

3703543.3

Tenant:

____
a(n) ____

By: ____
Name: ____
Title: ____

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of __________________, by ___________________________, the ___________________ of ___________________________, a(n) ___________________________________, on behalf of the ____________________.

____
Notary Public

My Commission Expires:

____

EXHIBIT 1
TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF PREMISES

(TO BE ATTACHED)

EXHIBIT D

When recorded, return to:

Andrew J. McGuire
Gust Rosenfeld P.L.C.
One E. Washington Street, Suite 1600
Phoenix, Arizona 85004-2553

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "**Agreement**") is entered into as of ____________, 20___, by and among ____________________________ ("**Landlord**"), ________________________________ ("**Tenant**"), and ____________________________ ("**Beneficiary**").

RECITALS

A. Landlord and Tenant entered into that certain Lease dated _________, 20___, for the lease by Landlord to Tenant of certain Premises described therein (the "**Lease**").

B. Landlord executed that certain Deed of Trust in favor of Beneficiary dated ________________, 20___, and recorded on __________, 20___, in the Official Records of ___________ County, ___________, as Instrument No. ________________ (the "**Deed of Trust**").

C. The parties desire to establish certain rights, obligations, and priorities with regard to their respective interests by means of this Agreement.

AGREEMENT

IN CONSIDERATION of the mutual covenants of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Beneficiary hereby consents and approves the Lease, amendments and the terms thereof, including the options to extend the term as set forth in the Lease, and covenants and agrees that the exercise by Tenant of rights, remedies and options therein contained shall not constitute a default under the Deed of Trust. Tenant acknowledges that, pursuant to the Deed of Trust, the Lease and all rights of Landlord under the Lease have been assigned to Beneficiary as collateral security for the loan that the Deed of Trust secures, and Tenant hereby consents to such assignment, notwithstanding any other provisions or requirements set forth in the Lease.

2. The Lease is, and shall remain, subject and subordinate to the lien of the Deed of Trust and to any extensions, modifications, consolidations or renewals thereof.

3. Prior to pursuing any remedy available to Tenant under the Lease, at law or in equity as a result of any failure of Landlord to perform or observe any covenant, condition, provision or obligation to be performed or observed by Landlord under the Lease (any such failure hereinafter referred to as a "**Landlord s Default**"), Tenant shall: (a) provide Beneficiary with a copy of Tenant's notice to Landlord of such Landlord's Default (each a "**Default Notice**"), and (b) allow Beneficiary not less than the same number of days from the date of Beneficiary's receipt of such Default Notice to cure such Landlord's Default to which Landlord would be entitled to cure such Landlord's Default pursuant to the Lease. Tenant shall not pursue any remedy available to it as a result of any Landlord's Default unless Beneficiary fails to cure same within the time period specified above.

4. So long as Tenant is not in default in the performance of any terms, covenants and conditions to be performed on its part under the Lease beyond any applicable cure period, then in such event:

(a) Tenant shall not be joined as a party defendant in any foreclosure proceeding which may be instituted by Beneficiary (unless Tenant is a necessary party under applicable law); and

(b) Tenant's leasehold estate under the Lease shall not be terminated, barred, cut off, or otherwise disturbed by reason of any default under the Deed of Trust or any foreclosure proceeding instituted by Beneficiary.

5. If Beneficiary shall succeed to the interest of Landlord in and to the Lease, whether through possession, foreclosure proceeding, or delivery of a deed in lieu of foreclosure, Tenant shall attorn to and recognize Beneficiary or any other purchaser at a foreclosure sale as Tenant's landlord under the Lease. Upon and after such attornment, the Lease shall continue in full force and effect as a direct lease between Beneficiary or such purchaser and Tenant upon all of the terms, conditions and covenants as are set forth in the Lease, except that Beneficiary or such purchaser shall after such attornment:

(a) be liable for any previous act or omission of any previous landlord arising directly from such landlord's responsibilities and duties pursuant to the Lease; provided, Beneficiary has received appropriate notice of such default, and has an opportunity to cure (having no obligation to so cure) same, all pursuant to the terms and conditions of the Lease and this Agreement;

(b) be subject to any offset or counterclaim which Tenant might be entitled to assert against any previous landlord, including deductions from rent arising pursuant to the Lease; provided, Beneficiary has received appropriate notice of such default, and has an opportunity to cure (having no obligation to so cure) same, all pursuant to the terms and conditions of the Lease and this Agreement;

(c) Not be bound by any previous prepayment of more than one month's fixed rent, unless such prepayment shall have been expressly approved in writing by Beneficiary;

(d) Be bound by any modification of the Lease; and

(f) Not be personally liable to Tenant in excess of Beneficiary's interest in the Premises and any proceeds therefrom.

6. At any time before the rights of the Landlord shall have been forfeited or adversely affected because of any default on its part, or within the time permitted the Landlord to cure any default under the Lease as there provided, Beneficiary may, at its option, pay any taxes and assessments, make any repairs and improvements, make any deposits or do any other act or thing required of the Landlord by the terms of the Lease, and all payments so made and all things so done and performed by Beneficiary shall be as effective to prevent the rights of the Landlord from being forfeited or adversely affected because of any default under this Lease as the same would have been if done and performed by the Landlord.

7. In the event that Beneficiary notifies Tenant of any default under the Deed of Trust and demands that Tenant pay rent and all other sums due under the Lease to Beneficiary, Tenant (waiving any proof of the occurrence of such event of default other than receipt of Beneficiary's notice) shall pay rent and all other sums due under the Lease directly to Beneficiary. Any payments made to Beneficiary by Tenant shall not affect or impair the other rights and remedies of Beneficiary under the Deed of Trust or otherwise against Landlord. Any and all payments made to Beneficiary by Tenant pursuant to the foregoing shall be credited against Tenant's rental obligations under the Lease regardless of whether Beneficiary had the right to make such demand and regardless of any contrary demands which may hereafter be made by Landlord, and Landlord hereby irrevocably authorizes and instructs Tenant to make any payments referred to in this paragraph directly to Beneficiary, as directed by Beneficiary.

8. (a) Any required notices to Beneficiary shall be in writing and shall be given by registered or certified mail, return receipt requested, postage prepaid, at the address of Beneficiary as hereinabove set forth or at such other address as Beneficiary may designate by notice.

(b) During the period of any postal strike or other interference with the mail, personal delivery shall be substituted for registered or certified mail.

9. This Agreement shall bind and inure to the benefit of and be binding upon and enforceable by the parties hereto and their respective successors and assigns.

10. This Agreement contains the entire agreement between the parties and cannot be changed, modified, waived or canceled except by an agreement in writing executed by the party against whom enforcement of such modification, change, waiver or cancellation is sought.

Landlord, Tenant and Beneficiary have each caused this Agreement to be executed and delivered by their duly authorized representatives.

[SIGNATURES ON FOLLOWING PAGES]

Landlord:

TOWN OF CHINO VALLEY, an Arizona municipal corporation

By: ____

Name: ____

Title: ____

ATTEST:

By: ____

Name: ____

Title: Town Clerk

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of ________________, by ______________________, the _____________________ of the Town of Chino Valley, an Arizona municipal corporation, on behalf of the Town.

____
Notary Public

My Commission Expires:

____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Tenant:

____
a(n) ____

By: ____
Name: ____
Title: ____

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this _____ day of __________________, by ____________________________, the _________________ of _________________________________, a(n) ________________________________, on behalf of the ______________________________.

____
Notary Public

My Commission Expires:

____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Beneficiary:

____
a(n) ____

By: ____
Name: ____
Title: ____

STATE OF __________)
) ss.
COUNTY OF ________)

The foregoing instrument was acknowledged before me this _____ day of __________________, by _______________________, the _____________________ of ___________________________, a(n) _____________________________, on behalf of the ____________________________.

____
Notary Public

My Commission Expires:

____

Date: March 6, 2017

From: Rounds Consulting Group, Inc.
350 S. Mill Avenue
Suite B-202
Tempe, AZ 85281

To: Ruth Mayday
Town of Chino Valley
1982 Voss Drive
Department 203
Chino Valley, AZ 86323

Re: Analysis of the Old Home Manor Industrial Park

This memorandum, prepared for the Town of Chino Valley (Town), by Rounds Consulting Group, Inc. (RCG), summarizes a review of the Old Home Manor Industrial Park (OHMIP). The Town's OHMIP property is approximately 240 acres of the 800 acre Old Home Manor property. The site is currently undergoing efforts by the Town to construct supporting infrastructure improvements. Additionally, the Town is currently seeking potential developers and tenants. Tasks of the analysis included:

- Research and interviews on market preferences, land use and anticipated lease rates of the OHMIP property.
- An economic and fiscal impact analysis of potential developments on the OHMIP property.

<u>Research and Interviews</u>

Commercial brokers were interviewed to gain perspective on the extent potential users might prefer to purchase or lease OHMIP property. The brokers identified that the community, being a more rural economy, might be considered an enhanced risk for potential business expansion targets, at least in the shorter term. The consensus was that a land purchase would be a longer term option but may not blend well with Town plans for identifying a shorter term user. It was also identified that attracting a user in the shorter term could help pay for some of the infrastructure costs and help to spur additional development, if planned properly. The Town may have options related to favorable land lease rates but needs to take care on any incentives being perceived as gifts.

A ground lease is usually defined as a lease of land for a relatively long term (25-99 years) to a tenant that constructs a building on the property but the timing can vary. It was determined that a ground lease option could provide access to the land that otherwise could not be bought because the tenant would not have to come up with the upfront cash required to purchase the land. Also, tenants could benefit from tax savings such as applicable depreciations and rent payment deductions on income taxes. These advantages for a tenant entering a ground lease, as opposed to purchasing the land, in accordance with the Town's infrastructure improvement plans, could help entice a company to locate at the OHMIP property (as long as other economic needs of the target company are met).

A lease agreement becomes even more attractive if the tenant is given the option to purchase the land at some point in the future. A company may want to save the upfront capital, that would normally be needed to purchase a property, to invest on the business to make it more successful. But, since the company is still spending a considerable amount to construct a building they may not want to lose that value. The opportunity to purchase the land at a future time gives the tenant time to establish capital to purchase the land and could be a more attractive purchase if the surrounding areas' values have increased due to increases in development.

In addition to providing a good strategy and tool for having development occur on a site that otherwise would not be developed, the Town would receive a stable income stream while allowing the Town to retain ownership of the land. Typical leases include rent escalation clauses, eviction rights, and a reversionary clause (which transfers ownership of the improvements to the leaser at the end of the lease). There is no standard ground lease agreement since they will vary on the type of land, durations, type of improvements, etc. yet if done correctly a ground lease could offer considerable advantages to all parties.

The most common ground lease usually involves retailers because the best sites, such as a corner location at a busy intersection, are often on land that is not for sale and chain retailers are often not interested in purchasing the land. However, this is not the case of the OHMIP property. The current layout, location, and improvement plans are more suitable for light industrial commercial uses versus retail uses.

Additionally, research was conducted and local agents were asked about potential land lease rates. Unfortunately, there is too much uncertainty to identify a precise rate to be used in economic modeling because of the various types of agreements, initial rents and adjustments, term lengths, etc. However, research indicated that land lease rents range between 6 and 12% of the estimated value of land. To adjust for this, an example industrial project was modeled based on a scenario previously discussed with Town staff, and 9.0% of the resulting project land value was assumed to be rent.

Economic and Fiscal Impact

Based on feedback from the interviews and research a lease preference was determined to be preferred and the most likely tool to have development occur on the site. Thus, an economic and fiscal impact analysis of an example project leasing and developing a portion of the OHMIP was developed. The example is for a 50-person light manufacturing facility locating on the site. The economic impact analysis includes the short-term (effects from construction activity) and the ongoing (i.e. operations) regional economic impacts of the example project in terms of job creations, earnings and economic output. The fiscal impact analysis includes the revenue generation from construction and the ongoing operations over a 10 period.

Assumptions on the example project were developed by research, interviews, and using industry standard averages for the market preference, potential industry type and the location of a project. The analysis is based on the current tax structure and rates. All dollar amounts are stated in 2016 dollars. A list of the Project's assumptions is summarized in the following table.

Old Home Manor Industrial Park
Assumptions

Construction Assumptions	
Construction Cost	$1,571,000
Manufacturing Equipment	$235,700
FF&E	$157,100
Total	$1,963,800
Operations Assumptions	
New Jobs	50
Average Annual Wage	$57,000
Facility Square Footage	25,000
Leased Acres	0.75
Annual Electricity Usage	$59,500
Annual Facility Supply Purchases	$57,500
Annual Lease	$22,600
Company Industry	Manufacturing
Percent Employed and Living in City	22.9%
Percent of FF&E Purchased in Town or Subject to Use Tax	50.0%

In 2016 dollars. May not sum to total due to rounding.
Source: Town of Chino Valley; Rounds Consulting Group, Inc.

Economic Impact Methodology

The economic impact analysis provides a quantifiable method to estimate the economic implications of a particular activity in a given area. Typically, the level of economic effects resulting from the activity are estimated in terms of output, earnings and employment. Output captures the broader level of economic activity, or the total value of goods and services produced, in the region similar to how statistics like GDP capture economic volume in individual states and across the country. Earnings simply represents income to employees, and employment is the job count on an annualized basis.

These basic economic statistics are further broken down at the direct, indirect and induced levels in which they are created. Direct impacts measure activity at the individual site being analyzed. This would include the workers that construct the building and the employees that later occupy the building on a regular basis.

Indirect impacts capture things such as the organizations that provide services or products to the company itself. Induced employment is supported by the spending related to the aforementioned employees throughout the economy such as the purchasing of food and clothing.

Economic Impact of Construction

Over the construction period, the estimated $1.6 million in construction improvements would generate about 10 direct construction jobs earning a combined $701,100 in wages. These direct impacts create an additional 8 indirect and induced jobs with wages of $420,500 in wages and about $1.2 million in economic activity.

A total of 18 jobs, approximately $1.1 million in combined wages, and about $2.8 million in economic output is generated by the construction activity.

Economic Impact of Operations

During the operational period analyzed, the light manufacturing example project would employ a total of 50 new jobs earning an average annual wage of about $57,000. These direct employees will earn about $2.9 million in combined wages and generate over $15.5 million in economic activity annually. In addition to the total direct jobs created by the example project, 60 indirect and induced jobs will be created throughout the economy and earn over $3.3 million in wages.

At build-out, a total of 110 jobs with a combined $6.2 million in wages and about $25.0 million in economic activity is generated each year by the light manufacturing facility.

Old Home Manor Industrial Park
Economic Impact

	Construction	Annual Operations
Direct		
Jobs	10	50
Wages	$701,100	$2,851,237
Economic Output	$1,571,000	$15,502,700
Indirect		
Jobs	3	30
Wages	$162,700	$1,897,870
Economic Output	$433,400	$5,426,800
Induced		
Jobs	5	30
Wages	$257,800	$1,425,926
Economic Output	$734,700	$4,063,300
Total		
Jobs	18	110
Wages	$1,121,600	$6,175,033
Economic Output	$2,739,100	$24,992,900

In 2016 dollars. May not sum to total due to rounding.
Source: Town of Chino Valley; Rounds Consulting Group, Inc.

Fiscal Impact Methodology

The fiscal impact analysis takes the economic activity that is estimated in the review and converts it into tax revenues in each of the relevant categories. These revenues are expressed as either primary or secondary based on their source. Typically, primary revenues can be estimated by definable sources, such as sales taxes calculated by construction expenditures; whereas secondary revenues are generated by the wages, residency and spending of those direct, indirect and induced employees who are supported by the project. A simple way of thinking about these is that primary revenues would be generated by “on-site” activities while secondary revenues would be generated by “off-site” activities.

For this analysis, the fiscal impact of the facility’s construction and operational activity on the Town of Chino Valley is evaluated based on local revenue sources such as construction sales tax, retail sales tax, utility sales tax, and State Shared Revenues. State Shared Revenues are distributed to cities and counties primarily based on their population and include income taxes, retail sales taxes, HURF monies, and VLT monies. The revenue generated for the Town from ground lease payments is based on an example 60-year agreement, with rent being 9.0% of the land value, a 10.0% rent escalation every 5 years, and a re-evaluation of land value (on which rent is based on) after each 15 years.

Fiscal Impacts of Construction

During the construction period, construction at the facility would generate a total of over $43,900 in primary revenues for the Town. This construction impact is directly generated by the construction activity and FF&E purchases.

Direct secondary revenues (generated from the wages, spending, and residency of the direct construction employees) would total approximately $2,100 over the construction period. An additional $1,400 would be created from the indirect and induced employees supported by the facility's construction activity.

In total, during the construction period, approximately $47,800 in revenues would be generated.

Fiscal Impacts of Operations

Over 10 years, approximately $284,500 in primary revenues would be generated for the Town of Chino Valley from the operations of the manufacturing example. These primary revenues are directly generated by the facility's operations and include the ground lease payments, utility sales taxes, sales taxes (from the purchases of local supplies by the company), and State Shared Revenues.

The example project's direct employees would generate approximately $132,000 over the 10-year operations period. These secondary revenues are generated by the spending, wages, and residency of these employees. The indirect and induced employees supported by the project would generate an additional $121,000 in secondary revenues.

During the 10-year operations period, a total of approximately $537,500 in primary and secondary revenues would be generated for the Town of Chino Valley.

Old Home Manor Industrial Park
Fiscal Impact Summary

Construction Impact	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Primary Impact from Construction	$43,900	-	-	-	-	-	-	-	-	-	$43,900
Construction Sales Tax	$40,800	-	-	-	-	-	-	-	-	-	$40,800
FF&E Retail Sales Tax	$3,100	-	-	-	-	-	-	-	-	-	$3,100
State Shared Revenues	-	-	-	-	-	-	-	-	-	-	-
Secondary Impact from Direct Employees	$2,300	-	-	-	-	-	-	-	-	-	$2,700
Retail Sales Tax	$2,100	-	-	-	-	-	-	-	-	-	$2,500
State Shared Revenues	$200	-	-	-	-	-	-	-	-	-	$200
Secondary Impact from Indirect & Induced Employees	$1,600	-	-	-	-	-	-	-	-	-	$1,600
Retail Sales Tax	$1,400	-	-	-	-	-	-	-	-	-	$1,400
State Shared Revenues	$200	-	-	-	-	-	-	-	-	-	$200
Total Impact from Construction	$47,800	-	-	-	-	-	-	-	-	-	$48,200

Operations Impact	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Primary Impact from Operations	$27,300	$27,300	$27,300	$27,300	$27,300	$29,600	$29,600	$29,600	$29,600	$29,600	$284,500
Facility Utility Sales Tax	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$24,000
Facility Purchases - Retail Sales Tax	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300	$2,300	$23,000
Ground Lease	$22,600	$22,600	$22,600	$22,600	$22,600	$24,900	$24,900	$24,900	$24,900	$24,900	$237,500
State Shared Revenues	-	-	-	-	-	-	-	-	-	-	-
Secondary Impact from Direct Employees	$13,200	$13,200	$13,200	$13,200	$13,200	$13,200	$13,200	$13,200	$13,200	$13,200	$132,000
Employee Spending Sales Tax	$12,200	$12,200	$12,200	$12,200	$12,200	$12,200	$12,200	$12,200	$12,200	$12,200	$122,000
State Shared Revenues	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$10,000
Secondary Impact from Indirect & Induced Employees	$12,100	$12,100	$12,100	$12,100	$12,100	$12,100	$12,100	$12,100	$12,100	$12,100	$121,000
Employee Spending Sales Tax	$10,900	$10,900	$10,900	$10,900	$10,900	$10,900	$10,900	$10,900	$10,900	$10,900	$109,000
State Shared Revenues	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$12,000
Total Impact from Operations	$52,600	$52,600	$52,600	$52,600	$52,600	$54,900	$54,900	$54,900	$54,900	$54,900	$537,500

Total Impact	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Total Fiscal Impact	$100,400	$52,600	$52,600	$52,600	$52,600	$54,900	$54,900	$54,900	$54,900	$54,900	$585,700

In 2016 dollars. May not sum to total due to rounding.
Source: Town of Chino Valley; Rounds Consulting Group, Inc.

Town Considerations

Regardless of leasing or selling the land, dozens of things go into site selection decisions. The Town will need to have quality marketing documents, and supporting economic profiles and projections of future workforce availability. Costs need to be competitive as well. The Town may be in a position to develop its infrastructure on-site and design its arguments for expanded economic development using the revenues from an initial project.

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **6)**

Meeting Date:	07/21/2020
Contact Person:	Maggie Tidaback, Economic Development Project Manager Phone: 928-636-2646 x-1201
Department:	Town Manager
Estimated length of Staff Presentation:	10 minutes
Physical location of item:	Jerome Juntion and Rodeo Drive

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding the preparation of a 1/2 - 1 acre dirt pad and real estate sign with rendering at the Business Park at Old Home Manor. (Maggie Tidaback, Economic Development Project Manager)

SITUATION & ANALYSIS:

Discussion regarding the Town preparing a 1/2 - 1 acre dirt pad at the Business Park at Old Home Manor with a real estate sign with rendering placed on it. ED Project Manager suggests that the Town prepare the dirt pad and is seeking recommendation from council on the size.

A dirt pad and real estate sign will allow the economic development project manager to better market and advertise the property while allowing potential investors and the public to see what is happening at the business park.

Attachments

No file(s) attached.