

TMP South
Grand lease

FIRST AMENDMENT TO INDENTURE OF LEASE

This First Amendment to Indenture of Lease made and entered into at Tucson, Arizona, on this 31st day of March, 1978, by and between TUCSON MEDICAL CENTER, an Arizona non-profit corporation, hereinafter referred to as "Lessor", and LOUIS W. PARRISH, SR. and JEANNE I. PARRISH, husband and wife, and J. EMERY BARKER and JACQUELINE C. BARKER, husband and wife, hereinafter referred to as "Lessee",

WITNESSETH:

WHEREAS, the parties hereto entered into an Indenture of Lease dated September 15, 1977, and by these presents amend the term of said Lease set forth in Paragraph 2 thereof as follows:

For and in consideration of the sum of TEN DOLLARS (\$10.00) paid by the Lessee to the Lessor, the receipt of which is hereby acknowledged by the Lessor, the parties hereto agree that the last sentence of Paragraph 2 of said Indenture of Lease be deleted and in place thereof the following sentence be inserted:

"Lessor hereby grants to Lessee the option to renew this Lease for three (3) additional consecutive ten-year periods provided written notice to Lessor shall be made not less than sixty (60) days prior to each termination date. "

TMP South

INDENTURE OF LEASE

THIS INDENTURE OF LEASE made and entered into at Tucson, Arizona, on this, the 15th day of Sept., 1977, by and between the TUCSON MEDICAL CENTER, an Arizona corporation, hereinafter referred to as "Lessor", and LOUIS W. PARRISH, SR. and JEANNE I. PARRISH, husband and wife, and J. EMERY BARKER and JACQUELINE C. BARKER, husband and wife, hereinafter referred to as "Lessee".

WITNESSETH:

LEASED PREMISES

1. In consideration of the rents and covenants hereinafter reserved, Lessor hereby lets and rents to Lessee, and Lessee hereby leases from Lessor, all of the following described real property, situated in the City of Tucson, State of Arizona, and more particularly described in EXHIBIT "A" attached hereto.

TERM

End 2. The term of this Lease shall commence as of Oct. 4, 1977 hereinafter sometimes referred to as the effective date of this Lease, and shall terminate ten years after the termination date of any permanent mortgage financing placed upon the property by Lessee, its assignee, or Sub-lessees, provided however, that said Lease term shall not exceed thirty-five (35) years from the effective date hereof. Lessor hereby grants to Lessee the option to renew this Lease for three (3) additional consecutive five-year periods provided written notice to Lessor shall be made not less

than sixty (60) days prior to each termination date.

CONSTRUCTION OF BUILDING

3. A. Lessee shall submit a development plan for the entire leased premises which must be approved by Lessor or Lessor's agent, ROY DRACHMAN REALTY COMPANY, which approval will not be unreasonably withheld.

B. Lessee agrees to construct on the leased premises medical office buildings to be used as doctor's offices. Lessee agrees that construction will begin not later than eighteen (18) months from the date of this Lease. Plans for such buildings must be approved by Lessor before construction commences, and after completion such plans shall thereupon become a part of this Lease Agreement.

RENT

4. A. Lessee shall pay to Lessor annual rentals as follows:

(1) For each of the first five (5) years the sum of nine per cent (9%) of \$2.00 per sq. ft. for the 126,177 sq. ft. in the leased premises (\$22,711.86).

(2) If the Index* is higher or lower at the end of the fifth year than it was at the start of the lease term, then the rent for the sixth, seventh, eighth, ninth, and tenth years shall be increased or decreased from the rent paid during the first five years by the same percentage that said Index has risen or fallen. If the Index be the same as that of the first year, there shall be no increase and the rent shall remain the same.

(3) For each succeeding five-year period, the rent shall increase or decrease by the same percentage that said Index has risen or fallen in the last year of the immediate previous five-year period compared to the first year of said immediate previous period. If there be no increase or decrease in the Index by the said fifth year of said term over the first year,

*Index as defined herein means the Rent Category of the Index of Consumer Prices as prepared by the United States Department of Commerce.

there shall be no rental increase and the rent shall remain the same as that paid in the immediate previous period.

(4) The rent formula as outlined in (3) above shall be used to determine rental during any five-year extension of this Lease.

B. Throughout the term of this Lease, said annual ground rental shall be paid in equal monthly installments in advance, on or before the tenth day of each calendar month. Rental payments shall begin upon completion of construction of a building and shall be that part of the total rental which the area on which the building is situated bears to the total buildable area. The full amount of rental shall become payable two (2) years from the date of this Lease. If there be an initial fractional month for which rental is payable hereunder, the rent for said fractional month shall be prorated and paid on or before the tenth of the following calendar month.

C. Notwithstanding the provisions of Paragraphs 3B and 4B above, if beginning or completion of construction, in the opinion of Lessor's agent, ROY DRACHMAN REALTY COMPANY, is delayed because of the unavailability of proper sewer capacity, the time periods set forth in Paragraphs 3B and 4B shall be extended by the time of such delay in availability of proper sewer capacity. Lessee agrees to submit monthly development reports to Lessor's agent.

SUBORDINATION

5. On the terms and conditions hereinafter set forth, Lessor agrees to permit the leased premises to be

subjected to mortgages or other encumbrances from time to time as security for interim or long-term loans to Lessee or Sub-lessees, and to execute and deliver such subordination agreements and related instruments as a lender may reasonably require in order to finance the construction of improvements upon the leased premises, or in order for Lessee to sub-lease portions in the demised premises.

A. Execution of such subordination agreements or other instruments shall impose no personal liability whatsoever on Lessor.

B. The lender shall be a reputable bona fide lending institution, such as an insurance company, profit sharing or pension trust, bank or savings and loan association.

C. Any such mortgages or encumbrances given by Lessee shall secure a loan not to exceed eighty per cent (80%) of the actual cost of construction of such buildings and improvements to be placed upon the leased premises. "Cost of construction", as used in this sub-paragraph, shall mean the amounts paid to general contractor on account of construction contracted for, amounts expended for work, labor, materials, equipment and supplies used in such construction, architect's fees including out-of-pocket costs ordinarily charged by architects and reimbursed by clients, and engineering fees, costs of performance and payment bonds, insurance during construction, cost of building permits, inspection, checking and testing required by applicable laws or ordinances with respect to such construction, costs of cleanup, interim and permanent financing fees, accountant's fees directly connected

with the application for the loan and construction of the project and attorneys' fees required to be paid by any lender or incurred in connection with construction of the project including out-of-pocket costs ordinarily charged by attorneys and reimbursed by client. Lessee shall provide Lessor with an itemized statement covering such cost of construction and shall permit Lessor at Lessor's expense to examine all pertinent books and records of Lessee for the purpose of verifying such statement.

The proceeds of any such loan or loans shall be used only for the purpose of paying the cost of construction of buildings and improvements to be constructed by borrower upon portions of the leased premises and for no other purpose. The proceeds of any such loans shall be paid by or for the lender and disbursed either as progress payment as construction progresses or upon the completion of said construction, as the lender may determine. Refinancing shall be permitted; however, no refinancing to increase existing indebtedness will be made unless the increase in the amount of the indebtedness provides additional funds to construct improvements upon the leased premises, and for such purposes such additional funds shall be handled in the same manner as the funds from a new mortgage.

Any obligation secured by a lien to which Lessor will subordinate hereunder must provide for regular payments not less often than annually (either in equal principal amounts plus interest or in equal amounts including principal and interest) so that such indebtedness will be fully amortized and paid not later than the expiration of the

initial term of this Lease.

D. Lessor shall not be obligated to subordinate to a mortgage or encumbrance given by a Sub-Lessee except on the following additional conditions:

(1) The mortgage or encumbrance is to finance the purchase of a building or part of a building by the Sub-Lessee; and

(2) Any existing mortgage or encumbrance on the building or part of the building being sold is paid off proportionately; and

(3) The amount of the new mortgage or encumbrance shall not be in an amount greater than the proportionate amount of the existing mortgage or encumbrance paid off as provided in Sub-Paragraph (2) immediately above, and the term of said new mortgage or encumbrance shall not exceed the remaining term of said existing mortgage or encumbrance.

(4) Lessee and each of them shall personally guarantee payment of the new promissory note and mortgage or other encumbrance.

E. In the event Lessee or a Sub-Lessee wishes to obtain new or additional financing for any purpose other than new construction, Lessee or Sub-Lessee shall be permitted to personally present such a proposal to the Board of Directors of Lessor and such new or additional financing may be entered into only upon approval of such Board of Directors except as provided in Paragraph 20 herein.

F. Any such mortgages or encumbrances shall

provide that the lender shall give all notices to Lessor to the same extent as the lender is required to give notice to the borrowers, either by the terms of the mortgage, encumbrances or loan agreements, or by the applicable laws of the State of Arizona. Any such mortgages or encumbrances shall further provide that the maturity of the balance due on the loan thereby secured may not be accelerated by the owner or holder thereof by reason of any default of borrower, nor shall proceedings to foreclose such mortgage or encumbrance be commenced until sixty (60) days after such owner or holder shall have given written notice of such default or foreclosure proceedings to Lessor, and the balance of the indebtedness thereby secured may not be accelerated or the mortgage or encumbrance foreclosed at the expiration of said sixty (60) days if all the conditions of default specified in such notice shall have been cured within said sixty (60) days, and any performance of any obligation by Lessor shall be accepted by the owner or holder of said mortgage or encumbrance as if tendered by borrower.

G. Lessee shall indemnify Lessor against any and all liability or expense, including attorneys' fees, to which Lessor may be put by reason of any action by the owner or holder of any such mortgage or encumbrance, based upon an alleged default by either Lessee or a groundlease Sub-Lessee. Any default of an obligation secured by an encumbrance to which Lessor has subordinated its rights shall constitute a default under this Lease.

H. Borrowers shall neither permit nor commit any condition of default to occur or exist with respect to

any mortgages or encumbrances executed by borrowers, and borrowers, as a condition to such loans, will agree that they shall perform all of the conditions and obligations to be performed by them under the terms and provisions of any notes, mortgages, or loan agreements executed by them in connection with such loans, and they will exhibit to Lessor, prior to the time such performance is required of them, proof to Lessor that such condition or obligation has been so performed.

I. Notwithstanding the execution by Lessor of any subordination agreements or other instruments reasonably required by a lender on any loans made to the borrowers, the execution by Lessor of any such subordination agreements or other instruments shall be deemed conclusively to grant or pass to such lender a lien prior to the title of Lessor to the full extent recited in said mortgages, encumbrances, subordination agreements or other instruments, but any failure or default of any borrower at any time arising or claims pursuant to this Indenture of Lease shall nevertheless entitle Lessor to terminate this Lease or assert any claim of indemnity or otherwise against Lessee and against the borrower if different than Lessee.

BUILDINGS AND IMPROVEMENTS

6. A. Lessee covenants that all improvements and buildings shall conform to all building codes, zoning and other governmental regulations and restrictions, and shall be constructed in a good workmanlike manner of good material and constructed and operated in full compliance with all governmental rules, laws and regulations relating thereto.

Lessee agrees to indemnify and hold harmless Lessor from and against any and all claims for damages on the part of the owners, tenants or occupants of adjacent land or buildings arising from the construction and operation of the improvements and any additions or repairs or replacements thereto, and Lessee agrees to take the necessary and proper measures to protect the land and improvements of such adjacent owners, tenants and occupants from injury of any nature arising from the construction and operation of such buildings and improvements or additions or replacements thereto.

B. The parties agree and notice is hereby given that Lessee is not the agent of Lessor for the construction, alteration, repair or operation of the building to be built on the subject property, the same being done at the sole expense of Lessee, and all contractors, materialmen, mechanics and laborers are hereby charged with notice that they must look to Lessee only for the payment of any charge for work done or material furnished on the leased premises during the term of this Lease. Lessee shall have no right, authority or power to bind Lessor or any interest of Lessor in or to the leased premises or in the improvements located thereupon for the payment of any claim for labor or material for any charge or expenses incurred during Lessee's possession and use of said leased premises and improvements.

INSURANCE

7. Lessee, during the term hereof, shall, at its own cost and expense, keep all buildings, improvements and fixtures located upon the leased premises and all alterations, changes, additions, or replacements thereto, insured against

loss or damage by fire and lightning and against the other perils included in the so-called "extended coverage endorsement" as it is now used, to the extent of the full net as replacement cost thereof. All such policy or policies shall be taken out with responsible and solvent insurance companies authorized to do business in the State of Arizona. The proceeds of such policy or policies shall be payable to the owner or holder of any mortgages or encumbrances as required by such mortgages or encumbrances, and, if not so required, then to Lessor, Lessee and Sub-lessees, as their interests may appear; provided, however, that Lessor agrees to pay to Lessee and Sub-lessees the proceeds of said policy or policies for the purposes set forth in Paragraph 8 of this Lease. The original of said policy or policies may remain in the possession of the Lessee or Sub-lessee, or, if required, in the possession of the holder or owner of a mortgage or encumbrance; provided, however, that Lessor shall have the right to receive from Lessee or Sub-lessee a duplicate policy or policies or appropriate certificate or any such insurance. Such policy or policies shall provide for at least ten (10) days' notice of cancellation to Lessor.

TOTAL AND PARTIAL DESTRUCTION

8. In the event the then existing improvements on the leased premises shall be destroyed or damaged in whole or in part by fire or as a result, directly or indirectly, of war or an act of God or occurring by any reason whatsoever, then, except as otherwise herein provided, Lessee and Sub-lessee shall be required only to the extent of the available insurance proceeds to promptly repair, replace and rebuild

the same as nearly as possible to the character of the buildings and improvements existing immediately prior to such occurrence, or buildings and improvements then consistent with the highest and best use thereof as Lessee and Sub-lessees shall determine. Destruction of all or substantially all of the buildings and improvements on the leased premises shall not alter or affect Lessee's obligation to pay the minimum annual rental required hereunder or any other obligation of Lessee hereunder or alter the term of this Lease.

TAXES AND ASSESSMENTS

9. In addition to the rental herein agreed to be paid, the Lessee agrees to pay all taxes and assessments of every kind and character (commencing with the date on which the medical office first opens for business), which are or may be at any time during the term of this Lease levied or assessed against the leased premises or any improvements thereon, including, but not by way of limitation, all such taxes and assessments which may be levied or assessed against the leased premises or improvements by the federal, state, county or municipal government, or by any other governmental authority, except estate, inheritance, gift or succession taxes levied upon Lessor. All such taxes and assessments shall be paid by Lessee and receipts showing the payment of such taxes and assessments delivered to Lessor at least ten (10) days before such taxes and assessments become delinquent. All taxes and assessments which shall become due for the first and last years of the term hereof shall be apportioned pro rata between Lessor and Lessee

in said respective tax years.

Lessee further agrees to pay, in addition to the rental, taxes and assessments hereinabove provided, all privilege, sales, excise and other taxes (other than income taxes) imposed upon the rentals therein provided to be paid by Lessee or upon Lessor in an amount measured by rentals received by Lessor, whether such imposition of tax be by the United States Government, the State of Arizona, or any subdivision or municipality thereof.

Lessor agrees that Lessee shall have the right, at its own cost and expense, to contest the amount or validity of any such taxes or assessments payable by Lessee, and to bring or defend any actions involving the amount or validity of any such taxes or assessments in its own name or in the name of Lessor, provided that Lessee shall pay and discharge any such taxes or assessments so contested, together with any penalties, fines, interest, costs and expenses that may result from any such action by Lessee.

Lessee also agrees to pay all taxes and assessments of every kind or character levied or assessed upon or against any and all personal property of Lessee, its successors or assigns, or of those claiming under Lessee, which shall be or may become a lien upon the leased premises or any building or improvement located thereon. All such taxes and assessments shall be paid by Lessee before the same become delinquent.

MECHANICS LIENS

10. Lessee will keep the leased premises and the buildings and improvements thereon, and every part thereof,

and every right, title and interest therein or in or to any part thereof, at all times during the term of this Lease, free and clear of mechanics' liens and other liens for labor, services, supplies, equipment or materials, and Lessee will at all times fully pay and discharge and save harmless the Lessor, its successors and assigns, and every part of the right, title and interest of Lessor in and to every part of the leased premises against all reasonable attorneys' fees and costs and all expenses, damages or outlays which may or might be incurred by Lessor or Lessee by reason of any such liens or claims or the assertion of filing thereof. Lessee shall have the right in good faith and at its own cost and expense to protest or contest by legal proceedings the validity of any such lien in such manner as it deems advisable, provided, however, no legal proceedings shall be maintained unless Lessee shall have procured and maintained a stay of any proceedings to foreclose such lien or otherwise enforce same by the deposit of any bond required by law to accomplish such stay.

INDEMNITY

11. Lessee, during the continuance of this Lease, covenants and agrees to indemnify and save harmless the Lessor from each and every loss, cost, damage or expense arising out of any accident or other occurrence causing injury to or death of persons or damage to property by reason of construction or maintenance of any improvements on the leased premises or any additions thereto, or due to the conditions of the leased premises, or the use or neglect thereof by

Lessee or any sub-tenant of Lessee. Lessee further agrees, during the continuance of this Lease, to also indemnify and save harmless Lessor and its interests in the leased premises from all damages and penalties arising out of any failure of Lessee to comply with any of Lessee's obligations hereunder.

Lessee agrees to provide, pay for and maintain public liability and property damage insurance of not less than \$500,000 with respect to bodily injury or death to any one person and of not less than \$1,000,000 with respect to bodily injury or death to any number of persons in one accident, and not less than \$100,000 with respect to damage to property of others, for the protection of Lessor and Lessee against liability that may or might arise from any accident or any injury or death to any person or damage to property, with Lessor and Lessee as named insureds. Lessee further agrees to furnish Lessor with certificates of insurance or other evidence that such insurance is in effect.

UTILITIES

12. In addition to the rent herein agreed to be paid, Lessee agrees to pay before delinquent all charges for all utilities used by Lessee or charged to said leased premises, including (without limiting the generality of the foregoing) water, gas, heating, cooling, electricity, sewerage and power, and Lessee agrees not to permit any charges of any kind to accumulate or become a lien against said premises.

REVERSION OF IMPROVEMENTS

13. Upon or in contemplation of the expiration of the term of this Lease, whether from the passage of time or from Lessee's default, Lessee shall not demolish, remove or salvage the buildings and improvements on the leased premises,

but Lessee shall surrender up peaceable possession on the leased premises and all buildings and improvements, which buildings and improvements shall thereupon be and become the property of Lessor, free and clear of any mortgages or encumbrances permitted or allowed under Paragraph 5 hereof. Lessee and Sub-lessees shall have the right to remove trade fixtures and other personal property from the leased premises so long as the removal is done within ninety (90) days after the termination of this Lease, and in effecting such removal the buildings and improvements are restored to a good, safe, sound, orderly and sightly condition.

USE AND OCCUPANCY OF PREMISES

14. Lessee shall use and occupy, the leased premises throughout the term hereof, and shall comply with all applicable federal, state and municipal laws, rules, ordinances, regulations and orders with respect to the occupancy and use thereof.

RIGHT OF INSPECTION

15. Lessee shall permit Lessor or Lessor's agents to enter and be upon the leased premises at all reasonable hours for the purpose of inspection.

MAINTENANCE OF IMPROVEMENTS

16. Except as expressly provided herein to the contrary, Lessee shall, at its own cost and expense, keep and maintain in good repair and safe condition all buildings and improvements hereafter constructed upon the leased premises, and each and every part thereof, both inside and outside, structural and nonstructural, extraordinary and ordinary,

normal wear and tear excepted.

ASSIGNMENT AND SUBLETTING

17. A. Lessee or its successors in interest shall not assign nor sub-let this Lease except upon the following terms and conditions:

- (1) Lessee is not in default under any terms and conditions of this Lease;
- (2) Lessor shall consent to such assignment or sub-leases and such consent shall not be unreasonably withheld;
- (3) No such assignment or sub-leases shall release or otherwise affect Lessee's obligations and liabilities hereunder;
- (4) The assignee or Sub-Lessees shall expressly assume in writing all obligations of this Lease, and a duplicate original of the assignment agreement and the assumption thereof is duly filed with Lessor.

WARRANTIES OF LESSOR

18. Lessor hereby agrees that Lessee, upon paying the rentals herein provided for and upon keeping and performing all and singular the covenants and agreements herein set forth on Lessee's part to be kept and performed, shall and may peaceably and quietly have, hold and enjoy said leased premises and the whole thereof during the term herein specified, and said Lessor agrees to defend the title to the leased premises and to reimburse Lessee for all damages, within the limits of that leasehold title policy as outlined in Paragraph 28 hereof.

CONDEMNATION

19. In the event all of the leased premises, or such a substantial portion thereof as shall prevent Lessee from effectively making use of the remainder of the leased premises for which it is then being used, be taken for any

public or quasi-public use under any statute by right of eminent domain or by purchase in lieu thereof, then and in such event Lessee may, at its option, terminate this Lease by giving Lessor written notice of such termination within six (6) months after such taking or purchase, and the Lease hereby granted shall pass and expire on the date when possession shall be taken of the leased premises or when Lessee can no longer use the leased premises in the manner intended herein, or when legal title to the leased premises vests in the appropriating or condemning authority, whichever first occurs, and all rents, taxes and charges shall be prorated and paid to such date. In the event the Lessee shall not elect to terminate this Lease or in the event the portion of the leased premises taken shall not prevent Lessee from effectively making use of the remainder of the leased premises for the purpose for which it is then being used, the rental as to the remaining portion of the leased premises shall be reduced to such an amount as Lessor and Lessee may agree upon. Any damages or amounts payable by reason of such taking or purchase shall be divided between Lessor and Lessee in such proportions as they may respectively be entitled to under applicable Arizona law. In the event there shall be a dispute as to the proper disposition of such proceeds or as to whether there has been such a substantial taking so as to effectively prevent Lessee from making use of the remainder of the leased premises or as to a reasonable rental for the remainder of the leased premises, the dispute shall be submitted to arbitration as provided in Paragraph 24 hereof.

ENCUMBRANCE BY LESSEE

20. Lessee may assign its interest under this Indenture of Lease and may encumber its leasehold interest granted hereunder by mortgage, deed of trust, or otherwise, but the rights of any assignee, mortgagee, trustee or owner of any other such encumbrance upon the leasehold interest shall be subject to all of Lessor's rights herein provided, including Lessor's right to terminate this Lease as herein set forth; provided, however, that if either Lessee or such assignee or the owner of such encumbrance shall have given notice in writing to Lessor of the existence of such encumbrance, then and thereafter copies of any and all notices given by Lessor to Lessee shall be served by Lessor upon such assignee or owner of such encumbrance at such address within the State of Arizona as such assignee or owner shall designate, and performance of any covenant or condition by such assignee or owner of such encumbrance shall be accepted by Lessor in lieu of such performance by Lessee.

ESTOPPEL CERTIFICATE

21. Lessor covenants that it will from time to time, upon Lessee's request, acknowledge, execute and deliver a certificate on which a proposed mortgagee with tenant's leasehold interest herein, or proposed assignee of said leasehold mortgage, or of the leasehold interest in this Lease, may rely, stating whether:

1. This Lease is in full force and effect;
2. This Lease has been modified or amended and submitting a copy of any such modification or amendment;
3. The date to which rent is paid;
4. If there are any defaults known to Lessor and specify the same, if any.

It is agreed that, during any period in which the Lessee's interest in this Lease is mortgaged, this Lease may not be surrendered, modified, amended or terminated by voluntary agreement of Lessor and Lessee without the prior written consent of the mortgagee.

EASEMENTS AND DEDICATIONS FOR UTILITIES AND STREETS

22. Lessor agrees, at the request of Lessee, to grant such easements as may be necessary to enable the leased premises to be adequately zoned or served by gas, electricity, water, sewer, telephone or other utilities, and to dedicate to public use such portions of the leased premises as may be required by any governmental authority for streets, alleys, parkways, drainageways, or other use as a condition of zoning or permitting Lessee to erect improvements upon the leased premises. Lessor agrees, upon request of Lessee, to sign a subdivision plot and such applications to governmental agencies as may be required to legally allow Lessee to erect contemplated improvements upon the leased premises.

FORCE MAJEURE

23. Neither Lessor, Lessee nor Sub-lessee shall be considered to be in default in the performance of their respective obligations hereunder if failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the reasonable control of the party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, sabotage, war, riot, civil disturbance, labor dispute or restraint by court order or public authority and which by the exercise of due diligence and foresight such party cannot

reasonably have been expected to avoid and which by the exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require either party to settle any labor dispute in which it may be involved. Any party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch. The period within which Lessee may comply with the requirements of Paragraph 3 hereinabove shall be extended by the duration of any uncontrollable force which delays such compliance.

ARBITRATION

24. In such case where this Lease provides for the settlement of a dispute or question by arbitration, the same shall be settled by arbitration in accordance with the rules of the American Arbitration Association or a similar organization if the American Arbitration Association is not at that time in existence, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof, subject to the provisions of the Uniform Arbitration Act as adopted by the State of Arizona.

ATTORNEYS' FEES

25. In the event of any suit or legal action instituted by either party against the other in any way connected with this Lease or for the recovery of possession of the leased premises, the parties respectively agree that the successful party to any such action shall recover from the other a reasonable sum for its attorneys' fees in connection with said suit or legal action, such attorneys' fees

to be fixed by the judge of the court.

WAIVER

26. No waiver by any of the parties hereto of any breach hereof by the other party or any rights of any party shall constitute a waiver of any other breach or of any other right.

PAYMENT AND PERFORMANCE BOND

27. Prior to commencement of any construction or improvements upon the leased premises to cost more than Fifty Thousand Dollars (\$50,000.00), Lessee shall deliver to Lessor evidence of a payment and performance bond or a similar bond or bonds, or security satisfactory to Lessor, in an amount equal to the total contract price of such work, conditioned upon the completion of such work within a reasonable time, due regard being had to conditions, free and clear of all mechanics' and materialmen's lien claims, but subject to the right of the Lessee and the surety, at Lessee's or the surety's loss or expense, to contest the amount or validity of any liens or claims of lien; provided, however, that the Lessee or the surety shall have provided and maintained a stay of any proceedings to enforce the collection or payment thereof by execution or otherwise, and shall promptly pay when due and payable and discharge any amounts finally adjudicated to be due and payable which constitute a lien upon the leased premises.

TITLE INSURANCE

28. Lessor shall at its own expense furnish Lessee a Title Insurance Policy in the amount of \$252,354.00 insuring that Lessee has a valid leasehold interest in the leased premises, free and clear of liens and encumbrances

except current taxes not in default, and the matters shown on the printed part of the usual form of leasehold title policy issued by PIONEER NATIONAL TITLE INSURANCE COMPANY.

OTHER ACTS

29. Lessor and Lessee each agree to execute any and all other documents and instruments and do any and all further acts required by the other and which may be reasonably required to give full force and effect to the provisions and terms of this Lease.

RECORDATION OF LEASE

30. The parties hereto desire to record a short form of this Lease rather than the Lease itself, and contemporaneously herewith they have executed such a short form of Lease which may be recorded by either party. In the event it shall be required by any title company insuring title for Lessor or Lessee or by any lender from which Lessee or a groundlease Sub-lessee proposes to make a loan, then Lessee or the groundlease Sub-lessee may cause this Lease to be placed of record.

HEADINGS

31. The headings for the various paragraphs are for convenience only and are not to be considered as a part of this Lease or used in determining the intent or context thereof.

DEFAULT

32. A. If Lessee fails to pay an installment of rent when due and fails to pay said rent for a period of ten (10) days after Lessor shall have sent written notice demanding

payment or if Lessee breaches any other covenant by it to be performed, or otherwise is at any time in default hereunder and continues in such breach or default for a period of thirty (30) days after Lessor shall have sent written notice requesting that such condition be cured, such writing specifying in reasonable detail the breach or default, then in any such event Lessor may, at its option, terminate this Lease by giving written notice of such termination to Lessee and re-enter the leased premises and exercise in connection therewith or separately any other right or remedy provided by law, and, if Lessor should so terminate this Lease, the leased premises may be re-let by Lessor for such rent and upon such terms as Lessor can obtain, and, if the full rental herein provided for shall not thus be fully realized, the Lessee shall pay the difference between the two sums; provided, however, that anything to the contrary herein notwithstanding, if, in the case of default or breach other than failure to pay the rent agreed to be paid, said thirty (30) day notice is given, and within such thirty (30) days Lessee shall proceed with reasonable diligence and in good faith to cure any default specified in such notice, and if the curing of default other than for payment of rentals with reasonable diligence shall require more than such thirty (30) day period, Lessee shall not be deemed to be in default for failure to cure such default within such period of thirty (30) days, but shall be allowed a reasonable additional time for the curing of such default, Lessor shall not assert or claim any Landlord's Lien against the property of Lessee unless Lessee is then in breach or default hereunder and such breach or default has not been cured.

B. Upon Lessee's failure to pay any taxes, charges and assessments (so long as Lessee is not contesting the amount or validity of same pursuant to the provisions of Paragraph 9 hereof) or premiums of insurance which are the obligation of Lessee, pursuant to the terms and conditions of this Lease, at the time or times when the same shall become due or delinquent, then and in such event in addition to the remedies of Lessor as herein provided, Lessor shall have the right to advance such sums, and the amount so paid shall be and become part of the rentals to be paid by Lessee, and shall bear interest from the date of payment at the rate of twelve per cent (12%) per annum, or the maximum legal rate, whichever is less, until paid.

C. In the event Lessee fails to pay any rentals within said ten (10) days after written demand for payment as provided in this paragraph, then and in such event said delinquent rentals shall bear interest from the eleventh (11th) day following written demand for payment at the rate of twelve per cent (12%) per annum, or the maximum legal rate, whichever is less, until paid.

PAYMENT OF RENTAL AND GIVING OF NOTICE

33. All rentals payable hereunder, all notices to be given to Lessor hereunder, and all instruments to be delivered to Lessor pursuant hereto shall be delivered to Lessor at:

Tucson Medical Center
Post Office Box 6067
Tucson, Arizona 85733

or such other address as the Lessor shall designate in writing.

All notices to be given to Lessee hereunder shall be given to Lessee at:

2960 North Country Club
Tucson Ariz 85716

or such other address as Lessee may designate in writing. Delivery of any rental payments may be made by depositing them in the United States mail, properly addressed, postage prepaid, for delivery by ordinary mail. All other notices or instruments will be delivered by depositing them in the United States mail, properly addressed, postage prepaid, for delivery by certified mail, return receipt requested. Such rental payment, notice or other instrument shall be deemed to have been given at the time of such deposit in the United States mail.

MAINTENANCE MANAGEMENT CONTRACT

34. Lessor and Lessee agree that due to the nature of the development of Tucson Medical Park certain standards of uniform maintenance should be established throughout the Park. Therefore, it is agreed that a Management Contract between the parties hereto will be signed by both parties, be attached to this document, and by attachment will become a part of this Lease.

SUCCESSORS

35. Subject to the other provisions of this Lease, all of the terms, conditions and covenants of this Lease shall inure to the benefit of and shall bind not only the

parties hereto but their heirs, executors, administrators,
successors and assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused
these presents to be executed as of the date and year first
above written.

TUCSON MEDICAL CENTER,
an Arizona corporation,

By A. V. Grossetta
A. V. Grossetta -
President

LESSOR

Louis W. Parrish, Sr.

Jeanne I. Parrish

[Signature]

LESSEE

DESCRIPTION FOR PARCEL IN S.E. CORNER OF LOT 2, BLOCK 2 OF
TUCSON MEDICAL PARK

All that part of Lot 2 of Block 2 of Tucson Medical Park, Block 2, a subdivision of Pima County, Arizona, according to the map or plat of said subdivision of record in the office of the County Recorder of Pima County, Arizona, in Book 19 of Maps and Plats, at page 43, described as follows:

BEGINNING at the Southeast corner of said Lot 2;
thence South 89 degrees 38 minutes 30 seconds West, along the South line of said Lot 2, a distance of 270.16 feet;
thence Northwesterly, along the arc of the 60 foot radius curve in the Southerly line of said Lot 2, thru a central angle of 26 degrees 10 minutes 56 seconds to the left 27.42 feet to a point of tangent;
thence North 26 degrees 32 minutes 26 seconds West 307.68 feet;
thence North 68 degrees 40 minutes 40 seconds East 40.00 feet to a point of curve;
thence Northeasterly along the arc of a 40 foot radius curve to the left, thru a central angle of 90 degrees 00 minutes 00 seconds 62.83 feet;
thence North 89 degrees 38 minutes 32 seconds East 351.68 feet to a point in the Easterly line of said Lot 2, which point is 368.55 feet Northerly from the Southeast corner;
thence South 00 degrees 21 minutes 28 seconds East, along said Easterly line 368.55 feet to the point of beginning;
containing 126,177 square feet, or 2.897 acres.