DRAFT AGENDA

REGULAR COUNCIL MEETING	**COUNCIL CHAMBERS**
TUESDAY	**211 WEST ASPEN AVENUE**
AUGUST 25, 2026	**3:00 P.M.**

All City Council Meetings are live streamed on the city's YouTube page (https://www.youtube.com/@FlagstaffCityGovernment)

To provide online verbal comment on an item that appears on the posted agenda, use the link below.

ONLINE VERBAL PUBLIC COMMENT

Written comments may be submitted to **publiccomment@flagstaffaz.gov**.

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1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for discussion and consultation with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

NOTE: One or more Councilmembers may be in attendance through other technological means.

MAYOR DAGGETT
VICE MAYOR SWEET
COUNCILMEMBER ASLAN
COUNCILMEMBER GARCIA
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER SPENCE

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. OPEN CALL TO THE PUBLIC

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Open Call to the Public and Public Comment. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. PROCLAMATIONS AND RECOGNITIONS

A. Proclamation: Arbor Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

B. Proclamation: SMART Week

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

C. July and August Work Anniversaries

Recognition of employees celebrating work anniversaries in July and August.

6. COUNCIL LIAISON REPORTS

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Tourism Commission

STAFF RECOMMENDED ACTION:

1. Vice Mayor Sweet to make an appointment.

B. Consideration of Appointments: Audit Committee

STAFF RECOMMENDED ACTION:

1. Councilmember Aslan to make one appointment.

C. Consideration of Appointments: Parks and Recreation Commission

STAFF RECOMMENDED ACTION:

1. Councilmember House to make one appointment

8. CONSENT AGENDA

All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

STAFF RECOMMENDED ACTION:

Approve the Consent Agenda as posted.

A. Consideration and Approval of Contract: 2026 Renewal of the Master Agreement for Software Maintenance with Hexagon for software utilized by the City of Flagstaff Police Department in the amount of $341,161.20, plus applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve and ratify the renewal of the agreement in the amount of $341,161.20 plus applicable taxes
2. Authorize the City Manager to execute the contract renewal and any necessary documents to maintain uninterrupted services.

B. Consideration and Approval of Cooperative Contract: Purchase of specialized fire and safety equipment from LN Curtis & Sons not to exceed $115,000.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with LN Curtis & Sons for a one-time purchase of specialized fire and safety equipment for the new Quint not to exceed $115,000; and
2. Authorize the City Manager to execute all necessary documents.

C. Consideration and Approval of Contract: Cooperative Purchase Contract with Municipal Emergency Services, Inc. for the purchase of specialized fire and safety equipment not to exceed $200,000 per budget year.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Municipal Emergency Services, Inc. for the purchase of specialized fire and safety equipment not to exceed $200,000 per budget year; and
2. Authorize the City Manager to execute all necessary documents.

D. Consideration and Approval of Contract Amendment: Amendment No. 1 to the Design-Build Services Contract with Wecom LLC (Contract No. 2024-125) — Fiber Network Project

STAFF RECOMMENDED ACTION:

Approve Amendment No. 1 to the Design-Build Services Contract with Wecom LLC, which allows an increase in the number of concurrent active permits for work in the public right-of-way from five (5) to ten (10) subject to conditions, and authorizes the City to engage additional staffing resources to support permitting, inspection, and utility locating for the Wecom fiber network build, with those costs offset dollar-for-dollar against the $2,000,000 contract price owed to Wecom for construction of a City fiber network; and authorize the City Manager to sign the Amendment on behalf of the Mayor.

E. **Consideration and Approval of Settlement:** in the matter of *Peggy Leslie v. City of Flagstaff, et al.*, S0300CV2025-00285, currently pending in Coconino County Superior Court.

STAFF RECOMMENDED ACTION:

1. Approve settlement of the matter of *Peggy Leslie v. City of Flagstaff, et al.*, pursuant to the terms of the tentative settlement discussed in executive session on July 31, 2026, and
2. Authorize and direct the City Attorney to execute all documents and take such other actions as are necessary to finalize the settlement.

F. **Consideration and Approval of the Settlement:** of the Notice of Claim by the Estate of Hassan Ibrahim, Ayisha Mohammed, and all statutory beneficiaries.

STAFF RECOMMENDED ACTION:

1. Approve the settlement of the Notice of Claim by the Estate of Hassan Ibrahim, Ayisha Mohammed, and all statutory beneficiaries, pursuant to the terms of the tentative settlement discussed in executive session on July 31, 2026, and,
2. Authorize and direct the City Attorney to execute all documents and take such other actions as are necessary to finalize the settlement.

9. ROUTINE ITEMS

A. **Consideration and Adoption of Ordinance No. 2026-19:** An ordinance amending the Flagstaff City Code, Chapter 1-14, Personnel System, by amending the City of Flagstaff Employee Handbook of Regulations, Section 1-50-051, Parental Leave.

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2026-19 by title only for the final time
2. City Clerk reads Ordinance No. 2026-19 by title only (if approved above)
3. Adopt Ordinance No. 2026-19

10. REGULAR AGENDA

A. **Consideration and Adoption of Resolution No. 2026-44:** A resolution of the Flagstaff City Council, approving the Third Amendment to the Intergovernmental Agreement between the City of Flagstaff and Northern Arizona Intergovernmental Public Transportation Authority ("Mountain Line").

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-44 by title only
2. City Clerk reads Resolution No. 2026-44 by title only (if approved above)
3. Adopt Resolution No. 2026-44

B. Consideration and Approval of Contract: Lease Agreement between City of Flagstaff and Hopi Tribe Economic Development Corporation located at 5200 E. Cortland Boulevard, Suites A1-6 for Library Space.

STAFF RECOMMENDED ACTION:

Staff recommends that City Council approve the lease agreement for the temporary East Flagstaff Library site at 5200 E. Cortland Blvd. Suites A1-6, and authorize the City Manager to execute the lease and any related procurement documents for necessary facility tenant improvements, not to exceed $200,000.00, to provide interim library space for East Flagstaff Library.

11. OPEN CALL TO THE PUBLIC

12. ANNOUNCEMENTS AND UPDATES TO/FROM COUNCIL AND CITY MANAGER

13. ADJOURNMENT

THE CITY OF FLAGSTAFF ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 213-2076 or email at stacy.saltzburg@flagstaffaz.gov to request an accommodation to participate in this public meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Flagstaff makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Flagstaff City Council meetings are live-streamed and recorded and may be viewed on the City of Flagstaff's website. If you permit your child to attend/participate in a televised Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

5. A.

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Jessica Matias, Chief of Staff
Date:	07/14/2026
Meeting Date:	08/25/2026

TITLE:
Proclamation: Arbor Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

Executive Summary:
N/A

Financial Impact:
N/A

Policy Impact:
N/A

Previous Council Decision or Community Discussion:
N/A

Options and Alternatives to Recommended Action:
N/A

Connection to PBB Priorities and Objectives:
N/A

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/

Attachments: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

WHEREAS, Flagstaff is situated in the world's largest ponderosa pine forest; and

WHEREAS, it is universally recognized that healthy forests can provide multiple ecosystem services, including reducing erosion and stormwater runoff, moderating temperature, improving air quality, storing carbon dioxide, producing oxygen, and providing habitat for wildlife; and

WHEREAS, trees enhance Flagstaff's economic vitality and aesthetics; and

WHEREAS, the City of Flagstaff is recognized as a Tree City USA; and

WHEREAS, on **August 25, 2026**, Flagstaff will celebrate Arbor Day with a tree planting event; and

WHEREAS, trees, particularly non-invasive trees, wherever they grow, are a source of joy and spiritual renewal.

NOW, THEREFORE, I, Mayor Becky Daggett, Mayor of the City of Flagstaff, Arizona do hereby proclaim today, August 25, 2026, as

ARBOR DAY IN FLAGSTAFF

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

5. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Jessica Matias, Chief of Staff
Date:	08/11/2026
Meeting Date:	08/25/2026

TITLE:
Proclamation: SMART Week

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

Executive Summary:
NA

Financial Impact:
NA

Policy Impact:
NA

Previous Council Decision or Community Discussion:
NA

Options and Alternatives to Recommended Action:
NA

Connection to PBB Priorities and Objectives:
NA

Connection to Regional Plan:
NA

Connection to Carbon Neutrality Plan:
NA

Connection to 10-Year Housing Plan:
NA

Attachments: Proclamation

City of Flagstaff – Office of the Mayor
Proclamation

WHEREAS, guns are the number one killer of children and teens in the United States; and

WHEREAS, the city of Flagstaff is committed to creating a safe environment contributing to the safety and well-being of our children; and

WHEREAS, in the U.S. almost every single day, a child gets their hands on a gun and unintentionally kills or wounds themselves or someone else; and

WHEREAS, research shows that the most effective way to prevent children from accessing firearms is by making sure all guns are stored unloaded, locked, and separate from ammunition; and

WHEREAS, there are steps we can all take, gun owners and non-gun owners alike, to make sure kids can't access guns and put themselves and others in danger; and

WHEREAS, more than half of gun owners don't lock all their guns securely, and an estimated 6.7 million U.S. children live in a home with at least one unlocked and loaded gun; and

WHEREAS, when guns aren't properly stored, tragedy can strike — whether it's a child finding a firearm and wounding or killing themselves or someone else, or someone stealing it and using it to commit crimes in our communities; and

WHEREAS, protecting public safety in the communities they serve is one of a mayor's critical responsibilities; and

WHEREAS, schools, hospitals, state agencies, and community organizations are committed to their crucial role in reducing injuries and deaths by promoting secure gun storage and safety; and

WHEREAS, SMART Week raises awareness and promotes efforts to educate the public about secure gun storage; the City of Flagstaff commends Be SMART, a program developed by the Everytown for Gun Safety Support Fund, and all involved in their endeavor to keep communities safe.

NOW, THEREFORE, I, Mayor Becky Daggett, Mayor of the City of Flagstaff, Arizona do hereby proclaim August 24-28, 2026, as

SMART Week

Becky Daggett
MAYOR

ATTEST:

Stacy Saltzburg
CITY CLERK

5. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Georganna Staskey, Deputy City Clerk
Date:	08/13/2026
Meeting Date:	08/25/2026

TITLE:
July and August Work Anniversaries

DESIRED OUTCOME:
Recognition of employees celebrating work anniversaries in July and August.

Executive Summary:

Information:

Attachments:

7. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 08/10/2026

Meeting Date: 08/25/2026

TITLE:
Consideration of Appointments: Tourism Commission

STAFF RECOMMENDED ACTION:

1. Vice Mayor Sweet to make an appointment.

Executive Summary:
The Tourism Commission consists of seven citizens serving three-year terms. The mission of the Tourism Commission is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially. The Tourism Commission makes recommendations to the Council concerning expenditure of the tourism portion of the Bed, Board and Booze ("BBB") tax, a 2% local transaction privilege tax.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are three (3) applications on file for consideration by the Council, they are as follows:

- James Willis (new applicant)
- Gina Byars (new applicant)
- Belen Mendez (new applicant)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Vice Mayor Sweet

Financial Impact:
These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:
None.

Previous Council Decision or Community Discussion:
None.

Options and Alternatives to Recommended Action:

1. Appoint one Commissioner: By appointing members at this time, the Tourism Commission will be filled and this allows the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Tourism Authority

CHAPTER 2-13
TOURISM COMMISSION

SECTIONS:

2-13-001-0001 CREATION OF THE COMMISSION:

There is hereby established a City Tourism Commission. There shall be seven (7) voting members of said Commission who shall meet as hereinafter provided to consider and recommend programs for the expenditure of the tourism portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues.

“Tourism” means the guidance, management, marketing, accommodation, promotion and encouragement of tourists (same meaning as set forth in Section 3-06-001-0001). (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0002 COMPOSITION AND TERM OF OFFICE:

The composition of the membership shall consist of:

A. Seven (7) members to be appointed by the City Council. Each member shall serve for three (3) years, on a staggered term basis.

B. The City Manager or the Manager’s designee shall be an ex officio member of the Commission. The member shall have no voting privileges.

The City Manager shall be responsible for staff support of the Tourism Commission.

The Council shall fill vacancies for the unexpired term of any of the members of the Commission.

A member’s term in office shall commence with the first regular Commission meeting following the appointment and terminate with the regular Commission meeting at which the successor takes office. No voting member of the Commission may be appointed to more than two (2) consecutive full terms. (Ord. No. 1579, Enacted, 08/02/88; Ord. No. 1674, Amended, 09/18/90; Ord. 2001-27, Amended, 11/20/2001; Ord. No. 2006-09, Amended 04/10/2006; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0003 COMPENSATION OF COMMISSION MEMBERS:

Members of the Commission shall serve without compensation.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0004 ORGANIZATION:

The Commission shall elect a Chairperson from among its members. The term of the Chairperson shall be one year with eligibility for reelection. Commission members may not serve more than two (2) consecutive terms as Chairperson. The Council representative shall not be eligible for the Chair.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0005 MEETINGS:

A. The Commission shall hold at least one (1) regular meeting per month, which shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.

A quorum consisting of a minimum of four (4) voting members shall be required to conduct business.

B. The Chairperson of the Commission shall meet with the Chairpersons of the Economic Development Commission and the Beautification Commission at least once per month. The purpose of the meeting is for coordination of the three (3) commissions only. The intent is not to create another commission. The meeting shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with applicable Arizona State Statutes.

C. If a member is absent for three (3) meetings within a twelve (12) month period, excused or unexcused, that member may be replaced by the City Council. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014)

2-13-001-0006 DUTIES:

The duties of the Commission shall be to:

A. Prepare a Five (5) Year Master Plan. The Five (5) Year Plan shall be used as a guideline for future programs. Said Plan shall be presented to the Council prior to April 1st of each year.

B. Develop and present to City Council an Annual Plan outlining the Commission's program recommendations for the upcoming fiscal year. Said plan shall be presented to the Council prior to April 1st of each year.

C. Make recommendations to the City Council concerning the annual budgetary allocation of the tourism portion of the Bed, Board and Booze Tax to include, but not be limited to:

1. Providing funding to the qualified, established public or private agency to administer, on a contract basis, tourism programs as required.

2. Developing and implementing a marketing plan. Major elements of the marketing plan will include, but not be limited to, developing a specific image for Flagstaff, identifying target market segments, and implementing a promotional plan directed to target market segments.

3. Establishing visitor information center(s) to include, but not be limited to, a high profile location, easy visitor access, adequate staffing, a toll-free telephone number for visitor information, and develop other facilities as needed to benefit visitors and the community.

4. Establishing an educational program to include, but not be limited to, scholarships for hospitality education at Northern Arizona University.

5. Promoting activities that enhance the community’s image and the overall quality of life.

6. Retaining of appropriate staff to implement approved programs.

D. Perform any additional duties as determined by the City Council related to tourism activities. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2015-22, Amended, 01/05/2016)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Georganna Staskey, Deputy City Clerk
Date:	08/10/2026
Meeting Date:	08/25/2026

TITLE:

Consideration of Appointments: Audit Committee

STAFF RECOMMENDED ACTION:

1. Councilmember Aslan to make one appointment.

Executive Summary:

The Audit Committee meets as needed, but at least once a year, to review the Annual Financial and Single Audit reports. The Committee is made up of one member from the City Council, the City Manager or designee, the Management Services Director and three members of the community.

There is currently one seat available. It is important to fill vacancies on Committees quickly so as to allow the Committee to continue meeting as needed. The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There is one application currently on file:

- John Vanlandingham

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

Council Appointment Assignment: Councilmember Aslan

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:

None.

Previous Council Decision or Community Discussion:

None.

Options and Alternatives to Recommended Action:

1. Appoint one Member: By appointing members at this time, this allows the Audit Committee to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:

Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Attachments: Audit Authority Papers

CITY OF FLAGSTAFF, ARIZONA

RESOLUTION NO. 1320

A RESOLUTION ESTABLISHING A CITY AUDIT COMMITTEE, AND PROVIDING FOR THE MEMBERSHIP, DUTIES AND PROCEDURES FOR SAID COMMITTEE.

WHEREAS, the City Council is charged with ensuring that the financial statements of the City are reliable and fairly presented; and

WHEREAS, the Council desires the assistance of members of the community as well as the professional expertise of members of the City Staff;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1: There is hereby established a CITY AUDIT COMMITTEE.

SECTION 2: That the following shall constitute the membership of this Committee:

A. One member of the City Council.

B. The City Manager or his designee.

C. The Administrative Services Director.

D. The Internal Auditor.

E. Two members of the community, as approved by the City Council.

The City Manager or his designee shall act as Chairman of the Committee.

SECTION 3: The Committee shall meet from time to time as determined by the Chairman or as called by the City Council.

SECTION 4: The duties of the Audit Committee are, but not limited to, the following:

Reviewing significant financial information for reliability, timeliness, clarity, appropriateness of disclosure, and compliance with generally accepted accounting principles and legal requirements;

Ascertaining that internal accounting controls are appropriately designed and functioning effectively;

Evaluating independent audit firms and selecting one for City Council approval;

Overseeing the scope and performance of the independent audit function;

Overseeing the scope and performance of the internal audit function;

Ensuring that the auditors' recommendation for improvements in internal controls and operating methods receive management's attention and are implemented on a timely basis; and

Providing an effective communications link between the auditors and the City Council.

SECTION 5: This Committee shall remain in effect until rescinded by the City Council. Individuals shall remain members unless removed by resignation, change of City employement status or action by Council.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 6th day of September, 1983.

MAYOR

ATTEST:

Linda Butler
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

RESOLUTION NO. 2029

A RESOLUTION AMENDING RESOLUTION NO. 1320, CHANGING THE MEMBERSHIP OF THE AUDIT COMMITTEE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1: That Section 2 of Resolution No. 1320 be amended to read as follows:

A. One member of the City Council.

B. The City Manager or his designee.

C. The Administrative Services Director.

D. ~~The Internal Auditor.~~

E. ~~Two~~ Three members of the community, as approved by the City Council.

The City Manager or his designee shall act as Chairman of the Committee.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 17th day of October, 1995.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Additions indicated by redline, deletions by ~~strikeout~~.

RESOLUTION NO. 2002-59

A RESOLUTION AMENDING RESOLUTION NO. 2029, AMENDING THE MEMBERSHIP OF THE AUDIT COMMITTEE.

BE IT RESOLVED by the Council of the City of Flagstaff as follows:

SECTION 1. That Section 1 of Resolution No. 2029 is amended to read as follows:

A. One member of City Council
B. The City Manager or his designee.
C. The ~~Administrative Services Director~~ <u>Management Services Director</u>.
D. Three members of the community, as approved by the City Council.

The City Manager or his designee shall act as Chairman of the Committee.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, the 3rd day of September, 2002.

MAYOR

ATTEST:

CITY CLERK

APPROVED TO AS FORM:

CITY ATTORNEY

Additions indicated by <u>underline</u>, deletions by ~~strikeout.~~

7. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Georganna Staskey, Deputy City Clerk
Date:	08/10/2026
Meeting Date:	08/25/2026

TITLE:
Consideration of Appointments: Parks and Recreation Commission

STAFF RECOMMENDED ACTION:

1. Councilmember House to make one appointment

Executive Summary:
The Parks and Recreation Commission consists of seven (7) resident members. The Parks and Recreation Commission makes recommendations to the Council regarding City parks and recreational programs, the annual budget, and capital improvements for the Parks and Recreation Divisions.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are two (2) applications on file for consideration by the Council as follows:

- Joel Fritzler (new applicant)
- Michelle McAllister (new applicant)

In an effort to reduce exposure to personal information, the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Councilmember House

Financial Impact:
These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:
None

Previous Council Decision or Community Discussion:
None

Options and Alternatives to Recommended Action:

1. Appoint one Commissioner: By appointing members at this time, the Parks and Recreation Commission will have enough members to meet, allowing the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Parks and Recreation Commission Authority

CHAPTER 2-03
PARKS AND RECREATION COMMISSION

SECTIONS:

2-03-001-0001 COMMISSION CREATED; MEMBERS:

There is hereby created a Parks and Recreation Commission for the City, consisting of seven (7) members appointed by the City Council. (Ord. No. 2007-11, Amended 02/06/2007; Ord. 2014-28, Amended, 11/18/2014)

2-03-001-0002 TERMS; VACANCIES; COMPENSATION:

Terms of the appointed members shall be for three (3) years.

The Council shall fill vacancies for the unexpired term of any of the members of the Commission and no member of the Commission shall receive compensation for services thereon. (Ord. 1475, 2-3-87)

2-03-001-0003 ORGANIZATION AND RULES:

Upon the taking effect of this Chapter, and when appointed, the members shall meet and organize and elect a Chairman to serve for one year with a new Chairman being elected each succeeding year. The Commission may adopt by-laws, procedures and standards for the operation of the Commission not inconsistent with the provisions of this Chapter. A quorum shall consist of four (4) voting members. The Commission shall meet not less than four (4) times each year.

(Ord. No. 2007-11, Amended 02/06/2007)

2-03-001-0004 POWERS AND DUTIES:

A. The duties of the Commission shall be to advise the Council, through periodic written reports to the Council, recommending policy direction on City lands, structures and facilities that are set aside or should be set aside or dedicated to recreational purposes, including but not limited to parks, swimming pools, playgrounds, playing and sports fields and golf courses. The scope of the activities of the Commission shall also include but not be limited to advising and recommending policy direction in activities involving recreational and cultural pursuits of the elderly and the young and to otherwise employ in constructive and wholesome manner leisure time of the citizens.

B. The City Council may consider the advice and recommendation of the Commission and thereafter give direction through the City Manager to implement the recreational program as they see fit.

C. The Commission shall review and make recommendation on the annual budget of the Parks Section and Recreation Section prior to the submittal thereof to the City Manager.

D. With respect to the parks and recreation portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues, the Commission shall make recommendations to the Council concerning the annual budgetary allocation of the parks and recreation portion of this tax, to include but not be limited to:

1. Developing parks and recreation facilities, and programs as needed to benefit the community and its visitors.

2. Funding for the Flagstaff urban trails system development and maintenance.

3. Developing, acquiring and distributing material to promote parks and recreation.

4. Retaining of appropriate staff to implement approved programs.

E. For purposes of subsection (D) of this section, "parks and recreation" means the development and management of public parks, recreational facilities, and programs which are available to the residents and visitors including funding the Flagstaff urban trail system. (Same meaning as set forth in Section 3-06-001-0001.) (Ord. 865, 12-12-72; Ord. 1335, 10-16-84; Ord. 2015-22, Amended, 01/05/2016)

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Allison Hughes, Support Services Section Director

Date: 07/22/2026

Meeting Date: 08/25/2026

TITLE:

Consideration and Approval of Contract: 2026 Renewal of the Master Agreement for Software Maintenance with Hexagon for software utilized by the City of Flagstaff Police Department in the amount of $341,161.20, plus applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve and ratify the renewal of the agreement in the amount of $341,161.20 plus applicable taxes
2. Authorize the City Manager to execute the contract renewal and any necessary documents to maintain uninterrupted services.

Executive Summary:

Hexagon software manages all the Computer Aided Dispatch (CAD) and Records Management System (RMS) for public safety. Staff is requesting approval of the 2026 Renewal of the Master Agreement for Software Maintenance ("Software Agreement") with Hexagon. The Software Agreement is for the Flagstaff Police Department Computer Aided Dispatch (CAD) and Records Management Software (RMS). This agreement allows the Hexagon company to provide ongoing software licensing support and maintenance as necessary. The attached quote outlines the anticipated expenditures for the fiscal year 2026-2027. The renewal of the annual software maintenance provides the means to continue to conduct day-to-day activities of the Police Department without delay. The Software Agreement may be subject to any applicable sales tax(es) to be added at a later time.

Financial Impact:

Project Name:Hexagon Software Yearly Maintenance
Cost: $341,161.20 plus applicable tax
Account Number Budgeted: 001-04-061-0221-2-4231, 001-04-061-0223-2-4231, 001-04-061-0224-2-4231, 001-04-061-0220-2-4231
FY Budgeted Amount: $267,290
Grant Funded: No.
Funding Source: General Fund; Costs for the software are shared with Coconino County Sheriff's Office and Northern Arizona University Police Department per Intergovernmental Agreements IGA-2023-123-AG2 and IGA-2023-126-AG2

This contract is over budget by $105,892. The Police Department and City Manager's Budget Team are working to identify funding to cover this overage.

Policy Impact:

None.

Previous Council Decision or Community Discussion:

This is an annual software contract that has been before Counil every year since 2013.

Options and Alternatives to Recommended Action:
Option 1
Ratify the contract renewal and authorize the City Manager to execute the renewal agreement.
This option ensures uninterrupted continuation of critical services, maintains vendor support and system maintenance, and avoids additional costs, service interruptions, or loss of functionality. Ratification also formalizes the procurement after services were required to continue during the administrative approval process.

Option 2
Do not ratify the contract renewal.
Choosing not to ratify the renewal could result in a lapse in maintenance and support services, loss of access to software updates and technical assistance, increased costs associated with reinstating the agreement, and potential operational impacts. For mission-critical systems, a lapse could affect the department's ability to maintain reliable operations until the replacement solution is fully implemented.

Option 3
Direct staff to pursue an alternative procurement or service provider.
While staff can explore alternative solutions, this option is not recommended for a short-term renewal supporting an existing system. Transitioning to another vendor before implementation of the planned replacement system would require additional procurement efforts, increase costs, extend implementation timelines, and introduce operational risk with limited long-term benefit.

Staff Recommendation
Staff recommends **Option 1** to maintain continuity of critical operations, preserve vendor support, and avoid unnecessary costs and operational disruption while the replacement system is being implemented.

Background and History:
The City currently utilizes the existing Computer-Aided Dispatch (CAD) and Records Management System (RMS) to support critical public safety operations, including emergency communications, dispatching, records management, reporting, and other essential law enforcement functions. While the City is actively implementing a replacement CAD/RMS solution, the current system must remain fully operational until the new system is implemented, tested, and placed into service.
The annual maintenance agreement provides software licensing, technical support, security updates, bug fixes, and system maintenance necessary to ensure the continued reliability and functionality of the existing system. Allowing the agreement to lapse would create operational risks, including reduced vendor support, potential loss of critical system functionality, and increased costs associated with reinstating maintenance.
Staff initiated the contract renewal through the City's procurement process in May; however, the approval process was not completed before the renewal deadline. Because uninterrupted maintenance is essential to maintaining public safety operations during the transition to the new CAD/RMS platform, staff is requesting ratification of the renewal agreement and authorization to execute the contract.
Ratification will ensure continuity of service, maintain vendor support throughout the transition period, and protect the City's investment in its current public safety technology until the replacement system is fully operational.

Connection to PBB Priorities and Objectives:
High Performing Governance: Encourage public trust through transparency, accessibility and use of the City's public participation policy.
High Performing Governance: Become an employer of choice and provide employees with the necessary tools, training andsupport.
Safe and Healthy Community: Provide public safety with the resources, staff and training to respond to community needs.
Team Flagstaff Strategic Plan: Provide exceptional service.

Connection to Regional Plan:
This action supports the Regional Plan by maintaining the technology and systems necessary to provide reliable, effective, and coordinated public safety services to the community.

Connection to Carbon Neutrality Plan:

This action has no direct impact on the City's Carbon Neutrality Plan.

Connection to 10-Year Housing Plan:
This action has no direct impact on the City's 10-Year Housing Plan.

Attachments: Hexagon Renewal Agreement
Cost Share Breakdown
Dispatch IGA
Records IGA

2026 Renewal
Hexagon Master Terms and Conditions

TER-2018-005-AG___

This 2026 Renewal to the fully executed Hexagon Master Terms and Conditions dated September 6, 2022 ("2022 Software Agreement") generally related to proprietary software and software maintenance services, by and between the City of Flagstaff, a political subdivision of the State of Arizona and Integraph Corporation aka Hexagon, a/an Alabama corporation ("Company") shall be effective as of the date of the last signature below. The City and Company may be referred to as "Party" or jointly as "Parties."

AGREEMENT

1. The 2022 Software Agreement is hereby renewed to offer an extension of the Coverage Period.

2. The Quote Number 2026-16364, attached here as *Exhibit A*, will be adhered to for the remainder of the extension.

3. All other terms and conditions of the 2022 Software Agreement, and any prior amendments/renewals, except to the extent amended herein, remain in full force and effect.

(THE REMAINDER OF PAGE INTENTIONALLY BLANK - SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the Parties hereto have executed this 2026 Renewal as of the date hereinbefore indicated.

CONTRACTOR

Signed by:
Tiffany Taylor
178B97F8EB144AE...
SIGNATURE

Tiffany Taylor
FULL NAME

Executive Director
TITLE

7/20/2026
DATED SIGNED

CITY OF FLAGSTAFF

Signed by:
Shannon Anderson
105D7BC99016498...
SIGNATURE

Shannon Anderson
FULL NAME

Assistant City Manager
TITLE

7/21/2026
DATED SIGNED

ATTEST:

Signed by:
Stacy Saltzburg
8C95EB0863D1441...
SIGNATURE

Stacy Saltzburg
FULL NAME

City Clerk
TITLE

7/21/2026
DATED SIGNED

APPROVED AS TO FORM:

Signed by:
Matthew Mansfield
E9C0234708A04E0...
SIGNATURE

Matthew Mansfield
FULL NAME

City Attorney's Office
TITLE

7/21/2026
DATE SIGNED

Exhibit A

Exhibit A - Hexagon Renewal 2026

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

Hexagon's Safety, Infrastructure & Geospatial division is rebranding, together with other business units of Hexagon AB. The new brand is OCTAVE. You will notice changes in the way we identify our organization and our products. No action is required of you; this is only a branding change. The legal entity with which you do business is not changing.

This quotation has been prepared for:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
911 E. Sawmill
Flagstaff AZ 86001
United States

End User:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
911 E. Sawmill
Flagstaff Arizona 86001
United States

Bill To:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
211 W. Aspen Ave
Flagstaff Arizona 86001
United States

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

Renewal Quotation

Renewal Configuration Listing

USD

Line	Base Part	Description	Begin	End	Service Level	Months	Qty	Monthly Unit Price	Extended Net Price
1	IPS0042IBCK	I/NetViewer - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
2	RMS0018	Intergraph WebJMS User License	07/01/2026	06/30/2027	PRM	12	20	$20.67	$4,960.80
3	IPS0048TST	I/FRMS-CADlink NL - Test License	07/01/2026	06/30/2027	PRM	12	2	$0.00	$0.00
4	RMSCUSTOM15	TraCS Interface	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
5	IPS0002	I/Dispatcher CC	07/01/2026	06/30/2027	PRM	12	14	$549.82	$92,369.76
6	RMS0017TST	HxGN OnCall Records - Concurrent User License - Test License	07/01/2026	06/30/2027	PRM	12	60	$0.00	$0.00
7	IPS0042I	I/NetViewer CC	07/01/2026	06/30/2027	PRM	12	15	$55.35	$9,963.00
8	IPS0004	I/Informer CC	07/01/2026	06/30/2027	PRM	12	2	$714.86	$17,156.64
9	IPS0082TST	Map Administration Utility CC - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
10	RMS0016TST	HxGN OnCall Records - Server CC License - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
11	PSA2100	HxGN OnCall Records - NIBRS - Federal	07/01/2026	06/30/2027	PRM	12	1	$261.90	$3,142.80
12	IPS0082	Map Administration Utility CC	07/01/2026	06/30/2027	PRM	12	1	$301.99	$3,623.88
13	IPS0002TST	I/Dispatcher - Test License	07/01/2026	06/30/2027	PRM	12	15	$0.00	$0.00
14	IPS2043TST	HxGN OnCall Records - Xalt Interface - TST	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
15	IPS0004TST	I/Informer - Test License	07/01/2026	06/30/2027	PRM	12	3	$0.00	$0.00
16	IPS0015	I/Tracker - I/CAD NL	07/01/2026	06/30/2027	PRM	12	1	$830.47	$9,965.64
17	IPS0004BCK	I/Informer - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
18	IPS3042	EdgeFrontier Runtime Engine	07/01/2026	06/30/2027	PRM	12	1	$551.34	$6,616.08

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

19	IPS0012TST	I/Page - Test License	07/01/2026	06/30/2027	PRM	12	2	$0.00	$0.00
20	IPS2043	Intergraph WebRMS Connect for EdgeFrontier	07/01/2026	06/30/2027	PRM	12	1	$960.74	$11,528.88
21	IPS0015BCK	I/Tracker - I/CAD - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
22	PSA2100TST	HxGN OnCall Records - NIBRS - Federal - Test	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
23	IPS0009BCK	I/Mobile Data Terminal NL - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
24	RMS0018TST	HxGN OnCall Records - Jail CC - Test	07/01/2026	06/30/2027	PRM	12	20	$0.00	$0.00
25	IPS0009	I/Mobile Data Terminal NL	07/01/2026	06/30/2027	PRM	12	1	$1,468.91	$17,626.92
26	IPS0042ITST	I/NetViewer - Test License	07/01/2026	06/30/2027	PRM	12	16	$0.00	$0.00
27	IPS2304C	ONCALL ANALYTICS - RECORDS ESSENTIALS	07/01/2026	06/30/2027	PRM	12	1	$364.36	$4,372.32
28	IPS2304TSTC	ONCALL ANALYTICS - RECORDS ESSENTIALS	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
29	GSPX5007	GeoMedia Professional CC	07/01/2026	06/30/2027	SND	12	1	$352.62	$4,231.44
30	IPS0002BCK	I/Dispatcher - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
31	IPS0009TST	I/Mobile Data Terminal NL - Test License	07/01/2026	06/30/2027	PRM	12	2	$0.00	$0.00
32	IPS0012	I/Page NL	07/01/2026	06/30/2027	PRM	12	1	$666.35	$7,996.20
33	IPS0012BCK	I/Page - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
34	IPS0015TST	I/Tracker - I/CAD - Test License	07/01/2026	06/30/2027	PRM	12	2	$0.00	$0.00
35	IPS0048	I/FRMS-CADlink CC	07/01/2026	06/30/2027	PRM	12	1	$334.82	$4,017.84
36	IPS0048BCK	I/FRMS-CADlink NL - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
37	RMS0017C	Exchange I/LEADS RMS Client for WebRMS Concurrent User	07/01/2026	06/30/2027	PRM	12	60	$46.78	$33,681.60
38	RMS0016C	Exchange I/LEADS Server for WebRMS Server	07/01/2026	06/30/2027	PRM	12	1	$2,533.55	$30,402.60
39	IPS3042-TST	Xalt - Integration Runtime Engine NL - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
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Expiration Date:	06/30/2026

40	ESCROW	Annual Software Escrow Fee	07/01/2026	06/30/2027	PRM	12	1	$56.26	$675.12
41	IPS0028A	RapidSOS for I/CAD - Essentials	07/01/2026	06/30/2027	PRM	12	1	$139.07	$1,668.84
42	IPS0028ABCK	RapidSOS for I/CAD - Essentials - Backup	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
43	IPS0028ATST	RapidSOS for I/CAD - Essentials - Test	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
44	IPSCUSTOM10	OnCall Records Livescan Interface	07/01/2026	06/30/2027	PRM	12	1	$142.01	$1,704.12
45	IPS0080BCK	Mobile for Public Safety CC - Backup License	07/01/2026	06/30/2027	PRM	12	32	$0.00	$0.00
46	IPS0080TST	Mobile for Public Safety CC - Test License	07/01/2026	06/30/2027	PRM	12	32	$0.00	$0.00
47	IPS1184	I/Map Editor for ArcGIS CC	07/01/2026	06/30/2027	PRM	12	1	$132.32	$1,587.84
48	IPS1184BCK	I/Map Editor for ArcGIS CC - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
49	IPS1184TST	I/Map Editor for ArcGIS CC - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
50	IPS0001HABCK	I/Executive for High Availability - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
51	IPS0001HAC	I/Executive for High Availability - Component	07/01/2026	06/30/2027	PRM	12	1	$2,254.07	$27,048.84
52	IPS0001HATST	I/Executive for High Availability - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
53	IPS0002BCK	I/Dispatcher - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
54	IPS0002TST	I/Dispatcher - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
55	IPS0004BCK	I/Informer - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
56	IPS0004TST	I/Informer - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
57	IPS0035	I/Backup NL	07/01/2026	06/30/2027	PRM	12	1	$746.69	$8,960.28
58	IPS0042IBCK	I/NetViewer - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
59	IPS0042ITST	I/NetViewer - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
60	IPS0009BCK	I/Mobile Data Terminal NL - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

61	IPS0009TST	I/Mobile Data Terminal NL - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
62	IPS0015BCK	I/Tracker - I/CAD - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
63	IPS0015TST	I/Tracker - I/CAD - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
64	IPS0080C	Mobile for Public Safety CC - Comp	07/01/2026	06/30/2027	PRM	12	32	$49.99	$19,196.16
65	IPS1183	Intergraph Remote Content Management CC	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
66	IPS1183BCK	Intergraph Remote Content Management CC - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
67	IPS1183TST	Intergraph Remote Content Management CC - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
68	IPS0012BCK	I/Page - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
69	IPS0012TST	I/Page - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
70	IPS0048BCK	I/FRMS-CADlink NL - Backup License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
71	IPS0048TST	I/FRMS-CADlink NL - Test License	07/01/2026	06/30/2027	PRM	12	1	$0.00	$0.00
72	EFCUSTOM16	Keefe to Hexagon Interface	07/01/2026	06/30/2027	PRM	12	1	$334.75	$4,017.00
73	IPS0080	Mobile for Public Safety CC	07/01/2026	06/30/2027	PRM	12	15	$41.68	$7,502.40
74	IPS0080BCK	Mobile for Public Safety CC - Backup License	07/01/2026	06/30/2027	PRM	12	15	$0.00	$0.00
75	IPS0080TST	Mobile for Public Safety CC - Test License	07/01/2026	06/30/2027	PRM	12	15	$0.00	$0.00
76	IPS0080	Mobile for Public Safety CC	07/01/2026	06/30/2027	PRM	12	15	$39.69	$7,144.20
77	IPS0080BCK	Mobile for Public Safety CC - Backup License	07/01/2026	06/30/2027	PRM	12	15	$0.00	$0.00
78	IPS0080TST	Mobile for Public Safety CC - Test License	07/01/2026	06/30/2027	PRM	12	15	$0.00	$0.00
									$341,161.20

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

Summary

	USD
Maintenance Total	$341,161.20
Total Price*:	**$341,161.20**

*Excluding taxes. Final tax billed will reflect the applicable tax rates at time of sale as required by law.

Notes:

This Quote is an Order made pursuant to that certain Master Agreement dated September 6, 2022 by and between the City of Flagstaff, AZ ("Customer") and Intergraph Corporation, through its Hexagon Safety, Infrastructure & Geospatial division ("Hexagon").

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

This quote is provided pursuant to separately agreed upon Terms and Conditions which are expressly identified in this Quote; but in absence of such express identification, this Quote is governed by https://legaldocs.hexagon.com/sig/Octave%20Master%20Terms/OCTAVE%20US-MT%20(01-2026)FINAL%20(001).pdf.

If maintenance is not purchased at the same time as you purchase products listed in this quotation, you may purchase the maintenance for the products at a later date; however reinstatement or upgrade fees shall apply.

Any commercial Off-the-shelf product information Hexagon has shared with its audience during the proposal / contract activities to date, were to provide an understanding of Hexagon's current expected direction, roadmap or vision and is subject to change at any time at Hexagon's sole discretion. Hexagon does not commit to develop the future features, functions and products discussed in this material beyond that which is specifically committed to be provided by Hexagon as part of the intended contract. The audience of this material should not factor any future features, functions or products into its current buying decision since there is no assurance that such future features, functions or products will be developed. When and if these future features, functions or products are developed, they will generally be available for licensing by Hexagon.

To place an order against this quotation, prior to the expiration date, please either fill in the required information below and have an authorized representative of your company sign this quotation, have your company issue a purchase order with the required information below and reference this quotation number, or have your company remit payment via one of the methods described in the billing and payment instructions that follow, making sure to include a reference to this quotation number. Please submit the signed quotation, your purchase order, or payment to your Account Manager. This agreement shall only become binding and effective upon the written acceptance by Hexagon or the first delivery of the products/ services within this quotation. The terms and conditions of this quotation cannot be superseded, altered, modified, or amended by subsequent Purchase Order or writing received from customer without the express written consent of Hexagon.

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2026-16364
Quote Date:	03/13/2026
Expiration Date:	06/30/2026

SignatureReference

Flagstaff Coconino AZ

Signature: ______________________

Printed Name: ______________________

Phone: ______________________

Date: ______________________

PO reference(if required for invoicing): ______________________

Tax Exemption ID (if applicable) ______________________

FPD	NAU PD	CCSO	CCDF	Total
37.00% $126,229.64	8.00% $27,292.90	23.00% $78,467.08	32% $109,172	100.00% 341,161.20

INTERGOVERNMENTAL AGREEMENT FOR DISPATCH SERVICES

THIS INTERGOVERNMENTAL AGREEMENT FOR DISPATCH SERVICES ("Agreement") is entered into this 6th day of February, 2023, between the City of Flagstaff ("City"), an Arizona municipal corporation, on behalf of the Flagstaff Police Department ("FPD") and Coconino County ("County"), a political subdivision of the State of Arizona, on behalf of the Coconino County Sheriff's Office ("CCSO").

RECITALS

A. The City and the County entered into an Intergovernmental Agreement ("IGA") dated July 1, 2000, for the establishment of the City/County Law Enforcement Administrative Facility at Sawmill Road, within the City of Flagstaff, Coconino County, Arizona, ("Law Enforcement Facility") for the FPD and the CCSO.

B. The City, through the FPD, operates, manages and maintains a dispatching facility, emergency communications system, automated computer-aided dispatching system, telephones and recording equipment and dispatch personnel for the operation of a dispatch center located at the Law Enforcement Facility; and the FPD is the primary Public Safety Answer Point (PSAP) for all 9-1-1 calls within its area of responsibility. The FPD provides emergency dispatching for police, fire, and medical agencies within the City of Flagstaff and contracts to provide dispatch services to other agencies.

C. The County, through the CCSO, desires the City, through the FPD, to provide law enforcement dispatch within the jurisdiction of the CCSO's responsibilities, and the City desires to provide such services to the County, in accordance with the terms of this Agreement.

D. In furtherance of the overall purposes of the IGA, the City and the County desire to establish a formal agreement between them for the provision by the FPD of dispatch services to the CCSO.

NOW, THEREFORE, pursuant to Arizona Revised Statutes Section 11-952, authorizing agreements for services among two or more public agencies, and in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

AGREEMENT

SECTION 1: TERM

This Agreement commences on date of signature and runs for an initial period through June 30, 2023. Thereafter, unless terminated under the terms hereof, this Agreement is automatically renewed each year for an additional one-year period commencing on the first day of July after the expiration of the initial period or a period subsequent thereto, for five years. Effective as of the date hereof, this Agreement shall replace the Initial Agreement, as amended, in its entirety, and the Initial Agreement shall terminate immediately without further action.

SECTION 2: SCOPE OF CITY'S SERVICES

The City, through the FPD, agrees to provide dispatch services to the County, through the CCSO, twenty-four (24) hours a day, seven (7) days a week during the term and any extended term of this Agreement as follows:

2.1. FPD dispatch personnel will receive, and process calls for service in a courteous, efficient and customer service-oriented manner. The FPD will provide automated dispatching utilizing computer-aided dispatching. The capabilities the FPD will make available to the CCSO include: Location of events utilizing cross streets, addresses and varied map coordinates as may be available, maintenance of status time, including time received, time dispatched, time first unit on scene and time last unit cleared scene. Routine radio contact between the FPD and the CCSO will include tracking status and location of all designated units operated by the CCSO.

2.2. If requested by the CCSO, the FPD will provide summary listings to the CCSO of call data by month, quarter or year as generated by the CAD system.

2.3. The FPD will record all CCSO radio transmissions from the CCSO primary dispatch channel as received at the dispatch center, and all telephone transmissions on emergency lines present in the FPD dispatch center. The FPD will maintain all recordings for a period not to exceed three hundred sixty-five days (365) calendar days, after which such records shall be destroyed. The FPD will provide recordings of incidents to CCSO when requested in a timely manner on standard compact disk media.

2.4. The City maintains two redundant on-line servers for the CAD operation and will regularly backup these servers. Every effort will be made to maintain a 100% up- time and will schedule required downtime maintenance with users whenever possible. The City cannot be responsible for unexpected downtime and maintains a manual backup for such eventuality.

2.5. All supervision, hiring and discipline of communications personnel will remain the sole responsibility and under the authority of the FPD.

SECTION 3: COUNTY'S OBLIGATIONS

3.1. The County, through the CCSO, agrees to supply and maintain all equipment required to provide voice radio dispatching up to a demarcation point established as the connection to the FPD dispatch center console interface patch panel. Additionally, the County, through the CCSO, agrees to pay for the installation and cost of any radio equipment or telecommunications circuits beyond the demarcation point, which are added to the FPD dispatch console equipment in order to provide basic dispatch service. The FPD agrees to maintain all equipment beyond the demarcation point following installation and any warranty period expiration.

3.2. The CCSO agrees to work within any existing procedures used by the FPD for dispatching. However, procedures for specific requirements of law enforcement dispatching for the CCSO, if agreed upon by both parties, shall be documented in the Flagstaff Police Department Communications Manual and thereafter shall be utilized for dispatching the CCSO.

3.3 The City will provide Dispatch services to the County. The County and City will pay the pro-rata shares of the cost of the Dispatch services.

3.4 The staff of the City and County will meet and provide budget estimates for Dispatch services for the following budget cycle, no later than the end of December or when each agency deadline occurs.

3.5 The methodology for charging Dispatch services splits costs based on the number of calls an agency receives to Dispatch.

3.5 The City will issue invoices to the County for their pro-rata shares of the cost of Dispatch services on a bi-annual basis.

3.6 In the event that the cost of providing Dispatch services exceeds the amount budgeted, the City and County will each pay their respective pro-rata share of any such overrun within ninety (90) days after the end of the Period in which the overrun occurs.

3.7 In the event that the cost of providing Dispatch services is under the amount budgeted, the City and County will each receive a credit for their respective pro-rata share of any such credit within ninety (90) days after the end of the Period in which the overrun occurs.

3.8 A call for service shall mean: any call where a field unit is sent to a location of an incident or to assist a citizen or any time a field unit initiates activity that would, otherwise, have resulted in the dispatch of a field unit.

The City will provide fee schedules in July, beginning with July 2022, as Schedule "A" to this Agreement, for the following year once the City fiscal budget has been approved by the City Council. Schedule "A" will include the total budgetary cost of operating the dispatch center, the previous year's total calls for service and an estimate of the total calls for service for the following year. The parties may modify this Agreement during the initial term set forth in Section 1 through administrative review and approval by the City Manager and County Manager as needed to accommodate operational efficiency between the City and the County.

SECTION 4: AUTHORIZED REPRESENTATIVES

The City and County mutually agree that a process to solve problems and manage change as the Communications Center continues to evolve and grow in sophistication is essential to the proper administration of this Agreement. The City, through the FPD, the County, through the CCSO, hereby designate the following representatives who shall have authority to represent the City and the County, respectively, in carrying out the terms of this Agreement:

Police Department Authorized Representative: Chief
Sheriff's Office Authorized Representative: Sheriff

If a party changes its representative, such party shall provide notice to the other party of the name of the new representative in accordance with Section 8.

SECTION 5: TERMINATION

5.1. Either party may terminate this Agreement by providing written notice thereof to the other no less than ninety (90) days prior to the anniversary date of this Agreement.

5.2. In the event of termination of this Agreement by the County, or by the City pursuant to Section 5.3 below, the CCSO shall be responsible for all costs associated with the disconnecting and removal of all radio and telecommunications circuits which were installed in accordance with Section 3.1, and which are exclusive to the CCSO.

5.3. The City shall also have the right to terminate this Agreement upon written notice thereof to the County in the event the County fails to make any payment due the City under this Agreement within sixty (60) calendar days of the due date thereof.

SECTION 6: LIABILITY AND INDEMNIFICATION

6.1. The City, the FPD and their officials, employees and agents, shall not be liable for damages to the County, CCSO or third parties as a result of any failure by the FPD to perform any of the FPD's obligations set forth in Section 2 of this Agreement if such failure arises out of or results from the failure of CCSO to submit correct and complete data to the FPD or the failure of the CCSO to provide or maintain equipment as set forth in Section 3.1 above.

6.2. No party to this Agreement, their agents, officials and employees, shall be liable to any other party for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, other than those imposed by that party, strike, fire, flood, windstorm, breakdown or other damage to equipment, power failure or any other cause beyond the reasonable control of that party.

6.3. The County covenants and agrees to indemnify, save, hold harmless and defend the City, the FPD and their agents, officials and employees, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses, of whatever kind and nature whatsoever, that may arise out of or result from any act, action or omission of the County, the CCSO, their employees, agents or contractors under this Agreement, including, but not limited to, the CCSO's failure to submit correct and complete data to the FPD or the failure of the CCSO to provide and maintain equipment as set forth in Section 3.1 above. The County's covenants and obligations under this indemnity provision shall survive any termination of this Agreement.

6.4. Except as otherwise provided in this Section 6, the City covenants and agrees to indemnify, save, hold harmless and defend the County, the CCSO and their agents, officials and employees, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses, of whatever kind and nature whatsoever, that may arise out of or result from any act, action or omission of the City, the FPD, their employees, agents or contractors under this Agreement, or as a result of any failure of any equipment which the City is required to maintain under the terms of this Agreement. The City's covenants and obligations under this indemnity provision shall survive any termination of this Agreement.

SECTION 7: DISPUTE RESOLUTION

7.1. Mediation

If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to arbitration. Mediation will be self-administered and conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation.

7.2. Arbitration

If mediation is unsuccessful to resolve any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties agree to resort to arbitration as provided in Sections 12-1518 and 12-133, Arizona Revised Statutes.

SECTION 8: NOTICES

Any notice or communication required under this Agreement shall be in writing and shall be effective when personally delivered or when addressed:

If to Coconino County:	Coconino County Attention: County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
With a copy to:	Coconino County Sheriff's Office Attention: Sheriff 911 E. Sawmill Road Flagstaff, Arizona 86001

If to the City:	City of Flagstaff Attention: Deputy City Manager 211 W. Aspen Avenue Flagstaff, Arizona 86001
With a copy to:	City of Flagstaff Police Department Attention: Chief of Police 911 E. Sawmill Road Flagstaff, Arizona 86001

and deposited, postage prepaid, and certified with return receipt requested, in the United States mail.

SECTION 9: GENERAL PROVISIONS

9.1. Maintenance of the FPD dispatch center and all on-premise PSAP and radio equipment shall be the sole responsibility of the FPD, with respect to which the CCSO shall share costs of maintenance and operation as provided in the 2022 Information Technology Intergovernmental Agreement, among the City of Flagstaff, Coconino County and the Coconino County Jail District concerning those parties' obligations relating to the Intergraph Public Safety, Inc. software system.

9.2. Employees of the respective parties shall not be considered employees or agents of the other, and the City and the County agree that they shall retain sole responsibility and authority over their respective employees.

9.3. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations under this Agreement and has taken all required acts or actions necessary to authorize the same.

9.4. Each party acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire agreement with respect to the matters addressed in this document. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded and merged in this Agreement. Except as to modifications to Schedule A to this Agreement as set forth in Section 3.3 above, which may be modified with the approval of the Sheriff and Chief of Police, this Agreement may be modified or amended only by written agreement signed by or for both parties and filed with the Coconino County Recorder, and any modification or amendment will become effective on the date so specified, but no earlier than the date of the filing with the County Recorder.

9.5. This agreement may be cancelled pursuant to A.R.S. § 38-511.

9.6. No failure to enforce any condition or covenant of this Agreement will imply or constitute a waiver of the right of a party to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor will any waiver by either party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

9.7. No party shall be liable to any other for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, strike or labor difficulty, fire, flood, windstorm, breakdown or other damage to equipment, or any other cause beyond the reasonable control of the party at fault.

9.8. This Agreement will be governed, interpreted and enforced in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF FLAGSTAFF

Becky Daggett

Becky Daggett, Mayor

Attest:

Stacy Saltzburg

City Clerk

Approved as to Form:

City Attorney

COCONINO COUNTY

Patrice Horstman

Patrice Horstman,
Chairman of the Board of Supervisors

Attest:

Clerk of the Board

Approved as to Form:

Deputy County Attorney

SCHEDULE A

City of Flagstaff
Dispatch Shared Costs - Program 0224
Fiscal Year 2022

	Budget	Actual
Direct Costs - Police Dispatch O&M 0224	$ 2,979,171	$ 3,041,253
NAU/Pinewood Reimbursement for CAD	(21,687)	(28,514)
(1) Indirect Costs - Police Admin O&M 0220	439,107	303,342
(2) Capital	275,000	-
Subtotal	3,671,591	3,316,081
Cost Allocation 3.97%	145,762	131,648
Total Dispatch Cost	$ 3,817,353	$ 3,447,729
(3) Fire Specialist - Highlands	641	379
Fire Specialist - Blue Ridge	165	128
Fire Specialist - Pinewood	403	255
Fire Specialist - Forest Lakes	287	148
Fire Specialist - Summit Fire	1,007	778
Total Dispatch and Fire Specialist	3,819,856	3,449,417
(4) City (Police and Fire)	72.28%	72.71%
Highlands	1.05%	0.95%
Blue Ridge	0.27%	0.32%
Pinewood	0.66%	0.64%
Forest Lakes	0.47%	0.37%
Summit Fire	1.65%	1.95%
County	23.31%	22.86%

	Budget	Actual
City (Police and Fire)	**2,759,183**	**2,506,844**
Highlands	**40,723**	**33,132**
Blue Ridge	**10,472**	**11,161**
Pinewood	**25,598**	**22,320**
Forest Lakes	**18,229**	**12,905**
Summit Fire	**63,993**	**68,009**
County	**889,825**	**788,151**
TOTAL	**3,808,023**	**3,442,522**
Cost per Call	47.73	46.31

(1) Indirect Calculation	Budget	Actual
Section 061 O&M	18,621,425	18,354,105
Less: Admin O&M 0220	2,214,356	1,664,883
Section 061 Operations	16,407,069	16,689,222
Dispatch O&M 0224	3,254,171	3,041,253
Dispatch as % of Section 061 Operations	19.83%	18.22%
Section 061 Admin O&M Allocation to 0224	439,107	303,342

(2) Capital Calculation	Annual	Annual
Server Replacements	275,000	-
Total Annual Capital Allocation	275,000	-

(3) Fire Specialist Special Projects	61,000	39,897
Total Annual Fire Specialist	61,000	39,897

(4) Dispatch Allocation	FY 2022 Actual # Calls/Service	% Calls/Service	% Calls/Service
City - Police	39,002	52.26%	52.40%
City - Fire	15,111	20.02%	20.31%
USFS	119	0.24%	0.16%
USNPS	31	0.07%	0.04%
Highlands Fire	706	1.05%	0.95%
Pinewood	474	0.66%	0.64%
Summit Fire	1,449	1.65%	1.95%
Blue Ridge Fire	241	0.27%	0.32%
Forest Lakes Fire	273	0.47%	0.37%
County	17,009	23.31%	22.86%
Total	74,418	100.00%	100.00%

IGA-2023-126-AG2

RECORDS MANAGEMENT, FILING AND REPORTING SERVICES INTERGOVERNMENTAL AGREEMENT

THIS RECORDS MANAGEMENT, FILING AND REPORTING SERVICES INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this 6th day of February, 2023, among the City of Flagstaff ("City"), an Arizona municipal corporation, on behalf of the Flagstaff Police Department ("Police Department"), Coconino County ("County"), a political subdivision of the State of Arizona, on behalf of the Coconino County Sheriff's Office ("Sheriff's Office"), and the Coconino County Jail District, a political subdivision of the State of Arizona ("Jail District").

RECITALS

A. The City, County and Jail District entered into an Intergovernmental Agreement ("IGA") dated July 1, 2000, for the establishment of the City/County Law Enforcement Administrative Facility at Sawmill Road, within the City of Flagstaff, Coconino County, Arizona, for the Police Department and the Sheriff's Office.

B. The Flagstaff Police Department Records Section ("Records Section") provides support for law enforcement personnel, manages law enforcement records, files and reports and provides limited public access to law enforcement records.

C. In furtherance of the overall purposes of the IGA, the City, County and Jail District desire to establish a formal agreement for the provision by the Police Department Records Section of services to the Sheriff's Office and Jail District consisting of the storage, retrieval and disposition of certain of the records under the management of the Sheriff's Office and Jail District.

NOW, THEREFORE, pursuant to Arizona Revised Statutes Section 11-952, authorizing agreements for services among two or more public agencies, and in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

AGREEMENT

ARTICLE I

TERM

A. This Agreement shall commences on date of signature and runs for an initial period through June 30, 2023. Thereafter, unless terminated under the terms hereof, this Agreement is automatically renewed each year for an additional one-year period commencing on the first day of July after the expiration of the initial period or a period subsequent thereto, for five years. Effective as of the date hereof, this Agreement shall replace the Initial Agreement, as amended, in its entirety, and the Initial Agreement shall terminate immediately without further action.

This Agreement may be terminated at the end of a period by any party hereto upon written notice of termination delivered to the other parties hereto prior to the first day of April in that period.

ARTICLE II

SCOPE OF CITY'S SERVICES

A. GENERAL SCOPE. The City, through the Records Section of the Police Department, agrees to accept documents from the Sheriff's Office and Jail District ("Records") for filing, storage, retrieval, management and control as set forth in more detail below. The Records to be provided by the Sheriff's Office and Jail District to the Records Section will include, but not be limited to, the following classes of documents, copies of which are attached to this Agreement and designated as the respective exhibits appearing after each document listed:

1. Jail Booking Records
2. Traffic Citation
3. Department Report
4. Vehicle Accident Report
5. Private Property Accident

Sheriff's Office and Jail District personnel will regularly provide Records to the Records Section. Unless otherwise specified below, Records Section personnel will file the Records according to the following timeline, provided that each Record contains all of the information necessary for filing. The Records Section shall process all Records through the following steps within twelve (12) hours of receipt by the Records Section:

1) Department Reports placed in numerical order; Criminal History Files placed in order by booking number.

2) Copied and routed as required.

3) Sheriff's Office Department Reports shall be date stamped received by the Records Section.

The City, County and Jail District acknowledge that the Records listed above are not intended to be a comprehensive list of all Records but are listed as the classes of documents that will be provided by the Sheriff's Office and Jail District to the Records Section and are an indication of the volume and complexity of the information flow from the Sheriff's

Office and Jail District to the Records Section. The City, County and Jail District further agree that the priority in proceeding with the Records work shall be at the discretion of the Records Section Supervisor, subject to the time restrictions set out above.

The Records Section will store Sheriff's Office Department Reports for no more than three (3) years plus the current year. Within forty-five (45) days of the start of each year, the Records Section will box hard copy Records three (3) years or older (not to include the current year) and deliver to the Sheriff's Office. The Records Section will box and deliver Criminal History Files on subjects that have no activity and/or have not been booked for three (3) years plus the current year to the Jail District within forty-five (45) days of the start of each year. The Records Section will not accept any permanent Sheriff's Office or Jail District Records, as defined by the Arizona State Department of Library and Archives, at any time.

The Records Section shall submit all Sheriff's Office and Jail District records to any and all local, national, and international law enforcement networks as requested by the Sheriff's Office and Jail District, as applicable.

B. PERSONNEL. The Police Department shall hire Records Section personnel through City of Flagstaff personnel policies and procedures and in such a manner as to protect the integrity and confidentiality of the Records.

C. EQUIPMENT. The Police Department shall provide emergency repairs, temporary personnel and any other means and methods necessary to protect the Records, files and reports from any failure of the records and reports equipment and systems.

D. RECORDS RETENTION AND STORAGE. The Records Section shall be responsible for the storage, retrieval, and disposition of all Records under its management in accordance with the records retention and storage requirements of the State of Arizona, as provided in Arizona Revised Statutes Section 41-1346, et seq.

E. SECURITY OF COMPUTER DATA BASE. The Police Department shall provide security against unauthorized access to the Sheriff's Office's and Jail District's computer records databases and hard copy files under the Record Section's control. This security shall include methods of detecting unauthorized access. The Police Department shall make security checks on a frequent but irregular basis on all telecommunications and/or data lines serving the computers.

F. SECURITY OF RECORDS. The Records Section shall provide security for all law enforcement records and files in its possession, including reasonable physical security with locks and alarms, and the secured storage areas shall be in compliance with Building Codes and Fire Codes.

Original Records may not be removed from the Records Section other than for viewing or copying, except upon presentation of a written authorization signed by an Authorized Representative of a party specifically describing the document to be removed and the reason for its removal. Duplicate copies of original documents may be removed from a file in accordance with the terms and conditions of this Agreement.

G. PUBLIC INFORMATION COUNTER WINDOW SERVICE. The Records Section personnel shall provide courteous, efficient and effective service to those citizens utilizing the Records service and shall assist citizens in the completion of various forms as may be required to use the Records service. Records personnel will assist visitors in locating Sheriff staff in the facility when necessary. The Records Section personnel shall follow all Police Department policies and procedures.

Records Section personnel shall verify that the citizen has properly completed the proper records request form. Records Section personnel may release the Records listed below without the review of the Sheriff's Office's Records Custodian.

Record List:

1) Arizona State Motor Vehicle Accident Report Forms and supplements for accidents on cases other than fatality accidents;
2) Department Reports and any attached list of damaged or stolen property for any property crime with no suspect information may be released to the victim or the victim's representative.
3) Other records as mutually agreed in writing by the Sheriff's Office, Jail District and the Police Department.

The Records Section shall be equipped with a Telecommunications Device for the Deaf. Appropriate personnel shall be trained in the use of the device.

H. REPORTING INFORMATION. The Records Section shall make Department Reports and files available for daily, weekly, monthly or other timely retrieval as reasonably required by the Sheriff's Office and Jail District. In the event of a scheduling conflict at or during the time that a report is ordered or printed, Sheriff's Office and Jail District requests shall have equal priority with requests made by the Police Department. The Sheriff's Office and Jail District recognize that timely and accurate records, files, and reports are dependent upon prompt delivery of information to the Records Section.

I. PERSON/PROPERTY INQUIRIES. The Records Section shall provide timely response to requests for property hit confirmation in accordance with Arizona Criminal Justice Information Systems requirements. Further, the records clerk completing the transaction shall complete a Recovered Property Checklist. The Records Section shall forward copies of the Checklist and NCIC clearance slips to the Sheriff's Office for follow-up, and the Records Section will retain the originals thereof.

J. MISCELLANEOUS SERVICES. The Records Section shall provide to the Sheriff's Office the following additional services:

1) Photocopying of Sheriff's Office crime reports for prosecution purposes and civil litigation, including delivery of this material to the appropriate agency.
2) Delivery and records transmittal to and from the City and County Courts, Juvenile Detention Center, City Attorney's Office and County Prosecutor's Office as requested.

K. PERFORMANCE. If the Police Department fails to perform the Records, Filing, Reporting, or other essential services provided by its Records Section personnel as required herein, the Sheriff's Office or Jail District may specify such failure and provide notice thereof in writing in accordance with Article X of this Agreement.

ARTICLE III

COUNTY'S OBLIGATIONS

A. ANNUAL SERVICE FEE. The County agrees to pay the City fees for services under this Agreement in quarterly payments within thirty (30) days following invoicing by the City at the end of each calendar quarter. Fees and costs associated with the City's provision of Records services to the Sheriff's Office will be based upon the number of Sheriff's Office Department Records Management System records and Jail Booking Files received by the Records Section as a percentage of the total Department Records and Jail Booking Files received by the Records Section from the Sheriff's Office and the Jail District, plus Department Records generated by the Police Department. The County, City and Jail District will pay the their pro rata shares of the cost of the Records Section's services described in this Agreement for the initial term and any extended term of this Agreement, less a 25% discount for records not disseminated, and less their pro-rated revenue from records fees. (See Exhibit A.)

Every 3 years, Parties will meet and review actual number of records distributed and may adjust the credit percentage to reflect more accurate costs.

Fees will be based on the annual operating budget for the Records Section, as outlined in Exhibit B. Exhibit B will be updated annually for budgeted amounts and then adjusted for actual cost differences from the prior year should there be a difference from budget. The adjustment shall be applied prospectively to the costs per record. Upon the concurrence of the affected parties through the concurrence of the Sheriff, the Police Chief and/or the chief administrator of the Jail District, as the case may be, credits may be issued for unprogrammed work performed or reimbursements received by any party.

B. INFORMATION AND COORDINATION. The County recognizes its obligation to keep the Records Section fully informed of anticipated changes that may affect the Records Section's operations and fully involved in the design of data entry report forms and report format and agrees that the Sheriff's Office's Authorized Representative will coordinate all elements of report formats with the Police Department's Authorized Representative. In order to support the accuracy of the Record Section's window service communications, the Sheriff's Office shall regularly provide a current list of Sheriff's Office employees by name, division and telephone number to the Records Section Supervisor. The Sheriff's Office shall give current information to the Records Supervisor on any special investigative communication requirements and/or special staffing projects in a timely manner.

ARTICLE IV

JAIL DISTRICT'S OBLIGATIONS

A. ANNUAL SERVICE FEE. The Jail District agrees to pay the City fees for services under this Agreement in quarterly payments within thirty (30) days following invoicing by the City at the end of each calendar quarter. Fees and costs associated with the City's provision of Records services to the Jail District will be based upon the number of Jail District's Department Reports and Criminal History Files received by the Records Section as a percentage of the total Department Reports and Criminal History Files received by the Records Section from the Jail District and the Sheriff's Office, plus Department Reports generated by the Police Department. The County, City and Jail District will pay the following pro rata shares of the cost of the Record Section's services described in this Agreement for the initial term and any extended term of this Agreement:

a. The County – nine percent (9%)
b. The Jail District – twenty-five percent (25%)
c. The City – sixty-six percent (66%)

Fees will be based on the annual operating budget for the Records Section, as outlined in Schedule A. Schedule A will be updated annually for budgeted amounts and then adjusted for actual cost differences from the prior year should there be a difference from budget. The adjustment shall be applied prospectively to the costs per record. Upon the concurrence of the affected parties through the concurrence of the Sheriff, the Police Chief and/or the chief administrator of the Jail District, as the case may be, credits may be issued for unprogrammed work performed or reimbursements received by any party.

B. INFORMATION AND COORDINATION. The Jail District recognizes its obligation to keep the Records Section fully informed of anticipated changes that may affect the Record Section's operations and fully involved in the design of data entry report forms and report format and agrees that the Jail District's Authorized Representative will coordinate all elements of report formats with the Police Department's Authorized Representative.

ARTICLE V

AUDIT AND INSPECTION

The City, County and Jail District each agrees that each shall have the right at reasonable times and places to inspect, copy and audit any books, accounts, time cards, correspondence or any other records or documents which are used to determine the performance or cost of the services to be performed under this Agreement. Audit and inspection costs shall be borne by the party requesting the audit or inspection.

Reasonable times and places means between 8 a.m. and 5 p.m. Monday through Friday in the Administrative Offices of the party whose documents are being audited or inspected. Any party shall have access to and the right to examine any directly pertinent books, documents, papers and records of the others related to this Agreement for a period of two (2) years after final payment under this Agreement.

ARTICLE VI

AUTHORIZED REPRESENTATIVES

The City, County and Jail District mutually agree that a process to solve problems and manage change as the Records system continue to evolve and grow in sophistication is essential to the proper administration of this Agreement.

The City, through the Police Department, the County, through the Sheriff's Office, and the Jail District hereby designate the following representatives who shall have authority to represent the City, County and Jail District, respectively, in carrying out the terms of this Agreement:

a. City - Deputy Chief of Support Services, Flagstaff Police Dept
b. County - Chief Deputy - Coconino County Sheriff's Office
c. District - Chief Deputy

If a party changes its representative, such part shall provide notice to the other parties of the name of the new representative in accordance with Article X.

ARTICLE VII

RIGHTS OF ACCESS AND USE

The Sheriff's Office and Jail District shall have access to and use of the Records Section for any and all law enforcement activities related to the provisions of this Agreement, including records, reports, and files that are available in or supplied by the Records Section. The Records Section shall provide the Sheriff's Office and Jail District each with a full and complete Standard Operating Procedure Manual and any manual revisions.

ARTICLE VIII

TERMINATION

This Agreement may be terminated by any party upon at least ninety (90) days' prior written notice for breach of any material term or condition of this Agreement, failure to meet standards of acceptance and performance, and/or loss of an essential service.

ARTICLE IX

INDEMNITIES

A. INDEMNIFICATION OF THE CITY BY THE COUNTY. The County covenants and agrees to indemnify, hold harmless and defend the City from and against any and all claims, demands, costs, actions, suits, liabilities, losses, and expenses, of whatever kind and nature whatsoever, that may arise or result from any act, action, or omission of the County under this Agreement or that may arise or result from the release by the Records Section of any records listed in Section II(A) above in accordance with the terms of this Agreement. The County's covenant and obligations under this provision shall survive any termination of this Agreement.

B. INDEMNIFICATION OF THE CITY BY THE JAIL DISTRICT. The Jail District covenants and agrees to indemnify, hold harmless and defend the City from and against any and all claims, demands, costs, actions, suits, liabilities, losses, and expenses, of whatever kind and nature whatsoever, that may arise or result from any act, action, or omission of the Jail District under this Agreement or that may arise or result from the release by the Records Section of any records listed in Section II(A) above in accordance with the terms of this Agreement. The Jail District's covenant and obligations under this provision shall survive any termination of this Agreement.

C. INDEMNIFICATION OF THE COUNTY AND THE JAIL DISTRICT. The City covenants and agrees to indemnify, hold harmless and defend the County and the Jail District, and each of them, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses of whatever kind and nature whatsoever that may arise or result from any act, action or omission of the City under this Agreement. The City's covenant and obligations under this Agreement shall survive any termination of this Agreement.

ARTICLE X

NOTICES

Any notice or communication required under this Agreement shall be in writing and shall be effective when personally delivered or when addressed:

If to Coconino County: Coconino County

	Attention: Deputy County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
With a copy to:	Coconino County Sheriff's Office Attention: Sheriff 911 E. Sawmill Road Flagstaff, Arizona 86001
If to the Jail District:	Coconino County Jail District Attention: Deputy Chief 951 E. Sawmill Road Flagstaff, Arizona 86001
With a copy to:	Coconino County Attention: Deputy County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
If to the City:	City of Flagstaff Attention: Deputy City Manager 211 W. Aspen Avenue Flagstaff, Arizona 86001
With a copy to:	City of Flagstaff Police Department Attention: Chief of Police 911 E. Sawmill Road Flagstaff, Arizona 86001

and deposited, postage prepaid, and certified with return receipt requested, in the United States mail.

ARTICLE XI

GENERAL MATTERS

A. AUTHORITY TO CONTRACT. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations under this Agreement and has taken all required acts or actions necessary to authorize the same.

B. DISPUTE RESOLUTION.

1. Mediation.

If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to arbitration. Mediation will be self-administered and conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation.

2. Arbitration.
If mediation is unsuccessful to resolve any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties agree to resort to arbitration as provided in Sections 12-1518 and 12-133, Arizona Revised Statutes.

C. INTEGRATION; MODIFICATION. Each party acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire agreement with respect to the matters addressed in this document. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded and merged in this Agreement. This Agreement may be modified or amended only by written agreement signed by or for all parties.

D. FORCE MAJEURE. No party shall be liable to any other for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, strike or labor difficulty, fire, flood, windstorm, breakdown or other damage to equipment, or any other cause beyond the reasonable control of the party at fault.

E. WAIVER. No failure to enforce any condition or covenant of this Agreement will imply or constitute a waiver of the right of a party to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor will any waiver by any party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

F. HEADINGS. The headings used in this Agreement are for convenience only and are not intended to alter or affect the meaning of any provision of this Agreement.

G. GOVERNING LAW. This Agreement will be governed, interpreted and enforced in accordance with the laws of the State of Arizona.

H. CANCELLATION. This agreement may be cancelled due to conflicts of interest pursuant to A.R.S. § 38-511.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF FLAGSTAFF

Becky Daggett

Becky Daggett, Mayor

Attest:

Stacy Saltzburg

City Clerk

Approved as to Form:

City Attorney

COCONINO COUNTY

Patrice Horstman,
Chairwoman of the Board of Supervisors

Attest:

Clerk of the Board

Approved as to Form:

Deputy County Attorney

COCONINO COUNTY JAIL DISTRICT

Patrice Horstman,
Chairwoman of the Board of Directors

Attest:

Clerk of the Board

Approved as to Form:

Deputy County Attorney

EXHIBIT A
EXAMPLE IGA % CALCULATIONS

TOTAL FACILITIES

	Basis	Total	FPD		Sheriff		Sheriff Page		SAR		County		Jail		Page Jail		
Operations	Square Footage	205,661	29,900	14.5%	18,736	9.1%	3,265	1.6%	9,500	4.6%	2,888	1.4%	130,062	63.2%	11,310	5.5%	
Snow Plow	Parking Spaces	436	219	50.2%	115	26.4%			0	0.0%	20	4.6%	82	18.8%			
Landscape	Parking Spaces	436	219	50.2%	115	26.4%			0	0.0%	20	4.6%	82	18.8%			
Utilities	Square Footage	125,242	0	0.0%	0	0.0%			0	0.0%	2,888	2.3%	122,354	97.7%			(Jail Only)
Natural Gas	Square Footage	181,586	29,900	16.5%	18,736	10.3%			0	0.0%	2,888	1.6%	130,062	71.6%			(Flag Campus)

MAINTENANCE

	Basis	Total	FPD		Sheriff		Sheriff Page		County		Jail		Page Jail		
Operations	Square Footage	196,161	29,900	15.2%	18,736	9.6%	3,265	1.7%	2,888	1.5%	130,062	66.3%	11,310	5.8%	
Snow Plow	Parking Spaces	436	219	50.2%	115	26.4%			20	4.6%	82	18.8%			
Landscape	Parking Spaces	436	219	50.2%	115	26.4%			20	4.6%	82	18.8%			
Utilities	Square Footage	125,242	0	0.0%	0	0.0%			2,888	2.3%	122,354	97.7%			(Jail Only)
Natural Gas	Square Footage	181,586	29,900	16.5%	18,736	10.3%			2,888	1.6%	130,062	71.6%			(Flag Campus)

CUSTODIAL

	Basis	Total	FPD		Sheriff		County		Jail		
Operations	Square Footage	59,232	29,900	50.5%	18,736	31.6%	2,888	4.9%	7,708	13.0%	
Utilities	Square Footage	56,344	29,900	53.1%	18,736	33.3%	0	0.0%	7,708	13.7%	(LEAF Bldg Only)
Reclaimed Water	Parking Spaces	436	219	50.2%	115	26.4%	20	4.6%	82	18.8%	

*note - Parks & Rec pays for the meter at Sawmill Park. When the meter is on, they pay their portion of the reclaimed water billing based on the meter reading

WARRANTS

	Basis	Total	City Court		Sheriff	
Operations	Number of Warrants	5,876	3,400	57.9%	2,476	42.1%

RECORDS

	Basis	Total	FPD		Sheriff		Jail	
RMS Records (Incidents / Bookings)		27,945	17335	62.0%	3,848	13.8%	6,762	24.2%

Less Discount for Records not Disseminated 25%

EXHIBIT B
SAMPLE BILLING

City of Flagstaff
Records Shared Costs - Program 0223
Fiscal Year 2022

	Budget		Actual	
Direct Costs - Police Records O&M 0223	$	957,742	$	957,742
NAU/Pinewood Reimbursements for RMS		(17,793)		(17,793)
(1) Indirect Costs - Police Admin O&M 0220		129,318		129,318
(2) Capital		-		-
Subtotal		1,069,267		1,069,267
Cost Allocation 3.97%		42,450		42,450
Total Records Cost	$	1,111,717	$	1,111,717
(3) Sheriff		15.77%		15.77%
Jail		17.63%		17.63%

	Budget	Actual
Sheriff Portion of Police Records	175,318	175,318
Less: 25% Not disseminated	(43,830)	(43,830)
Less: Revenue Offset	(3,000)	(3,000)
Sheriff Portion of Police Records	128,488	128,488
Jail Portion of Police Records	195,996	195,996
Less: 25% Not disseminated	(48,999)	(48,999)
Less: Revenue Offset	(3,000)	(3,000)
Jail Portion of Police Records	143,997	143,997
Total Sheriff and Jail	272,485	272,485

(1) Indirect Calculation	Budget	Actual
Section 061 O&M	18,621,425	18,621,425
Less: Admin O&M 0220	2,214,356	2,214,356
Section 061 Operations	16,407,069	16,407,069
Records O&M 0223	957,742	957,742
Records as % of Section 061 Operations	5.84%	5.84%
Section 061 Admin O&M Allocation to 0223	129,318	129,318

(2) Capital Calculation	Cost	Cost
	-	-
Total Capital Allocation	-	-

(3) RMS Percentage of Records Calculation	FY 2022 Actual # Documents	% Documents	% Documents
Police Dept Records	17,538	66.60%	66.60%
Jail Records	4,644	17.63%	17.63%
Sheriff Records	4,154	15.77%	15.77%
Total	26,336	100.00%	100.00%

8. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Jessica Vigorito, Fire Administration Manager
Co-Submitter:	Mark Wilson
Date:	08/03/2026
Meeting Date:	08/25/2026

TITLE:

Consideration and Approval of Cooperative Contract: Purchase of specialized fire and safety equipment from LN Curtis & Sons not to exceed $115,000.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with LN Curtis & Sons for a one-time purchase of specialized fire and safety equipment for the new Quint not to exceed $115,000; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

This would allow the Flagstaff Fire Department to purchase necessary specialized fire and safety equipment through LN Curtis & Sons for the new Quint. This request is for a one-time purchase of equipment for a new unit. The equipment the Flagstaff Fire Department is purchasing is typically a very specialized type or would be a replacement to match existing equipment for familiarity.

Financial Impact:

The Flagstaff Fire Department will only purchase equipment within the approved budget in any given year. Utilizing the Cooperative Purchase Contract will allow the Flagstaff Fire Department to obtain better pricing through the underlying cooperative purchase contract. The funding source is the impact fees account (003-03-051-0203-2-4403, funding in 4401). City Purchasing Staff found that LN Curtis & Sons has a cooperative purchase contract as part of their Sourcewell Agreement #020124 to supply materials. The City will be utilizing this cooperative purchase contract to ensure the best pricing when the Fire Department purchases necessary equipment.

Policy Impact:

None

Previous Council Decision or Community Discussion:

There have been prior council meetings for similar purchases but not related to this purchase directly.

Options and Alternatives to Recommended Action:

1. Adopt the Cooperative Purchase Contract with LN Curtis & Sons not to exceed $115,000; or
2. Direct the Flagstaff Fire Department to solicit and purchase each piece of specialized fire and safety equipment.

Background and History:

Sourcewell Contract #020124 is current, Statement of Work covers the City's purchase, and there is cooperative language in the contract.

Connection to PBB Priorities and Objectives:
Safe and Healthy Community

Connection to Regional Plan:
Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.
Policy PF.3.1. Maintain high-quality effectiveness and efficiency in law enforcement, fire, and emergency services to the extent that is consistent with governmental operations, plans, public policies, population served, and monies available.

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Sourcewell Contract
Contract
LN Curtis & Sons quote

Solicitation Number: #020124

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and L.N. Curtis & Sons, 185 Lennon Lane, Suite 110, Walnut Creek, CA 94598 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Firefighting Equipment and Rescue Tools with Related Supplies and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires April 4, 2028, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys’ fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell’s responsibility will be governed by the State of Minnesota’s Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell’s relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event
$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	L.N. Curtis & Sons
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: Angela Mackey 0481CBBDFB8F456...
By: ______________________	By: ______________________
Jeremy Schwartz	Angela Mackey
Title: Chief Procurement Officer	Title: Director of Customer Service Fire/Rescue
Date: 4/22/2024 | 1:23 PM CDT	Date: 4/22/2024 | 12:49 PM CDT

RFP 020124 - Firefighting Equipment and Rescue Tools with Related Supplies and Accessories

Vendor Details

Company Name:	L.N. Curtis & sons
Does your company conduct business under any other name? If yes, please state:	Curtis
Address:	185 Lennon Lane Suite 110 Walnut Creek, CA 94598
Contact:	Angela Mackey
Email:	amackey@lncurtis.com
Phone:	206-305-4057
HST#:	

Submission Details

Created On:	Friday January 19, 2024 13:59:16
Submitted On:	Thursday February 01, 2024 15:49:43
Submitted By:	Angela Mackey
Email:	amackey@lncurtis.com
Transaction #:	0ab15004-0642-4ec6-bf4d-518a7fa20c4f
Submitter's IP Address:	73.11.118.189

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	L.N. Curtis & sons (Curtis)	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	N/A	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Curtis / L.N. Curtis / LNCurtis	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	5E720	*
5	Proposer Physical Address:	185 Lennon Lane, Suite 110 Walnut Creek, CA 94598	*
6	Proposer website address (or addresses):	https://lncurtis.com/	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Angela Mackey, Director of Customer Service Fire/Rescue 185 Lennon Lane, Suite 110 Walnut Creek, CA 94598 AMackey@LNCurtis.com | 206-305-4057	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Angela Mackey, Director of Customer Service Fire/Rescue 185 Lennon Lane, Suite 110 Walnut Creek, CA 94598 AMackey@LNCurtis.com | 206-305-4057	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Jeff Curtis, Vice President 185 Lennon Lane, Suite 110 Walnut Creek, CA 94598 JCurtis@LNCurtis.com | 510-268-3325	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Our values have remained as our foundation through 95 years of successfully supporting emergency responders: Quality, Service, Integrity and Caring. Curtis is a company whose principal product is service; whose principal resource is people; and, whose principal purpose is to be a distinguished leader in the field of supplying firefighting, search & rescue, safety, HAZMAT and emergency products/services. The company and its employees are proud to be associated with America's emergency responders; our country's bravest and best. Since 1929, Curtis has been delivering exceptional customer service and a comprehensive line of firefighting and emergency products and services to local, state, and federal agencies throughout the United States and to various U.S. Government agencies located worldwide.	*

11	What are your company's expectations in the event of an award?	In the event of an award, Curtis will maintain the highest level of customer service for Sourcewell's members by delivering exceptional customer service and a comprehensive line of firefighting and emergency products and services to local, state, and federal agencies throughout the United States and to various U.S. Government agencies locate worldwide. Curtis will maintain the existing high level of customer service as a premier provider for equipment to first responders. This will be done by fulfilling customer requirements, accurately, timely and with significant value. Curtis expects to make the ensuing contract very valuable to Sourcewell and to the membership. Curtis expects to make a fair profit and will maintain the existing high level of customer service we've been providing to Sourcewell member agencies under current contract 032620 since 2020.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please refer to the attached document "Curtis Financial Statements 12312023"	*
13	What is your US market share for the solutions that you are proposing?	For our primary market which is the Western 13 states, we have anywhere from a 30% market share to a 60% market share, depending on the segment or product category.	*
14	What is your Canadian market share for the solutions that you are proposing?	Curtis does not sell into the Canadian market at this time. *	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Curtis has never petitioned or entered into bankruptcy protection. *	*
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	a) Curtis is a distributor/dealer/reseller for all brands and models that are included in this proposal. Curtis continues to be a premier provider of firefighting equipment to municipalities and government agencies after 90+ years. Please note that written authorization from our manufacturers is available on request.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Curtis holds a license to conduct business in the thirteen Western States, with 12 facilities spread throughout Washington, Oregon, Colorado, Utah, Arizona, Idaho, Nevada, and California.	*
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	All products included in this Curtis proposal comply to the related and associated national standards and industry segment requirements, including NFPA, USFS/NFES, ANSI, ASTM, and 29 Code of Federal Regulations (CFR) 1910 (OSHA).	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	Curtis has received multiple dealer recognition awards from industry manufacturers for high achievement, including from Globe, MSA, Workrite, Hurst, and more.	*
20	What percentage of your sales are to the governmental sector in the past three years	Government/Municipal = 99+%	*
21	What percentage of your sales are to the education sector in the past three years	Education entities comprised less than 1% of total corporate sales.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Curtis has several cooperative purchasing contracts in place at the state, regional, and national levels. Of note: NPPGov: Sales on these multiple nation-wide contracts have gross sales, on average, of two-million dollars per reporting quarter. Houston-Galveston Area Council: Sales on these multiple nation-wide contracts have gross sales, of on average, approximately ten-thousand dollars per reporting quarter. GSA: Sales on this national/world-wide cooperative, of on average, approximately four-million dollars per year.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Curtis is conducting activities in support of our second twenty-year GSA contract (GSA Contract 47QSWA18D009Y). Sales have averaged in excess of four-million dollars, per year.	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Santa Clara Fire Department California	Nicole Gresham Management Analyst	408-615-4944	*
Fountain Hills Fire Department Arizona	Fire Chief Dave Ott	480-837-9820	*
Matsu Borough Fire Department Alaska	Jake Boothby	907-745-4801	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Defense Logistics Agency (DLA)	Government	Pennsylvania - PA	Provide a wide array of firefighting equipment, tools, aircraft/crash rescue, hazardous material response, emergency medical services, homeland security, and domestic preparedness serving a worldwide DoD customer base.	Range from a few hundred dollars to a millions of dollars	Averaging approximately twenty-million dollars per years, 2020 - 2023	*
General Services Administration (GSA)	Government	Texas - TX	Provide a wide array of firefighting equipment, tools, technical services, and related equipment and services for a worldwide federal agency customer base.	Range from a few hundred dollars to a few thousand dollars	Averaging approximately four-million dollars per year	*
The County of Los Angeles Fire Department	Government	California - CA	Provide a wide array of firefighting equipment, tools technical services, and related equipment,	Averages around $50,000+	Average yearly sales volume totals approximately $2M+	*
The City of Los Angeles Fire Department	Government	California - CA	Provide a wide array of firefighting equipment, tools technical services, and related equipment,	Averages around $50,000+	Average yearly sales volume totals approximately $2.5M+	*
Clark County Fire Department	Government	Nevada - NV	Provide a wide array of firefighting equipment, tools technical services, and related equipment,	Averages around $95,000+	Average yearly sales volume totals approximately $3M+	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	

26	Sales force.	The Curtis Operation Center is the primary resource available to our customers for receiving technical and product support and customer service. Curtis' Fire & Emergency Services Operation Centers are located in the following locations: Curtis Walnut Creek Operations Center - Corporate HQ Special Program Office (Programs and Contracts Management) 185 Lennon Lane, Suite 110 Walnut Creek, California 94598 Curtis Intermountain Operations Center - Fulfillment Center 1635 Gramercy Road Salt Lake City, Utah 84101 Curtis Northwest Operations Center 6507 S. 208th Street Kent, Washington 98032 Curtis Pacific North Operations Center 6723 Sierra Court, Suite C Dublin, CA 94568 Curtis Pacific South Operations Center 15523 Carmenita Road Santa Fe Springs, CA 90670 Curtis Southwest Operations Center 4647 South 33rd Street Phoenix, AZ 85040 Curtis PPE Care & Maintenance (Main Facility) 517 West Sunset Road Henderson, NV 89011 Curtis Customer Service will support the Sourcewell Program in several critical areas of sales support who provide face-to-face, in person customer contact for sales and marketing activities; product (technical and sales) information; on-site service activities; and monitoring of customer satisfaction. The sales force is directly supported by 40+ customer service reps and specialists on a daily basis. See attached document "Curtis-Sales-Territories-Map	*
27	Dealer network or other distribution methods.	Other than local, regional, national and international shipping companies, Curtis will deploy no additional distribution channel networks.	*
28	Service force.	In addition to providing significant pre-sales support and services, Curtis deploys teams to provide significant post-sales support to our customer community: • Warehousing & Inventory—logistics management and inventory control specialists who ensure the right parts go to the right customer. • Marketing Specialists—provides educational information and familiarization on a wide array of Heavy Rescue Tools, Extrication and Stabilization industry topics; product families and industry-specific standards, specifications and requirements. Such as: HazMat, ladders, wildland, suppression, rope rescue, confined space, water rescue, personal protective equipment, self-contained breathing apparatus, respirators, thermal imaging, hydraulics and water flow, and gas detection. product families and industry-specific standards, specifications and requirements. Areas of expertise include F&ES training, breathing air compressors, personal protective equipment, self-contained breathing apparatus, respirators, rescue tools and equipment, thermal imaging, hydraulics and water flow, and gas detection. • Factory-certified Product Technicians—provides in-house and mobile repair and maintenance services; warranty repairs, and annual, or as requested preventative maintenance. • Personal Protective Equipment and Ensemble Care & Maintenance—A six-facility operation, provides inspection, cleaning, and repair services of personal protective equipment to all National Fire Protection Association (NFPA) standards. • Manufacturer Field and Product Technician Teams-Curtis has access to supplier specialists and technical teams for customer support and education. • CurtisCARE—Curtis provides our customers with education and on-boarding support, inspection, repair and maintenance services for Heavy Rescue Tools, Extrication and Stabilization equipment, and other related products.	*

29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Curtis Procedures for Processing Orders Curtis has developed straight forward procedures for order processing. Our order handling procedures are consistently applied to process routine, urgent, and emergency orders, product returns, and discrepant orders. Order processing is fully integrated into our automated distribution software platform (Oracle-NetSuite). This electronic system provides our sales, marketing, purchasing, accounting, and management with real time order status, while tracking inventory and shipping status. ORDERS Delivery order is considered issued upon receipt of order by mail, telephone, or facsimile, email, or on-line. ORDER PROCESSING After an order is received, Curtis uses a simple and consistent series of procedures for processing customer orders. The sourcing determination, made by the Customer Service Manager during the customer purchase order review process, is the primary factor made to determine the specific path to be taken by our staff while processing each individual order (e.g., ship from a Curtis warehouse; ship direct from the manufacturer; consolidate at a Curtis warehouse [bills-of-material orders]). ORDER SCHEDULING & DELIVERY Order scheduling at Curtis is based upon one of two customer requirements. Curtis' typical commercial customer requests product delivery per product availability as specified by the supplier. Or the customer specifies a required delivery date. Curtis accommodates both scheduling requirements efficiently and effectively using our distribution software and consistent status reviews of all active orders. ORDER CONFIRMATION Customer orders are confirmed by Curtis after the Customer Service Manager has reviewed the customer purchase order (customer information, product and quantity requirements, pricing and availability, and the existence of any special requirements from the customer) and entered the order into our enterprise resource planning platform (Oracle-NetSuite). NOT-IN-STOCK CONDITIONS Curtis processes not-in-stock product orders by determining lead times necessary to complete the order, contacting the ordering activity, and advising current lead time of product. At customer preference, Curtis offers alternative in-stock substitute products of equal or higher quality and at equal value for customer consideration. PARTIAL DELIVERY / BACK ORDER PROCEDURES Curtis strives to ship the entire order complete and on time. However, if Curtis is in a low stock position on a particular product and the customer will accept a substitute item and accept a partial delivery, the order will be processed during Curtis' pre-order set-up to ensure that all items possible will be shipped either direct from our supplier or from one of the Curtis warehouses to provide the level of service our customer requests. Back-orders are tracked via the Company's ERP system and reports generated showing "non-fills" until the order is shipped complete. Partial deliveries and back-orders status are provided to the customer on a regular basis until the order is filled. ORDER BILLING Curtis will submit invoices only after receiving assurances that our customer's requirements have been met. Once the order has been shipped complete and all required activities specified within the order have been accomplished, Curtis will submit invoices as required by the order. PAYMENT FOR GOODS RECEIVED Curtis extends payment terms of net thirty (30) days from date of invoice.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Although customer and technical support is available between the hours of 7:00am and 5:00pm, local time, Monday through Friday at each of our Customer Service Operation Centers, Curtis understands that “normal office hours” has lost all real meaning in the global marketplace. Serving a world-wide customer community spanning all time zones, Curtis’ customers contact a company representative in any of several ways, twenty-four hours a day, seven days a week, and three-hundred, sixty-five days a year (24/7/365) to discuss order placement, order tracking, problem resolution, and the myriad of other topics that will arise throughout the term of a business relationship. Curtis’ customers contact company customer sales, service, and technical representatives via telephone, cell phone, email, or facsimile using the contact information listed on our web-site and also included in this section. It is a standard operating procedure that all outside sales representatives and management provide office, cell phone numbers, and email addresses to the company’s customers. This enables Curtis’ customers to contact the company’s sales force directly for sales and service requests 24/7/365. Additionally, using toll-free numbers during “outside-of-normal” business hours or on national holidays, CURTIS representatives are contacted directly or via message service 24/7/365 in order to immediately respond to emergency or non-emergency situations. CURTIS’ representatives will respond to all customer inquiries within 4 hours between the hours of 7am-5pm (local) Monday through Friday or within 24 hours during non-duty hours or national holidays.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Curtis has successfully provided products and services to Sourcewell member agencies under current contracts 032620 & 040220 since 2020. With the sales force detailed in #26 and the service force detailed in #28, Curtis is willing and able to support all Sourcewell users, while maintaining the contract requirements.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Curtis does not sell into the Canadian market at this time.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	All products included in this Curtis proposal are available to the membership located in the thirteen Western States of Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, Nevada, California, Alaska, Hawaii, and other states as may be acceptable to our manufacturing partners, without limitations. Curtis will, with manufacturer approval on a case-by-case basis, provide products to members, nation-wide.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	As previously discussed in #33, all products included in Curtis’ proposal are available to the membership located in the thirteen Western States of Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, Nevada, California, Alaska, Hawaii, and other states as may be acceptable to our manufacturing partners, without limitations. Curtis will, with manufacturer approval on a case-by-case basis, provide products to members, nation-wide.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Shipments to customers located in the continental 48 states, as well as Alaska and Hawaii: FOB: Origin, freight added, or as otherwise required by the customer. List Price less the Brand Discount plus an (estimated) Freight Charge. The customer invoice will include actual freight charges as a separate line item. Note: For those customers who require a delivered price when the quote is prepared, Curtis will follow the same procedure by utilizing available freight calculators to determine quoted freight costs. Curtis will, with manufacturer approval on a case-by-case basis, provide products to members, nation-wide.	*

Table 7: Marketing Plan

Line Item	Question	Response *	

36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Curtis' sales teams will target the areas with the greatest population densities because population densities typically correlate directly with the number of serving firefighters. However, our outside sales and customer service representative teams will also target ALL potential agency participants within the western 13 states as agency near-term procurement plans are identified. Specifically, immediately after the contract award, our marketing department will announce the award on our website and other on-line public forums in which we participate with our customers. Additionally, Curtis' marketing department will prepare marketing collateral for distribution by our sales teams and through e-blast notifications to targeted customers (customers with near-term, open requirements). This collateral will explain the cooperative purchasing opportunity that is available to our customers through the new contract, and how, using this new contract the public agency may purchase a wide variety of products and services while saving time, manpower, and money. We also offer a commitment to support Sourcewell in marketing campaigns and industry conferences to advertise the cooperative purchasing opportunities made available to the membership and to potential new members via the new contract. Please refer to attached "Curtis Brochure".	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Curtis recognizes the importance of utilizing technology and digital data to drive marketing effectiveness. Multiple, robust cross-digital marketing programs are already in place and being developed on a regular basis to support Curtis's sales initiatives, brand awareness, and product promotion. Metadata is reviewed to determine potential changes and alternate means to increase the reach and effectiveness of the marketing message in alignment with the program goals. A showcase of Curtis cross-digital program abilities include: • LNCurtis.com Homepage – Main Product Merchandising Space • LNCurtis.com Homepage – Call to Action Banner for Lead Generation • LNCurtis.com – Call to Action Pop-up Modal for Lead Generation • Social Media Posts and Ads • Email Marketing • Industry Website Ads • Search Engine Ads • Search Engine Optimization includes, among other parameters o Keyword Campaigns o Metadata o Rich Content o Backlinking Curtis has a substantial marketing and merchandising team that focuses on maintaining and improving the Curtis online footprint.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	As previously discussed, marketing collateral will be provided to the Curtis Sales Teams during a contract kick-off (K/O) meeting. New contract Kick-Off meetings [virtual or physical presence] are standard operating procedures. Sourcewell Personnel are encouraged to attend these K/O meetings whenever possible to establish relationships with Curtis's personnel and to make sure all necessary information is exchanged. Subjects covered during Curtis' K/O meetings include program / contract introduction and overview; brands, prices and discounts offered; rules of engagement (contract terms and conditions) ; procedures for quotes, order entry and post-sales support; and any other program-specific information that will help the sales force gain understanding of and motivation to exploit the opportunities afforded by the new contract. In our view, Sourcewell can play as large or as small a part as the COOP may desire. Curtis is well versed in conducting successful sales and marketing campaigns and fully expects to "hit the ground" prepared, running, and successful.	*

39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Curtis website offers customers a secure, fast and easy to use online experience featuring a robust product catalog, advantaged search features and product details and specifications to make informed shopping decisions. Curtis also offers Agency online accounts for departments, businesses and special agreements which offer enhanced features of these custom web portals to include: Tax Exempt ordering with appropriate qualifications and approvals Net 30 Terms with credit approval from LN Curtis & sons Customer Specific Pricing Customer Specific product catalog (exclusive to individual or group of customers) Online Quoting Quartermaster Ordering – Ability to have order approval processes User based access – Ability to control who can order, see invoices or create shopping lists Quick Re-Order at the order and product level Custom designed shopping lists to make shopping easier by department or team For more details: https://lncurtis.com/agency-accounts/ Curtis+ Program allows customers to maintain a single source allotment or allowance program with Curtis. Manage, track and control allowance-based purchases. For more details: https://lncurtis.com/curtis-plus/	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	It's not JUST about products! Curtis will provide product familiarization whenever appropriate and can coordinate training from factory certified personnel where appropriate. Curtis has a robust technical service team to support Breathing Air Compressors, SCBA, & Hurst extrication tools. Curtis also operates 6 PPE Care facilities to help customers clean, repair and maintain their turnout and wildland gear. Curtis' CurtisCARE Program offers members significant opportunities to receive presales and post-delivery education and other related product support. Curtis' post-delivery services are usually provided as a part of a purchase order coupled with a statement of work (SOW) that Curtis receives from the customer. Curtis often works with the customer to define and develop an appropriate SOW. Often, Curtis provides customer education in equipment use; inspection, repair, maintenance; and safety during deployment at no cost to the member. A sampling of available value-added education, available through our CurtisCARE program, includes: • Complete Personal Protective Equipment (PPE) product education, maintenance, repair, and cleaning services • Complete Self-Contained Breathing Apparatus (SCBA) product education, fit-testing, and maintenance services. • Complete gas detection product education, and maintenance services • Complete rescue tool product education, and maintenance services • Complete breathing air compressor product education, and maintenance services • Complete Firefighting towers and buildings, and Firefighting training-prop product education, and maintenance service CurtisCARE is provided by Curtis' product and service specialists, including service technicians, PPE education specialists, rescue tool education specialists, and several product demonstration vehicles that routinely visit customer sites. An integral part of Curtis' product education involves our outside sales representatives. These professionals provide product education, seminars, and hands-on demonstrations. Additionally, Curtis' suppliers are a valuable and valued asset for product and service education programs.	*
41	Describe any technological advances that your proposed products or services offer.	Curtis provides the ability through our state of the art website for agencies to create accounts and receive their co-op pricing online. Allowing the customer to buy on the Sourcewell contract through the medium that works best for them.	*

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Curtis understands the importance of continually improving its sustainability and - proactively over the last 10 years - worked to transition what were paper heavy process into paper-less process. Our fulfillment center works to consolidate shipments whenever possible to reduce our burden on the transportation and oil dependence while each of our locations participates in their local recycling programs. Whenever possible and reasonable, we have updated facilities to more energy efficient lighting, water heaters and HVAC equipment. Most recently, Curtis has begun experimenting with Electric Vehicles to see how we can move forward with properly servicing our customers, but also improving our sustainability.	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	We look to work closely with manufacturers that have sustainability programs and initiatives.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	As a very competitive small business that successfully competes against larger companies, Curtis is intimately aware that small businesses can often provide faster, more efficient and satisfactory customer-focused support than what is typical of large organizations. Therefore, it is Curtis policy to develop and utilize to the greatest extent possible, suppliers of quality product and services provided by historically underutilized businesses. Small Business, Small Disadvantaged Business, Women-Owned Small Business, Service-Disabled Veteran-Owned Small Business, Veteran-Owned Small Business, Minority-Owned Small Business, and HUBZone Businesses account for an increasing segment of Curtis suppliers. Curtis’ goal is to develop and more fully utilize these businesses as suppliers and business partners. Curtis views the programs such as the up-coming Sourcewell Firefighting PPE Program as a platform with which to provide new opportunities to underutilized businesses. However, given the critical life-support functions performed by a majority of the manufacturers in Curtis’ proposed product catalog, the ability to source THE BEST and MOST RELIABLE products must take precedence over any concerns about business entity-type.	*

45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Curtis is focused on being a long term partner with customers. We look to provide value and solutions to members through our full service offering: Support with the initial discovery, and review of products. Procurement of selected items. Maintenance and repair to support the product for its lifespan. Curtis has conducted over ninety years of successful business focusing on supporting the fire, rescue, & emergency response industries. Curtis provides our customers with exceptional products, customer service, and product support covering an extremely broad-based product catalog. Curtis' Customer Service Operations are located in Kent, WA, Salt Lake City, UT, Walnut Creek, CA, Santa Fe Springs (Los Angeles), CA, and Phoenix, AZ. A consolidated state-of-the-art warehousing facility, providing Curtis customers with a complete suite of Integrated Logistics Services, is located in Salt Lake City, UT. Curtis is fully qualified to provide superior service to Sourcewell members. In addition to our many large contracts with city and state agencies, Curtis continues to perform on three programs that have honed our capabilities to manage and serve major accounts with a complex array of product & service offerings. Curtis has a contract with the General Services Administration (GSA contract 47QSWA18D009Y). Curtis services over a thousand customers a year who purchase from our GSA product catalog. Additionally, Curtis is a contractor to the Defense Logistics Agency (DLA) Troop Support under the provisions of a prime contract supporting the United States Defense Department's Fire and Emergency Services Tailored Logistics Support Program and the United States Fire Service (DLA contracts SPE8EH-19-D-0015) supporting agencies of the United States Federal Government located world-wide. A great source of corporate pride and import, Curtis achieved great success while supporting the members of other COOPS. Since the launch of these COOP-type contracts, the Company has experienced a significant increase in customer acceptance of this "piggyback" contract mechanism and a related year-to-year growth in sales. Curtis' Corporate Mission (why we do what we do): "L.N. Curtis & sons provides critical products and services that enable our nation's first responders to accomplish their missions so that they are able to return safely home." Curtis' proposal to Sourcewell has been prepared to ensure full compliance with solicitation requirements. We have assembled a team from our stable of excellent manufacturers to form a robust compilation of products required to support firefighting and rescue operations. The purpose of our proposal is to provide an array of the most common products used by today's Fire Service. Curtis' offer includes one or more brands for each of the following product categories: * Firefighting water flow equipment; * Fire pumps, skid units, and compressed air foam systems (CAFS); * Firefighting suppression; * Firefighting attack, ventilation, and rescue tools; * Thermal imaging and similar situational awareness equipment; * Extrication tools and equipment; * Technical, vertical, trench, and confined space rescue equipment; * Portable ladders; * Hazardous materials (HazMat) response equipment; * Wildland firefighting equipment and upfits for vehicles, ATV/UTVs; and, * Related tools and accessories complementary to the offering of 1.a.i – x.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	

46	Do your warranties cover all products, parts, and labor?	Curtis provides the manufacturers' warranties for all proposed supplies. Additionally, Curtis will offer any extended warranties if available, at additional costs. The warranties provided under Curtis' proposed program will be the same as offered to the public and will include products, parts and labor (standard commercial practice). Please refer to attachment, "Curtis Terms & Conditions"	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Yes, where stated as part of the Manufacturer's standard warranty.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	All products and product support to perform warranty servicing included in this Curtis proposal are available to membership located in the thirteen Western States of Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, Nevada, California, Alaska, and Hawaii without limitations. When warranty support is required outside the 13 western states, Curtis will coordinate warranty servicing and support directly with the manufacturer to ensure warranty commitments are quickly met.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	We take responsibility for what we sell. Curtis offers warranty service for all brands and models that we sell and that are included in this proposal.	*

51	What are your proposed exchange and return programs and policies?	Curtis strives to maintain the highest level of customer service. In accordance Curtis will re-fund or exchange your purchase within the following guidelines: Product must be returned in new, unused condition within 30 days of receipt. Any product you desire to return after that date is subject to review by Curtis and may be non-returnable. Product that has been used, damaged, or not purchased through LNCurtis.com or CurtisBlueLine.com or from a Curtis location will not be refunded. Product that has been altered by engraving, stamping, marking, stenciling, etc., is not eligible for return. Clearance or Used product is also non-returnable. Custom, special-order products and/or non-stock product may be returned only if acceptable to our vendor. A re-stocking and handling fee, as determined by our vendor and transportation costs to return to our vendor will be charged. Return your product(s) by following these steps: 1. Contact Customer Service at 877.488.0469 or CustomerService@LNCurtis.com to request a return or exchange. 2. A Return Authorization (RA) will be issued to you and is required to be included with the return of any product. 3. Return your product by bringing it into or shipping to the Curtis location specified in the RA. 4. When shipping to a Curtis location, carefully pack the product to avoid damage during shipment. Product that arrives in damaged condition is not eligible for return credit and will be shipped back to you. 5. Return the product prepaid to the address specified on the RA. Make sure you include a copy of the RA with the product being returned. We recommend that you keep a copy of the RA and the receipt for the return shipment from the shipping service you use. Curtis does not take title to returned product until received by Curtis at our return location in undamaged condition. We will only consider a refund for products that arrive at our facility in undamaged new and unused condition. Curtis reserves the right to reject all product returns. All returns are subject to re-view upon our receipt of the product and inspection. Product received in conditions other than originally shipped may be rejected and shipped back to you. You may request an exchange, a credit on your account or a refund if the product has already been paid for and funds received by us. All refunds are issued using the original payment method and may take up to ten (10) business days for the refund process to complete.	*
52	Describe any service contract options for the items included in your proposal.	Curtis offers service and repair based upon manufacturers' recommendations and customer requirements. Pricing is typically based upon the specific requirements for each service or repair action.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Curtis offers Net 30 terms for municipal and government agencies and accepts MasterCard, Visa and American Express for all end users. Non-agency customers can apply for terms and varying credit limit based on financial credit application. Payment terms are net 30 days from invoice date with no discounts or retention of any kind or sort allowed. Interest will accrue on invoices unpaid after the net due date at the annual rate of 12% or the maximum legal contract interest rate, whichever is less.	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	Agencies can request a lease-to-own option with flexible terms and payment schedule.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	After an order is received, Curtis uses a simple and consistent series of procedures for processing customer orders. The sourcing determination, made by the Customer Service Manager during the customer purchase order review process, is the primary factor made to determine the specific path to be taken by our staff while processing each individual order (e.g., ship from a Curtis warehouse; ship direct from the manufacturer; consolidate at a Curtis warehouse [bills-of-material orders]). See attached "Sourcewell RFP 020124 Sample"	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Curtis accepts P-Card payments with no processing fees.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	The Pricing Offered in this Proposal is detailed in the attachment, “SWE 020124 RFP Curtis Price Offering.” Curtis’ proposed pricing model is based upon a set discount off list price, by brand or in certain cases when a brand offers several models or categories, by model or category. The pricing model is applicable to the brand’s entire published catalog.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Curtis’ proposed program is based upon offering, by brand, a fixed percentage (%) discount off the manufacturers’ Suggested (List) Price.	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	Curtis will offer customers deeper discounts than proposed, depending on volume, product specifications, and market conditions.	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	When a customer requests a quote containing both on-contract and open market products or services, Curtis will offer the customer the following: On-Contract Products & Services: Price will be the list price less as contracted discount for the brand/model, plus freight. Open Market Products & Services: Curtis will supply the customer with a quote consistent with the price offered our Most Favored Customer, plus freight.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Curtis adds no additional costs to member prices, unless the customer requests open market products or services that relate to the on-contract item but that are not on contract.	*

62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All Sourcewell orders are quoted as Shipping Point, unless otherwise noted. Curtis may, in its sole discretion, select the shipping method, the carrier and the applicable freight charges (unless otherwise agreed in writing). Curtis maintains strong freight and parcel carrier relationships with competitive pricing which is good for customers. We can quote customers shipping in different ways so they have options to choose from.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	All Sourcewell orders are quoted as Shipping Point, unless otherwise noted. Curtis may, in its sole discretion, select the shipping method, the carrier and the applicable freight charges (unless otherwise agreed in writing). Curtis maintains strong freight and parcel carrier relationships with competitive pricing which is good for customers. We can quote customers shipping in different ways so they have options to choose from.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Curtis offers our customers an integrated approach to logistics supply support that encompasses all management actions, procedures, and techniques used to determine requirements to: • Acquire support items and spare parts • Catalog the items • Receive the items • Store and warehouse the items • Transfer the items to where they are needed • Issue the items • Dispose of secondary items • Provide for initial support of the system • Acquire, distribute, and replenish inventory • And, provide value-added resources by combining Commodity Management with our Logistics and Kitting services for complete “end-to-end” customer support. Logistics Solutions Curtis offers complete transportation and logistics management services. By contracting and managing a network of national, regional, and local carriers we can offer a complete package of freight handling services – the integrated logistics solution you require to increase efficiency and lower costs. Additional transportation services we can provide include: • Expedited • Port and Rail Drayage • Intermodal • International (Ocean Freight/Air Freight) • Less-than-truckload • Specialized Equipment – temperature controlled, HAZMAT, etc. • Freight Forwarding Kitting Solutions When end users are required to combine multiple products into new product kits, our kitting services can help. We have experience breaking down bulk materials and products, unitizing and creating multi-packs, even custom-made kits with bar-code or RFID labeling. Our product kitting and assembly services allow customers to: • Reduce inventory • Respond quickly and economically to changing demand for custom packs • Fulfill individual custom orders • Fulfillment capabilities help you manage inventory throughout the kitting cycle, from individual components to creation of new SKUs. • Our team maps efficient kitting processes and builds in quality checks to ensure the accuracy of final kits. • Our labor solutions help you economically manage activity spikes and meet last-minute requests.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	See attached “SWE 020124 RFP Curtis Price Offering.”

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Customer Service Managers within the Curtis organization review daily sales orders to ensure proper contract pricing is provided to end users. Curtis administration will provide a contract sales activity report to the Sourcewell representative assigned to this contract no later than 45 days after the end of each calendar quarter. The report will contain all of the fields described in the contract template.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Per our standard operating procedures, Curtis tracks Key Performance Indicators (KPIs) to make sure our business is tracking per plan. KPI-related data is extracted from our Enterprise Resource Planning platform, Oracle-NetSuite. Oracle-NetSuite, a cloud ERP solution that automates front and back-office processes enable the Company to track all critical business functions including financial management, revenue management, fixed assets, order entry/management/tracking, billing, and inventory management. Oracle-NetSuite enables Curtis management to generate real-time performance and status reports (e.g., sales (orders and frequency) fill rates vendor performance returns due to improper shipments and defective items and back-orders). Using Oracle-NetSuite, Curtis tracks performance of all orders, awards, contracts, and programs, including, should Curtis be honored with a contract, the Company's performance in support of Sourcewell. Curtis has seen a regular increase in annual sales throughout the duration of the current Sourcewell PPE & FFE contracts.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See the RFP and template Contract for additional details.)	Curtis proposes to pay Sourcewell a 1% administrative fee of total net revenues (gross sales, less product returns), on a quarterly basis.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
69	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	As the largest stocking distributor of firefighting equipment in the West and one of the largest distributors of firefighting equipment and services in America, Curtis is offering the premium brand of products in the defined categories along with on-site product support and customer service. In addition to products being offered at best pricing, Curtis offers the membership a full suite of Integrated Logistics Support and Services and full-time product specialists who are trained and certified by manufacturers to provide deployment support and, product familiarization in use, care, maintenance and repair, and safety.	*
70	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Curtis' proposal includes products representing the following categories and subcategories: * Firefighting water flow equipment; * Fire pumps, skid units, and compressed air foam systems (CAFS); * Firefighting suppression; * Firefighting attack, ventilation, and rescue tools; * Thermal imaging and similar situational awareness equipment; * Extrication tools and equipment; * Technical, vertical, trench, and confined space rescue equipment; * Portable ladders; * Hazardous materials (HazMat) response equipment; * Wildland firefighting equipment and upfits for vehicles, ATV/UTVs; and, * Related tools and accessories complementary to the offering of 1.a.i – x.	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
71	Equipment, tools, supplies, and accessories used for all types of fire and rescue service, including structural firefighting, wildland firefighting, vehicle extrication, technical rescue, vehicle and aircraft rescue, HazMat, and EMS	(selected) Yes No	Such as: Water Flow, Heavy Rescue, Pumps, Suppression, Wildland, etc	*
72	Firefighting water flow equipment	(selected) Yes No	Such as: Hose, Nozzles, Monitors, Foam, Hydrant Accessories, Pumps, Tanks, etc	*
73	Fire pumps, skid units, and compressed air foam systems (CAFS)	(selected) Yes No	Such as: Dewatering Pumps, Fire Pump Testing, Portable Pumps, Skid Units, etc	*
74	Firefighting suppression	(selected) Yes No	Such as: Foam Agents, Foam Attachments, Extinguishers, etc	
75	Firefighting attack, ventilation, and rescue tools	(selected) Yes No	Such as: Rescue Tools, Hand Tools, Ventilation Fans, Saws, Cutters, etc	
76	Thermal imaging and similar situational awareness equipment	(selected) Yes No	Such as: Thermal Imaging Cameras & Accessories, etc	
77	Extrication tools and equipment	(selected) Yes No	Such as: Extrication Tools, Confined Space Rescue Equipment, Building Collapse & Shoring, etc	
78	Technical, vertical, trench, and confined space rescue equipment	(selected) Yes No	Such as: Rescue Rope, Rapid Intervention Team Rescue, Urban Search & Rescue, Confined Space Rescue Equipment, Building Collapse & Shoring, etc	
79	Portable ladders	(selected) Yes No	Such as: Aluminum, Fiberglass, Folding, Ladder Accessories, etc	
80	Hazardous materials (HazMat) response equipment	(selected) Yes No	Such as: Boots, Decon, Suits, Test Kits, Gas Detection, etc	
81	Wildland firefighting equipment and upfits for vehicles, ATV/UTVs	(selected) Yes No	Such as: Fire Shelters, Nozzles, Hand Tools, Ignition Devices, Instruments, Bags & Packs, Skid Units, etc	
82	Related tools and accessories complementary to the offering of 1.a.i – x	(selected) Yes No	Such as: Firefighter Props, Hydration & Rehab Equipment, Area Lights, etc	*
83	Complementary services related to the equipment offered in 1. a. i – x. above, including training, testing, certifications, maintenance or repair, installation and warranty programs	(selected) Yes No	Such as: Disaster Preparedness, Firefighting Education, etc	*

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 84. NOTICE: To identify any exception, or to request any modification, to Sourcewell standard Contract terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Contract Template provided in the "Bid Documents" section. Proposer must upload the redline in the "Requested Exceptions" upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Contract.

Do you have exceptions or modifications to propose?	Acknowledgement *
	○ Yes ◉ No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - SWE 020124 RFP Curtis Price Offering.xlsx - Thursday February 01, 2024 15:00:34
- Financial Strength and Stability - Curtis Financial Statements 12312023.pdf - Wednesday January 31, 2024 21:44:59
- Marketing Plan/Samples - Curtis Brochure.pdf - Wednesday January 31, 2024 22:16:11
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - Curtis Terms & Conditions.pdf - Wednesday January 31, 2024 22:26:31
- Standard Transaction Document Samples - Sourcewell RFP 020124 Sample.pdf - Thursday February 01, 2024 14:24:36
- Upload Additional Document - Curtis-Sales-Territories-Map.pdf - Wednesday January 31, 2024 22:11:50
- Requested Exceptions (optional)

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor’s objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Angela Mackey, Director of Customer Service, Fire/Rescue, Curtis

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ● **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column **"I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	**I have reviewed the below addendum and attachments (if applicable)**	**Pages**
Addendum_1_Firefighting_Equipment_RFP_020124 Fri January 19 2024 12:49 PM	☑	1

COOPERATIVE PURCHASE CONTRACT

Contract No. 2027-183

This Contract by and between the City of Flagstaff, a political subdivision of the State of Arizona, and L.N. Curtis & Sons, Inc, a/an California corporation ("Contractor") shall be effective as of the date of the last signature below. The City and Contractor may be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, Contractor is a fully authorized vendor of Firefighting Equipment and Rescue Tools with Related Supplies and Accessories;

WHEREAS, a competitive and open procurement process was conducted through Sourcewell RFP #020124 that resulted in Sourcewell Contract #020124 with Contractor ("Agency Contract"); and

WHEREAS, the City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

NOW, THEREFORE, effective on the last date of execution, and in consideration for the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1. <u>Materials and/or Services Purchased</u>

Contractor shall provide to the City the materials and/or services, as specified in the Agency Contract, attached hereto as *<u>Exhibit B</u>* and in accordance with the Agency Contract. A general description of the materials and/or services being purchased is:

One-time purchase of equipment for a new unit to include extrication tools, fan, small power tools, airbags, and vehicle stabilization kit.

2. <u>Terms and Conditions of Agency Contract Apply</u>

A. All provisions of the Agency Contract documents contained within Sourcewell Contract #020124, attached hereto as *<u>Exhibit(s) B and C</u>*, including any amendments, are incorporated in, and shall apply to this Contract, as though fully set forth herein.

B. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract related to price for materials and/or services.

3. <u>Compensation</u>

3.1 <u>Payment</u>

Contractor shall be paid for satisfactory performance of the Contract in an amount not to exceed One hundred ten thousand, five hundred twelve dollars and nine cents ($110,512.09), TBD, including fees and taxes; made in accordance with the price list and terms set forth in the Agency Contract.

3.2 Formal Amendment Required

Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. The City Manager or his/her designee may approve an amendment if the total amount of the Contract, as amended, is less than $100,000; otherwise, City Council approval is required.

4. Term and Renewal

4.1 Contract Term

A. The underlying Agency Contract expires on April 4, 2028.

B. The contract expires on April 4, 2028, unless the Agency Contract is renewed or extended. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

4.2 Renewal

The Contract may be renewed if the Agency contract is renewed or extended .The City Manager or his/her designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

5. Insurance

All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Upon request, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Notice

Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:
Noelle Van Rossum
Fire - Administration/Support Services
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email:noelle.vanrossum@flagstaffaz.gov
Phone:(928) 213-2504

To the Contractor:
Stephanie Meyers, Customer Service Manager
L.N. Curtis & Sons, Inc
625 East Baseline Road, Suite 101
Gilbert, AZ 85233
Email: smeyers@lncurtis.com
Phone: (602) 453-3911

With a copy to:
Josh Linam
City of Flagstaff
211 W. Aspen Ave.

Flagstaff, AZ 86001
Email: joshua.linam@flagstaffaz.gov

IN WITNESS WHEREOF, the Parties hereto have executed Contract as of the date hereinbefore indicated.

CITY OF FLAGSTAFF	CONTRACTOR
SIGNATURE	**SIGNATURE**
FULL NAME	**FULL NAME**
TITLE	**TITLE**
DATE SIGNED	**DATE SIGNED**

Attest:

SIGNATURE

Stacy Saltzburg

FULL NAME

City Clerk

TITLE

DATE SIGNED

Approved as to form:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Ph: 602-453-3911
TF: 877-453-3911
azsales@lncurtis.com
UEI#: DDLSADSWN7U7

CURTIS
TOOLS FOR HEROES

Southwest Division
625 East Baseline Road, Suite 101
Gilbert, AZ 85233
www.LNCurtis.com

Quotation

CUSTOMER:
Flagstaff City Fire Department
AZ
211 West Aspen Avenue
Flagstaff AZ 86001

SHIP TO:
Flagstaff City Fire Department
AZ
211 West Aspen
Flagstaff AZ 86001

QUOTATION NO.	ISSUED DATE	EXPIRATION DATE
373830	07/29/2026	09/30/2026

SALESPERSON	CUSTOMER SERVICE REP
Brendon Norton bnorton@lncurtis.com 480-353-8782	Brendon Norton bnorton@lncurtis.com 480-353-8782

REQUISITION NO.	REQUESTING PARTY	CUSTOMER NO.	TERMS	OFFER CLASS
Quint Rescue Equipment	Tanner Callan	C33496	Net 30	FR

F.O.B.	SHIP VIA	DELIVERY REQ. BY
DEST	Standard Shipping	

SPECIAL INSTRUCTIONS

Pricing in Accordance with Sourcewell Contract #020124

NOTES & DISCLAIMERS

Thank you for this opportunity to quote. We are pleased to offer requested items below. If you have any questions, need additional information, or would like to place an order, please contact your Customer Service Rep as noted above.

Safety Warning Notice: Products offered, sold, or invoiced herewith may have an applicable Safety Data Sheet (SDS) as prepared by the manufacturer of the product. The SDS is provided with the product. In addition, manufacturer's safety and/or warning notices, instructions and information relating to the proper use and care of the product is provided with the product. All applicable SDS, safety and/or warning notices, instructions and other information provided with the product should be thoroughly read, reviewed, and understood prior to handling, distributing, using, reselling, or servicing any and all products provided by Curtis. Materials utilized to clean, repair, maintain and/or service your owned equipment, as well as Curtis owned equipment, may contain per-and polyfluoroalkyl substances (PFAS) to meet national standards or original equipment manufacturer specifications. For other important product notices and warnings, or to request an SDS, product specifications, manufacturer's safety notices, instructions and/or warning notices, please contact Curtis or visit https://www.lncurtis.com/product-notices-warnings

Transportation is included in below pricing.

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
1	1	EA	271977000-1C HURST	SP 777 E3 Connect Spreader - TOOL ONLY + CAPTIUM List: $16,964.24		$12,375.00	$12,375.00
2	1	EA	272999000-1C HURST	S 799 E3 Connect Cutter - TOOL ONLY + CAPTIUM List: $15,991.16		$11,665.00	$11,665.00

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LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
3	1	EA	274987000-1C HURST	CR 522 E3 Connect Ram TOOL ONLY + CAPTIUM List: $11,409.84		$8,325.00	$8,325.00
4	6	EA	90-53-43_KIT HURST	EWXT/E3 25.2V/9Ah Battery List: $1102.40		$805.00	$4,830.00
5	3	EA	90-53-37 HURST	EWXT/E3 110-240V Charger List: $659.32		$485.00	$1,455.00
6	1	EA	81-67-20 HURST	KSV11 Chain Set with Clevis Lock and Hook, Consists of: (2) 6 Ft. Chain with Hook (2) Shackle with Bolt List: $1272.00		$1,033.83	$1,033.83
7	1	EA	81-67-23 HURST	Door Opener Tip Set for SC358 List: $2270.52		$1,847.78	$1,847.78
8	1	EA	PP-HED-R522-EWXT PLASTIX	Horizontal/Flat/Vertical Bracket for Hurst eDraulic R522 E3 and EWXT Ram *Open Market	OM	$280.00	$280.00
9	1	EA	PLASTIX PLUS CUSTOM	As Below; PP-HED-S799-EWXT Horizontal Bracket for S799 E3 and EWXT Submersible Cutter *Open Market		$280.00	$280.00

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LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
10	1	EA	PLASTIX PLUS CUSTOM	As Below; PP-HED-SP777-EWXT Horizontal Bracket for SP777 E3 and EWXT Submersible Spreader		$295.00	$295.00
11	2	EA	22-79HA10K PARA	Hydrafusion Strut 10 Kit Consisting of: 22-79HA10 Hydrafusion Strut 10 Qty 1 22-790020G Hydrafusion Pump w/ Gauge Qty 1 22-790060 RSS Carrying Strap Qty 1 22-796035 Strut Converter Qty 1 List: $5556.00	OM	$5,278.20	$10,556.40
12	4	EA	22-796270 PARA	Contour Base List: $286.00	OM	$271.70	$1,086.80
13	1	EA	22-796852 PARA	Highway Vehicle Stabilization Kit, Consisting of: 2- 22-796200 Acme Rescue Strut 25-36" 2- 22-796202 Acme Rescue Strut 37-58" 2- 22-796012 12" Strut Extension 2- 22-796024 24" Strut Extension 2- 22-796036 36" Strut Extension 4- 22-796025 Multi Base 4- 22-796180C 12" Hinged Base with Anghor Ring 4- 22-890553 27' Ratchet Belt with Finger Hooks 4- 22-796161 Tie Down Keys with J Hook List: $10554.00		$9,434.93	$9,434.93
14	1	EA	22-796685 PARA	Multi Chain Base List Price: $769.00	OM	$730.55	$730.55

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LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
15	1	EA	22-796V02 PARA	VSK Controller, Version 2 Includes (1) Double Male Nipple 22-890730 List Price: $621.00		$556.59	$556.59
16	2	EA	22-796C1H PARA	Grade 100 Chain 20 Ft List Price: $521.00	OM	$494.95	$989.90
17	1	EA	22-890300G3-180 PARA	MaxiForce G3 Master Control Kit, 180psi, Consisting of: (1) - 22-890900G3-180 (1) - 22-895401G3-180 (4) - 22-890490-180 (2) - 22-890682-180 (1) - 22-890731-180 (3) - 22-890686-180 (1) - 22-890686L-180 (1) - 22-890732-180 (3) - 22-890736-180 (1) - 22-890749-180 (1) - 22-890513-180 (1) - 22-890514-180 (1) - 22-890515-180 (1) - 22-890516-180 (1) - 22-890517-180 (1) - 22-890322-180 * See Product Specifications for Specific Kit Contents. List Price: $5045.00	OM	$4,792.75	$4,792.75
18	2	EA	22-890490-180 PARA	MaxiForce G3 Inline Relief Valve, 180psi List Price: $243.00	OM	$230.85	$461.70
19	1	EA	22-890736-180 PARA	MaxiForce G3 “Y” with 2 Paratech Couplings & Paratech Nipple, 180psi List Price: $149.00	OM	$141.55	$141.55

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LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
20	1	EA	22-88D025G3 PARA	MultiForce G3 Remote Placement Air Lifting Bag, 180psi List Price: $11,195.00		$10,038.38	$10,038.38
21	1	EA	22-890370G3K PARA	MultiForce G3 Saddlebag Control Kit, 180psi, Consisting of: 1ea. 22-890370 Saddlebag 1ea. 22-890490-180 Inline Relief Valve 1ea. 22-890513-180 16' Black Hose w/ Couplings 1ea. 22-890515-180 16' Yellow Hose w/ Couplings 1 ea. 22-890900G3-180 Dual Deadman 180 ALB Controller G3 1ea. 22-895401G3-180 Regulator, ALB G3 Preset List Price: $2751.00	OM	$2,613.45	$2,613.45
22	1	EA	22-888110G3 PARA	KPI-1 1.6 Ton MaxiForce G3 Air Lifting Bag, 180psi List Price: $553.00		$495.69	$495.69
23	1	EA	22-888120G3 PARA	KPI-3 4.0 Ton MaxiForce G3 Air Lifting Bag, 180psi List Price: $733.00		$656.86	$656.86
24	2	EA	22-888165G3 PARA	KPI-28 39.8 Ton MaxiForce G3 Air Lifting Bag, 180psi List Price: $1825.00		$1,636.05	$3,272.10
25	2	EA	22-888170G3 PARA	KPI-32 44.6 Ton MaxiForce G3 Air Lifting Bag, 180psi List Price $1917.00		$1,718.51	$3,437.02

Ph: 602-453-3911
TF: 877-453-3911
azsales@lncurtis.com
UEI#: DDLSADSWN7U7

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TOOLS FOR HEROES

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625 East Baseline Road, Suite 101
Gilbert, AZ 85233
www.LNCurtis.com

LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE
26	1	EA	22-888180G3 PARA	KPI-35L 47.9 Ton MaxiForce G3 Air Lifting Bag, 180psi List Price: $2207.00		$1,979.00	$1,979.00
27	1	EA	11-RTLB-12 BA PROD	1/2"-3/8" Ratchet Load Binder: Wll 12,000 Lbs. *Open Market		$135.00	$135.00
28	1	EA	SA-2 TUR	Stabilization Tool Kit, Consisting Of: 2- Sc-1 Standard Step Chocks 2- 3W 3" X 8.5" Long Wedges 2- 1B 1" Thick X 9" Square Lock Block 1- Qr-2 25" X 15" X 16" Carry Bag List Price: $427.57	OM	$406.19	$406.19
29	1	EA	MILWAUKEE CUSTOM	As Below: 495-2722-21HD M18 FUEL™ SUPER SAWZALL® Reciprocating Saw Kit, 18 V, M18 Battery, 1-1/4 in Stroke Length *Open Market Item		$695.00	$695.00
30	1	EA	MILWAUKEE CUSTOM	As Below: 495-3692-22CT M18™ Compact Brushless Combo Kit, 18 V, 1/2 in Drill Driver, 1/4 in Hex Impact Driver, 2 Batteries, Charger, Bag *open Market Item		$340.00	$340.00
31	1	EA	V18-BH-SP SUPER VAC	18" PPV for EWXT, Shore Power, No Battery, No Charger List Price: $6470.00	OM	$5,823.00	$5,823.00

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LN	QTY	UNIT	PART NUMBER	DESCRIPTION	PL	UNIT PRICE	TOTAL PRICE

Small Business
CAGE Code: 5E720
SIC Code: 5099
Federal Tax ID: 94-1214350
UEI #DDLSADSWN7U7

This pricing generally remains firm until 09/30/2026. Pricing is subject to change if product is affected by the implementation of a tariff. Contact us for updated pricing after this date.

Due to market volatility, global supply chain pressures, and supply shortages, we recommend contacting your local L.N. Curtis and sons office prior to placing your order to confirm pricing and availability. This excludes our GSA Contract and other Fixed Price Contracts which are governed by contract-specific prices, terms, and conditions.

Subtotal	$101,029.47
Estimated Tax Total	$9,482.62
Transportation	$0.00
Total	$110,512.09

[View Terms of Sale and Return Policy]

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Jessica Vigorito, Fire Administration Manager
Co-Submitter: Mark Wilson
Date: 08/03/2026
Meeting Date: 08/25/2026

TITLE:
Consideration and Approval of Contract: Cooperative Purchase Contract with Municipal Emergency Services, Inc. for the purchase of specialized fire and safety equipment not to exceed $200,000 per budget year.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Municipal Emergency Services, Inc. for the purchase of specialized fire and safety equipment not to exceed $200,000 per budget year; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:
Adopting the Cooperative Purchase Contract with Municipal Emergency Services, Inc. (MES) would allow the Flagstaff Fire Department to purchase necessary specialized SCBA and PPE fire and safety equipment through MES. This is a new contract request for the Fire Department with MES to expense up to $200,000 per budget year for materials and services. Municipal Emergency Services, Inc. (MES) is utilized by the Fire Department for specialized respiratory protection equipment, testing, maintenance, and firefighter PPE. MES provides SCBA flow testing, breathing air system and compressor service, hydrostatic testing of SCBA cylinders, and related breathing air services. The Department also purchases firefighter protective equipment, including fire helmets, from MES. These services and equipment are essential to maintaining firefighter respiratory protection systems, equipment readiness, and compliance with applicable testing and safety requirements.

The equipment purchased from MES is typically highly specialized in nature or is purchased as a replacement to match existing equipment. Maintaining consistency with existing equipment provides familiarity for personnel, supports operational efficiency and safety, and reduces the need for personnel to adapt to different equipment during emergency operations. Utilizing MES also provides access to the specialized testing, maintenance, and repair services necessary to maintain the Department's existing equipment and ensure it remains operationally ready.

Financial Impact:
The Flagstaff Fire Department would only purchase equipment that is within the approved budget any given year. Utilizing the Cooperative Purchase Contract will allow the Flagstaff Fire Department to obtain better pricing through the underlying cooperative purchase contract.

Policy Impact:
None

Previous Council Decision or Community Discussion:
None

Options and Alternatives to Recommended Action:

1. Adopt the Cooperative Purchase Contract with MES not to exceed $200,000 per year; or
2. Direct the Flagstaff Fire Department to solicit and purchase each piece of specialized fire and safety equipment.

Background and History:

In February 2022, the City Council approved a Cooperative Purchase Contract with Municipal Emergency Services for the purchase of specialized fire and safety equipment not to exceed $200,000 per budget year. The underlying agency contract has expired, and we are no longer able to utilize that contract. Approval of this request will allow the Flagstaff Fire Department to continue purchasing specialized fire and safety equipment through a new cooperative contract with the same intent.

City Purchasing Staff found that MES has a Cooperative Purchase Contract #011824 with Sourcewell to supply materials and/or services, which was awarded through a competitive and open procurement process. The Flagstaff Fire Department plans to utilize the MES Cooperative Purchase Contract to ensure the best pricing when purchasing necessary equipment and obtaining services to maintain existing equipment. The Contract will be valid for as long as the underlying cooperative purchase contract is valid, which will allow the Flagstaff Fire Department to purchase as needs arise.

Procurement Notes: Sourcewell contract 011824-MES is current, Statement of Work covers the City's purchase, and there is cooperative language in contract.

Connection to PBB Priorities and Objectives:

Safe and Healthy Community.

Connection to Regional Plan:

Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service. Policy PF.3.1. Maintain high-quality effectiveness and efficiency in law enforcement, fire, and emergency services to the extent that is consistent with governmental operations, plans, public policies, population served, and monies available.

Connection to Carbon Neutrality Plan:

None

Connection to 10-Year Housing Plan:

None

Attachments: MES Pricing
MES Contract

MES - Sourcewell Contract #011824

PRODUCT CATEGORY	PRODUCT DESCRIPTION	MANUFACTURER	PERCENTAGE OF PUBLISHED PRICE OR AS NOTED
SCBA & Equipment	SCBA sets NFPA	3M Scott Safety	16% Off Current MSRP
SCBA & Equipment	Communications and Face Piece Options	3M Scott Safety	9% Off Current MSRP
SCBA & Equipment	Cylinders	3M Scott Safety	16% Off Current MSRP
SCBA & Equipment	Air Cart	3M Scott Safety	5% Off Current MSRP
SCBA & Equipment	Fill Stations and Compressors	Revolveair	Net MSRP
SCBA & Equipment	Rit Paks	3M Scott Safety	9% Off Current MSRP
SCBA & Equipment	Ska Paks	3M Scott Safety	9% Off Current MSRP
SCBA & Equipment	Pak Tracker	3M Scott Safety	9% Off Current MSRP
SCBA & Equipment	Service for SCBA Air Test	3M Scott Safety	Contact, MES Rep for Service Coverage and Pricing
SCBA & Equipment	Service for SCBA Air Test	MES Scott Tech	Contact, MES Rep for Service Coverage and Pricing
SCBA & Equipment	Service for Fill Stations and Compressors	MES Tech	Contact, MES Rep for Service Coverage and Pricing
SCBA & Equipment	Parts	3M Scott Safety	Net MSRP
SCBA & Equipment	Parts	SCBAs	9% Off Current MSRP
SCBA & Equipment	Parts	Rescue Intellitech	Net MSRP
SCBA & Equipment	Safety products	Air Systems International	3% Off Current MSRP

Sourcewell

Solicitation Number: RFP #011824

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Municipal Emergency Services, Inc., 12 Turnberry Lane, 2nd Floor, Sandy Hook, CT 06482 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Self-Contained Breathing Apparatus (SCBA) and Breathing Air Systems with Related Equipment from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires March 29, 2028, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an “AM BEST” rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers’ Compensation and Employer’s Liability.*
Workers’ Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office (“ISO”) Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$1,000,000 per claim or event
$1,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Municipal Emergency Services, Inc.
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: John Walker 10644B472C64440...
By: ___ Jeremy Schwartz	By: ___ John Walker
Title: Chief Procurement Officer	Title: CFO
Date: 3/29/2024 | 6:35 AM CDT	Date: 3/28/2024 | 1:23 PM CDT

RFP 011824 - Self-Contained Breathing Apparatus (SCBA) and Breathing Air Systems with Related Equipment

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Vendor Details

Company Name:	Municipal Emergency Services Inc
Address:	12 Turnberry Ln 2nd Floor Sandy Hook, CT 06482
Contact:	Chanda Riddick-Yamoah
Email:	criddick@mesfire.com
Phone:	203-304-4132
Fax:	203-264-3325
HST#:	651051374

Submission Details

Created On:	Wednesday January 10, 2024 10:07:56
Submitted On:	Thursday January 18, 2024 15:04:32
Submitted By:	Chanda Riddick-Yamoah
Email:	criddick@mesfire.com
Transaction #:	13f7806a-f3e4-4e07-8ffd-adfbc30a0779
Submitter's IP Address:	151.181.51.74

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Municipal Emergency Services, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	N/A	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	#1XBB1 T4MGJ9BU96J6	*
5	Proposer Physical Address:	12 Turnberry Ln 2nd Floor Sandy Hook, CT 06482	*
6	Proposer website address (or addresses):	www.mesfire.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	John Walker CFO jwalker@mesfire.com 203-304-4132	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Chanda Riddick-Yamoah Contract Manager criddick@mesfire.com 203-304-4132	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	N/A	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Municipal Emergency Services, Inc. is a national full-line first responder and public safety distributor in the US. We also offer the purchase, service, and installation of specific products throughout Canada. We stock and distribute over 100,000 products from over 4,000 manufacturers. We currently have over 200 outside sales representatives, 150 mobile technicians, as well as dedicated inside sales staff and customer service representatives, 18 warehouse locations across the United States and Canada, and 25 regional offices providing our customers with excellent customer service and support. Our field technicians are professionally trained and have earned certifications to service specialized equipment. MES also offers service rates and custom services to meet our customer's needs and requirements. MES is a financially stable company with an excellent reputation with our customers and vendors. MES is a distinctive brand due to our national and Canadian reach, size, number of support channels, service technicians and strategically aligned regional offices and warehouses for turnkey operations. Our sales representatives are knowledgeable and trained on the equipment we offer. Our workforce includes former fire chiefs, firemen, and police officers who have a working knowledge of our products and are able to address concerns and share knowledge regarding the leading products offered by MES. In 2012 MES acquired Lawmen Supply. This merger gave the company the unique ability to serve all first responders and public safety officials on a national level. MES annual sales are more than $300MM and most of our sales are for fulfillment of contracts and purchases to local, state, and federal first responder and public safety organizations. We are a financially stable company with an excellent reputation with our customers and suppliers. What makes MES distinctive is our national presence. Our size, number of sales representatives, service technicians, strategic warehouse locations and geographic coverage positions helps us to provide superior products and customer service to the Fire Service, Law Enforcement, and all public safety departments on a national level as no other sales and service distributor can do. Our numerous awards and expanding customer base indicates a successful track record and continuous trust within the industry. An award with Sourcewell will assist us to reach new markets and customers. We will also be able to increase the number of services and products offered to our customers who are familiar with Sourcewell for their procurement needs.	*
11	What are your company's expectations in the event of an award?	In the event of an award, MES expectations are to continue with our year over year growth with our updated contract. Our expectations include a successful launch and communication with our sales teams to inform our customers of our updated contract. Our customers will be informed of the new contract and our commitment to offer product and solutions to meet their needs.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please see attached	*
13	What is your US market share for the solutions that you are proposing?	25%	*
14	What is your Canadian market share for the solutions that you are proposing?	less than 1%	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No	*

16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Distributor/Dealer/Reseller. Please see attached authorization letter.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Municipal Emergency Services, Inc. have several levels of management with experience and training to ensure compliance to NFPA when providing materials or servicing fire departments and other agencies. Our team is has been trained and can identify the standards and subject matter regarding NFPA and SCBA certification. Our technicians are certified to evaluate, test, and repair 3M/Scott Safety systems, and other air supply compressors and components. MES is one of only a few nationwide Five Star certified 3M Scott National Service Group. In addition, 98% of our sales force are former fire fighters or law enforcement officers who possess hands on training	*
18	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	n/a	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	MES has received multiple awards from our vendors to recognize us an industry leader or a partner within the industry. Our awards include platinum and diamond recognition as leading partners as well as multiple Best of Show awards as participants in national and regional fire shows and conferences. Please see attached. Veridian 2022 & 2021 - Diamond Partner Fire Dex 2022 Premier Partner Platinum Award	*
20	What percentage of your sales are to the governmental sector in the past three years	98%. MES supports and supplies local, county, city and state government agencies which comprises the majority of all sales.	*
21	What percentage of your sales are to the education sector in the past three years	2%. MES supports and supplies several university and colleges throughout the nation. This sector comprises a small amount of sales but has seen growth over the last three years.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	NPP - $18,000,000 HGAC - $20,500,000 LA COUNTY FIRE - $6,316,000 STATE OF PA - $40,000,000	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	GSA #GS07F0348V	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Denver Fire Department	Phillip Morelli, Division Chief	720-913-3446	*
Aurora Fire Rescue	Jeff Johnson, Captain	303-326-8628	*
Dekalb County Fire	Terence Wilkes, Captain	678-227-1831	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Phoenix Fire Support Services	Government	Arizona - AZ	SCBAs, products, materials, testing, and service	$323,639	$11,651,012	*
Dekalb County Purchasing & Contracting	Government	Georgia - GA	SCBAs, products, materials, testing, and service	$132,074	$4,754,651	*
DFD Operations	Government	Colorado - CO	SCBAs, products, materials, testing, and service	$95,556	$3,440,015	*
Horry County Fire & Rescue	Government	South Carolina - SC	SCBAs, products, materials, testing, and service	$76,752	$2,763,088	*
Aurora Fire Department	Government	Colorado - CO	SCBAs, products, materials, testing, and service	$74,045	$2,665,637	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	MES has increased our sales force to 200 Sales Representatives. 170 of our Sales Reps are trained to sell SCBA products and services. The Sales Reps without this training will reach out to their counter parts when presented with an opportunity in this sector. Our Sales force is growing to support our expanding customer base. In addition, we have an internal sales team which works closely with our Sales Representatives to maximize customer support and feedback regarding our products and delivery. We also have a skilled regional office support throughout the US to address customer inquiries and requests effectually and quickly.	*
27	Dealer network or other distribution methods.	MES is the distributor/dealer for the products listed in this bid.	*
28	Service force.	MES has increased our service support to 134 service technicians. Our service technicians are equipped with mobile vans, tools, and manufacturer certifications to address customer needs and requests.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Orders are handled by our sales representatives and our internal customer service teams. Our Sales Representative or customer service reps will receive a PO from our customers. The CSR will then review the order to ensure pricing reflects the Sourcewell member number and correct discount offered. Once review is completed, the CSR contacts our vendor or checks our warehouses to located the product ordered and deliver as per the lead-time requested.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Our customer service teams and office support staff has expanded to over 130 skilled and trained teams strategically located at our regional offices throughout the US. Our response time to inquiries are same day or within 24 hours. Our customer service teams are responsible for order placing, job scheduling, and follow-up	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	MES performs training classes and provide updates to our Sales teams via internal newsletters or quarterly correspondence on Sourcewell updates and tips. This equips our teams to identify new members or grow established members product supply of our equipment.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	MES will not be able to support in sales in Canada for SCBAs products or service with the exception of product and materials from RevolveAir.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	MES will not provide any products to Canada with the exception of product and materials from RevolveAir. MES will not provide any products to Hawaii at this time. MES distribution agreements are for the USA and that is where we have sales, service, and customer service staff to maintain the market in the USA. MES covers 44 states so there are only a few areas in the USA MES does not have sales coverage. Maine, Rhode Island, Kentucky, Michigan, Wisconsin, and North Dakota	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	MES has a nationwide presence and coverage with a sales force across the US that our strategically located to support request from government, non-profit, or educational entities. MES has a strategic location in Branford Ontario to support the purchase and installation of RevolveAir Systems. MES can support and provide products to all participating agencies.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Shipping or freight cost for large or heavy items will require a quote for transportation cost. MES will provide an equitable shipping cost for the customer to review that will meet their expectations and lead-time. Hawaii and Alaska orders will be quoted for shipping. This would also apply to all US territories.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Our marketing strategy includes internal and external training classes for our sales teams and customers. We also use literature to describe the process and product offering. We identify and include contract tips in internal newsletters and company wide communication. We also market additional products to our customers of accessories or other materials listed on our contracts during the purchase of materials from our customers.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	MES utilizes Facebook, Twitter, Youtube, Instagram, and LinkedIn to increase our brand awareness. We also interface with potential customers and clients using these platforms and showcase customer testimonials.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	We value Sourcewell's role in promoting our contracts on the portal and with members searching for particular products. In the past, we have seen that Sourcewell's familiarity with our products frequently provides leads and customer's to our page to make contact for more information.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	E-procurement can be used using our website (www.mesfire.com). Customers are able to register a username and password on this website. Once this is completed, users can research products by vendor name, brand, or commodity. Items selected are placed in a basket. Once all items are selected, users can pay online using a credit card. If more information is needed, customers can print their items for purchase and request a sales representative to contact them.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	MES offers SCBA training, annual testing, and service maintenance for this product. In addition, we offer new certification packs. If customers do ask or require training on any of our products, MES is able to provide this at most times with little or no additional costs. This is part of our training programs such as SCBA training, annual testing, and service maintenance. In addition, we offer new certification packs. If customers do ask or require training on any of our products, MES is able to provide this at most times with little or no additional costs.	*
41	Describe any technological advances that your proposed products or services offer.	MES provides SOS stores which are signature online stores which are used for customers who are interested in providing a portal for jurisdictions, departments, or towns to purchase specific product online.	*
42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	N/A	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	N/A	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	N/A	*
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	MES offers the largest and competitive pricing for first responder equipment and materials. Due to our commitment to safety and quality, our sales team consist of current or form fire fighter professionals or police officials. We offer solutions and services that can come directly to the customer with our trained and certified technicians across the nation and in Canada. This experience and service is unique to MES and has been an attribute that keep customers returning for more product due to their positive purchasing experience and trust in materials with MES.	*
46	Describe compliance to applicable national standards such as: National Fire Protection Association (NFPA), Occupational Safety and Health Administration (OSHA), and American National Standards Institute (ANSI).	MES adheres to the national standards of NFPA, OSHA, and ANSI through our activities and compliance efforts internally and with our manufacturer's products and materials. We have requirements and testing for specific products that must meet our exceed testing levels by our manufacturer's to supply us with products or materials. Our relationship with 3M Scott for SCBAs also complies with these national standards. Our technicians are trained for testing and product repair to ensure these standards are not compromised. We have annual training and certification requirements that adhere to these standards that our company follows and implements to ensure safety and top quality materials,	
47	Describe how your product can be cleaned and decontaminated to prevent exposure to carcinogens.	The Scott Pak can be be grossly deconned to remove large debris prior to disassembly. Once disassembled, the airpak can be scrubbed with a sponge/cloth and warm water mixed with disinfectant. Once dry the airpak can be reassembled.	

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
48	Do your warranties cover all products, parts, and labor?	Due to the expanse of our product offerings, our warranties offer numerous product specific assurances for the products purchased by our customers. Typically, our warranties offer a common coverage against manufacturer defects and product performance up to 12 months. The warranties also cover parts and labor within the specified time of coverage.	*
49	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	The majority of the warranties for the manufacturers listed in this bid provides industry standard coverage as part of our vetting process when working with vendor base. We work closely with each manufacturer to work through any warranty issues with our customers.	*
50	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Most of our warranties do not cover transportation cost or mileage unless there is a gross malfunction or failure of the product purchased. In these instances, we work with the customer directly to ensure MES can rectify the situation.	*
51	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	MES does not have any regional technicians located in New Hampshire, Maine or Vermont. We also do not have technicians in Canada for our full product line of SCBAs. We will have support for RevolveAir Systems in Canada. If a customer has a need in these areas, we would offer a solution and the additional cost needed for transportation and other travel cost for the staff needed for training or testing.	*
52	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	MES will perform the warranty service as an authorized repair center unless the OEM has specified in the warranty to return the product or products to the OEM's location for repair.	*
53	What are your proposed exchange and return programs and policies?	Goods received damaged or defection will be repaired or replaced based on the guidelines and terms of the warranty.	*
54	Describe any service contract options for the items included in your proposal.	Service contract options for MES includes annual testing, repairs, and 3M Scott Safety repairs and service.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
55	Describe your payment terms and accepted payment methods.	MES has standard payment terms of Net 30. We also accept payment via credit card for payments under $10,000.	*
56	Describe any leasing or financing options available for use by educational or governmental entities.	Leasing is available with Community Leasing Partners.	*
57	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	MES will use quotes, purchase orders, and invoices as standard transactions in connection to these products if awarded a contract. Examples are attached.	*
58	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	MES accepts the p-card procurement for payment. We do not request fees or additional costs for using this method. P card payments cannot exceed $10,000	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
59	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	MES will provide discount off List/MSRP pricing. Attached are our vendors current list price. We will also include a spreadsheet listing each vendor and the discount offered.	*
60	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	MES will provide a discount off of the vendor MSRP sheet as the Sourcewell proposed bid price.	*
61	Describe any quantity or volume discounts or rebate programs that you offer.	N/A	*
62	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	N/A	*
63	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	N/A	*
64	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight, delivery, or shipping is an additional cost only for customer requests for expedited, next day, or for bulky oversized shipments. Items in this category are quoted upon request.	*
65	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Shipping and/or freight to Alaska or Hawaii are quoted upon request. We also deliver specific products within the Quebec region of Canada. Freight will be reviewed when requested from our Canadian customers to determine if additional costs and expenses are needed to provide materials. If additional freight cost are identified, the cost will be presented to our Canadian customers for approval prior to delivery.	*
66	Describe any unique distribution and/or delivery methods or options offered in your proposal.	MES offers the unique ability to supply our customer's from the closest warehouse located to the site of service or delivery. Our unique distribution methods provides the ability to deliver quickly and efficiently across the US and in certain areas in Canada. Special delivery requirements or expedited delivery options are also available and can be quoted upon request. In the event a product is not in stock, our relationships with our vendors typically results in expedited availability shipped to our customers with little to no impact to the delivery requirements.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
67	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
68	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	MES utilizes tools such as report analysis and quarterly reviews to self-audit by our Accounting and Contracts Department. Reports are analyzed to make sure vendors listed and products purchased are on contract and listed on the correct agreements. In addition to the reports, internally our software for ordering has checks and balances that our Sales Rep must select before a sales order or quote can be approved.	*
69	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Internally we track quarterly growth and sales compared to the previous year. We also review the top products purchased to identify accessories or services which could help grow the business.	*
70	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	MES proposes to continue our 1% quarterly fee for all sales if awarded the contract.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
71	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	MES believes in providing top rated and high quality products in this category. Our vendors and the products are researched to provide the best in attributes such as quality, performance, warranty, and responsiveness. When supplying products and services in structural firefighter equipment or eyewear, the expectation remains the similar across all categories.	*
72	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	n/a	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
73	Self-contained breathing apparatus (SCBA) and supplied air breathing apparatus (SABA)	◉ Yes ○ No	MES is able to provide products and support in this category in partnership with 3M Scott.	*
74	Breathing air compressor and compressor systems, including mobile and stationary fill stations, cascade systems, purification, and storage	◉ Yes ○ No	MES has listed our brand of available air compressor systems with RevolveAir.	*
75	Related equipment and accessories related to the offering of 71 - 72 above	◉ Yes ○ No	MES has listed vendors to assist our customers to have accessories and equipment available to help complete repair and maintenance requirements.	*
76	Services related to the equipment described in 71 - 72 above	◉ Yes ○ No	MES has 5Star rated technicians to assess and complete options for repair and maintenance to related equipment.	*

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - Final Pricing 011824.zip - Thursday January 18, 2024 15:04:03
- Financial Strength and Stability - Financial Statements.zip - Wednesday January 10, 2024 11:03:47
- Marketing Plan/Samples - MES Marketing Materials FINAL.docx - Wednesday January 17, 2024 10:58:52
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - AIRPAK - WARRANTY.pdf - Tuesday January 16, 2024 07:53:30
- Standard Transaction Document Samples - QT1730512.FIREDEX.pdf - Tuesday January 16, 2024 14:57:55
- Requested Exceptions - MES Insurance Exceptions.pdf - Wednesday January 17, 2024 11:48:31
- Upload Additional Document - MES 011824 Auth 5Star Awards.zip - Wednesday January 17, 2024 14:43:14

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor’s objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - John Walker, Chief Financial Officer , Municipal Emergency Services, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column **"I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_3_Self_Contained Breathing Apparatus_RFP_011824 Fri January 12 2024 11:10 AM	☑	2
Addendum_2_Self_Contained Breathing Apparatus_RFP_011824 Wed December 27 2023 08:49 AM	☑	1
Addendum_1_Self_Contained Breathing Apparatus_RFP_011824 Tue December 12 2023 05:20 PM	☑	1

8. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	CJ Perry, Chief Information Officer
Date:	08/12/2026
Meeting Date:	08/25/2026

TITLE:

Consideration and Approval of Contract Amendment: Amendment No. 1 to the Design-Build Services Contract with Wecom LLC (Contract No. 2024-125) — Fiber Network Project

STAFF RECOMMENDED ACTION:

Approve Amendment No. 1 to the Design-Build Services Contract with Wecom LLC, which allows an increase in the number of concurrent active permits for work in the public right-of-way from five (5) to ten (10) subject to conditions, and authorizes the City to engage additional staffing resources to support permitting, inspection, and utility locating for the Wecom fiber network build, with those costs offset dollar-for-dollar against the $2,000,000 contract price owed to Wecom for construction of a City fiber network; and authorize the City Manager to sign the Amendment on behalf of the Mayor.

Executive Summary:

On January 21, 2025, Council approved a Design-Build Services Contract with Wecom LLC (Contract No. 2024-125) for construction of a Fiber Network, under which the City agreed to pay Wecom up to $2,000,000. The City currently limits Wecom to five concurrent active permits at a time. Wecom has requested an increase to ten concurrent permits to accelerate the fiber build, but City staff does not have the capacity within current staffing levels to support the added permitting, inspection, and utility locating workload this would require. Amendment No. 1 addresses this by:

- Increasing the concurrent active permit limit from five to ten for work in the public right-of-way, subject to Wecom maintaining effective damage-prevention and quality-control practices, and subject to the City's right to reduce or restrict permits for defined performance reasons (e.g., quality-control deficiencies, delayed restoration, or limited locating capacity).
- Authorizing the City to engage temporary staff, approve overtime, and/or contract with third parties (up to the equivalent of 4 full-time positions, including 2 utility locators) to perform the additional permitting, inspection, and locating work, for an anticipated engagement period of approximately two years beginning summer 2026.
- Capping the cost of this additional staffing at $720,000 unless a further amendment is approved, with Wecom pre-approving compensation rates and receiving monthly cost accountings.
- Reducing the $2,000,000 contract price owed to Wecom dollar-for-dollar by the City's actual staffing costs, with a final accounting due by June 30, 2028 (or earlier if Wecom exercises its option to end the additional-staffing arrangement).
- Preserving the City's sole discretion over hiring, management, and assignment of this additional staff, and confirming Wecom remains fully responsible for its existing permitting and construction obligations under the Contract.

Financial Impact:

This amendment is cost-neutral to the City. Staffing costs incurred to support the additional permit capacity (capped at $720,000) will be deducted directly from the $2,000,000 the City owes Wecom under the Contract, rather than funded separately. The City retains the right to reduce or discontinue this additional staffing at its discretion, including for budgetary reasons.

Policy Impact:
This amendment temporarily increases Wecom's concurrent active permit allowance from five (5) to ten (10). It does not otherwise change the City's permitting code and includes provisions allowing the City to reduce permit counts if performance or capacity issues arise.

Previous Council Decision or Community Discussion:
Council approved the original Design-Build Services Contract with Wecom LLC on January 21, 2025 (fully executed February 8, 2025).

Options and Alternatives to Recommended Action:

1. Approve Amendment No. 1 as presented.
2. Approve with modifications (e.g., a different permit limit, staffing cost cap, or engagement period).
3. Deny the amendment and maintain the current five-permit limit, which would leave the pace of the fiber build constrained by existing City staff capacity.

Connection to PBB Priorities and Objectives:
n/a

Connection to Regional Plan:
n/a

Connection to Carbon Neutrality Plan:
n/a

Connection to 10-Year Housing Plan:
n/a

Attachments: Contract

AMENDMENT NO. 1
TO
DESIGN-BUILD SERVICES CONTRACT
FIBER NETWORK
PROJECT NO. 2024-15
CONTRACT NO. 2024-125

THIS AMENDMENT NO. 1 to the Design-Build Services Contract, Contract No. 2024-125 ("Contract"), is made and entered into this _____ day of ______, 2026 by and between the **CITY OF FLAGSTAFF**, an Arizona municipal corporation ("City"), and **WECOM LLC**, a Delaware limited liability company ("Design-Builder").

RECITALS

A. The Contract, as approved by the City on January 21, 2025 and fully executed on or about February 8, 2025, provides for the design and construction of a Fiber Network for City use (the "Project").

B. Design-Builder is building out a city-wide fiber network for residential and commercial use, which includes the Project that will serve municipal purposes ("Network").

C. The City currently only allows five (5) concurrent active permits (permits for 5 neighborhoods) at a time, and the City is struggling to provide City permitting, inspection and utility locating services needs for the Network.

D. The Design-Builder has expressed a desire to increase the concurrent active permit limit to further expedite work on the Network.

E. City is willing to engage temporary staff, authorize overtime for existing City staff, and/or contract with third parties to perform additional City permitting, inspection, and utility locating services related to the Network, and in exchange, Design-Builder is agreeable to a dollar-for-dollar reduction in the Contract price equal to the City's actual costs incurred for such services.

F. Design-Builder has not yet invoiced City for work on the Project, and the Project will be underway for considerable time.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants and considerations hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Amendment of Price.**

The Contract, Subsection 5.4.2.4 Project GMP Proposal Summary Sheet, price is amended as follows (new text is shown as underlined, deleted text is shown as stricken): $2,000,000.00, LESS THE COSTS EXPENDED BY CITY FOR ADDITIONAL SERVICES UNDER SECTION 3.6 OF THE CONTRACT.

The Contract is amended by adding a new Subsection 7.8.6 to read as follows (new text is shown as capitalized, underlined text):

7.8.6 DESIGN-BUILDER WARRANTS THAT AMENDMENT NO. 1 TO THIS CONTRACT WILL NOT IMPAIR ITS ABILITY TO PAY ALL SUBCONTRACTORS AND SUPPLIERS FOR WORK PERFORMED IN FURTHERANCE OF THE PROJECT.

The Contract, Exhibit B, is hereby amended to read as follows (new text is shown as underlined, capitalized text, and deleted text is shown as stricken):

EXHIBIT B CONTRACT PRICE

City shall pay Design-Builder an amount not to exceed $2,000,000.00 (Two Million U.S. Dollars), LESS THE COSTS EXPENDED BY CITY FOR ADDITIONAL SERVICES STAFF AS OUTLINED IN SECTION 3.6 OF THE CONTRACT, PLUS in cash plus in-kind contributions in exchange for Design-Builder goods and services as detailed below for the Project services described in Exhibit A and Exhibit B.

As additional consideration for the Design-Build Contractor Services, City is entering into the following separate agreements that provide for financial consideration and in-kind contributions:

Fiber License Agreement dated January 21, 2025 (including a credit against the license fee);

City Conduit Lease Agreement dated January 21, 2025;

City Fiber Maintenance Agreement dated January 21, 2025.

2. City Additional Services

The Contract, is amended by adding a new Section 3.6 to read as follows (new text has not been capitalized, to allow for reading ease):

3.6 City Additional Services (added by Amendment No. 1)

3.6.1 Additional Services Staff.

3.6.1.1 Qualifications. City will, subject to the provisions of Section 3.6.7.1, endeavor to: (i) engage temporary staff, and/or (ii) authorize overtime for existing City staff, and/or (iii) contract with one or more third-parties (collectively, the "Additional Services Staff") with qualifications and skills similar to the following City positions:

Engineering Specialist,

Utility Locator, and/or

Construction Inspector

to perform City permitting, inspection, and utility locating services ("Additional Services") necessary for the Network. Utility locating services will be related to City-owned facilities (e.g. water, sewer, stormwater, conduit, fiber.

3.6.1.2 Overtime Work. City will not authorize any overtime work without Design-Builder's advance written permission. Design-Builder may request City to cease overtime work on the Network at any time. Nothing herein requires the City to authorize overtime work, and the needs and desires of the Additional Services Staff will be considered by City.

3.6.1.3 Engagement Period. The City will make good faith efforts to engage the Additional Services Staff, as needed and subject to the provisions of Section 3.6.7.1, in the summer of 2026 and to maintain those services for approximately two (2) years. City is not able to guarantee that Additional Services Staff remain engaged by the City, due to changing circumstances. If there are gaps or vacancies in service, City will endeavor to fill those positions.

3.6.1.4 Effect of Additional Services Staff. The availability of Additional Services Staff is intended to supplement work that other City staff members may be performing related to the Network. Existing City staff will continue to perform work related to the Network even after Additional Services Staff are hired or otherwise engaged in accordance with the terms of this Contract.

3.6.2 Work Assignments. City will assign Additional Services Staff to perform City services necessary for the Network. Additional Services Staff will not be used to work on other City projects or assignments, unless there is an emergency that poses a risk of damage or injury to persons, property, or public welfare. In such event, the City may reprioritize the work of all City staff, including Additional Services Staff, as necessary to address the emergency, and emergency work shall take priority over Network-related work for the duration of the emergency.

3.6.3 Service Levels.

3.6.3.1 Staffing Levels. Subject to the provisions of this Contract, including Section 3.6.7.1, the City agrees to provide up to the equivalent of four (4) Additional Services Staff (including up two Utility Locators) on a full-time basis (staffing levels may fluctuate and the City is unable to make any guarantees as to staffing levels).

3.6.3.2 Timekeeping. Design-Builder hereby agrees that City permitting procedures as outlined in this Amendment and in the City Code satisfy the timekeeping requirements of A.R.S. § 9-835. Once Design-Builder has ten (10) active permits (as discussed in more detail in Section 3.6.3.3 below), Design-Builder agrees that it will submit no more than three (3) permit applications or resubmittals per week in connection with the Network. With respect to any permit application, the City will, within ten (10) working days of submission by the Design-Builder, either (a) provide a written notice of incompleteness, (b) return the permit application for corrections, (c) provide approval with conditions or (d) provide approval. For purposes of this section 3.6.3, a "working day" shall mean Monday through Friday, excluding City Holidays and excluding any day when City Hall is closed for at least four (4) hours due to inclement weather. City agrees there is no limit on the total number of permits that may be approved and waiting to be released. For each resubmittal the City will have an additional ten (10) working days to complete the review and provide written notice of approval (or return the permit application for further revisions). If on the second resubmittal, the Design-Builder has not corrected all previous items indicated by the City, the application will be denied and the Design-Builder may submit a new application.

3.6.3.3 Active/Open Permits. Per City Code § 13-09-008-0002.F.6, Design-Builder has requested approval of additional concurrent permits. City will allow Design-Builder to have up to ten (10) active permits as defined by City Code § 13-09-008-0002.F.1 at any given time (versus the five active permits currently allowed); provided, however:

3.6.3.3.1 Design-Builder will implement effective underground damage prevention methods per City Code § 13-09-008-0002.F.5 that will ensure all necessary measures for utility location and damage avoidance are implemented in accordance with applicable regulations.

3.6.3.3.2 City may reduce the number of, or place restrictions on, specific active permits to minimize conflicts with other projects, maintain acceptable levels of traffic service or for any of the following reasons:

(i) Design-Builder neglects to implement project management practices sufficient to ensure that impacts to the public are minimized by ensuring that all requirements of each permit and all applicable codes, laws, statutes and rules are followed.

(ii) deficiencies in Design-Builder's quality control over permit submittals, including incompleteness, returns for corrections, or excessive resubmittals;

(iii) Design-Builder's failure to provide timely and complete restoration of work areas following construction;

(iv) limited availability of City utility locating services;provided, however, the City will not reduce the number of, and willonly place restrictions on specific active permits after the City has made good faith efforts to engage up to two Additional Services Staff as utility locators; or

(v) Design-Builder's failure to coordinate 811 requests in alignment with City staff availability.

3.6.3.3.3 Design-Builder will implement and maintain quality control practices for permit submittals and post-construction restoration, which will consist of the following:

(i) Permitting Applications: Design-Builder will prepare and submit plans for each permit in accordance with Division 13-09-008. Design-Builder will certify with each application or resubmittal that the Design-Builder has completed visual inspection of all locations proposed in accordance with 13-09-008-0004 B and has included as-found existing conditions within right-of-way and adjacent frontage in the submittal. Where the City finds that the submittal does not substantially reflect existing conditions, the City may halt the substantive review (prior to completion) and the substantive review timeframe will reset to the full substantive timeframe upon resubmittal of an application which reflects existing conditions.

Design-Builder will utilize the necessary professional services to affirmatively verify the location of Right-of-Way boundaries in relation to private property, private improvements and public improvements adjacent to the scope of work proposed by Design-Builder. All such boundaries shall be indicated on all plans submitted for approval. City Staff will review such boundaries for general conformance with City GIS but will not generally conduct in-depth research of publicly-available records to verify the legal status or location of property and/or Right-of-Way lines. All parties agree that by definition Right-of-Way permits issued by the City do not authorize any work outside of public Right-of-Way or public utility easements.

(ii) Management and Quality Control of Construction: Design-Builder will comply with the City of Flagstaff Municipal Code and specifically Division 13-09-008 subject only to any modifications explicitly agreed herein. Highlighted requirements from Section 13-09-008-0004 of the City of Flagstaff Municipal Code are as follows:

B. Responsibility for accommodating existing conditions

D. Retain independent testing company

E. Designated superintendent

F. Notification door hangers

G. Utility location & restoration

I. Public convenience and safety

Design-Builder will assign one or more personnel to a role specifically focused on quality control, code compliance, traffic control and the coordination of such with the assigned City of Flagstaff Engineering Inspector(s).

3.6.3.4 Close Out. The City will inspect and close out any permit, or provide Design-Builder with any final punch list items, within ten (10) working days of the date on which Design-Builder provides the City with a completed "punch list readiness certification form," signed by the Design-Builder's Construction Manager or designee qualified and authorized to make certifications on behalf of the Design-Builder, listing all items which have been completed and are ready for inspection by City.

3.6.3.4.1 If upon inspection, the City finds clearly uncompleted items contrary to the Design-Builder's certification, the City may discontinue the inspection and notify Design-Builder of such finding. The Design-Builder will submit a new punch list readiness certification form upon completion thereby starting a new ten (10) working days inspection timeframe.

3.6.3.4.2 If Design-Builder has completed a portion of the work in the permit area, and the work area has been restored with no further public impacts per City Code, then, at Design-Builder's request, City will close out the completed portion of the permit area. Design-Builder may submit a new application for other work to be completed at a later date.

3.6.3.5 Repair of Completed Improvements. Where the City identifies significant deficiencies, failures, delamination of mastic or subsidence in or caused by Design-Builder's completed improvements, the City may re-open the permit for the associated work area and the Design-Builder shall provide plans and submittals for review and approval for any repairs or replacements necessary to remedy those deficiencies. Design-Builder may have two reopened permits for surface repairs open at a given time and these will not count toward the current total permit limit approved by the City Engineer.

3.6.4 City Discretion and Control. The City retains sole discretion over the hiring, management, engagement, and assignment of Additional Services Staff. Nothing in this Amendment shall create an employment or contractual relationship between the Design-Builder and any Additional Services Staff.

3.6.5 Coordination. The City and Design-Builder shall coordinate in good faith regarding the scheduling of Additional Services Staff to ensure efficient progress of the Work. The City's Representative, as identified in Section 8.4.1 of the Contract, will help coordinate Additional Services.

3.6.6 No Change to Design-Builder Obligations. This Section 3.6 does not relieve the Design-Builder of any responsibilities, obligations, or duties under the Contract, including but not limited to those set forth in Sections 2.10 (Government Approvals and Permits) and 2.12 (General Construction Services). The Design-Builder shall continue to be responsible for obtaining all permits, approvals, and licenses required for the prosecution of the Work/Project as set forth in the Contract and shall cooperate with City in performing such obligations.

3.6.7 Cost of Additional Services Staff; Final Accounting. The parties agree as follows:

3.6.7.1 Anticipated Costs. The parties agree that unless another Contract Amendment is approved, the costs of Additional Services Staff shall not exceed $720,000. City will engage Additional Services Staff at rates determined by City and approved in advance by Wecom, which may include market wages, contractor fees, premium pay, and overtime as necessary or appropriate to provide the Additional Services. If Design-Builder does not approve the proposed compensation in writing, City will not engage the Additional Services Staff.

3.6.7.2 City Rights. City may, in its sole discretion, cease or reduce all or part of the Additional Services Staff services at any time, including based on budgetary considerations or as the cumulative cost of Additional Services Staff approaches $720,000.00 or the remaining Contract balance owed to Design-Builder, whichever is less.

3.6.7.3 Monthly Accounting. City will provide Design-Builder with a monthly accounting reasonably detailing the costs expended on Additional Services Staff for the prior month and a running total. This monthly accounting will consist of payroll and/or invoice data (not a special report). Design-Builder may challenge the costs expended on Additional Services Staff, and the parties will work in good faith to resolve such dispute (and reflect the result of such dispute in the City's books and records with respect to the Additional Services Staff).

3.6.7.4 Final Accounting on June 30, 2028. Unless Design-Builder has earlier exercised its option under section 3.6.8 below, City will provide a final accounting of its actual costs expended on Additional Services Staff expended through June 30, 2028 and this amount shall be deducted from the $2,000,000.00 Contract price owed to Design-Builder; provided, however, that if Design-Builder challenges the costs expended on Additional Services Staff, the parties will work in good faith to resolve such dispute and adjust the reduction to the $2,000,000.00 Contract price accordingly.

3.6.8 Design-Builder Option for Early Termination. At any time, Design-Builder may notify the City in writing that Design-Builder no longer wishes the City to retain Additional Services Staff. In this case, the following procedures will apply:

3.6.8.1 Temporary Additional Services Staff. City will notify Additional Services Staff who are engaged on a temporary basis that their services will no longer be needed after expiration of their temporary contract term. Alternatively, the City in its sole discretion may hire the temporary Additional Services Staff as city employees or as contractors outside of the parameters of this Section 3.6 and they will no longer be classified as Additional Services Staff.

3.6.8.2 Non-Replacement. If any Additional Services Staff cease working for the City at any time after City has received the foregoing written notice from the Design-Builder, City will not retain Additional Services Staff to replace them.

3.6.8.3 Overtime Work. Additional Services Staff will no longer perform any overtime work on the Network.

3.6.8.4 Final Accounting. Once there are no longer Additional Services Staff under contract, City will prepare a final accounting for the actual costs of Additional Services Staff expended, and this sum shall be deducted from the $2,000,000.00 Contract price.

3. <u>Effect on Companion Agreements</u>

The companion agreements referenced in Exhibit B of the Contract—specifically the Fiber License Agreement, the City Conduit Lease Agreement, and the City Fiber Network Maintenance Agreement, each dated January 21, 2025—shall remain in full force and effect and are not modified by this Amendment.

4. <u>No Other Changes</u>

Except as expressly amended herein, all terms and conditions of the Contract shall remain in full force and effect and are hereby ratified and confirmed. In the event of any conflict between this Amendment and the Contract, this Amendment shall control.

5. <u>Effective Date</u>

This Amendment shall be effective as of the date of the last signature below.

6. <u>Counterparts</u>

This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their undersigned authorized representatives.

CITY OF FLAGSTAFF, ARIZONA
an Arizona Municipal Corporation

By: Date:

Name: Becky Daggett
Title: Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

WECOM LLC
a Delaware limited liability company

By: Rachel Solomon
Rachel Solomon (Aug 12, 2026 14:45:56 PDT) Date: 08/12/2026

Name: Rachel Solomon
Title: CEO

AmendmentNo1WecomDesignBuild DM Edits 7.20.26_VF

Final Audit Report 2026-08-12

Created:	2026-08-12
By:	Paul Fleming (paul@wecominc.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAg1uWo1Jbrb-I_fxZQdKRmmcgCnftoAFZ

"AmendmentNo1WecomDesignBuild DM Edits 7.20.26_VF" History

Document created by Paul Fleming (paul@wecominc.com)
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Document e-signed by Rachel Solomon (rachels@wecomfiber.com)
Signature Date: 2026-08-12 - 9:45:56 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

Agreement completed.
2026-08-12 - 9:45:56 PM GMT

8. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Matthew Mansfield, Senior Assistant City Attorney

Co-Submitter: Sterling Solomon

Date: 08/11/2026

Meeting Date: 08/25/2026

TITLE:

Consideration and Approval of Settlement: in the matter of *Peggy Leslie v. City of Flagstaff, et al.*, S0300CV2025-00285, currently pending in Coconino County Superior Court.

STAFF RECOMMENDED ACTION:

1. Approve settlement of the matter of *Peggy Leslie v. City of Flagstaff, et al.*, pursuant to the terms of the tentative settlement discussed in executive session on July 31, 2026, and
2. Authorize and direct the City Attorney to execute all documents and take such other actions as are necessary to finalize the settlement.

Executive Summary:

This litigation stems from an automobile accident involving Ms. Leslie that occurred on June 28, 2024, near the intersection of North Fourth St. and E. Route 66 in Flagstaff. Ms. Leslie is alleging injuries and seeking damages as a result of the accident.

The City has reached a tentative settlement of this particular litigation, subject to the approval of the City Council. The tentative settlement and legal advice related thereto were discussed with the City Council in executive session on July 31, 2026.

Financial Impact:

Funding for this settlement is available through the City's self-insurance trust fund and its insurance policy through the Arizona Municipal Risk Retention Pool.

Policy Impact:

None.

Previous Council Decision or Community Discussion:

No.

Options and Alternatives to Recommended Action:

Not approve the tentative settlement and continue to litigate the matter.

Connection to PBB Priorities and Objectives:

N/A

Connection to Regional Plan:

N/A

Connection to Carbon Neutrality Plan:

N/A

Connection to 10-Year Housing Plan:
N/A

Attachments:

8. F.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Matthew Mansfield, Senior Assistant City Attorney
Co-Submitter:	Sterling Solomon
Date:	08/11/2026
Meeting Date:	08/25/2026

TITLE:
Consideration and Approval of the Settlement: of the Notice of Claim by the Estate of Hassan Ibrahim, Ayisha Mohammed, and all statutory beneficiaries.

STAFF RECOMMENDED ACTION:

1. Approve the settlement of the Notice of Claim by the Estate of Hassan Ibrahim, Ayisha Mohammed, and all statutory beneficiaries, pursuant to the terms of the tentative settlement discussed in executive session on July 31, 2026, and,
2. Authorize and direct the City Attorney to execute all documents and take such other actions as are necessary to finalize the settlement.

Executive Summary:
This Notice of Claim arises from a fatal automobile accident involving Mr. Ibrahim that occurred on September 20, 2025, near E. Butler Avenue in Flagstaff. Ms. Mohammed is alleging claims arising out of the accident on behalf of the estate, herself, and Mr. Ibrahim's statutory beneficiaries as a result of the accident. The City has reached a tentative settlement of the Notice of Claim, subject to the approval of the City Council. The tentative settlement and legal advice related thereto were discussed with the City Council in executive session on July 31, 2026.

Financial Impact:
Funding for this settlement is available through the City's self-insurance trust fund and its insurance policy through the Arizona Municipal Risk Retention Pool.

Policy Impact:
None.

Previous Council Decision or Community Discussion:
No.

Options and Alternatives to Recommended Action:
Not approve the tentative settlement and continue to litigate the matter.

Connection to PBB Priorities and Objectives:
N/A

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Cindy Perger, Human Resources Senior Analyst
Co-Submitter:	Ryan Saxby
Date:	08/12/2026
Meeting Date:	08/25/2026

TITLE:

Consideration and Adoption of Ordinance No. 2026-19: An ordinance amending the Flagstaff City Code, Chapter 1-14, Personnel System, by amending the City of Flagstaff Employee Handbook of Regulations, Section 1-50-051, Parental Leave.

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2026-19 by title only for the final time
2. City Clerk reads Ordinance No. 2026-19 by title only (if approved above)
3. Adopt Ordinance No. 2026-19

Executive Summary:

The proposed amendments to the Employee Handbook of Regulations, Section 1-50-051, Parental Leave, include a revision in title name from Parental Leave to Paid Parental Leave (PPL) and throughout the section's text; expansion of Paid Parental Leave from four (4) weeks to six (6) weeks to align with the adoption of the FY2026-2027 budget; and adding clarifying text to align with current practices in that PPL shall run concurrent with Family Medical Leave (when an employee qualifies), an employee must be continuously employed for six (6) months with the City prior to qualifying for PPL, and the Event must occur while employed. In addition, text has been added to specify that an employee may qualify for PPL once every 12 months from the date of the last Event and PPL must be used prior to other leaves being used if an employee is off of work for parental leave reasons.

Financial Impact:

The expansion of paid parental leave from four to six weeks has been included in the approved FY2027 budget at $157,000 per year to cover any potential backfill and overtime expenses.

Policy Impact:

The amendments provide clearer guidance regarding Paid Parental Leave and expand available paid leave from four (4) to six (6) weeks.

Previous Council Decision or Community Discussion:

None regarding these amendments. Proposed changes have been discussed with EAC and the City of Flagstaff Leadership Team.

Options and Alternatives to Recommended Action:

Not approve the proposed amendments and operate under the current policy or direct staff to propose alternative amendments.

Connection to PBB Priorities and Objectives:

High Performance Governance.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
Supports employee recruitment and retention efforts by expanding this leave benefit.

Attachments: Ord. 2026-19
(Paid) Parental Leave Amendments Presentation

ORDINANCE NO. 2026-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING THE FLAGSTAFF CITY CODE, CHAPTER 1-14, PERSONNEL SYSTEM, BY AMENDING THE EMPLOYEE HANDBOOK OF REGULATIONS, SECTION 1-50-051, PARENTAL LEAVE; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Council has authority to approve the proposed amendments to the Flagstaff Employee Handbook of Regulations pursuant to the Flagstaff City Charter, Article IV.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The Flagstaff City Code, Chapter 1-14 *Personnel System*, is amended by adopting amendments to the Employee Handbook of Regulations (“Handbook”).

The Handbook, Section 1-50-051, Parental Leave, is hereby amended as shown below (additions are shown in red text; deletions are stricken):

1-50-051 PAID PARENTAL LEAVE

The purpose of ~~p~~Paid Parental Leave is to provide parents with paid time off to recover from childbirth and/or to care for and bond with a newborn or Newly Placed Child.

A. Definitions

1. “Paid Parental Leave” is a paid leave available for benefit eligible employees who have completed six months of employment to recover from childbirth and/or to care for and bond with a newborn or Newly Placed Child.

2. “Continuous Leave” is when an employee uses Paid Parental Leave all at once without any interruption.

3. “Eligible Employee” is a Benefit Eligible Employee who has completed six (6) months of continuous employment.

4. “Newly Placed Child” is a child placement due to adoption, appointed legal guardianship, or foster care.

5. “Event” is the date of the birth or adoption, newly appointed legal guardian, stillborn or ~~live birth~~Neonatal Death, or foster care placement.

6. “Stillbirth” is defined as a fetal death in the womb after twenty (20) weeks of gestation.

7. “~~Live Birth~~Neonatal Death” is when the child is born alive and dies shortly thereafter.

B. Eligibility

1. An Eligible Employee who has an Event occur during active employment on or after July 1, 2026, ~~may use up to one hundred and sixty (160) hours of~~ will be provided Paid Parental Leave for use in accordance with this policy as follows:~~.~~

a. Full-Time Employees will be provided two hundred and forty (240) hours of Paid Parental Leave.

~~a~~b. Fire Suppression Employees ~~may use up to~~ will be provided ~~two~~ three hundred and ~~twenty-four~~ thirty-six (~~224~~336) hours of Paid Parental Leave.

~~b~~c. Part-Time Employees ~~earn~~ will be provided Paid Parental Leave on a pro-rated basis based on FTE status. For example, an Eligible Employee who works twenty (20) hours per week (i.e., .5 FTE) will be provided with ~~eligible for a maximum of eighty~~ one hundred and twenty (120~~80~~) hours of Paid Parental Leave.

2. Paid Parental Leave may be used by Eligible Employees in the following circumstances: ~~for Eligible Employees.~~

a. Birth or adoption of a child(ren).

b. A newly appointed legal guardian.

c. In cases of Stillbirth or ~~Live Birth~~ Neonatal Death.

d. Placement of a foster child(ren) ~~limited to once per year~~.

3. Eligibility for the use of Paid Parental Leave will begin on the date of the Event and may be used during the following twelve (12) months. The twelve (12) month period begins on the date of the Event regardless of when the employee becomes eligible for Paid Parental Leave. Paid Parental Leave may be used on a Continuous Leave, Intermittent Leave, or Reduced Scheduled leave ~~during~~ for up to twelve (12) months from the date of the Event. An employee who has an Event prior to meeting the six (6) months of continuous employment requirement becomes eligible to use Paid Parental Leave at six (6) months of continuous employment and may use their Paid Parental Leave within the twelve (12) months of the Event.

a. Intermittent ~~Leave~~ or Reduced Scheduled Paid Parental Leave requires approval by the Eligible Employee’s immediate supervisor, Section Head, Division Director, ~~Deputy~~ City Manager’s Office, and Human Resources/Risk Management Director or designee. The Eligible Employee should make a reasonable effort to schedule the beginning and ending times of Intermittent ~~Leave~~ or Reduced Scheduled Paid Parental Leave to not unduly disrupt the City’s operations.

b. When medically necessary or necessary to fulfill the legal requirements of an Event, Paid Parental Leave may be taken by the Eligible Employee prior to the date of the Event.

4. Paid Parental Leave ~~is available~~ will be provided once per Event for each Eligible Employee but will only be provided once per year measured in a rolling twelve (12) month period from the date of the Event. The number of children involved does not increase the length or number of hours of Paid Parental Leave granted for that Event.

5. Paid Parental Leave will be paid at one hundred percent (100%) of the Eligible Employee's hourly rate of pay.

6. Eligible Employees may use Paid Parental Leave in fifteen (15) minute increments.

7. Eligible Employees may combine Paid Parental Leave with other types of accrued leave to maximize the length of paid leave and to supplement an unpaid Family Medical Leave for birth, adoption, or foster care placement. Available Paid Parental Leave ~~does not have to~~ must be ~~exhausted~~ used before the employee is eligible to use other types of accrued leave for circumstances covered by this policy.

8. Eligible Employees will continue to accrue other types of leave while on paid status through Paid Parental Leave.

9. Eligible Employees who have exhausted Paid Parental Leave and all other appropriate types of accrued leave may be eligible for Leave Without Pay per section 1-50-081.

10. Eligible Employees may not donate Paid Parental Leave not used pursuant to Donated Leave per section 1-50-100.

C. Procedures

1. An Eligible Employee shall notify their immediate supervisor of the need for Paid Parental Leave at least thirty (30) calendar days prior to the Event.

2. When the need for Paid Parental Leave is not foreseeable, the Eligible Employee must provide a minimum of one (1) Working Day of verbal notice to the immediate supervisor. In cases when the immediate supervisor cannot be reached, notice shall be given to the next level of supervision.

3. If eligible, Family Medical Leave (FML) shall be designated, and Paid Parental Leave shall run concurrent with FML. All Paid Parental Leave requests shall be supported by the appropriate documentation.

a. If the Eligible Employee is eligible for Family Medical Leave, the FMLA Leave Request Form~~,~~ will govern.

b. If the Eligible Employee is not eligible for Family Medical Leave, the Eligible Employee shall submit a Paid Parental Leave Request Form within three (3) Working Days from the date notice was provided to the immediate supervisor.

c. Eligible Employees may be required to support their request for Paid Parental Leave ~~must be supported~~ by a certification from a Health Care Provider or state or federal child placement agency, court order, or from the attorney in cases of private adoptions. The Eligible Employee ~~has~~ will have fifteen (15) calendar days to provide the appropriate certification, if requested.

d. All certifications will be authenticated or clarified by Human Resources, not the Eligible Employee's immediate supervisor, and used to determine if the request for absence is supported.

e. Human Resources may contact the individual or entity named in a certification for purposes of verifying the statement provided.

4. Human Resources will designate leave as Paid Parental Leave within five (5) business days of receiving the FMLA Leave Request Form or Paid Parental Leave Request Form and appropriate documentation.

5. Any health information in City possession shall be kept confidential and shall not be disclosed to anyone except to the affected employee, or except with written permission of the affected employee.

6. Human Resources will notify the Eligible Employee and immediate supervisor of the Paid Parental Leave~~ and request a Personnel Action Form (PAF) is completed~~ approval.

7. When using Paid Parental Leave, ~~A~~an Eligible Employee shall submit a ~~L~~leave ~~of Absence Form~~ request to their immediate supervisor to record Paid Parental Leave through the City's payroll procedures.

8. All Paid Parental Leave shall be recorded through the City's payroll procedures using the ~~P8 hours type~~ appropriate code.

9. In the event one or more City Holidays fall within a period of Paid Parental Leave, such holiday shall not be charged as Paid Parental Leave, provided the Eligible Employee is in pay status the day before and day after the official City holiday. The unused Paid Parental Leave hours shall be credited back to the Eligible Employee's accrual accordingly.

10. The City shall continue to pay the employer contribution of an Eligible Employee's group health insurance during Paid Parental Leave. The Eligible Employee's contribution(s) will be deducted from the Eligible Employee's pay each pay period.

D. Return to Work

1. Eligible Employees must communicate with Human Resources and the Eligible Employee's immediate supervisor regarding the Eligible Employee's intent to return to work before returning to work.

2. An Eligible Employee will return to the Eligible Employee's former position or to an equivalent position with equivalent employment, benefits, pay, and other terms and conditions of employment.

3. Human Resources will notify the immediate supervisor of the return from Paid Parental Leave~~ and request a Personnel Action Form (PAF) is completed~~.

E. Effects of Termination of Employment

1. Eligible Employees may use Paid Parental Leave after submitting a notice of resignation with approval from the immediate supervisor, except for the last day of the notice period.

2. Eligible Employees who terminate employment will not be paid for any unused Paid Parental Leave.

SECTION 2: Penalties

Any person found in violation of any provision of the Handbook may be subject to discipline, as set forth in such Handbook and Flagstaff City Code Section 1-14-001-0001, *Personnel System Adopted.*

SECTION 3. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 4. Severability

If any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 6. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 25th day of August 2026.

____
MAYOR

ATTEST:

____
CITY CLERK

APPROVED AS TO FORM:

____
CITY ATTORNEY

(Paid) Parental Leave Policy Changes

Employee Handbook Article 1-50-034

CITY OF FLAGSTAFF ARIZONA ESTABLISHED 1882

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Background

- Established in 2018
- Current policy:
  - 4 weeks of paid time off for employees who have an Event (birth, adoption, legal guardianship, foster care)
  - Employee must be employed for 6 months
  - Employee has 12 months from date of Event to use leave
  - Leave may be taken continuously, intermittently, or reduced schedule
- Increase from 4 to 6 weeks of paid leave requested by EAC
- Approved in FY2027 Budget with estimated increase in cost to backfill $157,000

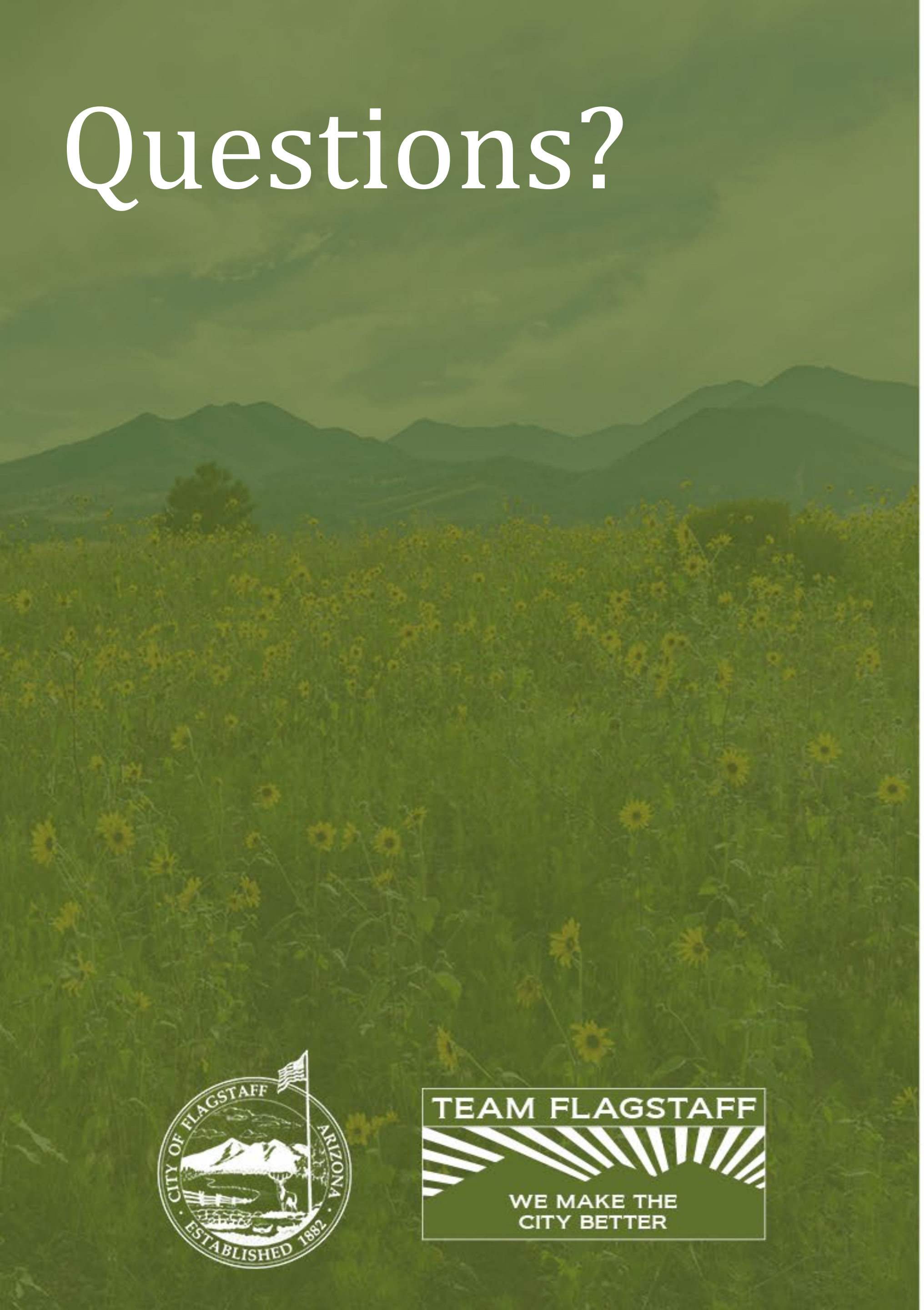
(Paid) Parental Leave – Key Changes

- Expanding from 4 to 6 weeks for any Event occurring on or after July 1, 2026
- Changing title from "Parental Leave" to "Paid Parental Leave"
- Clarifying current language with practice:
  - Employed continuously for 6 months
  - Event must occur while employed
  - Employee can use leave after 6 months for Event occurring before eligibility (still have 12 months to use from date of Event)
  - Leave must run concurrent with Family Medical Leave when qualified
- PPL will be used and exhausted prior to other available leave

PPL Policy – Stakeholder Review

- Reviewed proposed changes with:
  - City Manager's Office
  - EAC
  - Leadership
  - Legal
  - Finance/Payroll

Questions?



Ryan Saxby, HRRM Director

10. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jana Weldon, Beautification Arts & Sciences Program Manager

Date: 07/23/2026

Meeting Date: 08/25/2026

TITLE:

Consideration and Adoption of Resolution No. 2026-44: A resolution of the Flagstaff City Council, approving the Third Amendment to the Intergovernmental Agreement between the City of Flagstaff and Northern Arizona Intergovernmental Public Transportation Authority ("Mountain Line").

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2026-44 by title only
2. City Clerk reads Resolution No. 2026-44 by title only (if approved above)
3. Adopt Resolution No. 2026-44

Executive Summary:

This amendment clarifies the ownership and maintenance of the public art, which consists of the art glass (*Lion Eyes Through the Forest*) and the *Southside Grove* sculpture, that the City of Flagstaff Beautification funded at the Downtown Connection Center.

Under the IGA, Mountain Line is responsible for the maintenance of the Downtown Connection Center. This amendment changes the primary maintenance responsibility of public art to the City while outlining specific duties each for the City and for Mountain Line. The Beautification, Arts & Sciences program intends to procure and oversee private vendors to do the routine maintenance with an estimated annual budget of $5000 per year.

Mountain Line responsibilities include access to the City for maintenance and requires a point of contact be furnished. For the Southside Grove sculpture, Mountain Line responsibilities include cover-up and notification of graffiti but prohibits removal; prohibits salts or other chemicals for removing ice close to the sculpture and delineates where snow can be moved to. For the art glass, Mountain Line's responsibilities include cover-up and notification of graffiti, but prohibits removal; Mountain Line is also prohibited from cleaning the glass or leaning equipment on the art glass.

The City's Beautification, Arts and Sciences BAS staff undertakes the maintenance of both the Southside Grove sculpture and the art glass, and the snow removal for the Southside Grove sculpture, providing two-week notice and a point of contact to Mountain Line for all work done. Routine maintenance will include snow removal in the sculpture area, power washing of the sculpture, and cleaning the art glass. Within 60 days of the execution of this amendment, and thereafter at the beginning of the fiscal year (July 1), BAS staff will provide an annual maintenance plan to Mountain Line.

Financial Impact:

Project Name: Ongoing Maintenance of Beautification Objects
Cost: $5,000
Account Number Budgeted: 051-07-211-0820-5-4224 : Maintenance-Buildings & Structures
FY Budgeted Amount: $40,000
Grant Funded: No

Funding Source: BBB, Beautification Fund

Policy Impact:
There is no policy impact. The Beautification, Arts & Sciences program routinely maintains the public art it produces.

Previous Council Decision or Community Discussion:

- Council approved the Intergovernmental Agreement, which was entered into by the City and Mountain Line on May 1, 2023, the First Amendment also dated May 1, 2023, and the Second Amendment dated October 7, 2025.
- Council approved the design contract with the artists on December 1, 2020.
- Council reviewed the art proposals in a work session on January 31, 2023.
- Council approved the fabrication contract for the public art on March 21, 2023.
- Council approved a ratification of the Resource Use and Sharing Agreement with Mountain Line for the supporting costs of construction of the artworks on August 21, 2023.

Options and Alternatives to Recommended Action:

1. Council may request changes to the IGA amendment, which may delay implementation of routine maintenance.
2. Reject the IGA amendment. This will prevent the Beautification, Arts and Sciences Program from contracting for routine maintenance and addressing damage that may occur to the artwork.

Connection to PBB Priorities and Objectives:
Livable Community:

- Provide amenities and activities that support a healthy lifestyle
- Create a welcoming community through partnerships, resilient neighborhoods

Connection to Regional Plan:
Policy CR.2 — Include public art, interpretation, and placemaking in public projects and, with willing private partners, tell the story of the Region's Indigenous Peoples, pioneers of all races and ethnicities, innovators, and community makers to celebrate the culture of the Flagstaff community and inspire current and future residents.

Policy DP.7 — Create and enhance the sense of place in walkable mixed-use communities and public spaces.

Policy NE.4 — Support the active participation of Neighborhood Associations or similar organizations in local decision-making, fostering community engagement, promoting neighborhood development, and advocating for the needs and interests of residents.

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Res. 2026-44
IGA Amendment 3

RESOLUTION NO. 2026-44

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING A THIRD AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FLAGSTAFF AND NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY ("MOUNTAIN LINE"), RELATED TO MAINTENANCE OF PUBLIC ART AT THE DOWNTOWN CONNECTION CENTER; PROVIDING FOR DELEGATION OF AUTHORITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff desires to maintain certain public art owned by the City, the Art Glass and Southside Grove Structure, and installed at the Downtown Connection Center operated by Mountain Line.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The Third Amendment to the Intergovernmental Agreement by and between the City of Flagstaff and the Northern Arizona Intergovernmental Public Transportation Authority ("Mountain Line") attached hereto is hereby approved.

SECTION 2. Delegation of Authority

The City Manager or her designee is hereby delegated authority to execute said Third Amendment on behalf of the City.

SECTION 3. Effective Date

This Resolution shall be immediately effective.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 25th day of August, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

____
CITY ATTORNEY

Attachment:
Third Amendment

THIRD AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FLAGSTAFF AND NORTHERN ARIZONA INTERGOVERNMENTAL TRANSPORTATION AUTHORITY ("MOUNTAIN LINE")

Related to Downtown Connection Center

No. IGA-2016-121-AG7-AM3

This THIRD AMENDMENT is entered into this ______ day of ________________, 2026 by and between the CITY OF FLAGSTAFF, a municipal corporation and political subdivision of the state of Arizona and NORTHERN ARIZONA INTERGOVERNMENTAL TRANSPORTATION AUTHORITY a corporation and political subdivision of the state of Arizona ("MOUNTAIN LINE"), and amends the Intergovernmental Agreement entered into by the parties on May 1, 2023, as amended by the First Amendment also dated May 1, 2023, and the Second Amendment dated October 7, 2025 (collectively "the IGA").

RECITALS:

A. Mountain Line is using certain real property owned by the City located along the north side of Phoenix Avenue between Milton and Beaver Street as legally described in the Second Amendment to this IGA ("the DCC Property") for public transit purposes; and

B. Mountain Line has constructed Phase 1 of the Downtown Connection Center ("DCC") on the DCC Property and Phase 2 (an operations hub and civic space) will be constructed at a future date in coordination with the Rio de Flag Flood Control Project; and

C. The City paid for the design and fabrication of certain public art known as the Art Glass and Southside Grove Sculpture; and

D. Pursuant to a Resource Use and Sharing Agreement dated August 17, 2023, as amended by the First Amendment dated December 15, 2025, by and between the City and Mountain Line, the City paid Mountain Line to complete installation, electrical, and landscaping work related to the Art Glass and Southside Grove Sculpture on the DCC Property; and

E. The parties desire to clarify ownership of the public art and to provide for ongoing maintenance of the public art.

NOW, THEREFORE, the parties agree as follows:

The IGA, Section II **Improvements**, is hereby amended by adding a new paragraph 5 to read as follows (additions shown as capitalized redlined text):

5. EXCLUDED IMPROVEMENTS (PUBLIC ART). THE ART GLASS AND THE SOUTHSIDE GROVE SCULPTURE, DEPICTED IN THE ATTACHED EXHIBIT F ("THE PUBLIC ART") ARE NOT PART OF THE IMPROVEMENTS UNDER THIS AGREEMENT AND ARE THE SOLE AND SEPARATE PROPERTY OF THE CITY. CITY RESERVES THE RIGHT TO RELOCATE THE SOUTHSIDE GROVE SCULPTURE WITHIN THE PUBLIC CIVIC SPACE AS PART OF PHASE 2 OF MOUNTAIN LINE'S DOWNTOWN CONNECTION CENTER IN COORDINATION WITH THE RIO DE FLAG FLOOD CONTROL PROJECT.

The IGA, section X **Maintenance and Repairs,** is hereby amended to read as follows (additions shown as capitalized text):

1. MAINTENANCE OF IMPROVEMENTS. Mountain Line shall, throughout the Term and at Mountain Line's sole cost and expense, maintain the DCC Improvements in a clean and safe condition, and in conformity with applicable laws and regulations, including any federal or state program requirements. The City shall be under no obligation to maintain, repair, rebuild or replace the improvements.

2. MAINTENANCE OF PUBLIC ART. MOUNTAIN LINE AND CITY SHALL, THROUGHOUT THE TERM, HAVE CERTAIN RESPONSIBILITIES RELATED TO THE PUBLIC ART, AS OUTLINED IN THE ATTACHED EXHIBIT G. CITY AT ITS EXPENSE IS RESPONSIBLE FOR MAINTENANCE OF THE PUBLIC ART. MOUNTAIN LINE MAY INCUR NOMINAL MAINTENANCE EXPENSES. THE CITY POINT OF CONTACT SHALL ESTABLISH THE ANNUAL MAINTENANCE SCHEDULE ON A FISCAL YEAR BASIS (JULY 1 THROUGH JUNE 30).

All other terms and conditions of the IGA remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set forth their hands, through representatives duly so authorized, the date and date first above written.

FOR THE NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY:

____

Name: Kate Morley

Its: CEO and General Manager

Date: ______________________

Attest by:

____

FOR THE CITY OF FLAGSTAFF:

____
Name: Becky Daggett

Its: Mayor

Date: ______________________

Attest by:

____
Stacy Saltzburg, City Clerk

PROPER FROM AND AUTHORITY:

This Third Amendment to the IGA has, prior to its execution, been submitted to the attorney for each Party, who has determined that the agreement is in the property form and within the powers of and authority granted under the laws of this state to such Party.

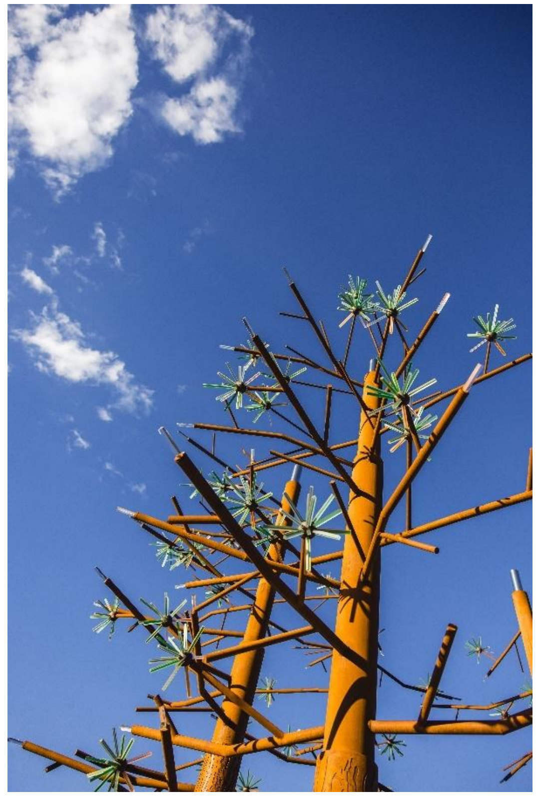
____
Sterling Solomon, City Attorney

____
Scott A. Holcomb, NAIPTA General Counsel

EXHIBIT F

PUBLIC ART

Images on this page: *Southside Grove* by Haddad Drugan, consisting of Corten steel “trees” and granite timetable.



Images on this page: *Lion Eyes (Through the Forest)* by Haddad Drugan, consisting of colored glass panels and lighting.

EXHIBIT G

Maintenance of Public Art at the Downtown Connection Center

MOUNTAIN LINE RESPONSIBILITIES

1. **Access:** Mountain Line shall provide all access for the City staff and City's contractors to perform maintenance of the Public Art as outlined herein.

2. **Point of Contact:** Mountain Line's point-of-contact will be the Facilities & Maintenance Manager.

3. **Southside Grove:**

    a. Graffiti. Mountain Line will notify City of any graffiti immediately (within 24 hours). Mountain Line will not attempt to remove the graffiti. If the graffiti is vulgar or offensive the graffiti may be temporarily covered. For graffiti on the tree trunks, use plastic bungee cords and cloth to cover the obscenities. Do not use tape or adhesives. For graffiti on the tabletop, an elastic rimmed cloth may be placed over top.

    b. Snow Removal. Mountain Line will not use salts or other chemicals for removing ice within five (5) feet of the sculpture, unless otherwise agreed to by the City in writing. Mountain Line will not push snow against the sculpture or within the pathways; snow will be pushed into landscaping areas (see attached map). Mountain Line will notify City if the snow piles in the landscaping areas are at capacity.

4. **Art Glass, aka Lion Eyes (Through the Forest):**

    a. Cleaning Prohibited. Mountain Line shall not clean the Art Glass.

    c. No Leaning on Glass. Mountain Line will not lean ladders or other equipment against the glass as they can damage the glass and its weathertight seal. At City's request, Mountain Line will post signs notifying the public not to lean objects against the glass.

    d. Graffiti. Mountain Line will notify City of any graffiti immediately (within 24 hours). Mountain Line will not attempt to remove the graffiti. The Art Glass may be temporarily covered using garbage bags or paper secured to the glass with painter's tape. No other kind of tape shall be used.

CITY RESPONSIBILITIES (BEAUTIFICATION, ARTS AND SCIENCE STAFF)

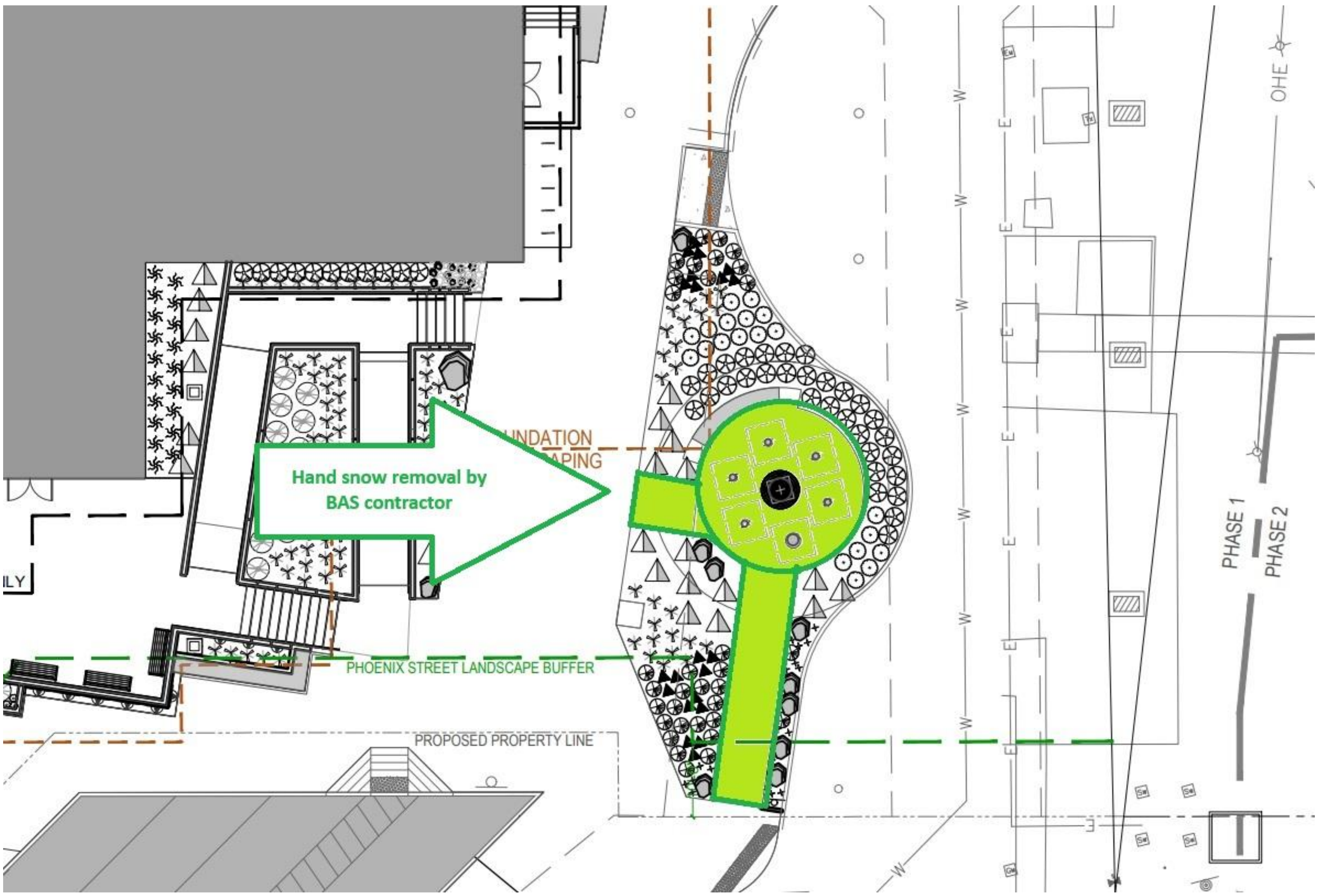
1. **Access Notice.** City shall provide at least two (2) weeks' notice to Mountain Line prior to any routine scheduled maintenance or adjustment of the Art Glass programming unit. City will provide as much notice as feasible in the event immediate action needs to be taken (such as repairs that may affect public safety).

2. **Point of Contact.** City's point-of-contact will be the Collections, Beautification, and Public Art Project Administrator.

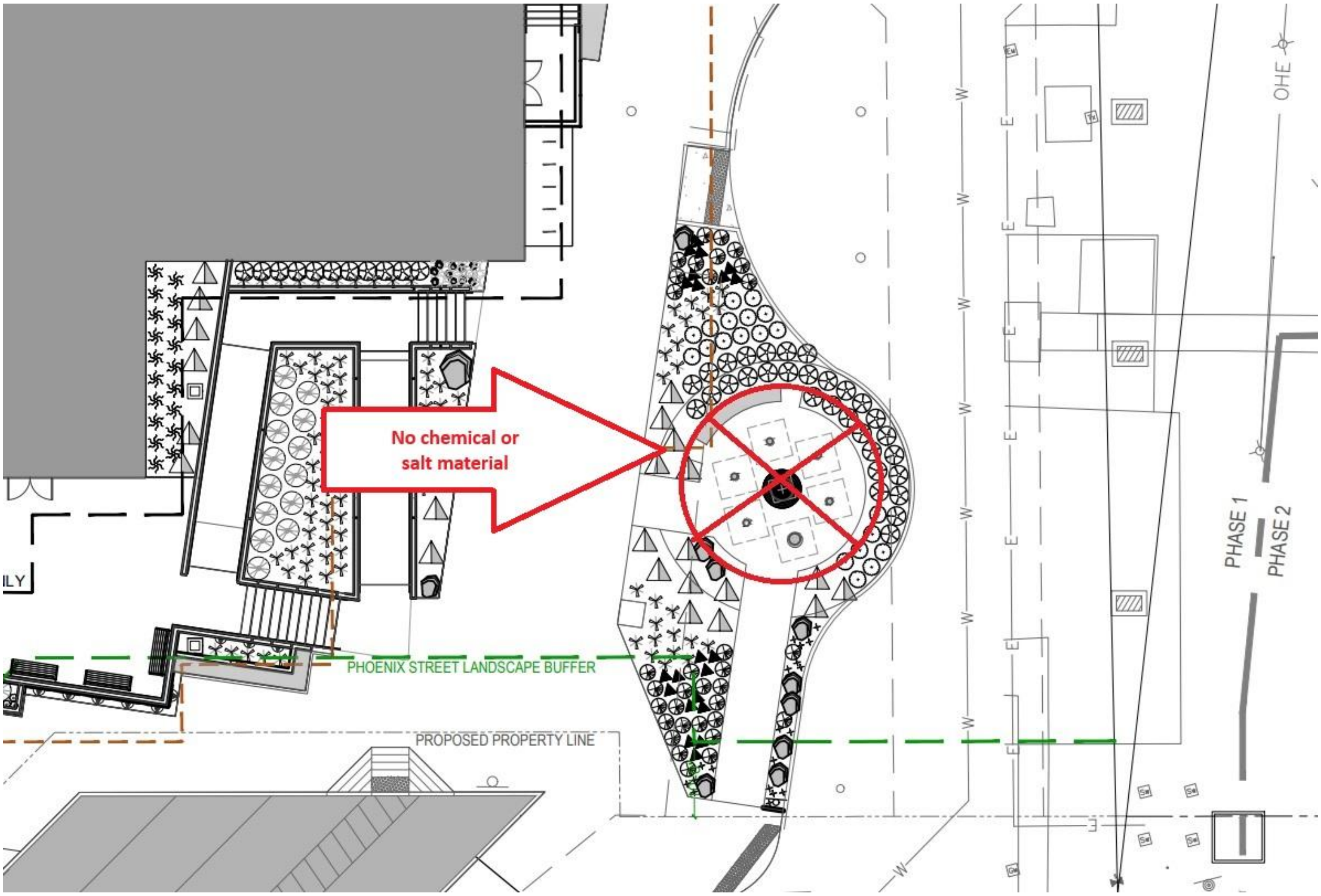
3. **All Maintenance.** City will perform all maintenance (repair, cleaning, graffiti removal, resealing, etc.) related to the Public Art. City will provide initial annual maintenance plan within 60 days of amendment execution to Mountain Line, and thereafter, at the beginning of each fiscal year (July 1).

4. **Snow Removal.** City or its contractor will remove snow from the pathways around the Southside Grove sculpture by hand. (see attached map)

Map A: Hand Snow Removal by BAS



Map B: Area for no chemical or salt snow removal material



10. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Carmen Pryer, Real Estate Specialist
Co-Submitter:	Bryce Doty
Date:	05/27/2026
Meeting Date:	08/25/2026

TITLE:

Consideration and Approval of Contract: Lease Agreement between City of Flagstaff and Hopi Tribe Economic Development Corporation located at 5200 E. Cortland Boulevard, Suites A1-6 for Library Space.

STAFF RECOMMENDED ACTION:

Staff recommends that City Council approve the lease agreement for the temporary East Flagstaff Library site at 5200 E. Cortland Blvd. Suites A1-6, and authorize the City Manager to execute the lease and any related procurement documents for necessary facility tenant improvements, not to exceed $200,000.00, to provide interim library space for East Flagstaff Library.

Executive Summary:

The passage of Coconino Community College ("CCC") bond in November 2025 included funding to redevelop its East campus located at 3000 N Fourth St. The existing East Flagstaff Community Library operates out of the existing campus. Redevelopment of the CCC campus is expected to result in a purpose-built facility for the East Flagstaff library on the redeveloped campus. This lease secures a location for an interim East Flagstaff library during redevelopment of the CCC campus. A search of available properties on the market and inquiries to other properties not on the market was conducted with very few available properties meeting the square footage requirements suitable for an interim library capable of maintaining the existing level of service as the current location. The space located at 5200 E. Cortland Blvd. Suites A1-6 meets the requirements. The lease is effective from August 1st, 2026 until October 31, 2030. The landlord is providing three months of rent abatement to allow for tenant improvements, remodeling, and move-in. Based on current discussions with CCC, City Staff believes this lease term strikes the right balance between an expected delivery of a redeveloped campus and ensuring continued library services at an Eastside location throughout any construction contingency delays.

Financial Impact:

The City's monthly rent is set at $13,362.18 for an annual cost of $160,346.16
Rent Account Number & Budgeted Amount: 030-07-035-0143-5-4241 with a FY2026-27 budget of $90,181 and $15,460 from 030-07-035-0143-5-4290
Tenant Improvements Account Number & Budgeted Amount: 030-07-035-0143-5-4290 & 030-07-035-143-5-4301 for total of $210,346 available in FY2026-27 budget
Contract Amount:

- $13,000.00 per month, subject to annual increases; Security Deposit: $13,000.00; First month’s rent and tax: $13,362.18; Total due upon execution: $26,362.18.

DATES	MONTHLY RENT	MONTHLY TAX*	MONTHLY TOTAL*
8/1/26 - 8/31/26	$13,000.00	$362.18	$13,362.18
9/1/26 - 11/30/26	$0.00	$0.00	$0.00
12/1/26 - 7/31/27	$13,000.00	$362.18	$13,362.18
8/1/27 - 7/31/28	$13,390.00	$373.05	$13,763.05
8/1/28 - 7/31/29	$13,791.70	$384.24	$14,175.94
8/1/29 - 10/31/30	$14,205.45	$395.76	$14,601.21

*Based on the current rate of 2.786% and subject to change.

Upon full execution of Lease Documents, Tenant shall pay a total of $26,362.18, broken down as follows:

First month's rent (8/1/26 – 8/31/26)	$13,000.00
First month's tax	362.18
Security Deposit	13,000.00
Total Due Upon Execution	**$26,362.18**

Rent Abatement:

- SPECIAL PROVISIONS: 3 months' rent abatement, applied to months two(2) through four(4) of the initial lease term.

Policy Impact:
None

Connection to PBB, Carbon Neutrality Plan, 10-Year Housing Plan & Regional Plan:

Connection to PBB Priorities and Objectives:
Livable Community — Create a welcoming community through partnerships, resilient neighborhoods, & civic engagement. Inclusive and Engaged Community — Ensure City facilities, services, and programs are accessible for all residents and representative of Flagstaff's diverse community

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Has There Been Previous Council Decision on This:
None

Options and Alternatives:
Do not approve the lease: It is unlikely an alternative site which meets accessibility, parking, and square footage requirements would emerge by the time the library needs to vacate the current location.

Background and History:

Intergovernmental Agreement (IGA) and Partnership Origin
The East Flagstaff Community Library operates under a highly successful, long-term co-location partnership between the City of Flagstaff and Coconino Community College (CCC). Established to maximize public resources and prevent the costly duplication of civic facilities, the Intergovernmental Agreement (IGA) that functions as a long-term co-location lease partnership allows the City to run a full-service public library branch directly on CCC's Fourth Street Campus (3000 N. Fourth St.).
Under this shared-space framework, CCC provides the physical building infrastructure, while the City of Flagstaff manages the daily public operations, library staffing, specialized community programming, public technology access, and literary collections.

Current Operations and Footprint
For years, this partnership has served as a critical educational and community anchor for residents, families,

and students on the east side of Flagstaff. The library currently occupies approximately 10,000 square feet within the existing Fourth Street campus footprint.
The facility is heavily utilized, offering essential neighborhood services that include:

- Public computer labs, digital printing, and high-speed Wi-Fi access.
- Youth literacy initiatives, after-school programs, and community meeting spaces.
- Equitable access to a full physical and digital book collection for a historically underserved sector of the community.

The CCC Campus Remodel and Future Expansion
In response to regional growth and modern educational needs, CCC is moving forward with a major, campus-wide master plan, remodel and reconstruction project at the Fourth Street location.
While this construction requires the temporary evacuation of the current library space, the long-term outlook for the partnership is highly positive. Following the completion of the campus overhaul, the East Flagstaff Community Library will return to a brand-new, state-of-the-art facility. This permanent new home will double the library's permanent footprint from 10,000 to 20,000 square feet, significantly expanding public spaces, technological capacity, and neighborhood resources for decades to come.

Need for Temporary Relocation
Because the scope of CCC's upcoming construction requires a complete vacancy in the existing facility, a temporary "bridge" location is required to prevent a service gap.
To maintain operational continuity, City staff launched a targeted real estate search on the Eastside, evaluating properties for square footage, transit accessibility, parking capacity, and code compliance. This search resulted in the selection of 5200 E. Cortland Blvd., Suites A1-6 (approximately 7,200 sq. ft.) as the optimal interim site to sustain library operations throughout the construction window.

Key Considerations:
Footprint and Capacity: The temporary space at 5200 E. Cortland Blvd. Suites A1-6 provides approximately 7,200 square feet of usable space. While this is a reduction from the current 10,000 sq. ft. facility at CCC, staff has verified that it is sufficient to maintain core public services, computer labs, essential physical collections, and staff administrative needs.

- **Geographic Access:** The Cortland Boulevard site (located within Continental Plaza) keeps services on Flagstaff's Eastside. It sits right off Country Club Drive with excellent connectivity to Route 66, U.S. Hwy 89, and Interstate 40, ensuring that the existing patron base can transition to the temporary location with minimal disruption.
- **Transit and Parking:** The site benefits from direct Mountain Line city bus access and features ample onsite parking, which is critical for hosting public programming and ensuring ADA accessibility.

Attachments: Proposed Lease
Lease
Addendum
Exhibit A
Exhibit B
Exhibit C
Exhibit D

LEASE AGREEMENT

Dated as of June 9, 2026

for

Continental Plaza Shopping Center
5200 E. Cortland Blvd., Suite A 1 - 6

Flagstaff, Arizona 86004

by and between

THE HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION
as Landlord

and

City of Flagstaff,
an Arizona municipal corporation,
dba East Flagstff Community Library
as Tenant

Landlord's Initials ___________

Tenant's Initials ___________ ___________

LEASE AGREEMENT

TABLE OF CONTENTS

LEASE AGREEMENT

This Lease, dated as of this 9th day of June, 2026, is made by and between The Hopi Tribe Economic Development Corporation, a federally chartered corporation, wholly owned by The Hopi Tribe, a federally recognized Indian tribe (hereafter called "Landlord"), City of Flagstaff, an Arizona municipal corporation, dba East Flagstaff Community Library, (hereafter called "Tenant").

ARTICLE 1
BASIC LEASE PROVISIONS

The descriptions and provisions set forth below are qualified by their usage elsewhere in this Lease, including those Articles referred to in parentheses:

1.1	Premises (Article 2.1):	Continental Plaza Shopping Center 5200 E. Cortland Blvd., Suite A 1-6 Flagstaff, AZ 86004
1.2	Approximate Gross Leasable Area of Premises	(Article 2.1): +/- 7200 sf
1.3	Use Clause (Article 8)	Community library
1.4	Trade Name/Business Name (Article 8.1):	East Flagstaff Community Library
1.5	Lease Term (Article 3.1):	Four (4) years plus three (3) months
1.6	Lease Commencement Date (Article 3.2):	August 1, 2026
1.7	Lease Expiration Date (Article 3.2):	October 31, 2030
1.8	Security Deposit (Article 7.1):	$13,000
1.9	Tenant's Notice and Billing Address (Article 36):	Bryce Doty Real Estate Manager 211 W. Aspen Ave Flagstaff, AZ 86004 928-213-2072 Bryce.doty@flagstaffaz.gov With a copy to: City Attorney City of Flagstaff 211 W. Aspen Ave Flagstaff, AZ 86001

1.10	Landlord's Notice Address (Articles 6.1, 36):	HTEDC c/o Sterling Real Estate Management 323 W. River Run Rd., Suite 1 Flagstaff, AZ 86001 commercial@sterlingrem.com
	Landlord's Billing Address	HTEDC 5200 E. Cortland Blvd, Suite E200 Flagstaff, AZ 86004
1.11	Minimum Monthly Rent Commencement Date	(Article 4.1): August 1, 2026
1.12	Minimum Monthly Rent (Article 4.1):	$13,000 base rent
1.13	Merchants Association Fee (Article 14.3)	N/A
1.14	Brokerage Commissions (Article 37):	Per separate agreement
1.15	Lease consists of 40 Articles on 36 Pages,	Exhibits A, B, C, D, and First Addendum to Lease

ARTICLE 2
PREMISES

2.1 PREMISES. Landlord hereby leases to Tenant and Tenant leases from Landlord, for the Lease Term, at the rent rate and upon all of the conditions set forth herein, that certain real property known by address and unit/suite number specified in Article 1.1 hereof, consisting of the approximate gross leasable area specified in Article 1.2 hereof, and which is referred to hereafter as "Premises".

2.2 COMMON AREA. The use and occupation by the Tenant of the Premises shall include the non-exclusive right to the use of the parking areas, service roads and sidewalks depicted on Exhibit A and other facilities as may be designated from time to time by the Landlord for use in common by tenants of the Shopping Center, as more specifically set forth in Article 16 of this Lease.

2.3 LANDLORD'S RIGHTS. Landlord reserves and excepts from the Premises the roof and the exterior of the walls of the building of which the Premises are a part, and the right of access in, over and upon the Premises as may be reasonably necessary or advisable for maintenance or construction of the building of which the Premises is a part or other portions of the Shopping Center.

ARTICLE 3
TERM

3.1 TERM. The term of this Lease ("Lease Term") shall be for the period set forth in Article 1.5 hereof, plus the remainder of any partial calendar month in which the term commences.

3.2 DATES. The Lease Term and Tenant's occupancy shall commence on the date ("Lease Commencement Date") stated in Article 1.6 hereof, and end on the date ("Lease

Expiration Date") stated in Article 1.7 hereof, unless sooner terminated pursuant to any provision of this Lease.

ARTICLE 4
RENTAL

4.1 MINIMUM MONTHLY RENT. Tenant covenants and agrees to pay Landlord, without deduction or offset, and without notice or demand, for the use and occupancy of the Premises a Minimum Monthly Rent as specified in Article 1.12 hereof, subject to adjustment pursuant to the following paragraph, payable in advance on the first day of each and every month during the Lease Term beginning on the Minimum Monthly Rent Commencement Date specified in Article 1.11 hereof. If the Minimum Monthly Rent Commencement Date is other that the first day of a calendar month, the Minimum Monthly Rent for that month shall be prorated on a per diem basis calculated on a thirty (30) day month and paid to Landlord within five (5) days of the Minimum Monthly Commencement Date.

4.2 ~~ADJUSTMENTS. Upon each anniversary of the Lease Commencement Date, the Minimum Monthly Rent shall be adjusted upward (but not downward) to reflect the change in the Index over the past year. To accomplish this adjustment, the minimum Monthly Rent shall be increased by a fraction the numerator of which is the Index for January of the latest year and the denominator of which is the Index for January of the prior year; provided, that in no event shall the annual upward adjustment in Minimum Monthly Rent be less than three percent (3%). As used in this Section 4.2, Index means CONSUMER PRICE INDEX ALL URBAN CONSUMERS (CPI-U; U.S. City Average; All Items: 1982-1984=100) published by the United States Bureau of Labor Statistics. If the base of the Index changes from the 1982-84 base (100), the Index shall, thereafter, be adjusted to the 1982-84 base (100) before the computation indicated above is made. If the Index is at a time hereafter no longer published, a comparable index generally accepted and employed by the real estate profession shall be used as determined by Landlord-~~.

ARTICLE 5
ADDITIONAL RENT

5.1 ~~PROPORTIONATE SHARE. It is mutually intended and understood that Minimum Monthly Rent is a "net" rent to Landlord, and that Tenant shall pay as additional rent, without offset or deduction, Tenant's Proportionate Share of the Shopping Center expenses, taxes and charges as set forth in this article.~~

~~If the Lease Commencement Date occurs on a day other than the first day of a calendar month, then all rents (including the Minimum Monthly Rent as set forth above) shall be prorated for the balance of that month, calculated on a thirty (30) day month and based upon the actual number of days the Lease is in effect during said calendar month.~~

~~Tenant's Proportionate Share of taxes, expenses (less water and sewer fees) and other charges shall be determined by multiplying the tax, expense (less water and sewer fees)~~

~~and other charges by a fraction, the numerator of which is the Approximate Gross Leasable Area of the Premises and the denominator of which is the total space in the Shopping Center. In the event the Premises does not have a separate water meter, the Tenant's Proportionate Share of the shopping Center's water and sewer fees shall be paid by Tenant as additional rent.~~

~~The amounts payable hereunder shall be payable within ten (10) days after receipt by Tenant of a statement from the Landlord setting forth the amount and due date of Tenant's Proportionate Share of the tax, charge or expense. Notwithstanding the foregoing, Landlord, at its option, shall have the right to estimate the amount of Tenant's Proportionate Share of the taxes, expenses and charges which would be payable by Tenant in any period of twelve (12) consecutive calendar months, and Tenant agrees to make advance payments towards the same in equal installments on the first day of each calendar month with Tenant's payment of Minimum Monthly Rent. By March 1st of each year, Landlord shall furnish to Tenant a statement showing the Shopping Center's actual taxes, expenses and charges for the proceeding period and any adjustments to be made as a result thereof. In the case of a deficiency, Tenant shall promptly remit the amount of such deficiency as set forth above to Landlord. In the case of surplus, Landlord shall apply Tenant's share of such surplus to payments next falling due from Tenant under this Article 5.~~

~~5.2 OPERATING EXPENSES. Tenant covenants and agrees to pay Tenant's Proportionate Share of the Shopping Center's Operating Cost. The Shopping Center's Operating Cost means:~~

~~a. All costs of operating, maintaining, and repairing the Shopping Center's common facilities provided for the joint non-exclusive use of tenants, their agents, employees, licensees and invitees including without limitation all costs and expenses attributable to: landscaping; repaving; line painting; identification and directional signs, markers and bumpers; sanitary control for the common facilities (pest control, cleaning, sweeping, removal of trash, rubbish, garbage and other refuse); snow removal; lighting; fixtures; utilities consumes on the common facilities; security and traffic control services; depreciation on or rental charges for equipment used for maintenance; the cost of an on-site office and an on-site employee or agent for supervision and management of the Shopping Center; payroll taxes and benefits; heating and security for vacant space, and premiums for fire and extended coverage insurance on common facility improvements and equipment; and fees and charges levied by governmental authorities.~~

~~b. All costs of maintaining and operating any sewer, septic or waste disposal installation which services the Shopping Center.~~

~~c. Routine cleaning, painting and other maintenance of signs, walls and roof systems.~~

~~d. The aggregate cost of Landlord's maintenance obligations under Section 17.1 hereof, for all portions of the Shopping Center.~~

~~e. Landlord's costs to appeal tax assessments.~~

~~f.~~a. ~~All costs for property management services.~~

~~5.3 REAL ESTATE TAXES. Tenant covenants and agrees to pay its Proportionate Share of all Real Estate Taxes imposed upon all real property and permanent improvements within the Shopping Center including the Premises and common facilities. With respect to any assessments which may be levied against or upon the Premises and which, under the laws then in force, may be evidenced by improvement or other bonds payable in annual installments, only the annual payments on said assessment shall be included in computing or estimating Tenant's obligation for real estate taxes and assessments.~~

~~Real Estate Taxes mean all impositions, taxes, assessments (special or otherwise) and other governmental levies and charges of any and every kind, ordinary or extraordinary, foreseen and unforeseen, assessed upon or with respect to the ownership of, or other taxable interest attributable to, the land, buildings and improvements comprising all or any portion of the Shopping Center, including taxes imposed on any interest or excise in substitution for those taxes commonly known as real estate taxes or in lieu of an increase in real estate taxes, but excluding income, estate and inheritance taxes levied against Landlord and taxes referred to in Article 5.5 hereof.~~

~~5.4 INSURANCE. Tenant covenants and agrees to pay its Proportionate Share of Landlord's cost of all insurance procured by or on behalf of Landlord pursuant to Sections 20.6 and 21.4 hereof.~~

5.5 SALES TAX. Tenant covenants and agrees to pay to Landlord, in addition to the amounts payable to Landlord hereunder, a sum equal to the aggregate of any municipal, county, state or federal excise, sales, use or transaction privilege taxes now or hereafter legally levied or imposed against or on account of any or all amounts payable under Lease by Tenant or the receipts thereof by Landlord (except taxes which are commonly referred to as income, estate, or inheritance taxes).

Tenant agrees to remit the taxes payable under this Section 5.5 to Landlord at the time payment is made by Tenant upon which the tax is levied or imposed.

~~5.6 PERSONAL PROPERTY TAX. Tenant shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment and all personal property placed on the Premises by the Tenant. If any or all of the Tenant's fixtures, furnishings, equipment or personal property shall be assessed and taxed with the Landlord's real property, the Tenant shall reimburse Landlord for such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to the Tenant's property.~~

5.7 WOOD INFESTATION AND PEST CONTROL. Tenant shall pay for any Wood infestation Report for Tenant's Premises, the cost of treatment of infestation, repair of any damage caused by infestation and correction of any conditions conducive to infestation that are caused by Tenant. Tenant shall pay for the cost of any pest control within the Premises.

ARTICLE 6
PAYMENT OF RENTAL/LATE CHARGES

6.1 PAYMENT. Tenant shall pay the rentals and all other charges herein specified to Landlord at the address set forth in Article 1.10 hereof, or to another person and at another address as Landlord shall from time to time designate in writing. Tenant shall pay all rents to Landlord in lawful money of the United States of America.

6.2 LATE CHARGES AND INTERST. Any payment of rent, additional rent or charge required to be made by Tenant to Landlord under the terms of this Lease not received within FIVE (5) DAYS after the due date thereof shall be subject to a late charge of ten (10%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, and if the delinquent amount has not been received in TEN (10) DAYS, an additional late charge of ten percent (10%) shall be due and payable to Landlord, for a total of twenty percent (20%); provided, however, nothing charged hereby shall ever exceed the amount that may properly be charged or recovered under the laws of the State of Arizona. Tenant understands and acknowledges that the foregoing late charge is not intended as punitive damages, but rather as liquidated damages, being a reasonable estimate of the damages that will be suffered by Landlord as a consequence of Tenant's failure to pay rent and other charges when due. The foregoing late charges and interest shall be in addition to any other remedies of the Landlord provided in this Lease.

ARTICLE 7
SECURITY DEPOSIT

7.1 GENERAL. Tenant has deposited with Landlord upon delivery of this Lease the amount specified in Article 1.8 hereof, receipt of which is hereby acknowledged by Landlord, to be held as security for the full and faithful performance of each and every term, provision, covenant and condition of this Lease.

7.2 OBLIGATIONS. If Tenant defaults in the performance of any of the terms, provisions, covenants or conditions of this Lease, including but not limited to the payment of rent, additional rent or other charge, Landlord may, but need not, use, apply, or retain the whole or any part of this security not as liquidated damages but for the payment of any rent or charge in default or for any other sum which Landlord ma spend or be required to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefore, deposit cash or certified funds with Landlord in an amount sufficient to restore the security deposit to its original amount. Should Tenant fully and faithfully comply with all of the terms, provisions, covenants, and conditions of this Lease, the security or any balance of the security shall be returned to Tenant or, at the option of Landlord, to the last assignee of Tenant's interest in this Lease within fourteen (14) business days after the Lease Expiration Date and surrender of the Premises by Tenant. Landlord's rights with reference to the security deposit shall be in addition to and shall not preclude any other rights, remedies, or recoveries available to Landlord by law or under the terms of this Lease.

7.3 RIGHTS. Tenant agrees that in case the Landlord shall sell or exchange Landlord's interest in the Premises during the Lease Term, Landlord may pay the deposit to any subsequent owner and in that event, Tenant does hereby agree to release Landlord from all liability for the return of such deposit. Landlord shall not be required to maintain such funds in a segregated account, but may deposit such funds in any general account of Landlord, provided that such commingling shall in no way affect Landlord's obligations to Tenant regarding such funds hereunder.

ARTICLE 8
USE OF PREMISES

8.1 USE. Tenant shall use the Premises solely for the purpose of conducting its business, which is stated in Article 1.3 hereof, and for no other purpose.

Said business shall be operated only under the trade name/business name as stated in Article 1.4 hereof.

Tenant shall not use or permit the Premises to be used for any other purpose or purposes except with the prior written consent of Landlord. The right to use the Premises for the business set forth above shall not be construed as a grant of exclusive rights to Tenant or a covenant restricting Landlord from leasing other space in the Shopping Center for the same or similar uses.

8.2 COMPLIANCE WITH LAW. Tenant shall, at its sole cost and expense, comply with all statues, ordinances, rules, regulations and orders of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the Premises or Tenant. Tenant shall not use or permit the Premises to be used in whole or in part for any purpose or use in violation of any of the laws, ordinances, regulations or rules of any public authority at any time applicable thereto.

8.3 PROHIBITED USES. Tenant shall not:

a. Consent or permit any auction sale to be held on or about the Premises, whether such auction be voluntary or involuntary;
b. Advertise or solicit business on the sidewalks and other common facilities of the Shopping Center, without first securing the prior written consent of the Landlord;
c. Employ any type of sound emitting device in or about the Premises that is audible outside the Premises, except for fire and burglar alarms;
d. Commit, or suffer to be committed, any waste upon the Premises;
e. Engage in any activity which will increase the existing premium rate of insurance on the Premises or cause a cancellation of any insurance policy or permit to remain in or about the Premises any article that may be prohibited by standard for fire insurance policies;
f. Use the Premises for or carry on or permit any offensive, noisy, or dangerous trade, business, manufacture or occupation, or any nuisance or anything against public policy, or interfere with the business of or disturb the quiet enjoyment of any other tenant in the Shopping Center;

g. Use the exterior of the roof or walls of the Premises for any purpose except maintenance of a sign in accordance with Section 8.2 or performing Tenant's maintenance obligations under Section 17.3;
h. Load or unload goods except at such times, in the areas and through the entrances designated for such purposes by Landlord;
i. Accept delivery or ship merchandise, supplies or fixtures to and from the Premises except subject to such rules and regulations as in the judgment of the Landlord are necessary for the proper operation of the Premises or Shopping Center;
j. Deposit garbage or refuse except in the kind of container and specific container(s) specified by Landlord, and shall be placed outside the Premises prepared for collection in the manner and at the times and places specified by Landlord. Tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
k. Install an aerial, antenna, satellite dish or similar device on the roof or exterior walls of the Shopping Center or on the grounds, without the prior written consent of Landlord.
l. Place or permit any obstruction or merchandise outside Tenant's Premises and Tenant shall keep exterior areas immediately adjoining the Premises, including sidewalk and patio areas, clean and free form snow, ice, dirt, and rubbish to the satisfaction of the landlord.

ARTICLE 9
CONSTRUCITON OF THE PREMISES

9.1 GENERAL. All construction work, alterations and improvements to the interior or exterior of the Premises are subject to the prior approval of Landlord. Without Landlord's consent, which may be withheld on the basis of aesthetic or other standards, Tenant shall not:

a. Make any changes to the store front including the affixing and maintenance upon the glass panes and supports of the show windows and within twelve (12) inches of any window and upon the exterior walls of the Premises any signs, advertising placards, names, insignia, trademarks or descriptive materials;
b. Install any exterior lighting, awning or canopy, or any exterior decorations or paintings; or
c. Install any exterior sign which is not in accordance with Landlord's sign criteria.

During the course of any construction by Tenant, Landlord may enter upon the Premises at all times for the purpose of inspecting the construction.

If Landlord shall find any workmanship inferior, defective or not in accordance with the plans and specifications, Landlord may notify Tenant and if notified, Tenant shall promptly correct such inferior, defective or deficient construction. Landlord's authority to act under this paragraph shall not give rise to a duty of Landlord to make inspections or otherwise enforce Tenant's compliance with this Article. Tenant's failure to perform or cause to have performed Tenant's construction in a good and workmanlike manner shall constitute a default under Article 30 of this Lease.

9.2 FIXTURING. At the time Tenant enters the Premises to perform the work required of Tenant by this Lease, including Exhibit C: Construction Rider ("Tenant's Work"):

a. All of Tenant's obligations under this Lease, including the obligation to pay rent shall be in full force and effect;
b. Tenant agrees to maintain heat in the Premises and to pay for the utilities (heat, gas, water, electricity) which shall be furnished to the Premises from that time;
c. Tenant shall maintain liability insurance in accordance with Article 20 of this Lease;
d. Tenant shall require Tenant's Contractor to maintain Worker's Compensation Insurance as required by law and public liability insurance with limits equal to those set forth in Article 20. Tenant agrees to indemnify, save and hold Landlord harmless against any loss, liability, injury or damage to persons or property resulting from such work including the activities of Tenant's contractor; and
e. The Premises shall be deemed to be in good and satisfactory condition.

9.3 TENANT'S RISK. Prior to the completion of tenant improvements by Tenant, any work performed by Tenant, or any fixtures or personal property moved on the Premises, shall be at Tenant's own risk. Neither Landlord nor Landlord's agents or contractors shall be responsible to Tenant for damage or destruction of Tenant's work or property including damage or destruction occasioned by Landlord's own negligence. Tenant agrees to indemnify Landlord and hold Landlord harmless against claims made with respect to damage or destruction of property of third persons move on the Premises at Tenant's request.

9.4 ALTERATIONS BY LANDLORD. The Shopping Center and common areas are at all times subject to the exclusive control and management of Landlord. Without limiting the generality of the foregoing, Landlord has the right in its management and operation of the Shopping Center to do and perform such acts in and to the Shopping Center as in the use of good business judgment the Landlord determines to be advisable for the more efficient and proper operation of the Shopping Center, including:

a. Obstruct or close off all or any part of the Shopping Center for the purpose of maintenance, repair or construction;
b. Use any part of the common area for merchandising, display, decorations, entertainment and structures designed for retail sell or special features or promotional activities;
c. Change area, level, location, arrangement or use of Shopping Center or any part thereof;
d. Construct other buildings, structures or improvements in the Shopping Center and make alterations thereof, additions thereto, subtractions therefrom, or rearrangements thereof, build additional stories on any building, and construct additional buildings or facilities adjoining or proximate to the Shopping Center; and
e. Construct multiple deck, elevated or underground parking facilities, and expand, reduce or alter same in any manner whatsoever.

9.5 ALTERATIONS BY TENANT. After completion of Tenant's construction obligations under this Article, Tenant shall not make, or cause to be made any further additions to, or alterations of the Premises, or the store front, or any part thereof, without the prior written consent of Landlord. Any alterations or improvement to be made by Tenant will be subject to the conditions of this Article and the following Article 10. Any additions to, or alterations of, the Premises except movable furniture and trade fixtures, shall become at once part of the realty and belong to Landlord. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense.

ARTICLE 10
FIXTURES

Tenant shall provide, install and maintain, at tenant's expense, fixtures of a special nature that may be required by Tenant's business subject to the terms contained in Exhibit C hereof. All such fixtures that are not permanently affixed to the Premises shall remain the property of Tenant and may be removed by Tenant not later than the Lease Expiration Date, provided that Tenant is not then in default hereunder. Upon the expiration or termination of the term hereof, Tenant shall, upon written demand by Landlord given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damages to the Premises caused by such removal. All other fixtures, equipment, plumbing (including, without limitation, air conditioning units, heating equipment, plumbing fixtures, hot water heaters, wall covering, carpeting or other floor covering cemented or otherwise affixed to the floor, draperies, and outdoor sign cabinet, together with its electrical system and timer) that may be placed upon, installed in or attached to the Premises by Tenant shall, on the Lease Expiration Date or earlier termination of this Lease for any reason, be the property of Landlord and remain upon and be surrendered with the Premises, without disturbance, molestation or injury. Tenant shall have the right from time to time during the Lease Term to remove any such fixtures, equipment or property for the purpose of replacing the same with items of like character, quality or value. Replacement will be subject to the conditions of Article 9 hereof.

ARTICLE 11
LIENS

Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of work performed, material furnished or obligations incurred due to Tenant's actions or the failure of Tenant to comply with any law. In the even any such lien does attach against the Premises, and Tenant does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after notice by Landlord, Landlord may take any action necessary to discharge the lien. Tenant shall pay Landlord upon demand for or on account of any cost or expense (including reasonable attorney's fees) incurred by Landlord by reason of attachment or discharge of such lien and shall indemnify Landlord against any liability arising out of attachment of such lien.

ARTICLE 12
QUIET ENJOYMENT

Landlord covenants that upon Tenant's paying the rentals and keeping and performing all of the terms, covenants and conditions of this Lease, Landlord will do nothing that will prevent Tenant from peaceably and quietly enjoying, holding, or occupying the Premises during the Lease Term. This covenant shall not extend to any disturbance, act or condition brought about by any other tenant in the Shopping Center and shall be subject to the rights of Landlord set forth in this Lease. This Lease Agreement is subject to any Easements, Covenants and Restrictions of record.

ARTICLE 13
CONTINUOUS OPERATION

13.1 GENERAL. Tenant shall continuously, during the entire Lease Term, conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the Premises area located; provided, however, that this provision shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar caused beyond the reasonable control of Tenant. Tenant shall keep the Premises adequately stocked with merchandise, and with sufficient sales personnel to care for the patronage, and to conduct said business in accordance with sound business practices.

13.2 NON-CONTINUOUS OPERATION. Because of the difficulty or impossibility of determining Landlord's damages resulting from Tenant's failure to open for business fully fixture, stocked and staffed not later than thirty (30) days after the Minimum Monthly Rent Commencement Date and to continuously thereafter conduct and carry on Tenant's business, including but not limited to damages from diminished salability, leas ability, mortgagability or economic value of the Shopping Center, if Tenant fails to commence fixturing the Premises and proceed with the same diligently, or to open business fully fixture, stocked and staffed within thirty (30) days after the Minimum Monthly Rent Commencement Date, or to continuously thereafter conduct and carry on Tenant's business, Tenant agrees Landlord may, without notice or demand, in addition to the right to exercise any other remedies and rights provided by law:

a. Exercise Landlord's rights under Section 30.2 paragraphs (b) or (c);
b. Collect rent during the time which tenant is in violation of this Article in an amount equal to the Minimum Monthly Rent and all additional rent, and, in addition thereto, an amount equal to one-thirtieth ($1/30^{th}$) of the Minimum Monthly Rent for each day that Tenant has failed to open for or continuously operate Tenant's business, and all expenses incurred by Landlord in exercising its rights and enforcing the provisions of this Article.

ARTICLE 14
MERCHANT'S ASSOCIATION

~~14.1. PROMOTION. At Landlord's request, Tenant will refer to the name of the Shopping Center in designating the location of the Premises in newspaper and other advertising.~~

~~14.2 FORMATION. Tenants representing (a) a majority in number of tenants at the Shopping Center and 9b) a majority of leasable square feet at the shopping Center shall have the right, but not the obligation, to establish a fund ("The Fund") for promotion and advertising of the Shopping Center. Tenant agrees that it will join and at all times during the term hereof maintain membership in any merchants' association of businesses in the Shopping Center so established.~~

~~14.3 DUES. Tenant agrees to pay minimum dues to The Fund, if the Fund is established, provided however, that in no event shall the dues paid by Tenant in any fiscal year of The Fund be in excess of the amount stated in Article 1.13 hereof, based on the Approximate Gross Leasable Area of the Premises.~~

ARTICLE 15
COMPETITION

Neither tenant nor any affiliate or principal of Tenant shall directly or indirectly open, own, manage, or have any interest whatsoever in any similar or competing business within a radius of one and one half (1½) miles from the outside boundary of the Shopping Center.

ARTICLE 16
PARKING AND COMMON FACILITIES

16.1 TENANT'S RIGHTS. Subject to Section 16.2 and Articles 23 and 24 of this Lease, Tenant, for the use and benefit of Tenant, its agents, and employees, customers, licensees and subtenants, shall have the non-exclusive license in common with Landlord, and other present and future tenants and their agents, employees, customers, licensees and subtenants, to use the common facilities during the Lease Term for vehicle and pedestrian ingress and egress and parking.

16.2 LANDLORD'S RIGHTS. All common facilities in or about the Shopping Center shall be subject to the exclusive control and management of Landlord and Landlord shall operate and maintain the common areas in such manner as Landlord in its discretion shall determine. Landlord shall have the right:

a. To construct, maintain, and operate lighting and other facilities on all said areas and improvements;
b. To police the same;
c. To restrict parking by tenants, their officers, agents and employees;
d. To designate employee parking areas
e. To close all or any portion of said areas or facilities to such extent as may be legally sufficient to prevent a dedication thereof or the accrual of any right of any person or the public therein;

f. To close temporarily all or a portion of the parking areas or facilities to discourage non-customer parking;
g. To employ and discharge all personnel with respect thereto; and
h. To establish reasonable rules, regulations, and/or restrictive covenants promulgated from time to time, to control use and operation of the common facilities in order that the same may occur in a proper and orderly fashion.

ARTICLE 17
MAINTENANCE AND SANITATION

17.1 OBLIGATIONS OF LANDLORD. Subject to Articles 23 and 24, Landlord covenants to maintain in good condition and repair (ordinary wear and tear excepted), the roof, exterior walls and structural elements of the Shopping Center buildings and off-Premises plumbing, off-Premises electrical and other off-Premises and common facilities servicing the Premises. Except as provided in Section 17.3, Landlord also covenants to maintain the foundations and structural supports, perimeter walls, and structural portions of the floors in the Premises in good repair (ordinary wear and tear excepted). Tenant hereby waives all rights to make repairs at the expense of Landlord. The foregoing notwithstanding, Landlord shall have no obligation to make repairs as required herein unless Tenant has previously notified Landlord, in writing, of the need for such repairs. Landlord shall commence said repairs within thirty (30) days following receipt of Tenant's written notification.

17.2 OBLIGATIONS EXCEPTED. If Landlord would be required to perform any maintenance or make any repairs under Section 17.1 because of: (a) modifications to the roof, walls, foundation or floor of the Premises from that set forth in Landlord's plans and specifications which are required by Tenant's design for improvements, alterations and additions; (b) installation of Tenant's improvements, fixtures or equipment; (c) Tenant's negligence; or (d) Tenant's failure to perform any agreements contained in this Lease, Landlord may perform the maintenance or repairs or require Tenant to do so. If Landlord requires Tenant to perform the repairs or maintenance, such repairs or maintenance shall be performed consistent with Tenant's obligations set for the Section 17.3. If Landlord performs the maintenance or repair, Tenant shall pay Landlord the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. The cost incurred by Landlord under this Section shall not be a part of the Shopping Center Operating Cost for purposes of Section 5.2

17.3 OBLIGATIONS OF TENANT. Except as provided in Section 17.1, Tenant shall, at its sole cost and expense, maintain the Premises in a good state of repair, both interior and exterior including, without limitation, signs, sign cabinets and timers, window, storefront, doors, demising walls, ceiling, floor covering, plumbing and pipes to the point where they intersect with common lines, electrical wiring, switches and conduits within the Premises up to and including Tenant's meters and circuit breakers and all mechanical equipment relating to the Premises. In connection with the above, it is understood that Tenant bears the entire responsibility and expense for the maintenance and replacement of all heating, refrigeration and ventilation equipment and other fixtures or equipment which must be replaced or repaired during the Lease Term. Landlord shall, however, have the right to contract for periodic servicing and maintenance of the heating, ventilation and air conditioning equipment and Tenant agrees to reimburse Landlord for the cost thereof upon receipt of a statement. Prior to beginning any repair or replacement of heating, ventilation and air conditioning equipment on the exterior of the Premises, Tenant shall notify Landlord and obtain Landlord's approval of the means of repair or replacement, the specifications of replacement equipment and the contractor responsible for performing the work.

If Landlord reasonably considers that some item of maintenance or repair under this Section 17.3 is needed, Landlord shall so notify Tenant in writing and Tenant shall promptly effect such maintenance or repair. If Tenant should fail to effect such maintenance or repair within a reasonable time, Landlord may effect such maintenance or repair, and Tenant shall reimburse Landlord for the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. Landlord's right to make repairs at the expense of Tenant under this Section 17.3 shall impose no obligation upon Landlord to do so.

Upon entry into the Premises to perform Tenant's Work and thereafter during the Lease Term, Tenant will maintain sufficient heat in the Premises to prevent water lines serving Premises and the building in which the Premises is located from freezing.

Tenant shall provide and maintain sanitary receptacles within the Premises in which to place any refuse or trash. Tenant shall cause such refuse or trash to be removed from the Premises as often as required to maintain a sanitary condition, but in no event less often than daily. Tenant shall sweep as needed and keep free of refuse, debris and trash all sidewalks, walkways and patio areas under the front canopy and immediately adjacent to the Premises. And Tenants shall be responsible for snow removal on said sidewalks, walkways and patio areas.

ARTICLE 18
UTILITES

18.1 GENERAL. Tenant shall pay before delinquency all charges, including security deposits and connection charges, required by a utility or other company of water, gas, electricity, power, telephone service, trash and rubbish removal, and all other services or utilities used in, upon, or about the Premises by Tenant or any of Tenant's subtenants, licensees, or concessionaires during the Lease Term. Tenant shall contract directly with any public utility or supplier if the utilities or services are separately metered or otherwise capable of being separately charged. In the event that any charge for any utility supplied to the Premises is not paid by Tenant to supplier when due, Landlord may, but shall not be required to, pay such charge for and on behalf of Tenant, with any such amount paid by Landlord being repaid by Tenant to Landlord as additional rent. Landlord shall, however, have the right to supply any utility or service to the Premises. Tenant agrees to pay Landlord for the cost of utilities and services provided by Landlord. Landlord's charges shall not exceed those charged by independent providers to Landlord. Utilities and services not separately metered shall be allocated to the Premises on such basis as Landlord deems reasonable.

18.2 LANDLORD'S LIABILITIES. Landlord shall not be liable in damages or otherwise in the event of any failure or interruption of any utility supplied to the Premises or Shopping Center and no such failure shall entitle Tenant to terminate this Lease.

18.3 UTILITY CAPACITY. Tenant agrees that it will not install any equipment or vending machines which will exceed or overload the capacity of any utility facilities and that if any equipment or vending machines installed by Tenant shall require additional utility facilities, the same shall be installed at tenant's expense in accordance with plans and specifications to be approved in writing by Landlord.

ARTICLE 19
ENTRY AND INSPECTION

Landlord and landlord's agents shall have the right to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, performing Landlord's maintenance and repair obligations under this Lease, maintaining or making repairs, alterations, or additions to any other portion of the building in which the Premises are located, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, posting notices of non-liability for alterations, additions or repairs, or of the availability of the Premises for lease or sale, or exhibiting the Premises to potential tenants and purchasers. Tenant shall permit Landlord, at any time within one hundred fifty (150) days prior to the Lease Expiration Date, to place upon the Premises any usual or ordinary "For Lease" signs.

In the event of an emergency and if Tenant shall not be personally present to open and permit an entry into the Premises, Landlord or Landlord's agents may forcibly enter the same, without rendering Landlord or such agent liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Landlord shall be permitted to do any of the above without any abatement of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned, nor shall such action by Landlord be deemed an actual or constructive eviction.

ARTICLE 20
ACCEPTANCE OF THE PREMISES, LIABILITY INSURANCE AND INDEMNIFICATION OF LANDLORD

20.1 ACCEPTANCE. Tenant acknowledges that it has fully inspected the Premises, including but not limited to any and all mechanical equipment, and hereby accepts such "As Is". Tenant also acknowledges that the Premises are suitable for the purposes for which the same are leased, in their present condition. Tenant further acknowledges that Landlord has made no warranties or representations as to either condition or the suitability of the Premises for the Use specified in Article 1.3 hereof.

20.2 WAIVER. All merchandise, furniture, floor and wall coverings and personal property and fixtures belonging to Tenant and all persons claiming by or through Tenant which may be on the Premises shall be at Tenant's sole risk. Tenant hereby waives all claims against Landlord for damage to any property on the premises from fire, water, gas or otherwise, including bursting pipes.

20.3 HOLD HARMLESS. Tenant hereby agrees to indemnify and to hold Landlord and any mortgagee of Landlord harmless against all claims arising from: Tenant's possession, use, maintenance and repair of the Premises; any act or omission of Tenant or Tenant's agents and employees; any default of tenant under this Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

20.4 STANDARDS. Upon taking possession of the Premises and thereafter during the Lease Term, the Tenant shall, at Tenant's sole cost and expense, maintain comprehensive liability insurance, including, without limitation products liability and contractual liability endorsements, against claims for personal injury, death, or property damage occurring in, upon, or about the premises and on any sidewalks or patio areas directly adjacent to the Premises. The Limits of Liability of such insurance shall not be less than Two Million Dollars ($2,000,000) combined single limit or in such higher amounts as Landlord may require. All such policies of insurance shall name Landlord and /or such other party or parties as Landlord may require as additional insured.

20.5 QUALIFICATIONS. Tenant's insurance shall be maintained with an insurance company qualified to do business in the state in which the Premises are located and have a current A.M. Best manual rating of at least A or better. Tenant's insurance policies will contain an endorsement stating that the insurance will not be cancelled nor will the carrier fail to renew or materially change the policy without first giving Landlord thirty (30) days written notice. Before entry into the premises and before expiration of any policy, Tenant shall provide Landlord with evidence that the requirements of this Article have been met and that the applicable premiums or renewal premiums have been paid.

20.6 PUBLIC LIABILITY. During the entire Lease Term, Landlord shall maintain or cause to be maintained public liability insurance against claims for personal injury, death, or property damage occurring on the common areas. The Limits of Liability of such insurance shall be in such amounts as Landlord shall determine. Tenant shall pay to Landlord, as additional rent, Tenant's pro rate share of Landlord's cost of the public liability and property damage insurance on the common areas in accordance with Section 5.4.

20.7 NOT LIABLE. Landlord shall not be responsible or liable to Tenant for any claims for loss or damage caused by the acts or missions of any person occupying any space adjacent to or adjoining the Premises.

20.8 CLAIMS. As used in this Article, "Claims" means any claims, suits, proceedings, actions, causes of actions, responsibility, liability, demands, judgments and executions.

ARTICLE 21
CASUALTY INSURANCE

21.1 GENERAL. Tenant, at Tenant's expense, shall maintain fire and full extended coverage insurance on merchandise, personal property, equipment and trade fixtures owned or used by Tenant and those items of work described as Tenant's Work. The proceeds of any insurance maintained by Tenant on any structural portion of the Premises, roof, store front, demising walls, floors or ceilings on the Premises will be held in trust for the benefit of Landlord and applied, as required by Landlord, to reconstruction or repair of the Premises.

21.2 GLASS. Tenant shall be responsible for the maintenance of plate glass in or a part of the Premises, but shall have the option either to insure the risk or to self-insure, provided Landlord's written consent to self-insure is previously obtained.

21.3 STANDARDS. Tenant's fire and extended coverage insurance shall be maintained in accordance with the standards set forth in Sections 20.4 and 20.5.

21.4 LANDLORD'S INSURANCE. Landlord shall maintain fire and full extended coverage insurance ("all risk") throughout the Lease Term on that portion of the Shopping Center and the Premises for which Landlord bears responsibility pursuant to Section 17.1, plus any common facility improvements and may name the holder of a first mortgage or deed of trust as additional insured. Tenant agrees that it will not store, keep, use, sell or offer for sale in or upon the Premises, gasoline and related products, firearms, explosives or any other article which may be prohibited by the standard form of fire insurance policy, or which will increase Landlord's insurance cost. Landlord may elect to self-insure any component comprising the common facilities. At Landlord's option, the policy of insurance may include a business interruption insurance endorsement for loss of rents. Tenant agrees to pay Landlord, Tenant's proportionate share of the cost of the insurance obtained under this Section 21.4 in accordance with Section 5.4 of this Lease. If, however, during the Lease Term it is determined that the fire insurance rate per One hundred Dollars ($100) of value on the Premises is in excess of the lowest rate per One Hundred Dollars ($100) of value on any other premises in the Shopping Center insured by Landlord, then Tenant, as a result thereof, agrees to pay Landlord the full amount of such excess. Tenant shall have no rights in said policy procured by Landlord under this Section 21.4 and shall not be entitled to be named as insured thereunder.

21.5 SUBROGATION. Tenant hereby waives any right of recovery from Landlord, and Landlord's agents, officers and employees, and Landlord hereby waives any right of recovery from Tenant and Tenant's agents, officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against by either's fire and extended coverage policy. The parties shall give their respective insurance carriers notice of this waiver and secure an endorsement from each carrier to the effect that the waivers given under Articles 20 and 21 shall not adversely affect or impair the policies of insurance or prejudice the right of the named insured on the policy to recover thereunder. A waiver given under this Sections 21.5 shall apply only to losses occurring during the time that such endorsement is in effect.

ARTICLE 22
SUMMARY OF INSURANCE REQUIREMENTS

22.1 LANDLORD. Insurance Policies to be secured by Landlord:

TYPE OF INSURANCE	SUBJECT OF COVERGE	SECTION REFERENCE
Fire and Extended Coverage (All Risk)	Landlord's Improvements	5.2 - operating expenses 5.4 - insurance 21.4 - Landlord's insurance 21.5 - subrogation
Liability Insurance (Personal Injury and Property Damage)	Common Areas	5.4 - insurance 20.6 - public liability

22.2 TENANT. Insurance Policies to be secured by Tenant:

TYPE OF INSURANCE	SUBJECT OF COVERGE	SECTION REFERENCE
Fire and Extended Coverage (All Risk)	Merchandise, Fixtures, Equipment	8.3 - prohibited uses 21.1 - general 21.2 - glass 21.3 - standards 21.5 - subrogation
Liability Insurance (Personal Injury and Property Damage)	Tenant's Premises	9.2 - fixturing 20.4 - standards 20.5 - qualifications

22.3 QUALIFICATION. The foregoing summaries are set forth for convenience of reference only, and do not alter or supplement any other provision of this Lease. Tenant acknowledges that the foregoing summaries may not include reference to all relevant provisions of the Lease.

ARTICLE 23
DAMAGE AND DESTRUCTION OF PREMISES

23.1 GENERAL. In the event of (a) fire or other casualty damage to the Premises or the building containing same during the Lease Term which requires repairs to either the Premises or said building, or (b) the Premises or said building being declared unsafe or unfit for occupancy by an authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either the Premises or building, or (c) normal wear and tear that requires repair, or (d) improvement to the

Premises or building that is deemed necessary by Landlord, Landlord shall commence to make said repairs within sixty (60) days of written notice by Tenant of the necessity therefore. No such destruction (including any destruction necessary in order to make repairs required by and declaration made by a public authority) shall annul or void this Lease. The Minimum Monthly Rent shall be proportionately reduced while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in the Premises.

23.2 TERMINATION BY LANDLORD. Landlord's obligation to repair the Premises shall, however, be subject to the following. If:

a. During the last one (1) year of the Lease Term the Premises or the building in which the Premises are located is damaged as a result of fire or any other insured casualty; or
b. The Premises are damaged to extent equal to or in excess of twenty-five percent (25%) of replacement value; or
c. The Premises or the building in which the Premises are located are damaged or destroyed as a result of casualty not insured against; or
d. Fifty percent (50%) or more of the gross leasable floor area of the buildings in the Shopping Center shall be damaged or destroyed by fire or other cause, Landlord shall have the right, to be exercised by notice in writing to Tenant given within ninety (90) days from said occurrence, to cancel and terminate this Lease. Upon notice to Tenant, the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. If Landlord elects to terminate this Lease under this Section 23.2, all rents shall be prorated as of the date of damage or destruction and Landlord shall be released from liability or obligation to Tenant. If Landlord, however, elects to make said repairs, and provided Landlord uses due diligence in making said repairs, this Lease shall continue in full force and effect and the Minimum Monthly Rent shall be proportionately reduced as provided in Section 23.1.

23.3 NO TERMINATION BY TENANT. With respect to any destruction (including any destruction necessary in order to make repairs required by any such declaration of any authorized public authority) which Landlord is obligated to repair or may elect to repair under the terms of this Article 23, Tenant waives any statutory or other right Tenant may have to cancel this Lease as a result of such destruction.

23.4 LANDLORD'S OBLIGATIONS. The provisions of this Article shall supersede the obligations of Landlord to make repairs under Section 17.1 of the Lease. Landlord shall not be obligated to make repairs to the extent that the cost thereof exceeds the insurance proceeds.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacement of any leasehold improvement, fixture, or other personal property of Tenant.

23.5 TENANT'S OBLIGATIONS. Unless the Lease is terminated under this Article, within thirty (30) days of substantial completion of Landlord's restoration obligations, Tenant shall re-fixture the Premises according to the specifications set forth in Article 9 of the Lease. Upon completion of tenant's re-fixturing or upon passage of thirty (30) days from the date Landlord substantially completes repairs and restoration of the Premises, the Minimum Monthly Rent shall be restored to the amounts which would have been in effect but for the damage or destruction.

If fire or casualty damage to the Premises or other parts of the Shopping Center shall have been caused by negligence or misconduct of the Tenant, its agents, representatives, employees, or of any person entering the Premises under the express or implied invitation of Tenant, such damage shall be repaired by Landlord with any costs not paid for by insurance paid for by Tenant and in such event there shall be no abatement or reduction of rent despite contrary provisions appearing in this Lease.

ARTICLE 24
EMINENT DOMAIN

24.1 TAKING. As used in this Article, "Taking" means a taking of or damage to the Premises or Shopping Center of any part thereof by exercise of the power of eminent domain, condemnation or sale under the threat of or in lieu of eminent domain or condemnation.

24.2 TERMINATION. If the whole of the Shopping Center of the whole of the Premises shall be acquired by Taking, or if the whole of the parking area is acquired by Taking, then this Lease shall terminate as of the date of taking of possession by Taking authority.

24.3 PARTIAL SHOPPING CENTER. If more than fifty percent (50%) of the gross leasable floor area of the entire Shopping Center is acquired by Taking whether or not any portion of the Premises is so taken, Landlord shall have the right to terminate this Lease as of the date of such Taking by giving Tenant ninety (90) days written notice of Landlord's intent to terminate this Lease.

24.4 PARTIAL PREMISES. If more than twenty-five percent (25%) of the Premises is acquired in a Taking, either Landlord or Tenant may terminate this Lease upon notice to the other within ninety (90) days prior to taking of possession by the Taking authority. If less than twenty-five percent (25%) of the Premises is acquired in a Taking, Landlord shall promptly restore the Premises to a condition comparable to its condition immediately prior to such Taking, less the portion acquired in the Taking; this Lease shall continue in full force and effect with respect to that part not acquired, and the Minimum Monthly Rent shall be reduced in the proportion that the rental value of the Premises after the Taking bears to the rental value before Taking.

24.5 PARKING LOT. If any part of the parking area in the Shopping Center shall be acquired in a Taking, Landlord shall have the right to provide substitute parking facilities and this Lease shall continue in full force and effect unless a governmental authority forced the closing of the shopping Center. If a closing is required, this Lease shall terminate on the date of the closing.

24.6 DAMAGES AND AWARDS. In the event of a Taking, as hereinbefore provided, whether whole or partial, the Tenant shall not be entitled to a part of the award, as damages or otherwise for diminution in value of the leasehold, reversion or fee, and Landlord shall receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall have no claim against Landlord for the value of the unexpired Lease Term if the Lease is terminated under this Article. Although all damages in the event of any condemnation shall belong to the Landlord, Tenant shall have the right to claim and recover from the condemning authority but not from the Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

24.7 RENT PRORATION. If this Lease is terminated partially or in total under this Article, all rents shall be prorated as of the date of taking possession by the Taking authority, including refunds for amounts paid in advance by Tenant.

ARTICLE 25
ASSIGNMENT AND SUBLETTING

25.1 GENERAL. Tenant shall not voluntarily or by action of law transfer, assign, sublet, mortgage or otherwise transfer or encumber all of any part of Tenant's interest in this Lease or in the premises without Landlord's prior written consent (which consent shall not be unreasonably withheld), nor shall tenant suffer or permit the Premises or any part thereof to be used or occupied by others without Landlord's prior written consent. An attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease. Regardless of Landlord's consent, no subletting or assignment or other transfer shall release Tenant of Tenant's obligation or alter the primary liability of tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder; rather, Tenant, and its guarantor(s) shall thereafter be jointly and severally liable with any such permitted subtenant or assignee for all of Tenant's obligations hereunder. Any such permitted assignee shall agree in writing for the benefit of Landlord to be bound by all of the terms and conditions of this Lease. Any such permitted subtenant shall agree in writing for the benefit of Landlord that its sublease shall be subject to all of the terms and conditions of this Lease, and that such sublease shall automatically terminate upon any termination (consensual or non-consensual) of this Lease. The form and substance of any such sublease or assignment shall be subject to Landlord's prior written approval.

If tenant is a corporation, an unincorporated association, Limited Liability Company or a partnership, unless listed on a national stock exchange, the transfer, assignment or hypothecation of any stock or interest in such corporation, association, Limited Liability Company or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment of this Lease.

25.2 TRANSFER OF OBLIGATIONS. As a condition of obtaining Landlord's consent, Tenant shall submit to Landlord with its request the effective date of the transfer (it must be at least sixty (60) days after the submission date), the name of the proposed assignee or subtenant, the terms and provisions of the proposed transaction, the proposed use, which must be consistent with the provisions of Article 1.3 hereof, a financial statement, a business history and such other information as is necessary to demonstrate to Landlord that the proposed assignee or subtenant has business experience and financial strength and stability equal to or greater than that of the Tenant.

In addition, Tenant shall execute an agreement with Landlord agreeing to pay to Landlord, as additional rent, one hundred percent (100%) of all monies or other consideration received by Tenants rent or as compensation in lieu of rent from its transferee in excess of the amounts owed by Tenant to Landlord under this Lease, which additional rent shall be paid to Landlord as and when received by Tenant. In the event Landlord shall consent to a sublease, assignment, transfer or cancellation/termination of the Lease, Tenant shall pay Landlord $500.00 for the administrative fees incurred in connection with such consent.

25.3 SURRENDER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all of any existing subleases or sub-tenancies, or may, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or sub-tenancies.

ARTICLE 26
SALE OF PREMISES BY LANDLORD

In the event of any sale of the Premises or assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of Landlord's covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence or mission occurring thereafter; and the assignee or purchaser, at such sale or any subsequent sale of the Premises or assignment of this Lease, shall be deemed, without the necessity of any further agreement, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

ARTICLE 27
SUBORDINATION/ATTORNMENT

Tenant's interest under this Lease shall be subordinate to all terms of the lien of any deed of trust or mortgage (hereinafter collectively referred to as "mortgage") now or hereinafter placed on Landlord's interest in the Premises or on the land and buildings of which the Premises are a part. This paragraph shall be self-operative; however, Tenant agrees to execute and deliver, if Landlord should so request, such further instruments necessary to subordinate this Lease to a lien of any such mortgage. Subordination to any mortgage or deed of trust shall be upon the express condition that the mortgagee or beneficiary shall not disturb the possessory estate of Tenant throughout the Lease Term and any extension or renewal thereof notwithstanding any foreclosure, trustee's sale or similar proceedings with respect thereto, providing, however, Tenant performs all the terms, covenants and conditions of this Lease. If the Premises of the Shopping Center is sold pursuant to default on the mortgage, Tenant shall not disaffirm this Lease but shall affirm to the mortgagee or purchaser.

ARTICLE 28
RIGHT TO CURE

In the event of any claimed breach, default, or noncompliance hereunder by Landlord, Tenant shall give Landlord written notice of the claimed breach, default, or noncompliance. If prior to giving such notice Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of a lender which has furnished financing that is secured by a mortgage or deed of trust on the Premises or the Shopping Center, concurrently with giving the aforesaid notice to Landlord, Tenant shall also give written notice by registered mail to such lender.

ARTICLE 29
ESTOPPEL CERTIFICATES

Tenant agrees at any time and from time to time upon request by the Landlord, to execute, acknowledge and deliver to Landlord a statement within five (5) calendar days of demand in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (b) the dates to which the Minimum Monthly Rent and other charges have been paid in advance, if any, (c) Tenant's acceptance and possession of the Premises, (d) the commencement and expiration of (and any options to extend) the Lease Term, (e) the rent provided under the Lease, and (f) that Landlord is not in default under this Lease (or if Tenant claims such default, the nature thereof), (g) that pursuant to Section 4.1 Tenant claims no offsets against the rent, and (h) such other information as shall be reasonably necessary to establish the status of the tenancy relied upon by any prospective purchaser, mortgagee, or assignee of any mortgage of the Premises or the Shopping Center. Tenant's failure to deliver the certificate required under this Article shall constitute a default under this Lease.

ARTICLE 30
DEFAULT AND CONDITIONAL LIMITATIONS

30.1 DEFAULT. The following shall constitute a default under this Lease:

a. If tenant fails to pay any installment of the Minimum Monthly Rent or additional rent herein provided or any other sum required by this Lease to be paid to Landlord, or an part thereof, within then (10) days of the times or in the manner provided; or
b. If Tenant fails to perform any other covenants or conditions on its part agreed to be performed and such failure to perform other covenants shall continue for ten (10) days after notice thereof from Landlord to Tenant; or

c. If a petition or proceeding under the federal Bankruptcy Code or any amendment thereto is filed or commenced by or against Tenant or any guarantor of this Lease, and if against Tenant, said proceeding shall not be dismissed within sixty (60) days following commencement thereof; or
d. If Tenant or any guarantor of this Lease is adjudged insolvent, makes an assignment for the benefit of its creditors or enters into an arrangement with its creditors; or
e. If a writ of attachment or execution is levied on the leasehold estate hereby created and is not released or satisfied within sixty (60) days thereafter; or
f. If a receiver is appointed in any proceeding or action to which Tenant is a party with authority to take possession or control of the Premises or the business conducted thereon by Tenant or the property of any guarantor of this Lease and such receiver is not discharged within a period of thirty (30) days after his appointment; or
g. Tenant fails to commence within ten (10) days of notice and to thereafter promptly complete any work required under Articles 8, 9 and 10 or perform any other requirements to be performed prior to the Minimum Monthly Rent Commencement Date; or
h. Tenant abandons or vacated the Premises.

30.2 REMEDIES. Upon a default of Tenant as defined in section 30.1, Landlord or Landlord's agents and employees shall have the right and option to:

a. Prosecute and maintain and action or actions, as often as Landlord deems advisable, for collection of the rents or other charges and damages as the same accrue, without entering into possession and without terminating this Lease. No judgment obtained shall constitute a merger or otherwise bar prosecution of subsequent actions for rents and other charges and damages as they accrue.
b. Immediately or at any time thereafter re-enter and take possession of the Premises and remove Tenant, Tenant's agents and subtenants, licensees, concessionaires, or invitees and any or all of their property from the Premises. Re-entry and removal may be effected by summary proceedings or any other action or proceedings at law, by force or otherwise. Landlord shall not be liable in any way in connection with any action taken under this paragraph. No action taken, commenced or prosecuted by Landlord, no execution on any judgment and no act or forbearance on the part of Landlord in taking or accepting possession of the Premises shall be construed as an election to terminate this Lease unless Landlord expressly exercises this option under Section 30.2(c).

   Upon taking possession of the Premises, Landlord may from time to time, without termination of this Lease, relet the Premises or any part thereof as agent for Tenant for such rental terms and conditions (which may be for a term extending beyond the Lease Term) as Landlord, in its sole discretion, may deem advisable, with the right to make alterations and repairs to the Premises required for reletting. The rents received by Landlord for such reletting shall be applied first to payment of any costs of reletting and second to the payment of rent due and unpaid hereunder or other damages of Landlord. The residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If the rents received from such reletting during any month are insufficient to reimburse

Landlord for costs or reletting or rent due and payable, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Notwithstanding any such reletting without termination of this Lease, Landlord may at any time thereafter, elect to terminate this Lease for such previous breach.

c. Elect to terminate this Lease by written notice to Tenant. In the event such termination, Tenant agrees to immediately surrender possession of the Premises. If Tenant fails or refused to surrender the Premises, Landlord may take possession in accordance with Section 30.2(b). Should Landlord terminate this Lease, Tenant shall have no further interest in this Lease or in the Premises, and the Landlord may recover from the Tenant all damages it may incur by reason of the Tenant's default including without limitation (1) the cost of reletting the Premises, and (2) the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent, additional rent, operating expenses and all other charges reserved in this Lease for the remainder of the Lease Term over the amount of such rental loss that Tenant proved could be reasonably avoided and (3) the unamortized value of any leasehold improvement allowance paid to Tenant all of which amounts shall be immediately due and payable at Landlord's election from Tenant to Landlord. In determining the rent, additional rent, operating expenses and all other charges which would be payable by Tenant hereunder subsequent to default, the minimum Monthly Rent for each year of the unexpired terms hall be equal to the Minimum Monthly Rent payable pursuant to Article 4, and additional rents, charges, costs and expenses for each year of the unexpired term shall be equal to the average annual amount of such additional rents, charges, costs and expenses paid by Tenant from the Lease Commencement Date to the time of default, or during the three (3) full calendar years of the Lease Term immediately preceding default, whichever period is shorter.
d. Obtain the appointment of a receiver in any court of competent jurisdiction, and the receiver may take possession of any personal property belonging to the Tenant and used in the conduct of the business of the Tenant being carried on in the Premises. Tenant agrees that the entry upon the Premises or possession of said persona property by said receiver shall not constitute an eviction of the tenant from the Premises or any portion thereof, and the Tenant hereby agrees to hold the Landlord safe and harmless from any claim of any character by any person arising out of or in any way connected with the entry by said receiver in taking possession of the Premises and/or said personal property.

30.3 COSTS. As used in this Article "costs of reletting" means any reasonable cost necessary to take possession of the Premises and lease the Premises to another tenant, including, but not limited to:

a. Legal costs and expenses of recovery of the Premises, including court costs and attorney's fees;
b. Brokerage costs for leasing;
c. Costs and expenses of alterations, repairs and improvements;
d. Satisfaction of indebtedness other than minimum rent due from Tenant to Landlord under this Lease;
e. Costs of protecting the Premises;
f. Removal and storage of Tenant's property; and

g. Any portion of any leasing commission paid by Landlord which is applicable to the unexpired Lease Term.

30.4 TERMINATION. No act or conduct of the Landlord, whether consisting of re-entry, taking possession or reletting the Premises or obtaining appointment of a receiver or accepting the keys to the Premises, or otherwise, prior to the Lease Expiration Date shall be deemed to be or constitute an acceptance of the surrender of the Premises by the Landlord or an election to terminate this Lease unless Landlord exercises its election under Section 30.2 (c) of this Lease. Such acceptance or election by Landlord shall only be effected, and must be evidenced, by written acknowledgement of acceptance of surrender or notice of election to terminate signed by Landlord.

30.5 PERFORMANCE. Tenant agrees that in the event it fails to render performance in accordance with any term or condition of this Lease and thereafter fails to render such performance within ten (10) days after notice thereof is given in accordance with the notice provision hereof or immediately if required for protection of the Premises, Landlord shall have the right, but not the obligation, to render such performance and to charge all costs and expenses incurred in connection therewith to Tenant. All amounts so charged shall be considered additional rent and shall be due and payable immediately to Landlord upon presentment of a statement to Tenant indicating the amount and nature of such cost of expense.

30.6 CUMULATIVE REMEDIES. No remedy herein conferred upon Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power or shall be constructed to be a waiver of any such default or an acquiescence herein.

ARTICLE 31
FORCE MAJEURE

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, civil disorder, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated, performance of such act shall be excused for the period of delay and then for a period of time reasonably necessary to perform the act; provided, however nothing in this Article shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease.

ARTICLE 32
SURRENDER OF PREMISES

On the Lease Expiration Date, tenant shall surrender the Premises broom clean and in good order and condition, reasonable wear and tear and casualty damage under Article 23 excepted, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alteration or additions to the Premises made by Tenant as may be specified for removal by Landlord, and shall repair any damage caused by such property or the removal thereof. If tenant fails to remove its personal property and fixtures upon the Lease Expiration Date, at Landlord's election, the same shall be deemed abandoned and shall become the property of Landlord, or Landlord, at Tenant's expense, may cause the same to be removed and disposed of (including by sale).

ARTICLE 33
HOLDING OVER

If Tenant shall hold over after the lease Expiration Date, or any extension thereof, Tenant shall become a tenant on a month-to-month basis upon all the terms, covenants and conditions herein specified, except on that Minimum Monthly Rent shall increase to one and one-half (1½) times the amount set forth in Article 4 as adjusted under Section 4.2, which rental shall be payable in advance on the first day of such holdover period and on the first day of each month thereafter. Nothing herein shall be construed as Landlord's consent to any holding over.

ARTICLE 34
GENERAL PROVISIONS

34.1 RELATIONSHIP OF PARTIES. Notwithstanding anything herein to the contrary, it is agreed and understood by the partied hereto that nothing contained in this Lease shall be deemed to create any relationship other than that of Landlord and Tenant.

34.2 JOINT AND SEVERAL. If Landlord or Tenant herein shall be more than one party, then the obligations of such party or parties shall be joint and several.

34.3 HEADINGS. The various headings and numbers herein and the grouping of the provisions of this Lease into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a pare hereof.

34.4 TIME IS OF THE ESSENCE. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

34.5 ENTIRE AGREEMENT. This Lease, and any Exhibit or Addendum attached hereto, hereby does and shall be considered to, set forth all the covenants, promises, agreements, conditions or undertakings, either oral or written, between the Landlord and Tenant. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties. If a provision of the Addendum and this Lease are in conflict, the provision of the Addendum shall govern. This Lease contains no restrictive covenants in favor of Tenant's use of the Premises or grant of exclusive rights to a particular business use of the Tenant.

34.6 SUCCESSORS AND ASSIGNS. Subject to Articles 25 and 26, the covenants herein contained shall apply to and bind (jointly and severally) the heirs, successors, executors, administrators and assigns of the parties.

34.7 WAIVER. No covenant, term or condition of this Lease shall be waived except by written waiver of Landlord, and the forbearance or indulgence by Landlord in ay regard whatsoever shall not constitute a waiver of the covenant, term or condition to be performed by Tenant to which the same shall apply, and until complete performance by Tenant of such covenant, term or condition, Landlord shall be entitled to invoke any remedy available under this Lease of by law despite such forbearance or indulgence. The waiver by either party of any breach or term, covenant or condition hereof shall apply to and be limited to the specific instance involved and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other term, covenant or condition hereof. Acceptance of rent by Landlord during a period in which Tenant is in default in any respect other than payment of rent shall not be deemed a waiver of the other default.

34.8 INCLUDED PERSONS. The use of a singular term in this Lease shall include the plural and the use of the masculine, feminine or neuter genders shall include all others.

34.9 RECORDATION. Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded with the written permission of Landlord.

34.10 LEASE COPIES. Tenant shall pay to Landlord a copy fee of sixty and no/100 dollars ($60) for each additional copy of this Lease that is requested from Landlord by Tenant.

ARTICLE 35
NOTICES

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be given or served, and shall not be deemed to have been duly given or served, unless in writing and served by hand delivery, fax or certified mail, return receipt requested, to the parties at those addresses and/or fax numbers set forth in Articles 1.9 and 1.10 hereof.

Either party may change such address or fax number by written notice to the other in accordance with this Article 35. Service of any notice or demand shall be deemed completed 72 hours after deposit thereof in the United States Postal Service, or of hand delivered or delivered by fax, upon hand delivery or fax transmission.

ARTICLE 36
ENVIRONMENTAL MATTERS

Tenant shall, at Tenant's sole expense, comply with all federal, state and local laws and regulations relating to environmental matters and workplace safety.

Tenant shall not incorporate into, use, or otherwise place or dispose of at the Premises or Shopping Center any hazardous or toxic materials except for use and storage of cleaning and office supplies used in the ordinary course of Tenant's business and then only if (a) such materials are in small quantities, properly labeled and contained, (b) such materials are handled and disposed of in accordance with the highest accepted industry standards for safety, storage, use and disposal, and (c) such materials are used, transported, stored, handled and disposed of in accordance with all applicable governmental laws, rules and regulations. Landlord shall have the right to periodically inspect, take samples for testing and otherwise investigate the Premises for the periodically inspect, take samples for testing and otherwise investigate the Premise for the presence of hazardous or toxic materials. If Tenant ever has knowledge of the presence in the Premises or the Shopping Center of hazardous or toxic materials which affect the Premises or the Shopping Center, Tenant shall notify Landlord thereof in writing promptly after obtaining such knowledge. For purposes of this Agreement, hazardous or toxic materials shall mean all materials, substances, wastes or chemicals which are in any way hazardous to human health or the environment, including without limitation, all materials, substances, wastes or chemicals that are defined as "hazardous materials", "toxic substances", "solid waste", or "hazardous substances: under then-current applicable governmental laws, rules or regulations or that are subject to any right-to-know laws or requirements, including, but not limited to, those substances, materials and waste listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101 as may be amended or supplemented) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302 as may be amended or supplemented), or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law, including asbestos related materials.

If Tenant or its employee, agents, contractors, invitees, or visitors shall ever violate the provisions of the preceding paragraph of this Article 36 or otherwise contaminate the Premises or the Shopping Center, or any portion thereof, then Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable governmental standards, laws, rules and regulations and then prevalent industry practice and standards and shall repair any damage to the Premises or the Shopping Center within such period of time as may be reasonable under the circumstances after written notice by Landlord. Tenant shall notify Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours. Tenant's obligations under this Article 36 shall survive the termination of this Lease.

TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE LANDLORD FROM AND AGAINST ALL OBLIGATIONS (INCLUDING REMOVAL AND REMEDIAL ACTIONS), LOSSES, CLAIMS, SUITS,

JUDGMENTS, LIABILITES, PENALTIES, DAMAGES, (INCLUDING CONSEQUENTIAL AND PUNITIVE DAMAGES), COSTS AND EXPENSES (INCLUDING ATTORNEY'S AND CONSULTANTS' FEES AND EXPENSES) OF ANY KIND OR NATURE WHATSOEVER THAT MAY AT ANY TIME BE INCURRED BY, IMPOSED ON OR ASSERTED AGAINST LANDLORD DIRECTLY OR INDIRECTLY BASED ON, OR ARISING OR RESULTING FROM (a) THE ACTUAL OR ALLEGED PRESENCE OF HAZARDOUS OR TOXIC MATERIALS ON THE PREMISES OR THE SHOPPING CENTER WHICH IS CAUED OR PERMITTED BY TENANT, AND (b) ANY CLAIM OR CAUSE OF ACTION RELATING IN ANY WAY TO TENANT'S OPERATION OR USE OF THE PREMISES AND COMMON AREAS OF THE SHOPPING CENTER. THE PROVISIONS OF THIS ARTICLE 36 SALL SURVIVE THE EXPIRATION OR SOONER TERMINATION OF THIS LEASE.

Landlord represents that, to the best of its knowledge, there is no hazardous or toxic material on or about the Premises or the property of which the Premises are a part. Landlord shall be solely responsible for all costs and expenses and the removal of hazardous or toxic material introduced by Landlord.

ARTICLE 37
BROKER'S COMMISSIONS

Except as set forth in Article 1.14 or the First Addendum to Lease, no brokerage commissions or finder's fees are payable in connection with this Lease.

ARTICLE 38
CORPORATE STATUS

If Tenant executes this Lease as a corporation or other entity, Tenant represents and warrants that: the execution of this Lease has been duly authorized as an act of the corporation or other entity; upon execution of this Lease, the Lease will constitute a binding and valid undertaking of the corporation or other entity; and the persons executing this Lease on behalf of the corporation or other entity are authorized and empowered to bind the corporation or other entity as provided in this Lease.

ARTICLE 39
SIGNS

Any and all signage installed by Tenant at the Premises shall be subject to the terms and conditions in Exhibit D: Sign Criteria and Store Frontage Graphics and Landlord's prior written approval (as evidenced by the written approval of Landlord's property manager). Any such prior approval notwithstanding, Tenant agrees that all signage may be subjected to such new criteria as Landlord may impose in the content of a renovation or remodeling of the exterior of the Shopping Center, and Tenant acknowledges that such new criteria may require replacement of any signage previously approved by Landlord.

ARTICLE 40
AMERICANS WITH DISABILITIES ACT

Landlord represents and Tenant understands that any failure of the Shopping Center and the Common Area and adjacent parking areas serving the Premises to comply under the American with Disabilities Act (the "Act) has been grand-fathered and is excepted from compliance as specified under the Act. It is further agreed between Landlord and Tenant that Tenant is responsible for compliance with the Act insofar as the rest of the Shopping Center and the Common Areas and adjacent parking areas serving the Premises are concerned.

IN WITNESS WHEREOF, the parties have duly executed this Lease as of the day and year ascribed above:

LANDLORD:

HOPI TRIBE ECONOMIC
DEVELOPMENT CORPORATION
A federally chartered corporation,
wholly owned by The Hopi Tribe,
a federally recognized Indian tribe

By:

Name Printed:

Its: CEO

Date:

TENANT:

City of Flagstaff,
An Arizona municipal corporation
dba East Flagstaff Community Library

By:

Name Printed:

Its:

Date:

By:

Name Printed:

Its:

Date:

Landlord's Initials ___________

Tenant's Initials ___________ ___________

LEASE ABSTRACT

DATE: June 9, 2026

PROPERTY: Continental Plaza Shopping Center
5200 E. Cortland Blvd., Suite A 1 - 6
Flagstaff, AZ 86004

TENANT: City of Flagstaff, dba East Flagstaff Community Library

CONTACT PERSON: Bryce Doty Work: 928-213-2072
Cell:
Email: bryce.doty@flagstaffaz.gov

BILLING ADDRESS: City of Flagstaff, 211 W. Aspen Ave, Flagstaff, AZ 86001

LEASE COMMENCEMENT: 8/1/26 LEASE EXPIRATION: 10/31/26

LEASE TERM: Four (4) years plus three (3) months

RENTABLE SQ. FT.: 7200 PRO-RATA: N/A

SECURITY DEPOSIT: $13,000 (See First Addendum)

BASE YEAR: 2026 NEXT ADJUSTMENTS: 2027

CURRENT TOTAL MO BASE RENT: $13,362.18 RENT / SF: $21.67/sf/yr; $1.81 sf/mo

BASE RENT/MO: $13,000 NNN: N/A CITY TAX: $362.18*
*Based on the current rate of 2.786%

ADDITIONAL RENT: None

LATE FEES: If received on the 6th or after = ten percent (10%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, if received on the 11th or after, an additional ten percent (10%)

USE: Community library

SPECIAL PROVISIONS: 3 months rent abatement, applied to months 2 - 4 of the initial lease term. HVAC provision - See First Addendum.

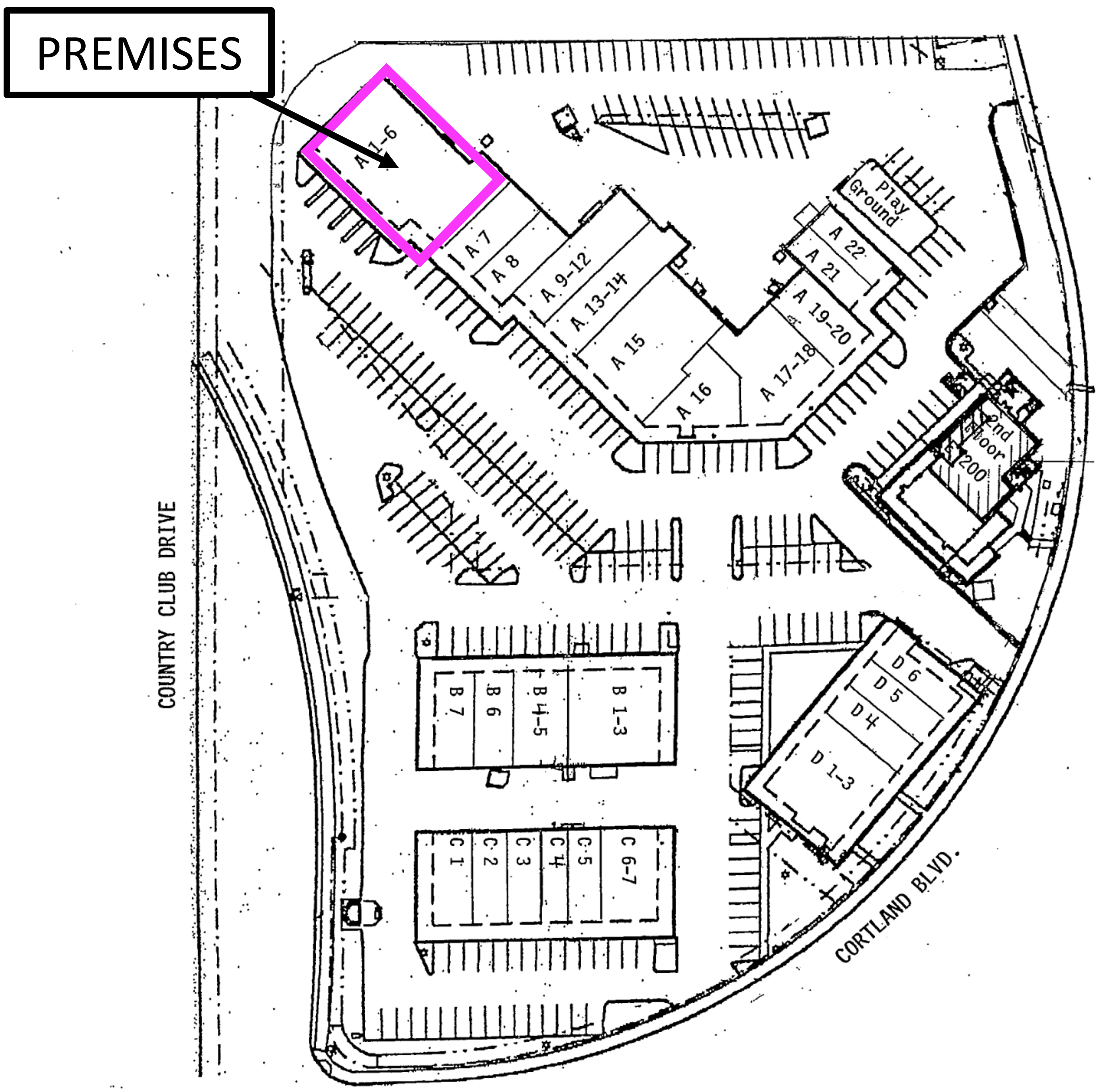
Landlord's Initials __________

Tenant's Initials __________ __________

CITY OF FLAGSTAFF

DBA EAST FLAGSTAFF COMMUNITY LIBRARY

LEASE AGREEMENT
EXHIBIT A
SITE PLAN



This map is not to scale.

Landlord's Initials ________
Tenant's Initials ________

LEASE AGREEMENT

EXHIBIT B

LEGAL DESCRIPTION

Continental Plaza Shopping Center
5200 E. Cortland Blvd.
Flagstaff, Arizona 86004

Beg SW cor Sec 8; TH N 0D50M W 884.17 FT to POB; TH CONT N 0D50M W 205.39 FT; TH S 88D35M E 482.68 FT; TH S 17D44M E 140.42 FT to PT of curve; TH SLY ALG curve 173.0 FT to PT of curve; TH SLY ALG curve 86.99 FT to PT of curve; TH SWLY ALG curve 306.40 FT to PT of curve; TH SWLY ALG curve 180.69 FT; TH S 89D09M W 25.96 FT to PT of curve; TH ALG curve to right 48.61 FT to PT of curve; TH NLY ALG curve 117.79 FT; TH S 89D23M E 6.0 FT to PT of curve; TH NWLY ALG curve 324.81 FT to POB. Sec 8 21N-8E 6.03 ac M/L

Landlord's Initials ____
Tenant's Initials

LEASE AGREEMENT

EXHIBIT C

CONSTRUCTION RIDER

C1. Tenant has inspected the Premises and accepts them in their present condition. Tenant has the responsibility, except as stated elsewhere in this Lease, to repair all existing construction as required for Tenant's use and occupancy, including, but not limited to: signs, storefronts, heating and air conditioning systems, electrical systems, lighting, partitions, doors and all finishes.

C2. Tenant shall, at Tenant's sole expense, furnish to Landlord construction drawings and specifications (hereinafter called "Plans"), describing all work necessary to construct the Premises for Tenant's use and occupancy (hereinafter called "Tenant Work"). Tenant shall furnish to Landlord three (3) copies of the Plans for Landlord's review and approval, which is required prior to the initiation of any work on the Tenant Work. Landlord shall have fourteen (14) working days from the date of receipt of the Plans to review them. If Landlord makes no written objection to Tenant within the said fourteen (14) days, then the Plans shall be deemed approved by Landlord.

C3. Tenant shall, at Tenant's sole expense, perform all work necessary to complete the Tenant Work as approved by Landlord.

C4. Tenant shall cause the Tenant Work to be constructed in compliance with all applicable ordinances, laws, rules and regulations of all governmental authorities, and shall secure written approval of the Plans from such governmental authorities before beginning work on the Tenant Work. In the even that said governmental authorities require changes or alterations in the Plans before granting Tenant written approval, then Tenant shall, at Tenant's sole expense, cause the Plans to be revised to indicate the required changes or alterations, and shall furnish to Landlord two (2) copies of the revised Plans for Landlord's records. Without limiting the foregoing, Tenant shall specifically ensure that all construction complies with the Americans with Disabilities Act.

C5. Tenant shall cause the Tenant Work to be constructed by a contractor (hereinafter called "Tenant's Contractor") licensed by the appropriate governmental authorities, and shall require Tenant's Contractor to furnish to Landlord a Certificate of Insurance as proof of insurance coverage in at least the following amounts:

(a) Worker's Compensation Insurance in the amounts required by law in Arizona;

(b) Comprehensive general liability insurance and personal injury liability insurance, specifying a single occurrence policy limit of at least $1,000,000;

(c) Products/Completed Operations Insurance

(d) Independent Contractors Insurance

Landlord's Initials ____
Tenant's Initials ____

(e) Personal liability insurance specifying a single occurrence policy limit of at least $1,000,000;

(f) Owned and hired automobile and equipment liability insurance; and

(g) Builder's Risk Insurance in the minimum amount of the contract between Tenant and Tenant's Contractor.

C6. Tenant shall, before opening for business, furnish to Landlord a Certificate of Occupancy or other documentation indicating acceptance of construction by the appropriate governmental authorities. Tenant shall also furnish to Landlord an acceptable Affidavit of No Liens and Waivers of Liens from Tenant's Contractor and its subcontractors.

C7. Tenant shall, at Tenant's sole expense, furnish signs and the electrical connections thereto, in compliance with Landlord's sign criteria.

C8. Roof/Building Penetrations. There shall be no penetrations of the roof or the exterior walls of the Building without the prior written approval of Landlord. If Tenant employs any contractor or person to perform roof or Building penetrations or Tenant performs roof or Building wall penetrations personally, Tenant will be responsible for the cost of repair or replacement to said roof or Building walls required because of any damage resulting from Tenant's or Tenant's Contractor. Landlord shall have the right to have Landlord's roofing contractor and/or maintenance contractor make said repairs or replacement at Tenant's expense.

Landlord's Initial
Tenant's Initials ___

LEASE AGREEMENT
EXHIBIT 'D'
SIGN CRITERIA

CONTINENTAL PLAZA SHOPPING CENTER
5200 E. CORTLAND BLVD.
FLAGSTAFF, ARIZONA 86004

This criteria has been developed to assure each tenant a standard conformance for the design, size and material used in the identification signs for its shop space ("premises"). And it is the intent of this sign criteria to provide sign design standards which are consistent with the Flagstaff Development Lighting Regulations and other applicable provisions of the Flagstaff Land Development Code.

Each tenant in Buildings B, C, or D, and each tenant with a retail or service use in any building in the Shopping Center shall be required to identify its premises by the required exterior cabinet sign. Any tenant in Buildings A or E with an "office-only" use shall have the right to either install the required exterior sign cabinet or to install a painted sign on one window next to it's main entry door. In the event an "office-only" tenant shall elect to have a painted window sign, then the tenant shall present landlord with a sign contractor's shop drawing, which must include the dimensions of the lettering and the colors to be used. Landlord, at landlord's sole discretion, shall have the right to approve or disapprove of the proposed painted sign.

Conformance to the sign criteria will be strictly enforced. Any sign installed after April 1, 2002, that is nonconforming or unapproved by the landlord shall be brought into conformance at tenant's expense.

1. **General Criteria**

a. All signs shall conform to the sign code adopted by the City of Flagstaff.

b. Cabinet signs shall be placed on the vertical dimension of the fascia area.

c. All permits for signs and their installation shall be obtained by the tenant, at tenant's expense.

d. Tenant, at tenant's expense, shall be responsible for bringing power to the sign location.

e. Tenants, at tenants expense, shall be responsible for the fulfillment of all requirements and specifications of this sign criteria and the City of Flagstaff.

f. No signs, advertisements, notices, names, insignia, trademarks, descriptive material or other lettering shall be displayed, exhibited, inscribed, painted or affixed on any part of the building, the glass panes or supports of the show windows or within twelve (12") inches of any window, except as approved in writing by the landlord.

g. Flashing, moving or audible signs are not permitted.

h. Signs installed without written approval of the landlord will be subject to removal. Costs incurred

Landlord's Initials ____
Tenant's Initials ____

to refabricate and/or re-install the sign will be the responsibility of the tenant. Damages will be assessed to tenant to cover the cost of repairs to the building elements resulting from unapproved installations.

i. All exposed metal shall be painted the same color as the trim color of the shopping center, as designated and approved by landlord.

j. No labels shall be permitted on the exposed surface of signs, except those required by local ordinance. Those required shall be applied in an inconspicuous location.

k. Tenant shall not affix any sign to the roof or roof system, mansard roof, or sidewalk canopy.

l. All penetrations to the building surface required for sign installation shall be neatly sealed in a water tight condition.

m. Tenant shall be responsible for any damage caused by its sign contractor.

n. Tenant shall submit or cause to submit two copies of the sign contractor's shop drawings to landlord for approval. Fabrication should not begin until the landlord approves the drawing.

o. The sign copy shall be limited to the proper business name and shall not include the names of items, goods, products or service lines for sale, unless approved by landlord. The use of a crest, shield, logo or other associated with the business name shall be permitted, subject to landlord's approval.

p. Tenant shall erect one sign on the fascia area of its business storefront not later than the date tenant opens for business. In the event tenant was open for business at the time this sign criteria was established (before April 1, 2002), then tenant shall install a conforming sign not later than April 1, 2007, or upon lease renewal, whichever date is sooner.

q. All illuminated signs shall be extinguished at 11:30 P.M. or when tenant's business use or activity closes, whichever is later.

2. **Definitions**

a. Business Storefront: The lineal distance across the front of the building space (premises) occupied by the particular tenant.

b. Fascia Area: The area across the business storefront, from the location where the canopy roof attaches to the front wall to the bottom of the front wall.

c. Building Mounted Wall Sign: A sign attached to or erected against the wall or fascia area of the building with the exposed face of the sign in a plane parallel to the vertical face of the building.

d. Changeable Copy Sign: A sign that is designed so that characters, letters, numbers, or illustrations can be manually or mechanically changed or rearranged without altering the face or surface of the sign.

Landlord's Initials ______
Tenant's Initials ______

e. Internal Illumination: A source of illumination contained entirely within the sign cabinet which makes the contents of the sign visible at night by means of light being transmitted through a translucent material, but wherein the source of the light is not visible.

f. Mansard Roof: A sloped wall segment or facade which imitates a building roof.

g. Roof Line: The top edge of the roof or top of the parapet, whichever forms the top line of the building silhouette, but not including spires, chimneys, or heating or cooling mechanical devices.

h. Office-Only Use: The use of a premises by a tenant as an office for tenant's business activities, whereby tenant shall not sell wholesale or retail items or merchandise to customers from the premises.

3. **Sign Measurement Criteria and Design Requirements**

a. Sign Area Measurement

(1) Sign copy mounted, affixed, or painted on a background panel or area distinctively painted, textured, or constructed as a background for the sign copy, is measured as that area contained within the sum of the smallest rectangle that will enclose both the sign copy and the background.

(2) The sign area for each business storefront within the shopping center shall not exceed one and one-half times (1.5) each linear foot of the business storefront of the primary entrance location of the individual tenant, up to an aggregate sign area not to exceed one hundred (100) square feet maximum per business storefront.

(3) Building mounted wall signs shall not extend horizontally a distance greater than sixty percent (60%) of the width of the business storefront.

(4) No building mounted wall sign shall extend above or below the fascia area upon which it is placed. The sign cabinet must be centered in the fascia area. No sign is permitted which breaks the silhouette of the building.

(5) When two or more tenants businesses are served by a single common building entrance, they are considered one business for sign computation purposes and the permitted sign area shall not exceed one and one-half (1.5) times each linear foot of building frontage of such entrance.

b. Sign Height Measurement

(1) The height of wall, fascia, or other building mounted signs is the vertical distance measured from the base of the wall on which the sign is located to the top of the sign or sign cabinet.

(2) The maximum sign height shall be twenty-five (25) feet. Suites in Building E shall be excluded from this sign height requirement and subject to height approval by Landlord.

c. Sign Illumination

The sign face of all outdoor, internally illuminated, building mounted cabinet signs shall be constructed with an opaque background and translucent letters and symbols, or with a colored background and lighter letters and symbols. Where white or other night bright colors are part of a logo, such colors are permitted in the logo only, provided that such logo shall represent not more than fifty percent (50%) of the total sign area permitted. A colored background may have the translucency allowed by the City of Flagstaff.

d. Support Elements

The support elements for all signs shall appear to be free of any angle iron, bracing, guy wires or similar features.

e. Electrical Service

Electrical service to the building mounted signs, including conduit, housings, and wire, are to be entirely concealed or, when necessary (and only when approved by landlord,) painted to match the surface of the structure upon which it is mounted.

f. Sign Type and Construction

(1) Sign cabinets are to be rectangular shaped, internally illuminated, single face cabinets, with 6" radius corners, and of high quality aluminum metal.

(2) The sign cabinet exterior shall be painted to match the shopping center's trim color.

(3) Cabinet dimensions shall all be 8" deep and 36" high.

(4) All copy shall be not less than six (6") inches high.

(5) All signs shall be U.L. listed. Interior illumination shall be evenly disbursed and shall have high output type lamps.

(6) Signs for businesses whose primary access is from the rear/back of the building are permitted one (1) sign at a ratio of sixty percent (60%) of the area permitted for a business storefront of the same dimensions fronting on a City street, but never more than allowed by the City of Flagstaff.

(7) There shall be no changeable copy signs in the tenant sign cabinets.

4. **Criteria Changes**

In the event the City of Flagstaff or any governing authority shall make changes to the City sign codes which are in conflict with this shopping center sign criteria, landlord shall have the right, with written notice to tenant, to make changes to the shopping center sign criteria in order to bring the sign criteria into conformance with the new City codes. And upon tenant receiving a written copy of the new sign criteria, it shall be deemed that the new sign criteria has superseded the previous sign criteria and tenant shall abide by all of the new sign criteria's terms, conditions and requirements.

Landlord's Initials ____

Tenant's Initials ____

5. **Sign Maintenance**

a. Tenant, at tenant's expense, shall be responsible for maintaining tenant's sign in good condition.

b. Complete maintenance is required for all signs, whether or not in existence prior to tenant taking occupancy of the premises. Maintenance of tenant's sign shall include periodic cleaning, replacement of flickering, burned out or broken light bulbs or fixtures, repair or replacement of any faded, peeled, cracked, or otherwise damaged or broken parts of a sign, and any other activity necessary to restore the sign so that it continues to conform to the requirements and contents of the sign permit issued for its installation and the provisions of the shopping center sign criteria.

6. **Vacating Premises and Sign Removal**

On the expiration or earlier termination of tenant's lease, unless landlord has conducted a lockout of the premises, any sign cabinet that has been purchased and installed by tenant shall be the property of the tenant and tenant shall have the right to remove the sign cabinet upon vacating the premises. However, any removal of a tenant's sign cabinet must be completed by a licensed sign contractor and tenant shall be responsible for the repair and/or replacement of any building area, facia area or electrical service that is damaged at the time of the removal and as a result of the removal. The sign face shall be the personal property of tenant and may be removed by tenant upon vacating the premises.

Landlord's Initials ____
Tenant's Initials ____

FIRST ADDENDUM TO LEASE
Dated: June 9, 2026

The FIRST ADDENDUM TO LEASE, for that Lease, dated June 9, 2026, by and between **HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION,** a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, as "Landlord", and **CITY OF FLAGSTAFF, AN ARIZONA MUNICIPAL CORPORATION, DBA EAST FLAGSTAFF COMMUNITY LIBRARY,** as "Tenant", for that Premises known as Continental Plaza Shopping Center, 5200, E. Cortland Blvd., Suites A 1-6, Flagstaff, AZ 86004. This ADDENDUM TO LEASE shall be incorporated by reference into the Lease and in the event of any discrepancy between the terms of the Lease and the terms of this FIRST ADDENDUM, the terms of the FIRST ADDENDUM shall prevail.

FAD1. SECURITY DEPOSIT. Tenant shall pay a Security Deposit of $13,000.00. This amount is payable upon full execution of Lease Documents.

FAD2. RENT RATE. The monthly rental rate and other applicable charges are as follows:

DATES	MONTHLY RENT	MONTHLY TAX*	MONTHLY TOTAL*
8/1/26 - 8/31/26	$13,000.00	$362.18	$13,362.18
9/1/26 - 11/30/26	$0.00	$0.00	$0.00
12/1/26 - 7/31/27	$13,000.00	$362.18	$13,362.18
8/1/27 - 7/31/28	$13,390.00	$373.05	$13,763.05
8/1/28 - 7/31/29	$13,791.70	$384.24	$14,175.94
8/1/29 - 10/31/30	$14,205.45	$395.76	$14,601.21

*Based on the current rate of 2.786% and subject to change.

Upon full execution of Lease Documents, Tenant shall pay a total of $26,362.18, broken down as follows:

First month's rent (8/1/26 – 8/31/26)	$13,000.00
First month's tax	362.18
Security Deposit	13,000.00
Total Due Upon Execution	**$26,362.18**

Tenant Initials _________ Landlord Initials __________

____

FA3. HVAC PROVISION. The Premises will contain the following HVAC units:

1. 2026 Daikin
2. 2026 Daikin
3. 2019/2020 Lennox
4. 2019/2020 Lennox
5. 2014 Carrier
6. 2014 Carrier

Tenant and Landlord agree that Tenant shall be fully responsible for all maintenance, repairs, and possible future replacement of the two 2026 Daikin units.

Additionally, Tenant will be responsible for up to $500/calendar year/unit for any necessary repairs/replacement of the Lennox and Carrier units. If a repair/replacement is estimated to exceed $500 by Landlord's preferred HVAC vendor, then Tenant shall be responsible to pay $500 of the repair/replacement and Landlord shall be responsible to pay for the balance of the repair. If the Landlord chooses to replace any of these units with a new unit(s), then Tenant shall become fully responsible for all future maintenance, repairs and possible replacement of the new units.

Tenant shall be fully responsible for routine seasonal maintenance on all of the units.
Tenant understands that Landlord requires HVAC units to receive routine seasonal maintenance twice yearly by a licensed HVAC vendor, once during the winter months and once during the summer months.

This HVAC provision shall continue throughout future lease extensions.

FA4. MODIFIED GROSS LEASE. This is a modified gross lease. Tenant will not be responsible for any Additional Rent, as outlined in Lease Article 5.

FA5. TENANT IMPROVEMENTS. Tenant will be responsible for all tenant improvements to the Premises. Plans for all construction work, alterations and improvements must receive the Landlords written approval prior to beginning any work, including demolition. All plumbing, HVAC, and electrical work must be performed by a licensed contractor.

Before taking possession, Tenant is required to provide certification from an engineer or other appropriate authority that the foundation of the Premises is sufficient to support the weight of the library.

FA6. LANDLORD IMPROVEMENTS. Landlord agrees to be responsible to have the carpeted areas in the Premises professionally cleaned. Landlord is responsible for a lighted sign cabinet to be installed above the Premi.

FA7. UTILITIES. Upon full execution of Lease, Tenant shall be responsible for having the electrical and gas services transferred into Tenant's name and shall be responsible for all costs related to said utilities and the installation thereof. Additionally, Tenant shall be fully responsible for any telecommunications and/or internet services to the Premises, and the installation thereof.

FA8. OPTION TO RENEW. Provided Tenant has met all of its obligations in a timely manner, and is not otherwise in default on its Lease obligations, Tenant shall have two (2) options to extend the Lease, each for one (1) additional year. These options shall hereafter be known as Option Period 1 and Option Period 2. The monthly rent during each Option Period shall increase 3% each year.

FA9. SIGNAGE. Tenant shall be permitted to display a prominent banner on the Premises' façade for a time period up to 3 months as temporary signage. Permanent signage in the sign cabinet will be required, in accordance with Lease Exhibit D

All other terms and conditions of the Lease apply.

ACCEPTED AND APPROVED:
Landlord:

Hopi Tribe Economic Corporation, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe.

By: ______________________________
Printed Name: Nick Brokeshoulder
Its: CEO
Date:

ACCEPTED AND APPROVED:
Tenant:

City of Flagstaff, an Arizona municipal corporation,
Dba East Flagstaff Community Library

By: ______________________________

Printed Name:

Its:

Date:

LEASE AGREEMENT

Dated as of September 1, 2026

for

Continental Plaza Shopping Center
5200 E. Cortland Blvd., Suite A 1 - 6

Flagstaff, Arizona 86004

by and between

THE HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION
as Landlord

and

City of Flagstaff,
an Arizona municipal corporation,
dba East Flagstaff Community Library
as Tenant

Landlord's Initials ___________

Tenant's Initials ___________ ___________

LEASE AGREEMENT
TABLE OF CONTENTS

Landlord's Initials __________

Tenant's Initials __________ __________

LEASE AGREEMENT

This Lease, dated as of this 1st day of September, 2026, is made by and between The Hopi Tribe Economic Development Corporation, a federally chartered corporation, wholly owned by The Hopi Tribe, a federally recognized Indian tribe (hereafter called "Landlord"), City of Flagstaff, an Arizona municipal corporation, dba East Flagstaff Community Library, (hereafter called "Tenant").

ARTICLE 1
BASIC LEASE PROVISIONS

The descriptions and provisions set forth below are qualified by their usage elsewhere in this Lease, including those Articles referred to in parentheses:

1.1	Premises (Article 2.1):	Continental Plaza Shopping Center 5200 E. Cortland Blvd., Suite A 1-6 Flagstaff, AZ 86004
1.2	Approximate Gross Leasable Area of Premises	(Article 2.1): +/- 7200 sf
1.3	Use Clause (Article 8)	Community library
1.4	Trade Name/Business Name (Article 8.1):	East Flagstaff Community Library
1.5	Lease Term (Article 3.1):	Four (4) years plus three (3) months
1.6	Lease Commencement Date (Article 3.2):	September 1, 2026
1.7	Lease Expiration Date (Article 3.2):	November 30, 2030
1.8	Security Deposit (Article 7.1):	$13,000
1.9	Tenant's Notice and Billing Address (Article 36):	Bryce Doty Real Estate Manager 211 W. Aspen Ave Flagstaff, AZ 86004 928-213-2072 Bryce.doty@flagstaffaz.gov With a copy to: City Attorney City of Flagstaff 211 W. Aspen Ave Flagstaff, AZ 86001

1.10	Landlord's Notice Address (Articles 6.1, 36):	HTEDC c/o Sterling Real Estate Management 323 W. River Run Rd., Suite 1 Flagstaff, AZ 86001 commercial@sterlingrem.com
	Landlord's Billing Address	HTEDC 5200 E. Cortland Blvd, Suite E200 Flagstaff, AZ 86004
1.11	Minimum Monthly Rent Commencement Date	(Article 4.1): September 1, 2026
1.12	Minimum Monthly Rent (Article 4.1):	$13,000 base rent
1.13	Merchants Association Fee (Article 14.3)	N/A
1.14	Brokerage Commissions (Article 37):	Per separate agreement
1.15	Lease consists of 40 Articles on 36 Pages,	Exhibits A, B, C, D, and First Addendum to Lease

ARTICLE 2
PREMISES

2.1 PREMISES. Landlord hereby leases to Tenant and Tenant leases from Landlord, for the Lease Term, at the rent rate and upon all of the conditions set forth herein, that certain real property known by address and unit/suite number specified in Article 1.1 hereof, consisting of the approximate gross leasable area specified in Article 1.2 hereof, and which is referred to hereafter as "Premises".

2.2 COMMON AREA. The use and occupation by the Tenant of the Premises shall include the non-exclusive right to the use of the parking areas, service roads and sidewalks depicted on Exhibit A and other facilities as may be designated from time to time by the Landlord for use in common by tenants of the Shopping Center, as more specifically set forth in Article 16 of this Lease.

2.3 LANDLORD'S RIGHTS. Landlord reserves and excepts from the Premises the roof and the exterior of the walls of the building of which the Premises are a part, and the right of access in, over and upon the Premises as may be reasonably necessary or advisable for maintenance or construction of the building of which the Premises is a part or other portions of the Shopping Center.

ARTICLE 3
TERM

3.1 TERM. The term of this Lease ("Lease Term") shall be for the period set forth in Article 1.5 hereof, plus the remainder of any partial calendar month in which the term commences.

3.2 DATES. The Lease Term and Tenant's occupancy shall commence on the date ("Lease Commencement Date") stated in Article 1.6 hereof, and end on the date ("Lease

Expiration Date") stated in Article 1.7 hereof, unless sooner terminated pursuant to any provision of this Lease.

ARTICLE 4
RENTAL

4.1 MINIMUM MONTHLY RENT. Tenant covenants and agrees to pay Landlord, without deduction or offset, and without notice or demand, for the use and occupancy of the Premises a Minimum Monthly Rent as specified in Article 1.12 hereof, subject to adjustment pursuant to the following paragraph, payable in advance on the first day of each and every month during the Lease Term beginning on the Minimum Monthly Rent Commencement Date specified in Article 1.11 hereof. If the Minimum Monthly Rent Commencement Date is other that the first day of a calendar month, the Minimum Monthly Rent for that month shall be prorated on a per diem basis calculated on a thirty (30) day month and paid to Landlord within five (5) days of the Minimum Monthly Commencement Date.

4.2 ~~ADJUSTMENTS. Upon each anniversary of the Lease Commencement Date, the Minimum Monthly Rent shall be adjusted upward (but not downward) to reflect the change in the Index over the past year. To accomplish this adjustment, the minimum Monthly Rent shall be increased by a fraction the numerator of which is the Index for January of the latest year and the denominator of which is the Index for January of the prior year; provided, that in no event shall the annual upward adjustment in Minimum Monthly Rent be less than three percent (3%). As used in this Section 4.2, Index means CONSUMER PRICE INDEX ALL URBAN CONSUMERS (CPI-U; U.S. City Average; All Items: 1982-1984=100) published by the United States Bureau of Labor Statistics. If the base of the Index changes from the 1982-84 base (100), the Index shall, thereafter, be adjusted to the 1982-84 base (100) before the computation indicated above is made. If the Index is at a time hereafter no longer published, a comparable index generally accepted and employed by the real estate profession shall be used as determined by Landlord~~.

ARTICLE 5
ADDITIONAL RENT

5.1 ~~PROPORTIONATE SHARE. It is mutually intended and understood that Minimum Monthly Rent is a "net" rent to Landlord, and that Tenant shall pay as additional rent, without offset or deduction, Tenant's Proportionate Share of the Shopping Center expenses, taxes and charges as set forth in this article.~~

~~If the Lease Commencement Date occurs on a day other than the first day of a calendar month, then all rents (including the Minimum Monthly Rent as set forth above) shall be prorated for the balance of that month, calculated on a thirty (30) day month and based upon the actual number of days the Lease is in effect during said calendar month.~~

~~Tenant's Proportionate Share of taxes, expenses (less water and sewer fees) and other charges shall be determined by multiplying the tax, expense (less water and sewer fees)~~

~~and other charges by a fraction, the numerator of which is the Approximate Gross Leasable Area of the Premises and the denominator of which is the total space in the Shopping Center. In the event the Premises does not have a separate water meter, the Tenant's Proportionate Share of the shopping Center's water and sewer fees shall be paid by Tenant as additional rent.~~

~~The amounts payable hereunder shall be payable within ten (10) days after receipt by Tenant of a statement from the Landlord setting forth the amount and due date of Tenant's Proportionate Share of the tax, charge or expense. Notwithstanding the foregoing, Landlord, at its option, shall have the right to estimate the amount of Tenant's Proportionate Share of the taxes, expenses and charges which would be payable by Tenant in any period of twelve (12) consecutive calendar months, and Tenant agrees to make advance payments towards the same in equal installments on the first day of each calendar month with Tenant's payment of Minimum Monthly Rent. By March 1st of each year, Landlord shall furnish to Tenant a statement showing the Shopping Center's actual taxes, expenses and charges for the proceeding period and any adjustments to be made as a result thereof. In the case of a deficiency, Tenant shall promptly remit the amount of such deficiency as set forth above to Landlord. In the case of surplus, Landlord shall apply Tenant's share of such surplus to payments next falling due from Tenant under this Article 5.~~

~~5.2 OPERATING EXPENSES. Tenant covenants and agrees to pay Tenant's Proportionate Share of the Shopping Center's Operating Cost. The Shopping Center's Operating Cost means:~~

~~[a.] All costs of operating, maintaining, and repairing the Shopping Center's common facilities provided for the joint non-exclusive use of tenants, their agents, employees, licensees and invitees including without limitation all costs and expenses attributable to: landscaping; repaving; line painting; identification and directional signs, markers and bumpers; sanitary control for the common facilities (pest control, cleaning, sweeping, removal of trash, rubbish, garbage and other refuse); snow removal; lighting; fixtures; utilities consumes on the common facilities; security and traffic control services; depreciation on or rental charges for equipment used for maintenance; the cost of an on-site office and an on-site employee or agent for supervision and management of the Shopping Center; payroll taxes and benefits; heating and security for vacant space, and premiums for fire and extended coverage insurance on common facility improvements and equipment; and fees and charges levied by governmental authorities.~~

~~[b.] All costs of maintaining and operating any sewer, septic or waste disposal installation which services the Shopping Center.~~

~~[c.] Routine cleaning, painting and other maintenance of signs, walls and roof systems.~~

~~[d.] The aggregate cost of Landlord's maintenance obligations under Section 17.1 hereof, for all portions of the Shopping Center.~~

~~[e.] Landlord's costs to appeal tax assessments.~~

[f.] ~~All costs for property management services.~~

~~5.3 REAL ESTATE TAXES. Tenant covenants and agrees to pay its Proportionate Share of all Real Estate Taxes imposed upon all real property and permanent improvements within the Shopping Center including the Premises and common facilities. With respect to any assessments which may be levied against or upon the Premises and which, under the laws then in force, may be evidenced by improvement or other bonds payable in annual installments, only the annual payments on said assessment shall be included in computing or estimating Tenant's obligation for real estate taxes and assessments.~~

~~Real Estate Taxes mean all impositions, taxes, assessments (special or otherwise) and other governmental levies and charges of any and every kind, ordinary or extraordinary, foreseen and unforeseen, assessed upon or with respect to the ownership of, or other taxable interest attributable to, the land, buildings and improvements comprising all or any portion of the Shopping Center, including taxes imposed on any interest or excise in substitution for those taxes commonly known as real estate taxes or in lieu of an increase in real estate taxes, but excluding income, estate and inheritance taxes levied against Landlord and taxes referred to in Article 5.5 hereof.~~

~~5.4 INSURANCE. Tenant covenants and agrees to pay its Proportionate Share of Landlord's cost of all insurance procured by or on behalf of Landlord pursuant to Sections 20.6 and 21.4 hereof.~~

5.5 SALES TAX. Tenant covenants and agrees to pay to Landlord, in addition to the amounts payable to Landlord hereunder, a sum equal to the aggregate of any municipal, county, state or federal excise, sales, use or transaction privilege taxes now or hereafter legally levied or imposed against or on account of any or all amounts payable under Lease by Tenant or the receipts thereof by Landlord (except taxes which are commonly referred to as income, estate, or inheritance taxes).

Tenant agrees to remit the taxes payable under this Section 5.5 to Landlord at the time payment is made by Tenant upon which the tax is levied or imposed.

~~5.6 PERSONAL PROPERTY TAX. Tenant shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment and all personal property placed on the Premises by the Tenant. If any or all of the Tenant's fixtures, furnishings, equipment or personal property shall be assessed and taxed with the Landlord's real property, the Tenant shall reimburse Landlord for such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to the Tenant's property.~~

5.7 WOOD INFESTATION AND PEST CONTROL. Tenant shall pay for any Wood infestation Report for Tenant's Premises, the cost of treatment of infestation, repair of any damage caused by infestation and correction of any conditions conducive to infestation that are caused by Tenant. Tenant shall pay for the cost of any pest control within the Premises.

ARTICLE 6
PAYMENT OF RENTAL/LATE CHARGES

6.1 PAYMENT. Tenant shall pay the rentals and all other charges herein specified to Landlord at the address set forth in Article 1.10 hereof, or to another person and at another address as Landlord shall from time to time designate in writing. Tenant shall pay all rents to Landlord in lawful money of the United States of America.

6.2 LATE CHARGES AND INTERST. Any payment of rent, additional rent or charge required to be made by Tenant to Landlord under the terms of this Lease not received within FIVE (5) DAYS after the due date thereof shall be subject to a late charge of ten (10%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, and if the delinquent amount has not been received in TEN (10) DAYS, an additional late charge of ten percent (10%) shall be due and payable to Landlord, for a total of twenty percent (20%); provided, however, nothing charged hereby shall ever exceed the amount that may properly be charged or recovered under the laws of the State of Arizona. Tenant understands and acknowledges that the foregoing late charge is not intended as punitive damages, but rather as liquidated damages, being a reasonable estimate of the damages that will be suffered by Landlord as a consequence of Tenant's failure to pay rent and other charges when due. The foregoing late charges and interest shall be in addition to any other remedies of the Landlord provided in this Lease.

ARTICLE 7
SECURITY DEPOSIT

7.1 GENERAL. Tenant has deposited with Landlord upon delivery of this Lease the amount specified in Article 1.8 hereof, receipt of which is hereby acknowledged by Landlord, to be held as security for the full and faithful performance of each and every term, provision, covenant and condition of this Lease.

7.2 OBLIGATIONS. If Tenant defaults in the performance of any of the terms, provisions, covenants or conditions of this Lease, including but not limited to the payment of rent, additional rent or other charge, Landlord may, but need not, use, apply, or retain the whole or any part of this security not as liquidated damages but for the payment of any rent or charge in default or for any other sum which Landlord ma spend or be required to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefore, deposit cash or certified funds with Landlord in an amount sufficient to restore the security deposit to its original amount. Should Tenant fully and faithfully comply with all of the terms, provisions, covenants, and conditions of this Lease, the security or any balance of the security shall be returned to Tenant or, at the option of Landlord, to the last assignee of Tenant's interest in this Lease within fourteen (14) business days after the Lease Expiration Date and surrender of the Premises by Tenant. Landlord's rights with reference to the security deposit shall be in addition to and shall not preclude any other rights, remedies, or recoveries available to Landlord by law or under the terms of this Lease.

7.3 RIGHTS. Tenant agrees that in case the Landlord shall sell or exchange Landlord's interest in the Premises during the Lease Term, Landlord may pay the deposit to any subsequent owner and in that event, Tenant does hereby agree to release Landlord from all liability for the return of such deposit. Landlord shall not be required to maintain such funds in a segregated account, but may deposit such funds in any general account of Landlord, provided that such commingling shall in no way affect Landlord's obligations to Tenant regarding such funds hereunder.

ARTICLE 8
USE OF PREMISES

8.1 USE. Tenant shall use the Premises solely for the purpose of conducting its business, which is stated in Article 1.3 hereof, and for no other purpose.

Said business shall be operated only under the trade name/business name as stated in Article 1.4 hereof.

Tenant shall not use or permit the Premises to be used for any other purpose or purposes except with the prior written consent of Landlord. The right to use the Premises for the business set forth above shall not be construed as a grant of exclusive rights to Tenant or a covenant restricting Landlord from leasing other space in the Shopping Center for the same or similar uses.

8.2 COMPLIANCE WITH LAW. Tenant shall, at its sole cost and expense, comply with all statues, ordinances, rules, regulations and orders of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the Premises or Tenant. Tenant shall not use or permit the Premises to be used in whole or in part for any purpose or use in violation of any of the laws, ordinances, regulations or rules of any public authority at any time applicable thereto.

8.3 PROHIBITED USES. Tenant shall not:

a. Consent or permit any auction sale to be held on or about the Premises, whether such auction be voluntary or involuntary;
b. Advertise or solicit business on the sidewalks and other common facilities of the Shopping Center, without first securing the prior written consent of the Landlord;
c. Employ any type of sound emitting device in or about the Premises that is audible outside the Premises, except for fire and burglar alarms;
d. Commit, or suffer to be committed, any waste upon the Premises;
e. Engage in any activity which will increase the existing premium rate of insurance on the Premises or cause a cancellation of any insurance policy or permit to remain in or about the Premises any article that may be prohibited by standard for fire insurance policies;
f. Use the Premises for or carry on or permit any offensive, noisy, or dangerous trade, business, manufacture or occupation, or any nuisance or anything against public policy, or interfere with the business of or disturb the quiet enjoyment of any other tenant in the Shopping Center;
g. Use the exterior of the roof or walls of the Premises for any purpose except maintenance of a sign in accordance with Section 8.2 or performing Tenant's

maintenance obligations under Section 17.3;

h. Load or unload goods except at such times, in the areas and through the entrances designated for such purposes by Landlord;
i. Accept delivery or ship merchandise, supplies or fixtures to and from the Premises except subject to such rules and regulations as in the judgment of the Landlord are necessary for the proper operation of the Premises or Shopping Center;
j. Deposit garbage or refuse except in the kind of container and specific container(s) specified by Landlord, and shall be placed outside the Premises prepared for collection in the manner and at the times and places specified by Landlord. Tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
k. Install an aerial, antenna, satellite dish or similar device on the roof or exterior walls of the Shopping Center or on the grounds, without the prior written consent of Landlord.
l. Place or permit any obstruction or merchandise outside Tenant's Premises and Tenant shall keep exterior areas immediately adjoining the Premises, including sidewalk and patio areas, clean and free form snow, ice, dirt, and rubbish to the satisfaction of the landlord.

ARTICLE 9
CONSTRUCITON OF THE PREMISES

9.1 GENERAL. All construction work, alterations and improvements to the interior or exterior of the Premises are subject to the prior approval of Landlord. Without Landlord's consent, which may be withheld on the basis of aesthetic or other standards, Tenant shall not:

a. Make any changes to the store front including the affixing and maintenance upon the glass panes and supports of the show windows and within twelve (12) inches of any window and upon the exterior walls of the Premises any signs, advertising placards, names, insignia, trademarks or descriptive materials;
b. Install any exterior lighting, awning or canopy, or any exterior decorations or paintings; or
c. Install any exterior sign which is not in accordance with Landlord's sign criteria.

During the course of any construction by Tenant, Landlord may enter upon the Premises at all times for the purpose of inspecting the construction.

If Landlord shall find any workmanship inferior, defective or not in accordance with the plans and specifications, Landlord may notify Tenant and if notified, Tenant shall promptly correct such inferior, defective or deficient construction. Landlord's authority to act under this paragraph shall not give rise to a duty of Landlord to make inspections or otherwise enforce Tenant's compliance with this Article. Tenant's failure to perform or cause to have performed Tenant's construction in a good and workmanlike manner shall constitute a default under Article 30 of this Lease.

9.2 FIXTURING. At the time Tenant enters the Premises to perform the work required of Tenant by this Lease, including Exhibit C: Construction Rider ("Tenant's Work"):

a. All of Tenant's obligations under this Lease, including the obligation to pay rent shall be in full force and effect;
b. Tenant agrees to maintain heat in the Premises and to pay for the utilities (heat, gas, water, electricity) which shall be furnished to the Premises from that time;
c. Tenant shall maintain liability insurance in accordance with Article 20 of this Lease;
d. Tenant shall require Tenant's Contractor to maintain Worker's Compensation Insurance as required by law and public liability insurance with limits equal to those set forth in Article 20. Tenant agrees to indemnify, save and hold Landlord harmless against any loss, liability, injury or damage to persons or property resulting from such work including the activities of Tenant's contractor; and
e. The Premises shall be deemed to be in good and satisfactory condition.

9.3 TENANT'S RISK. Prior to the completion of tenant improvements by Tenant, any work performed by Tenant, or any fixtures or personal property moved on the Premises, shall be at Tenant's own risk. Neither Landlord nor Landlord's agents or contractors shall be responsible to Tenant for damage or destruction of Tenant's work or property including damage or destruction occasioned by Landlord's own negligence. Tenant agrees to indemnify Landlord and hold Landlord harmless against claims made with respect to damage or destruction of property of third persons move on the Premises at Tenant's request.

9.4 ALTERATIONS BY LANDLORD. The Shopping Center and common areas are at all times subject to the exclusive control and management of Landlord. Without limiting the generality of the foregoing, Landlord has the right in its management and operation of the Shopping Center to do and perform such acts in and to the Shopping Center as in the use of good business judgment the Landlord determines to be advisable for the more efficient and proper operation of the Shopping Center, including:

a. Obstruct or close off all or any part of the Shopping Center for the purpose of maintenance, repair or construction;
b. Use any part of the common area for merchandising, display, decorations, entertainment and structures designed for retail sell or special features or promotional activities;
c. Change area, level, location, arrangement or use of Shopping Center or any part thereof;
d. Construct other buildings, structures or improvements in the Shopping Center and make alterations thereof, additions thereto, subtractions therefrom, or rearrangements thereof, build additional stories on any building, and construct additional buildings or facilities adjoining or proximate to the Shopping Center; and
e. Construct multiple deck, elevated or underground parking facilities, and expand, reduce or alter same in any manner whatsoever.

9.5 ALTERATIONS BY TENANT. After completion of Tenant's construction obligations under this Article, Tenant shall not make, or cause to be made any further additions to, or alterations of the Premises, or the store front, or any part thereof, without the prior written consent of Landlord. Any alterations or improvement to be made by Tenant will be subject to the conditions of this Article and the following Article 10. Any additions to, or alterations of, the Premises except movable furniture and trade fixtures, shall become at once part of the realty and belong to Landlord. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense.

ARTICLE 10
FIXTURES

Tenant shall provide, install and maintain, at tenant's expense, fixtures of a special nature that may be required by Tenant's business subject to the terms contained in Exhibit C hereof. All such fixtures that are not permanently affixed to the Premises shall remain the property of Tenant and may be removed by Tenant not later than the Lease Expiration Date, provided that Tenant is not then in default hereunder. Upon the expiration or termination of the term hereof, Tenant shall, upon written demand by Landlord given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damages to the Premises caused by such removal. All other fixtures, equipment, plumbing (including, without limitation, air conditioning units, heating equipment, plumbing fixtures, hot water heaters, wall covering, carpeting or other floor covering cemented or otherwise affixed to the floor, draperies, and outdoor sign cabinet, together with its electrical system and timer) that may be placed upon, installed in or attached to the Premises by Tenant shall, on the Lease Expiration Date or earlier termination of this Lease for any reason, be the property of Landlord and remain upon and be surrendered with the Premises, without disturbance, molestation or injury. Tenant shall have the right from time to time during the Lease Term to remove any such fixtures, equipment or property for the purpose of replacing the same with items of like character, quality or value. Replacement will be subject to the conditions of Article 9 hereof.

ARTICLE 11
LIENS

Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of work performed, material furnished or obligations incurred due to Tenant's actions or the failure of Tenant to comply with any law. In the even any such lien does attach against the Premises, and Tenant does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after notice by Landlord, Landlord may take any action necessary to discharge the lien. Tenant shall pay Landlord upon demand for or on account of any cost or expense (including reasonable attorney's fees) incurred by Landlord by reason of attachment or discharge of such lien and shall indemnify Landlord against any liability arising out of attachment of such lien.

ARTICLE 12
QUIET ENJOYMENT

Landlord covenants that upon Tenant's paying the rentals and keeping and performing all of the terms, covenants and conditions of this Lease, Landlord will do nothing that will prevent Tenant from peaceably and quietly enjoying, holding, or occupying the Premises during the Lease Term. This covenant shall not extend to any disturbance, act or condition brought about by any other tenant in the Shopping Center and shall be subject to the rights of Landlord set forth in this Lease. This Lease Agreement is subject to any Easements, Covenants and Restrictions of record.

ARTICLE 13
CONTINUOUS OPERATION

13.1 GENERAL. Tenant shall continuously, during the entire Lease Term, conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the Premises area located; provided, however, that this provision shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar caused beyond the reasonable control of Tenant. Tenant shall keep the Premises adequately stocked with merchandise, and with sufficient sales personnel to care for the patronage, and to conduct said business in accordance with sound business practices.

13.2 NON-CONTINUOUS OPERATION. Because of the difficulty or impossibility of determining Landlord's damages resulting from Tenant's failure to open for business fully fixture, stocked and staffed not later than thirty (30) days after the Minimum Monthly Rent Commencement Date and to continuously thereafter conduct and carry on Tenant's business, including but not limited to damages from diminished salability, leas ability, mortgagability or economic value of the Shopping Center, if Tenant fails to commence fixturing the Premises and proceed with the same diligently, or to open business fully fixture, stocked and staffed within thirty (30) days after the Minimum Monthly Rent Commencement Date, or to continuously thereafter conduct and carry on Tenant's business, Tenant agrees Landlord may, without notice or demand, in addition to the right to exercise any other remedies and rights provided by law:

a. Exercise Landlord's rights under Section 30.2 paragraphs (b) or (c);
b. Collect rent during the time which tenant is in violation of this Article in an amount equal to the Minimum Monthly Rent and all additional rent, and, in addition thereto, an amount equal to one-thirtieth ($1/30^{th}$) of the Minimum Monthly Rent for each day that Tenant has failed to open for or continuously operate Tenant's business, and all expenses incurred by Landlord in exercising its rights and enforcing the provisions of this Article.

ARTICLE 14
MERCHANT'S ASSOCIATION

~~14.1. PROMOTION. At Landlord's request, Tenant will refer to the name of the Shopping Center in designating the location of the Premises in newspaper and other advertising.~~

~~14.2 FORMATION. Tenants representing (a) a majority in number of tenants at the Shopping Center and 9b) a majority of leasable square feet at the shopping Center shall have the right, but not the obligation, to establish a fund ("The Fund") for promotion and advertising of the Shopping Center. Tenant agrees that it will join and at all times during the term hereof maintain membership in any merchants' association of businesses in the Shopping Center so established.~~

~~14.3 DUES. Tenant agrees to pay minimum dues to The Fund, if the Fund is established, provided however, that in no event shall the dues paid by Tenant in any fiscal year of The Fund be in excess of the amount stated in Article 1.13 hereof, based on the Approximate Gross Leasable Area of the Premises.~~

ARTICLE 15
COMPETITION

Neither tenant nor any affiliate or principal of Tenant shall directly or indirectly open, own, manage, or have any interest whatsoever in any similar or competing business within a radius of one and one half (1½) miles from the outside boundary of the Shopping Center.

ARTICLE 16
PARKING AND COMMON FACILITIES

16.1 TENANT'S RIGHTS. Subject to Section 16.2 and Articles 23 and 24 of this Lease, Tenant, for the use and benefit of Tenant, its agents, and employees, customers, licensees and subtenants, shall have the non-exclusive license in common with Landlord, and other present and future tenants and their agents, employees, customers, licensees and subtenants, to use the common facilities during the Lease Term for vehicle and pedestrian ingress and egress and parking.

16.2 LANDLORD'S RIGHTS. All common facilities in or about the Shopping Center shall be subject to the exclusive control and management of Landlord and Landlord shall operate and maintain the common areas in such manner as Landlord in its discretion shall determine. Landlord shall have the right:

a. To construct, maintain, and operate lighting and other facilities on all said areas and improvements;
b. To police the same;
c. To restrict parking by tenants, their officers, agents and employees;
d. To designate employee parking areas
e. To close all or any portion of said areas or facilities to such extent as may be legally sufficient to prevent a dedication thereof or the accrual of any right of any person or the public therein;

f. To close temporarily all or a portion of the parking areas or facilities to discourage non-customer parking;
g. To employ and discharge all personnel with respect thereto; and
h. To establish reasonable rules, regulations, and/or restrictive covenants promulgated from time to time, to control use and operation of the common facilities in order that the same may occur in a proper and orderly fashion.

ARTICLE 17
MAINTENANCE AND SANITATION

17.1 OBLIGATIONS OF LANDLORD. Subject to Articles 23 and 24, Landlord covenants to maintain in good condition and repair (ordinary wear and tear excepted), the roof, exterior walls and structural elements of the Shopping Center buildings and off-Premises plumbing, off-Premises electrical and other off-Premises and common facilities servicing the Premises. Except as provided in Section 17.3, Landlord also covenants to maintain the foundations and structural supports, perimeter walls, and structural portions of the floors in the Premises in good repair (ordinary wear and tear excepted). Tenant hereby waives all rights to make repairs at the expense of Landlord. The foregoing notwithstanding, Landlord shall have no obligation to make repairs as required herein unless Tenant has previously notified Landlord, in writing, of the need for such repairs. Landlord shall commence said repairs within thirty (30) days following receipt of Tenant's written notification.

17.2 OBLIGATIONS EXCEPTED. If Landlord would be required to perform any maintenance or make any repairs under Section 17.1 because of: (a) modifications to the roof, walls, foundation or floor of the Premises from that set forth in Landlord's plans and specifications which are required by Tenant's design for improvements, alterations and additions; (b) installation of Tenant's improvements, fixtures or equipment; (c) Tenant's negligence; or (d) Tenant's failure to perform any agreements contained in this Lease, Landlord may perform the maintenance or repairs or require Tenant to do so. If Landlord requires Tenant to perform the repairs or maintenance, such repairs or maintenance shall be performed consistent with Tenant's obligations set for the Section 17.3. If Landlord performs the maintenance or repair, Tenant shall pay Landlord the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. The cost incurred by Landlord under this Section shall not be a part of the Shopping Center Operating Cost for purposes of Section 5.2

17.3 OBLIGATIONS OF TENANT. Except as provided in Section 17.1, Tenant shall, at its sole cost and expense, maintain the Premises in a good state of repair, both interior and exterior including, without limitation, signs, sign cabinets and timers, window, storefront, doors, demising walls, ceiling, floor covering, plumbing and pipes to the point where they intersect with common lines, electrical wiring, switches and conduits within the Premises up to and including Tenant's meters and circuit breakers and all mechanical equipment relating to the Premises. In connection with the above, it is understood that Tenant bears the entire responsibility and expense for the maintenance and replacement of all heating, refrigeration and ventilation equipment and other fixtures or equipment which must be replaced or repaired during the Lease Term. Landlord shall, however, have the right to contract for periodic servicing and maintenance of the heating, ventilation and air conditioning equipment and Tenant agrees to reimburse Landlord for the cost thereof upon receipt of a statement. Prior to beginning any repair or replacement of heating, ventilation and air conditioning equipment on the exterior of the Premises, Tenant shall notify Landlord and obtain Landlord's approval of the means of repair or replacement, the specifications of replacement equipment and the contractor responsible for performing the work.

If Landlord reasonably considers that some item of maintenance or repair under this Section 17.3 is needed, Landlord shall so notify Tenant in writing and Tenant shall promptly effect such maintenance or repair. If Tenant should fail to effect such maintenance or repair within a reasonable time, Landlord may effect such maintenance or repair, and Tenant shall reimburse Landlord for the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. Landlord's right to make repairs at the expense of Tenant under this Section 17.3 shall impose no obligation upon Landlord to do so.

Upon entry into the Premises to perform Tenant's Work and thereafter during the Lease Term, Tenant will maintain sufficient heat in the Premises to prevent water lines serving Premises and the building in which the Premises is located from freezing.

Tenant shall provide and maintain sanitary receptacles within the Premises in which to place any refuse or trash. Tenant shall cause such refuse or trash to be removed from the Premises as often as required to maintain a sanitary condition, but in no event less often than daily. Tenant shall sweep as needed and keep free of refuse, debris and trash all sidewalks, walkways and patio areas under the front canopy and immediately adjacent to the Premises. And Tenants shall be responsible for snow removal on said sidewalks, walkways and patio areas.

ARTICLE 18
UTILITES

18.1 GENERAL. Tenant shall pay before delinquency all charges, including security deposits and connection charges, required by a utility or other company of water, gas, electricity, power, telephone service, trash and rubbish removal, and all other services or utilities used in, upon, or about the Premises by Tenant or any of Tenant's subtenants, licensees, or concessionaires during the Lease Term. Tenant shall contract directly with any public utility or supplier if the utilities or services are separately metered or otherwise capable of being separately charged. In the event that any charge for any utility supplied to the Premises is not paid by Tenant to supplier when due, Landlord may, but shall not be required to, pay such charge for and on behalf of Tenant, with any such amount paid by Landlord being repaid by Tenant to Landlord as additional rent. Landlord shall, however, have the right to supply any utility or service to the Premises. Tenant agrees to pay Landlord for the cost of utilities and services provided by Landlord. Landlord's charges shall not exceed those charged by independent providers to Landlord. Utilities and services not separately metered shall be allocated to the Premises on such basis as Landlord deems reasonable.

18.2 LANDLORD'S LIABILITIES. Landlord shall not be liable in damages or otherwise in the event of any failure or interruption of any utility supplied to the Premises or Shopping Center and no such failure shall entitle Tenant to terminate this Lease.

18.3 UTILITY CAPACITY. Tenant agrees that it will not install any equipment or vending machines which will exceed or overload the capacity of any utility facilities and that if any equipment or vending machines installed by Tenant shall require additional utility facilities, the same shall be installed at tenant's expense in accordance with plans and specifications to be approved in writing by Landlord.

ARTICLE 19
ENTRY AND INSPECTION

Landlord and landlord's agents shall have the right to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same, performing Landlord's maintenance and repair obligations under this Lease, maintaining or making repairs, alterations, or additions to any other portion of the building in which the Premises are located, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, posting notices of non-liability for alterations, additions or repairs, or of the availability of the Premises for lease or sale, or exhibiting the Premises to potential tenants and purchasers. Tenant shall permit Landlord, at any time within one hundred fifty (150) days prior to the Lease Expiration Date, to place upon the Premises any usual or ordinary "For Lease" signs.

In the event of an emergency and if Tenant shall not be personally present to open and permit an entry into the Premises, Landlord or Landlord's agents may forcibly enter the same, without rendering Landlord or such agent liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Landlord shall be permitted to do any of the above without any abatement of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned, nor shall such action by Landlord be deemed an actual or constructive eviction.

ARTICLE 20
ACCEPTANCE OF THE PREMISES, LIABILITY INSURANCE AND INDEMNIFICATION OF LANDLORD

20.1 ACCEPTANCE. Tenant acknowledges that it has fully inspected the Premises, including but not limited to any and all mechanical equipment, and hereby accepts such "As Is". Tenant also acknowledges that the Premises are suitable for the purposes for which the same are leased, in their present condition. Tenant further acknowledges that Landlord has made no warranties or representations as to either condition or the suitability of the Premises for the Use specified in Article 1.3 hereof.

20.2 WAIVER. All merchandise, furniture, floor and wall coverings and personal property and fixtures belonging to Tenant and all persons claiming by or through Tenant which may be on the Premises shall be at Tenant's sole risk. Tenant hereby waives all claims against Landlord for damage to any property on the premises from fire, water, gas or otherwise, including bursting pipes.

20.3 HOLD HARMLESS. Tenant hereby agrees to indemnify and to hold Landlord and any mortgagee of Landlord harmless against all claims arising from: Tenant's possession, use, maintenance and repair of the Premises; any act or omission of Tenant or Tenant's agents and employees; any default of tenant under this Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

20.4 STANDARDS. Upon taking possession of the Premises and thereafter during the Lease Term, the Tenant shall, at Tenant's sole cost and expense, maintain comprehensive liability insurance, including, without limitation products liability and contractual liability endorsements, against claims for personal injury, death, or property damage occurring in, upon, or about the premises and on any sidewalks or patio areas directly adjacent to the Premises. The Limits of Liability of such insurance shall not be less than Two Million Dollars ($2,000,000) combined single limit or in such higher amounts as Landlord may require. All such policies of insurance shall name Landlord and /or such other party or parties as Landlord may require as additional insured.

20.5 QUALIFICATIONS. Tenant's insurance shall be maintained with an insurance company qualified to do business in the state in which the Premises are located and have a current A.M. Best manual rating of at least A or better. Tenant's insurance policies will contain an endorsement stating that the insurance will not be cancelled nor will the carrier fail to renew or materially change the policy without first giving Landlord thirty (30) days written notice. Before entry into the premises and before expiration of any policy, Tenant shall provide Landlord with evidence that the requirements of this Article have been met and that the applicable premiums or renewal premiums have been paid.

20.6 PUBLIC LIABILITY. During the entire Lease Term, Landlord shall maintain or cause to be maintained public liability insurance against claims for personal injury, death, or property damage occurring on the common areas. The Limits of Liability of such insurance shall be in such amounts as Landlord shall determine. Tenant shall pay to Landlord, as additional rent, Tenant's pro rate share of Landlord's cost of the public liability and property damage insurance on the common areas in accordance with Section 5.4.

20.7 NOT LIABLE. Landlord shall not be responsible or liable to Tenant for any claims for loss or damage caused by the acts or missions of any person occupying any space adjacent to or adjoining the Premises.

20.8 CLAIMS. As used in this Article, "Claims" means any claims, suits, proceedings, actions, causes of actions, responsibility, liability, demands, judgments and executions.

ARTICLE 21
CASUALTY INSURANCE

21.1 GENERAL. Tenant, at Tenant's expense, shall maintain fire and full extended coverage insurance on merchandise, personal property, equipment and trade fixtures owned or used by Tenant and those items of work described as Tenant's Work. The proceeds of any insurance maintained by Tenant on any structural portion of the Premises, roof, store front, demising walls, floors or ceilings on the Premises will be held in trust for the benefit of Landlord and applied, as required by Landlord, to reconstruction or repair of the Premises.

21.2 GLASS. Tenant shall be responsible for the maintenance of plate glass in or a part of the Premises, but shall have the option either to insure the risk or to self-insure, provided Landlord's written consent to self-insure is previously obtained.

21.3 STANDARDS. Tenant's fire and extended coverage insurance shall be maintained in accordance with the standards set forth in Sections 20.4 and 20.5.

21.4 LANDLORD'S INSURANCE. Landlord shall maintain fire and full extended coverage insurance ("all risk") throughout the Lease Term on that portion of the Shopping Center and the Premises for which Landlord bears responsibility pursuant to Section 17.1, plus any common facility improvements and may name the holder of a first mortgage or deed of trust as additional insured. Tenant agrees that it will not store, keep, use, sell or offer for sale in or upon the Premises, gasoline and related products, firearms, explosives or any other article which may be prohibited by the standard form of fire insurance policy, or which will increase Landlord's insurance cost. Landlord may elect to self-insure any component comprising the common facilities. At Landlord's option, the policy of insurance may include a business interruption insurance endorsement for loss of rents. Tenant agrees to pay Landlord, Tenant's proportionate share of the cost of the insurance obtained under this Section 21.4 in accordance with Section 5.4 of this Lease. If, however, during the Lease Term it is determined that the fire insurance rate per One hundred Dollars ($100) of value on the Premises is in excess of the lowest rate per One Hundred Dollars ($100) of value on any other premises in the Shopping Center insured by Landlord, then Tenant, as a result thereof, agrees to pay Landlord the full amount of such excess. Tenant shall have no rights in said policy procured by Landlord under this Section 21.4 and shall not be entitled to be named as insured thereunder.

21.5 SUBROGATION. Tenant hereby waives any right of recovery from Landlord, and Landlord's agents, officers and employees, and Landlord hereby waives any right of recovery from Tenant and Tenant's agents, officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against by either's fire and extended coverage policy. The parties shall give their respective insurance carriers notice of this waiver and secure an endorsement from each carrier to the effect that the waivers given under Articles 20 and 21 shall not adversely affect or impair the policies of insurance or prejudice the right of the named insured on the policy to recover thereunder. A waiver given under this Sections 21.5 shall apply only to losses occurring during the time that such endorsement is in effect.

ARTICLE 22
SUMMARY OF INSURANCE REQUIREMENTS

22.1 LANDLORD. Insurance Policies to be secured by Landlord:

TYPE OF INSURANCE	SUBJECT OF COVERGE	SECTION REFERENCE
Fire and Extended Coverage (All Risk)	Landlord's Improvements	5.2 - operating expenses 5.4 - insurance 21.4 - Landlord's insurance 21.5 - subrogation
Liability Insurance (Personal Injury and Property Damage)	Common Areas	5.4 - insurance 20.6 - public liability

22.2 TENANT. Insurance Policies to be secured by Tenant:

TYPE OF INSURANCE	SUBJECT OF COVERGE	SECTION REFERENCE
Fire and Extended Coverage (All Risk)	Merchandise, Fixtures, Equipment	8.3 - prohibited uses 21.1 - general 21.2 - glass 21.3 - standards 21.5 - subrogation
Liability Insurance (Personal Injury and Property Damage)	Tenant's Premises	9.2 - fixturing 20.4 - standards 20.5 - qualifications

22.3 QUALIFICATION. The foregoing summaries are set forth for convenience of reference only, and do not alter or supplement any other provision of this Lease. Tenant acknowledges that the foregoing summaries may not include reference to all relevant provisions of the Lease.

ARTICLE 23
DAMAGE AND DESTRUCTION OF PREMISES

23.1 GENERAL. In the event of (a) fire or other casualty damage to the Premises or the building containing same during the Lease Term which requires repairs to either the Premises or said building, or (b) the Premises or said building being declared unsafe or unfit for occupancy by an authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either the Premises or building, or (c) normal wear and tear that requires repair, or (d) improvement to the

Premises or building that is deemed necessary by Landlord, Landlord shall commence to make said repairs within sixty (60) days of written notice by Tenant of the necessity therefore. No such destruction (including any destruction necessary in order to make repairs required by and declaration made by a public authority) shall annul or void this Lease. The Minimum Monthly Rent shall be proportionately reduced while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in the Premises.

23.2 TERMINATION BY LANDLORD. Landlord's obligation to repair the Premises shall, however, be subject to the following. If:

a. During the last one (1) year of the Lease Term the Premises or the building in which the Premises are located is damaged as a result of fire or any other insured casualty; or
b. The Premises are damaged to extent equal to or in excess of twenty-five percent (25%) of replacement value; or
c. The Premises or the building in which the Premises are located are damaged or destroyed as a result of casualty not insured against; or
d. Fifty percent (50%) or more of the gross leasable floor area of the buildings in the Shopping Center shall be damaged or destroyed by fire or other cause, Landlord shall have the right, to be exercised by notice in writing to Tenant given within ninety (90) days from said occurrence, to cancel and terminate this Lease. Upon notice to Tenant, the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. If Landlord elects to terminate this Lease under this Section 23.2, all rents shall be prorated as of the date of damage or destruction and Landlord shall be released from liability or obligation to Tenant. If Landlord, however, elects to make said repairs, and provided Landlord uses due diligence in making said repairs, this Lease shall continue in full force and effect and the Minimum Monthly Rent shall be proportionately reduced as provided in Section 23.1.

23.3 NO TERMINATION BY TENANT. With respect to any destruction (including any destruction necessary in order to make repairs required by any such declaration of any authorized public authority) which Landlord is obligated to repair or may elect to repair under the terms of this Article 23, Tenant waives any statutory or other right Tenant may have to cancel this Lease as a result of such destruction.

23.4 LANDLORD'S OBLIGATIONS. The provisions of this Article shall supersede the obligations of Landlord to make repairs under Section 17.1 of the Lease. Landlord shall not be obligated to make repairs to the extent that the cost thereof exceeds the insurance proceeds.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacement of any leasehold improvement, fixture, or other personal property of Tenant.

23.5 TENANT'S OBLIGATIONS. Unless the Lease is terminated under this Article, within thirty (30) days of substantial completion of Landlord's restoration obligations, Tenant shall re-fixture the Premises according to the specifications set forth in Article 9 of the Lease. Upon completion of tenant's re-fixturing or upon passage of thirty (30) days from the date Landlord substantially completes repairs and restoration of the Premises, the Minimum Monthly Rent shall be restored to the amounts which would have been in effect but for the damage or destruction.

If fire or casualty damage to the Premises or other parts of the Shopping Center shall have been caused by negligence or misconduct of the Tenant, its agents, representatives, employees, or of any person entering the Premises under the express or implied invitation of Tenant, such damage shall be repaired by Landlord with any costs not paid for by insurance paid for by Tenant and in such event there shall be no abatement or reduction of rent despite contrary provisions appearing in this Lease.

ARTICLE 24
EMINENT DOMAIN

24.1 TAKING. As used in this Article, "Taking" means a taking of or damage to the Premises or Shopping Center of any part thereof by exercise of the power of eminent domain, condemnation or sale under the threat of or in lieu of eminent domain or condemnation.

24.2 TERMINATION. If the whole of the Shopping Center of the whole of the Premises shall be acquired by Taking, or if the whole of the parking area is acquired by Taking, then this Lease shall terminate as of the date of taking of possession by Taking authority.

24.3 PARTIAL SHOPPING CENTER. If more than fifty percent (50%) of the gross leasable floor area of the entire Shopping Center is acquired by Taking whether or not any portion of the Premises is so taken, Landlord shall have the right to terminate this Lease as of the date of such Taking by giving Tenant ninety (90) days written notice of Landlord's intent to terminate this Lease.

24.4 PARTIAL PREMISES. If more than twenty-five percent (25%) of the Premises is acquired in a Taking, either Landlord or Tenant may terminate this Lease upon notice to the other within ninety (90) days prior to taking of possession by the Taking authority. If less than twenty-five percent (25%) of the Premises is acquired in a Taking, Landlord shall promptly restore the Premises to a condition comparable to its condition immediately prior to such Taking, less the portion acquired in the Taking; this Lease shall continue in full force and effect with respect to that part not acquired, and the Minimum Monthly Rent shall be reduced in the proportion that the rental value of the Premises after the Taking bears to the rental value before Taking.

24.5 PARKING LOT. If any part of the parking area in the Shopping Center shall be acquired in a Taking, Landlord shall have the right to provide substitute parking facilities and this Lease shall continue in full force and effect unless a governmental authority forced the closing of the shopping Center. If a closing is required, this Lease shall terminate on the date of the closing.

24.6 DAMAGES AND AWARDS. In the event of a Taking, as hereinbefore provided, whether whole or partial, the Tenant shall not be entitled to a part of the award, as damages or otherwise for diminution in value of the leasehold, reversion or fee, and Landlord shall receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall have no claim against Landlord for the value of the unexpired Lease Term if the Lease is terminated under this Article. Although all damages in the event of any condemnation shall belong to the Landlord, Tenant shall have the right to claim and recover from the condemning authority but not from the Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

24.7 RENT PRORATION. If this Lease is terminated partially or in total under this Article, all rents shall be prorated as of the date of taking possession by the Taking authority, including refunds for amounts paid in advance by Tenant.

ARTICLE 25
ASSIGNMENT AND SUBLETTING

25.1 GENERAL. Tenant shall not voluntarily or by action of law transfer, assign, sublet, mortgage or otherwise transfer or encumber all of any part of Tenant's interest in this Lease or in the premises without Landlord's prior written consent (which consent shall not be unreasonably withheld), nor shall tenant suffer or permit the Premises or any part thereof to be used or occupied by others without Landlord's prior written consent. An attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease. Regardless of Landlord's consent, no subletting or assignment or other transfer shall release Tenant of Tenant's obligation or alter the primary liability of tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder; rather, Tenant, and its guarantor(s) shall thereafter be jointly and severally liable with any such permitted subtenant or assignee for all of Tenant's obligations hereunder. Any such permitted assignee shall agree in writing for the benefit of Landlord to be bound by all of the terms and conditions of this Lease. Any such permitted subtenant shall agree in writing for the benefit of Landlord that its sublease shall be subject to all of the terms and conditions of this Lease, and that such sublease shall automatically terminate upon any termination (consensual or non-consensual) of this Lease. The form and substance of any such sublease or assignment shall be subject to Landlord's prior written approval.

If tenant is a corporation, an unincorporated association, Limited Liability Company or a partnership, unless listed on a national stock exchange, the transfer, assignment or hypothecation of any stock or interest in such corporation, association, Limited Liability Company or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment of this Lease.

25.2 TRANSFER OF OBLIGATIONS. As a condition of obtaining Landlord's consent, Tenant shall submit to Landlord with its request the effective date of the transfer (it must be at least sixty (60) days after the submission date), the name of the proposed assignee or subtenant, the terms and provisions of the proposed transaction, the proposed use, which must be consistent with the provisions of Article 1.3 hereof, a financial statement, a business history and such other information as is necessary to demonstrate to Landlord that the proposed assignee or subtenant has business experience and financial strength and stability equal to or greater than that of the Tenant.

In addition, Tenant shall execute an agreement with Landlord agreeing to pay to Landlord, as additional rent, one hundred percent (100%) of all monies or other consideration received by Tenants rent or as compensation in lieu of rent from its transferee in excess of the amounts owed by Tenant to Landlord under this Lease, which additional rent shall be paid to Landlord as and when received by Tenant. In the event Landlord shall consent to a sublease, assignment, transfer or cancellation/termination of the Lease, Tenant shall pay Landlord $500.00 for the administrative fees incurred in connection with such consent.

25.3 SURRENDER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all of any existing subleases or sub-tenancies, or may, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or sub-tenancies.

ARTICLE 26
SALE OF PREMISES BY LANDLORD

In the event of any sale of the Premises or assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of Landlord's covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence or mission occurring thereafter; and the assignee or purchaser, at such sale or any subsequent sale of the Premises or assignment of this Lease, shall be deemed, without the necessity of any further agreement, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

ARTICLE 27
SUBORDINATION/ATTORNMENT

Tenant's interest under this Lease shall be subordinate to all terms of the lien of any deed of trust or mortgage (hereinafter collectively referred to as "mortgage") now or hereinafter placed on Landlord's interest in the Premises or on the land and buildings of which the Premises are a part. This paragraph shall be self-operative; however, Tenant agrees to execute and deliver, if Landlord should so request, such further instruments necessary to subordinate this Lease to a lien of any such mortgage. Subordination to any mortgage or deed of trust shall be upon the express condition that the mortgagee or beneficiary shall not disturb the possessory estate of Tenant throughout the Lease Term and any extension or renewal thereof notwithstanding any foreclosure, trustee's sale or similar proceedings with respect thereto, providing, however, Tenant performs all the terms, covenants and conditions of this Lease. If the Premises of the Shopping Center is sold pursuant to default on the mortgage, Tenant shall not disaffirm this Lease but shall affirm to the mortgagee or purchaser.

ARTICLE 28
RIGHT TO CURE

In the event of any claimed breach, default, or noncompliance hereunder by Landlord, Tenant shall give Landlord written notice of the claimed breach, default, or noncompliance. If prior to giving such notice Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of a lender which has furnished financing that is secured by a mortgage or deed of trust on the Premises or the Shopping Center, concurrently with giving the aforesaid notice to Landlord, Tenant shall also give written notice by registered mail to such lender.

ARTICLE 29
ESTOPPEL CERTIFICATES

Tenant agrees at any time and from time to time upon request by the Landlord, to execute, acknowledge and deliver to Landlord a statement within five (5) calendar days of demand in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (b) the dates to which the Minimum Monthly Rent and other charges have been paid in advance, if any, (c) Tenant's acceptance and possession of the Premises, (d) the commencement and expiration of (and any options to extend) the Lease Term, (e) the rent provided under the Lease, and (f) that Landlord is not in default under this Lease (or if Tenant claims such default, the nature thereof), (g) that pursuant to Section 4.1 Tenant claims no offsets against the rent, and (h) such other information as shall be reasonably necessary to establish the status of the tenancy relied upon by any prospective purchaser, mortgagee, or assignee of any mortgage of the Premises or the Shopping Center. Tenant's failure to deliver the certificate required under this Article shall constitute a default under this Lease.

ARTICLE 30
DEFAULT AND CONDITIONAL LIMITATIONS

30.1 DEFAULT. The following shall constitute a default under this Lease:

a. If tenant fails to pay any installment of the Minimum Monthly Rent or additional rent herein provided or any other sum required by this Lease to be paid to Landlord, or an part thereof, within then (10) days of the times or in the manner provided; or
b. If Tenant fails to perform any other covenants or conditions on its part agreed to be performed and such failure to perform other covenants shall continue for ten (10) days after notice thereof from Landlord to Tenant; or

c. If a petition or proceeding under the federal Bankruptcy Code or any amendment thereto is filed or commenced by or against Tenant or any guarantor of this Lease, and if against Tenant, said proceeding shall not be dismissed within sixty (60) days following commencement thereof; or
d. If Tenant or any guarantor of this Lease is adjudged insolvent, makes an assignment for the benefit of its creditors or enters into an arrangement with its creditors; or
e. If a writ of attachment or execution is levied on the leasehold estate hereby created and is not released or satisfied within sixty (60) days thereafter; or
f. If a receiver is appointed in any proceeding or action to which Tenant is a party with authority to take possession or control of the Premises or the business conducted thereon by Tenant or the property of any guarantor of this Lease and such receiver is not discharged within a period of thirty (30) days after his appointment; or
g. Tenant fails to commence within ten (10) days of notice and to thereafter promptly complete any work required under Articles 8, 9 and 10 or perform any other requirements to be performed prior to the Minimum Monthly Rent Commencement Date; or
h. Tenant abandons or vacated the Premises.

30.2 REMEDIES. Upon a default of Tenant as defined in section 30.1, Landlord or Landlord's agents and employees shall have the right and option to:

a. Prosecute and maintain and action or actions, as often as Landlord deems advisable, for collection of the rents or other charges and damages as the same accrue, without entering into possession and without terminating this Lease. No judgment obtained shall constitute a merger or otherwise bar prosecution of subsequent actions for rents and other charges and damages as they accrue.
b. Immediately or at any time thereafter re-enter and take possession of the Premises and remove Tenant, Tenant's agents and subtenants, licensees, concessionaires, or invitees and any or all of their property from the Premises. Re-entry and removal may be effected by summary proceedings or any other action or proceedings at law, by force or otherwise. Landlord shall not be liable in any way in connection with any action taken under this paragraph. No action taken, commenced or prosecuted by Landlord, no execution on any judgment and no act or forbearance on the part of Landlord in taking or accepting possession of the Premises shall be construed as an election to terminate this Lease unless Landlord expressly exercises this option under Section 30.2(c).

   Upon taking possession of the Premises, Landlord may from time to time, without termination of this Lease, relet the Premises or any part thereof as agent for Tenant for such rental terms and conditions (which may be for a term extending beyond the Lease Term) as Landlord, in its sole discretion, may deem advisable, with the right to make alterations and repairs to the Premises required for reletting. The rents received by Landlord for such reletting shall be applied first to payment of any costs of reletting and second to the payment of rent due and unpaid hereunder or other damages of Landlord. The residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If the rents received from such reletting during any month are insufficient to reimburse

Landlord for costs or reletting or rent due and payable, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Notwithstanding any such reletting without termination of this Lease, Landlord may at any time thereafter, elect to terminate this Lease for such previous breach.

c. Elect to terminate this Lease by written notice to Tenant. In the event such termination, Tenant agrees to immediately surrender possession of the Premises. If Tenant fails or refused to surrender the Premises, Landlord may take possession in accordance with Section 30.2(b). Should Landlord terminate this Lease, Tenant shall have no further interest in this Lease or in the Premises, and the Landlord may recover from the Tenant all damages it may incur by reason of the Tenant's default including without limitation (1) the cost of reletting the Premises, and (2) the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent, additional rent, operating expenses and all other charges reserved in this Lease for the remainder of the Lease Term over the amount of such rental loss that Tenant proved could be reasonably avoided and (3) the unamortized value of any leasehold improvement allowance paid to Tenant all of which amounts shall be immediately due and payable at Landlord's election from Tenant to Landlord. In determining the rent, additional rent, operating expenses and all other charges which would be payable by Tenant hereunder subsequent to default, the minimum Monthly Rent for each year of the unexpired terms hall be equal to the Minimum Monthly Rent payable pursuant to Article 4, and additional rents, charges, costs and expenses for each year of the unexpired term shall be equal to the average annual amount of such additional rents, charges, costs and expenses paid by Tenant from the Lease Commencement Date to the time of default, or during the three (3) full calendar years of the Lease Term immediately preceding default, whichever period is shorter.
d. Obtain the appointment of a receiver in any court of competent jurisdiction, and the receiver may take possession of any personal property belonging to the Tenant and used in the conduct of the business of the Tenant being carried on in the Premises. Tenant agrees that the entry upon the Premises or possession of said persona property by said receiver shall not constitute an eviction of the tenant from the Premises or any portion thereof, and the Tenant hereby agrees to hold the Landlord safe and harmless from any claim of any character by any person arising out of or in any way connected with the entry by said receiver in taking possession of the Premises and/or said personal property.

30.3 COSTS. As used in this Article "costs of reletting" means any reasonable cost necessary to take possession of the Premises and lease the Premises to another tenant, including, but not limited to:

a. Legal costs and expenses of recovery of the Premises, including court costs and attorney's fees;
b. Brokerage costs for leasing;
c. Costs and expenses of alterations, repairs and improvements;
d. Satisfaction of indebtedness other than minimum rent due from Tenant to Landlord under this Lease;
e. Costs of protecting the Premises;
f. Removal and storage of Tenant's property; and

g. Any portion of any leasing commission paid by Landlord which is applicable to the unexpired Lease Term.

30.4 TERMINATION. No act or conduct of the Landlord, whether consisting of re-entry, taking possession or reletting the Premises or obtaining appointment of a receiver or accepting the keys to the Premises, or otherwise, prior to the Lease Expiration Date shall be deemed to be or constitute an acceptance of the surrender of the Premises by the Landlord or an election to terminate this Lease unless Landlord exercises its election under Section 30.2 (c) of this Lease. Such acceptance or election by Landlord shall only be effected, and must be evidenced, by written acknowledgement of acceptance of surrender or notice of election to terminate signed by Landlord.

30.5 PERFORMANCE. Tenant agrees that in the event it fails to render performance in accordance with any term or condition of this Lease and thereafter fails to render such performance within ten (10) days after notice thereof is given in accordance with the notice provision hereof or immediately if required for protection of the Premises, Landlord shall have the right, but not the obligation, to render such performance and to charge all costs and expenses incurred in connection therewith to Tenant. All amounts so charged shall be considered additional rent and shall be due and payable immediately to Landlord upon presentment of a statement to Tenant indicating the amount and nature of such cost of expense.

30.6 CUMULATIVE REMEDIES. No remedy herein conferred upon Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power or shall be constructed to be a waiver of any such default or an acquiescence herein.

ARTICLE 31
FORCE MAJEURE

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, civil disorder, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated, performance of such act shall be excused for the period of delay and then for a period of time reasonably necessary to perform the act; provided, however nothing in this Article shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease.

ARTICLE 32
SURRENDER OF PREMISES

On the Lease Expiration Date, tenant shall surrender the Premises broom clean and in good order and condition, reasonable wear and tear and casualty damage under Article 23 excepted, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alteration or additions to the Premises made by Tenant as may be specified for removal by Landlord, and shall repair any damage caused by such property or the removal thereof. If tenant fails to remove its personal property and fixtures upon the Lease Expiration Date, at Landlord's election, the same shall be deemed abandoned and shall become the property of Landlord, or Landlord, at Tenant's expense, may cause the same to be removed and disposed of (including by sale).

ARTICLE 33
HOLDING OVER

If Tenant shall hold over after the lease Expiration Date, or any extension thereof, Tenant shall become a tenant on a month-to-month basis upon all the terms, covenants and conditions herein specified, except on that Minimum Monthly Rent shall increase to one and one-half (1½) times the amount set forth in Article 4 as adjusted under Section 4.2, which rental shall be payable in advance on the first day of such holdover period and on the first day of each month thereafter. Nothing herein shall be construed as Landlord's consent to any holding over.

ARTICLE 34
GENERAL PROVISIONS

34.1 RELATIONSHIP OF PARTIES. Notwithstanding anything herein to the contrary, it is agreed and understood by the partied hereto that nothing contained in this Lease shall be deemed to create any relationship other than that of Landlord and Tenant.

34.2 JOINT AND SEVERAL. If Landlord or Tenant herein shall be more than one party, then the obligations of such party or parties shall be joint and several.

34.3 HEADINGS. The various headings and numbers herein and the grouping of the provisions of this Lease into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a pare hereof.

34.4 TIME IS OF THE ESSENCE. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

34.5 ENTIRE AGREEMENT. This Lease, and any Exhibit or Addendum attached hereto, hereby does and shall be considered to, set forth all the covenants, promises, agreements, conditions or undertakings, either oral or written, between the Landlord and Tenant. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties. If a provision of the Addendum and this Lease are in conflict, the provision of the Addendum shall govern. This Lease contains no restrictive covenants in favor of Tenant's use of the Premises or grant of exclusive rights to a particular business use of the Tenant.

34.6 SUCCESSORS AND ASSIGNS. Subject to Articles 25 and 26, the covenants herein contained shall apply to and bind (jointly and severally) the heirs, successors, executors, administrators and assigns of the parties.

34.7 WAIVER. No covenant, term or condition of this Lease shall be waived except by written waiver of Landlord, and the forbearance or indulgence by Landlord in ay regard whatsoever shall not constitute a waiver of the covenant, term or condition to be performed by Tenant to which the same shall apply, and until complete performance by Tenant of such covenant, term or condition, Landlord shall be entitled to invoke any remedy available under this Lease of by law despite such forbearance or indulgence. The waiver by either party of any breach or term, covenant or condition hereof shall apply to and be limited to the specific instance involved and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other term, covenant or condition hereof. Acceptance of rent by Landlord during a period in which Tenant is in default in any respect other than payment of rent shall not be deemed a waiver of the other default.

34.8 INCLUDED PERSONS. The use of a singular term in this Lease shall include the plural and the use of the masculine, feminine or neuter genders shall include all others.

34.9 RECORDATION. Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded with the written permission of Landlord.

34.10 LEASE COPIES. Tenant shall pay to Landlord a copy fee of sixty and no/100 dollars ($60) for each additional copy of this Lease that is requested from Landlord by Tenant.

ARTICLE 35
NOTICES

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be given or served, and shall not be deemed to have been duly given or served, unless in writing and served by hand delivery, fax or certified mail, return receipt requested, to the parties at those addresses and/or fax numbers set forth in Articles 1.9 and 1.10 hereof.

Either party may change such address or fax number by written notice to the other in accordance with this Article 35. Service of any notice or demand shall be deemed completed 72 hours after deposit thereof in the United States Postal Service, or of hand delivered or delivered by fax, upon hand delivery or fax transmission.

ARTICLE 36
ENVIRONMENTAL MATTERS

Tenant shall, at Tenant's sole expense, comply with all federal, state and local laws and regulations relating to environmental matters and workplace safety.

Tenant shall not incorporate into, use, or otherwise place or dispose of at the Premises or Shopping Center any hazardous or toxic materials except for use and storage of cleaning and office supplies used in the ordinary course of Tenant's business and then only if (a) such materials are in small quantities, properly labeled and contained, (b) such materials are handled and disposed of in accordance with the highest accepted industry standards for safety, storage, use and disposal, and (c) such materials are used, transported, stored, handled and disposed of in accordance with all applicable governmental laws, rules and regulations. Landlord shall have the right to periodically inspect, take samples for testing and otherwise investigate the Premises for the periodically inspect, take samples for testing and otherwise investigate the Premise for the presence of hazardous or toxic materials. If Tenant ever has knowledge of the presence in the Premises or the Shopping Center of hazardous or toxic materials which affect the Premises or the Shopping Center, Tenant shall notify Landlord thereof in writing promptly after obtaining such knowledge. For purposes of this Agreement, hazardous or toxic materials shall mean all materials, substances, wastes or chemicals which are in any way hazardous to human health or the environment, including without limitation, all materials, substances, wastes or chemicals that are defined as "hazardous materials", "toxic substances", "solid waste", or "hazardous substances: under then-current applicable governmental laws, rules or regulations or that are subject to any right-to-know laws or requirements, including, but not limited to, those substances, materials and waste listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101 as may be amended or supplemented) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302 as may be amended or supplemented), or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law, including asbestos related materials.

If Tenant or its employee, agents, contractors, invitees, or visitors shall ever violate the provisions of the preceding paragraph of this Article 36 or otherwise contaminate the Premises or the Shopping Center, or any portion thereof, then Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable governmental standards, laws, rules and regulations and then prevalent industry practice and standards and shall repair any damage to the Premises or the Shopping Center within such period of time as may be reasonable under the circumstances after written notice by Landlord. Tenant shall notify Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours. Tenant's obligations under this Article 36 shall survive the termination of this Lease.

TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE LANDLORD FROM AND AGAINST ALL OBLIGATIONS (INCLUDING REMOVAL AND REMEDIAL ACTIONS), LOSSES, CLAIMS, SUITS, JUDGMENTS, LIABILITES, PENALTIES, DAMAGES, (INCLUDING CONSEQUENTIAL AND PUNITIVE DAMAGES), COSTS AND EXPENSES

(INCLUDING ATTORNEY'S AND CONSULTANTS' FEES AND EXPENSES) OF ANY KIND OR NATURE WHATSOEVER THAT MAY AT ANY TIME BE INCURRED BY, IMPOSED ON OR ASSERTED AGAINST LANDLORD DIRECTLY OR INDIRECTLY BASED ON, OR ARISING OR RESULTING FROM (a) THE ACTUAL OR ALLEGED PRESENCE OF HAZARDOUS OR TOXIC MATERIALS ON THE PREMISES OR THE SHOPPING CENTER WHICH IS CAUED OR PERMITTED BY TENANT, AND (b) ANY CLAIM OR CAUSE OF ACTION RELATING IN ANY WAY TO TENANT'S OPERATION OR USE OF THE PREMISES AND COMMON AREAS OF THE SHOPPING CENTER. THE PROVISIONS OF THIS ARTICLE 36 SALL SURVIVE THE EXPIRATION OR SOONER TERMINATION OF THIS LEASE.

Landlord represents that, to the best of its knowledge, there is no hazardous or toxic material on or about the Premises or the property of which the Premises are a part. Landlord shall be solely responsible for all costs and expenses and the removal of hazardous or toxic material introduced by Landlord.

ARTICLE 37
BROKER'S COMMISSIONS

Except as set forth in Article 1.14 or the First Addendum to Lease, no brokerage commissions or finder's fees are payable in connection with this Lease.

ARTICLE 38
CORPORATE STATUS

If Tenant executes this Lease as a corporation or other entity, Tenant represents and warrants that: the execution of this Lease has been duly authorized as an act of the corporation or other entity; upon execution of this Lease, the Lease will constitute a binding and valid undertaking of the corporation or other entity; and the persons executing this Lease on behalf of the corporation or other entity are authorized and empowered to bind the corporation or other entity as provided in this Lease.

ARTICLE 39
SIGNS

Any and all signage installed by Tenant at the Premises shall be subject to the terms and conditions in Exhibit D: Sign Criteria and Store Frontage Graphics and Landlord's prior written approval (as evidenced by the written approval of Landlord's property manager). Any such prior approval notwithstanding, Tenant agrees that all signage may be subjected to such new criteria as Landlord may impose in the content of a renovation or remodeling of the exterior of the Shopping Center, and Tenant acknowledges that such new criteria may require replacement of any signage previously approved by Landlord.

ARTICLE 40
AMERICANS WITH DISABILITIES ACT

Landlord represents and Tenant understands that any failure of the Shopping Center and the Common Area and adjacent parking areas serving the Premises to comply under the American with Disabilities Act (the "Act) has been grand-fathered and is excepted from compliance as specified under the Act. It is further agreed between Landlord and Tenant that Tenant is responsible for compliance with the Act insofar as the rest of the Shopping Center and the Common Areas and adjacent parking areas serving the Premises are concerned.

IN WITNESS WHEREOF, the parties have duly executed this Lease as of the day and year ascribed above:

LANDLORD:

HOPI TRIBE ECONOMIC
DEVELOPMENT CORPORATION
A federally chartered corporation,
wholly owned by The Hopi Tribe,
a federally recognized Indian tribe

By:

Name Printed:

Its: CEO

Date:

TENANT:

City of Flagstaff,
An Arizona municipal corporation
dba East Flagstaff Community Library

By:

Name Printed:

Its:

Date:

By:

Name Printed:

Its:

Date:

DATE: September 1, 2026

PROPERTY: Continental Plaza Shopping Center
5200 E. Cortland Blvd., Suite A 1 - 6
Flagstaff, AZ 86004

TENANT: City of Flagstaff, dba East Flagstaff Community Library

CONTACT PERSON: Bryce Doty Work: 928-213-2072
Cell:
Email: bryce.doty@flagstaffaz.gov

BILLING ADDRESS: City of Flagstaff, 211 W. Aspen Ave, Flagstaff, AZ 86001

LEASE COMMENCEMENT: 9/1/26 LEASE EXPIRATION: 10/31/26

LEASE TERM: Four (4) years plus three (3) months

RENTABLE SQ. FT.: 7200 PRO-RATA: N/A

SECURITY DEPOSIT: $13,000 (See First Addendum)

BASE YEAR: 2026 NEXT ADJUSTMENTS: 2027

CURRENT TOTAL MO BASE RENT: $13,362.18 RENT / SF: $21.67/sf/yr; $1.81 sf/mo

BASE RENT/MO: $13,000 NNN: N/A CITY TAX: $362.18*
*Based on the current rate of 2.786%

ADDITIONAL RENT: None

LATE FEES: If received on the 6th or after = ten percent (10%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, if received on the 11th or after, an additional ten percent (10%)

USE: Community library

SPECIAL PROVISIONS: 3 months rent abatement, applied to months 2 - 4 of the initial lease term. HVAC provision - See First Addendum.

FIRST ADDENDUM TO LEASE
Dated: September 1, 2026

The FIRST ADDENDUM TO LEASE, for that Lease, dated September 1, 2026, by and between **HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION,** a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, as "Landlord", and **CITY OF FLAGSTAFF, AN ARIZONA MUNICIPAL CORPORATION, DBA EAST FLAGSTAFF COMMUNITY LIBRARY,** as "Tenant", for that Premises known as Continental Plaza Shopping Center, 5200, E. Cortland Blvd., Suites A 1-6, Flagstaff, AZ 86004. This ADDENDUM TO LEASE shall be incorporated by reference into the Lease and in the event of any discrepancy between the terms of the Lease and the terms of this FIRST ADDENDUM, the terms of the FIRST ADDENDUM shall prevail.

FAD1. <u>SECURITY DEPOSIT</u>. Tenant shall pay a Security Deposit of $13,000.00. This amount is payable upon full execution of Lease Documents.

FAD2. <u>RENT RATE.</u> The monthly rental rate and other applicable charges are as follows:

DATES	MONTHLY RENT	MONTHLY TAX*	MONTHLY TOTAL*
9/1/26 - 9/30/26	$13,000.00	$362.18	$13,362.18
10/1/26 - 12/31/26	$0.00	$0.00	$0.00
1/1/27 - 7/31/27	$13,000.00	$362.18	$13,362.18
8/1/27 - 7/31/28	$13,390.00	$373.05	$13,763.05
8/1/28 - 7/31/29	$13,791.70	$384.24	$14,175.94
8/1/29 - 10/31/30	$14,205.45	$395.76	$14,601.21

*Based on the current rate of 2.786% and subject to change.

Upon full execution of Lease Documents, Tenant shall pay a total of $16,362.18, broken down as follows:

First month's rent (9/1/26 – 8/30/26)	$13,000.00
First month's tax	362.18
Security Deposit	13,000.00
Letter Agreement Credit	-10,000.00
Total Due Upon Execution	**$16,362.18**

FAD2 Supersedes Article 4.2 of the Lease.

Tenant Initials _________ Landlord Initials __________

____

FA3. HVAC PROVISION. The Premises will contain the following HVAC units:

1. 2026 Daikin
2. 2026 Daikin
3. 2019/2020 Lennox
4. 2019/2020 Lennox
5. 2014 Carrier
6. 2014 Carrier

Tenant and Landlord agree that Tenant shall be fully responsible for all maintenance, repairs, and possible future replacement of the two 2026 Daikin units.

Additionally, Tenant will be responsible for up to $500/calendar year/unit for any necessary repairs/replacement of the Lennox and Carrier units. If a repair/replacement is estimated to exceed $500 by Landlord's preferred HVAC vendor, then Tenant shall be responsible to pay $500 of the repair/replacement and Landlord shall be responsible to pay for the balance of the repair. If the Landlord chooses to replace any of these units with a new unit(s), then Tenant shall become fully responsible for all future maintenance, repairs and possible replacement of the new units.

Tenant shall be fully responsible for routine seasonal maintenance on all of the units.
Tenant understands that Landlord requires HVAC units to receive routine seasonal maintenance twice yearly by a licensed HVAC vendor, once during the winter months and once during the summer months.

This HVAC provision shall continue throughout future lease extensions.

FA4. MODIFIED GROSS LEASE. This is a modified gross lease. Tenant will not be responsible for any Additional Rent, as outlined in Lease Article 5. FA4 supersedes Articles 5.1, 5.2, 5.3, and 5.6 of the Lease.

FA5. TENANT IMPROVEMENTS. Tenant will be responsible for all tenant improvements to the Premises. Plans for all construction work, alterations and improvements must receive the Landlords written approval prior to beginning any work, including demolition. All plumbing, HVAC, and electrical work must be performed by a licensed contractor.

Before taking possession, Tenant is required to provide certification from an engineer or other appropriate authority that the foundation of the Premises is sufficient to support the weight of the library.

FA5 supersedes Articles 9 and 10 of the Lease.

FA6. LANDLORD IMPROVEMENTS. Landlord agrees to be responsible to have the carpeted areas in the Premises professionally cleaned. Landlord is responsible for a lighted sign cabinet to be installed above the Premi.

FA7. UTILITIES. Upon full execution of Lease, Tenant shall be responsible for having the electrical and gas services transferred into Tenant's name and shall be responsible for all costs related to said utilities and the installation thereof. Additionally, Tenant shall be fully responsible for any telecommunications and/or internet services to the Premises, and the installation thereof.

FA8. OPTION TO RENEW. Provided Tenant has met all of its obligations in a timely manner, and is not otherwise in default on its Lease obligations, Tenant shall have two (2) options to extend the Lease, each for one (1) additional year. These options shall hereafter be known as Option Period 1 and Option Period 2. The monthly rent during each Option Period shall increase 3% each year.

FA9. SIGNAGE. Tenant shall be permitted to display a prominent banner on the Premises' façade for a time period up to 3 months as temporary signage. Permanent signage in the sign cabinet will be required, in accordance with Lease Exhibit D

FA10. Article 14 of the Lease is deleted.

All other terms and conditions of the Lease apply.

ACCEPTED AND APPROVED:
Landlord:

Hopi Tribe Economic Corporation, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe.

By: ______________________________
Printed Name: Nick Brokeshoulder
Its: CEO
Date:

ACCEPTED AND APPROVED:
Tenant:

City of Flagstaff, an Arizona municipal corporation,
Dba East Flagstaff Community Library

By: ______________________________

Printed Name:

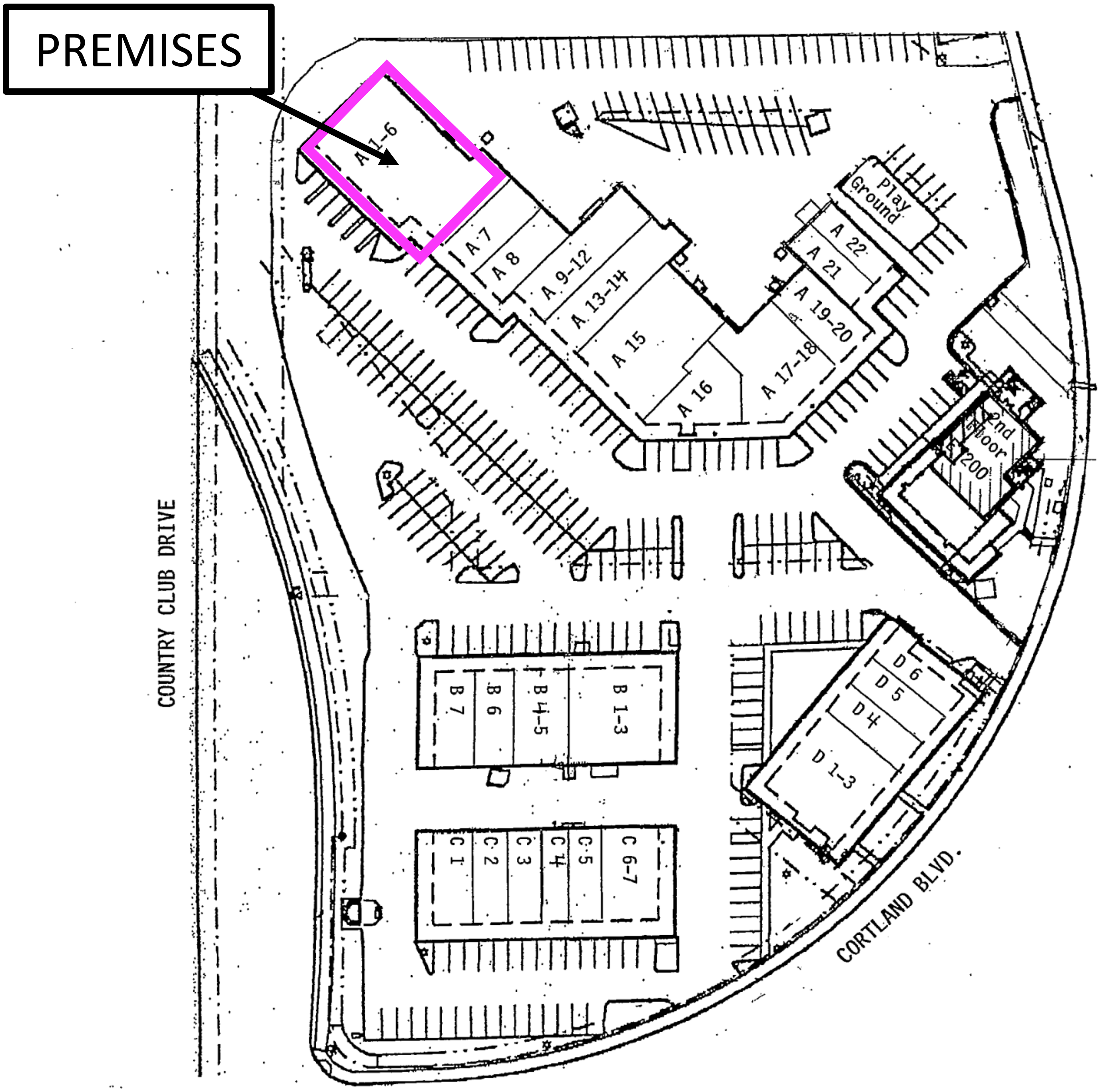
Its:

Date:

CITY OF FLAGSTAFF

DBA EAST FLAGSTAFF COMMUNITY LIBRARY

LEASE AGREEMENT
EXHIBIT A
SITE PLAN



This map is not to scale.

Landlord's Initials __________
Tenant's Initials __________

LEASE AGREEMENT

EXHIBIT B

LEGAL DESCRIPTION

Continental Plaza Shopping Center
5200 E. Cortland Blvd.
Flagstaff, Arizona 86004

Beg SW cor Sec 8; TH N 0D50M W 884.17 FT to POB; TH CONT N 0D50M W 205.39 FT; TH S 88D35M E 482.68 FT; TH S 17D44M E 140.42 FT to PT of curve; TH SLY ALG curve 173.0 FT to PT of curve; TH SLY ALG curve 86.99 FT to PT of curve; TH SWLY ALG curve 306.40 FT to PT of curve; TH SWLY ALG curve 180.69 FT; TH S 89D09M W 25.96 FT to PT of curve; TH ALG curve to right 48.61 FT to PT of curve; TH NLY ALG curve 117.79 FT; TH S 89D23M E 6.0 FT to PT of curve; TH NWLY ALG curve 324.81 FT to POB. Sec 8 21N-8E 6.03 ac M/L

Landlord's Initials ___
Tenant's Initials

LEASE AGREEMENT

EXHIBIT C

CONSTRUCTION RIDER

C1. Tenant has inspected the Premises and accepts them in their present condition. Tenant has the responsibility, except as stated elsewhere in this Lease, to repair all existing construction as required for Tenant's use and occupancy, including, but not limited to: signs, storefronts, heating and air conditioning systems, electrical systems, lighting, partitions, doors and all finishes.

C2. Tenant shall, at Tenant's sole expense, furnish to Landlord construction drawings and specifications (hereinafter called "Plans"), describing all work necessary to construct the Premises for Tenant's use and occupancy (hereinafter called "Tenant Work"). Tenant shall furnish to Landlord three (3) copies of the Plans for Landlord's review and approval, which is required prior to the initiation of any work on the Tenant Work. Landlord shall have fourteen (14) working days from the date of receipt of the Plans to review them. If Landlord makes no written objection to Tenant within the said fourteen (14) days, then the Plans shall be deemed approved by Landlord.

C3. Tenant shall, at Tenant's sole expense, perform all work necessary to complete the Tenant Work as approved by Landlord.

C4. Tenant shall cause the Tenant Work to be constructed in compliance with all applicable ordinances, laws, rules and regulations of all governmental authorities, and shall secure written approval of the Plans from such governmental authorities before beginning work on the Tenant Work. In the even that said governmental authorities require changes or alterations in the Plans before granting Tenant written approval, then Tenant shall, at Tenant's sole expense, cause the Plans to be revised to indicate the required changes or alterations, and shall furnish to Landlord two (2) copies of the revised Plans for Landlord's records. Without limiting the foregoing, Tenant shall specifically ensure that all construction complies with the Americans with Disabilities Act.

C5. Tenant shall cause the Tenant Work to be constructed by a contractor (hereinafter called "Tenant's Contractor") licensed by the appropriate governmental authorities, and shall require Tenant's Contractor to furnish to Landlord a Certificate of Insurance as proof of insurance coverage in at least the following amounts:

(a) Worker's Compensation Insurance in the amounts required by law in Arizona;

(b) Comprehensive general liability insurance and personal injury liability insurance, specifying a single occurrence policy limit of at least $1,000,000;

(c) Products/Completed Operations Insurance

(d) Independent Contractors Insurance

Landlord's Initials ____
Tenant's Initials ____

(e) Personal liability insurance specifying a single occurrence policy limit of at least $1,000,000;

(f) Owned and hired automobile and equipment liability insurance; and

(g) Builder's Risk Insurance in the minimum amount of the contract between Tenant and Tenant's Contractor.

C6. Tenant shall, before opening for business, furnish to Landlord a Certificate of Occupancy or other documentation indicating acceptance of construction by the appropriate governmental authorities. Tenant shall also furnish to Landlord an acceptable Affidavit of No Liens and Waivers of Liens from Tenant's Contractor and its subcontractors.

C7. Tenant shall, at Tenant's sole expense, furnish signs and the electrical connections thereto, in compliance with Landlord's sign criteria.

C8. Roof/Building Penetrations. There shall be no penetrations of the roof or the exterior walls of the Building without the prior written approval of Landlord. If Tenant employs any contractor or person to perform roof or Building penetrations or Tenant performs roof or Building wall penetrations personally, Tenant will be responsible for the cost of repair or replacement to said roof or Building walls required because of any damage resulting from Tenant's or Tenant's Contractor. Landlord shall have the right to have Landlord's roofing contractor and/or maintenance contractor make said repairs or replacement at Tenant's expense.

Landlord's Initial
Tenant's Initial ___

LEASE AGREEMENT
EXHIBIT 'D'
SIGN CRITERIA

CONTINENTAL PLAZA SHOPPING CENTER
5200 E. CORTLAND BLVD.
FLAGSTAFF, ARIZONA 86004

This criteria has been developed to assure each tenant a standard conformance for the design, size and material used in the identification signs for its shop space ("premises"). And it is the intent of this sign criteria to provide sign design standards which are consistent with the Flagstaff Development Lighting Regulations and other applicable provisions of the Flagstaff Land Development Code.

Each tenant in Buildings B, C, or D, and each tenant with a retail or service use in any building in the Shopping Center shall be required to identify its premises by the required exterior cabinet sign. Any tenant in Buildings A or E with an "office-only" use shall have the right to either install the required exterior sign cabinet or to install a painted sign on one window next to it's main entry door. In the event an "office-only" tenant shall elect to have a painted window sign, then the tenant shall present landlord with a sign contractor's shop drawing, which must include the dimensions of the lettering and the colors to be used. Landlord, at landlord's sole discretion, shall have the right to approve or disapprove of the proposed painted sign.

Conformance to the sign criteria will be strictly enforced. Any sign installed after April 1, 2002, that is nonconforming or unapproved by the landlord shall be brought into conformance at tenant's expense.

1. **General Criteria**

   a. All signs shall conform to the sign code adopted by the City of Flagstaff.

   b. Cabinet signs shall be placed on the vertical dimension of the fascia area.

   c. All permits for signs and their installation shall be obtained by the tenant, at tenant's expense.

   d. Tenant, at tenant's expense, shall be responsible for bringing power to the sign location.

   e. Tenants, at tenants expense, shall be responsible for the fulfillment of all requirements and specifications of this sign criteria and the City of Flagstaff.

   f. No signs, advertisements, notices, names, insignia, trademarks, descriptive material or other lettering shall be displayed, exhibited, inscribed, painted or affixed on any part of the building, the glass panes or supports of the show windows or within twelve (12") inches of any window, except as approved in writing by the landlord.

   g. Flashing, moving or audible signs are not permitted.

   h. Signs installed without written approval of the landlord will be subject to removal. Costs incurred

Landlord's Initials ____
Tenant's Initials ____

to refabricate and/or re-install the sign will be the responsibility of the tenant. Damages will be assessed to tenant to cover the cost of repairs to the building elements resulting from unapproved installations.

i. All exposed metal shall be painted the same color as the trim color of the shopping center, as designated and approved by landlord.

j. No labels shall be permitted on the exposed surface of signs, except those required by local ordinance. Those required shall be applied in an inconspicuous location.

k. Tenant shall not affix any sign to the roof or roof system, mansard roof, or sidewalk canopy.

l. All penetrations to the building surface required for sign installation shall be neatly sealed in a water tight condition.

m. Tenant shall be responsible for any damage caused by its sign contractor.

n. Tenant shall submit or cause to submit two copies of the sign contractor's shop drawings to landlord for approval. Fabrication should not begin until the landlord approves the drawing.

o. The sign copy shall be limited to the proper business name and shall not include the names of items, goods, products or service lines for sale, unless approved by landlord. The use of a crest, shield, logo or other associated with the business name shall be permitted, subject to landlord's approval.

p. Tenant shall erect one sign on the fascia area of its business storefront not later than the date tenant opens for business. In the event tenant was open for business at the time this sign criteria was established (before April 1, 2002), then tenant shall install a conforming sign not later than April 1, 2007, or upon lease renewal, whichever date is sooner.

q. All illuminated signs shall be extinguished at 11:30 P.M. or when tenant's business use or activity closes, whichever is later.

2. **Definitions**

a. Business Storefront: The lineal distance across the front of the building space (premises) occupied by the particular tenant.

b. Fascia Area: The area across the business storefront, from the location where the canopy roof attaches to the front wall to the bottom of the front wall.

c. Building Mounted Wall Sign: A sign attached to or erected against the wall or fascia area of the building with the exposed face of the sign in a plane parallel to the vertical face of the building.

d. Changeable Copy Sign: A sign that is designed so that characters, letters, numbers, or illustrations can be manually or mechanically changed or rearranged without altering the face or surface of the sign.

Landlord's Initials ______
Tenant's Initials ______

e. Internal Illumination: A source of illumination contained entirely within the sign cabinet which makes the contents of the sign visible at night by means of light being transmitted through a translucent material, but wherein the source of the light is not visible.

f. Mansard Roof: A sloped wall segment or facade which imitates a building roof.

g. Roof Line: The top edge of the roof or top of the parapet, whichever forms the top line of the building silhouette, but not including spires, chimneys, or heating or cooling mechanical devices.

h. Office-Only Use: The use of a premises by a tenant as an office for tenant's business activities, whereby tenant shall not sell wholesale or retail items or merchandise to customers from the premises.

3. **Sign Measurement Criteria and Design Requirements**

a. Sign Area Measurement

(1) Sign copy mounted, affixed, or painted on a background panel or area distinctively painted, textured, or constructed as a background for the sign copy, is measured as that area contained within the sum of the smallest rectangle that will enclose both the sign copy and the background.

(2) The sign area for each business storefront within the shopping center shall not exceed one and one-half times (1.5) each linear foot of the business storefront of the primary entrance location of the individual tenant, up to an aggregate sign area not to exceed one hundred (100) square feet maximum per business storefront.

(3) Building mounted wall signs shall not extend horizontally a distance greater than sixty percent (60%) of the width of the business storefront.

(4) No building mounted wall sign shall extend above or below the fascia area upon which it is placed. The sign cabinet must be centered in the fascia area. No sign is permitted which breaks the silhouette of the building.

(5) When two or more tenants businesses are served by a single common building entrance, they are considered one business for sign computation purposes and the permitted sign area shall not exceed one and one-half (1.5) times each linear foot of building frontage of such entrance.

b. Sign Height Measurement

(1) The height of wall, fascia, or other building mounted signs is the vertical distance measured from the base of the wall on which the sign is located to the top of the sign or sign cabinet.

(2) The maximum sign height shall be twenty-five (25) feet. Suites in Building E shall be excluded from this sign height requirement and subject to height approval by Landlord.

c. Sign Illumination

The sign face of all outdoor, internally illuminated, building mounted cabinet signs shall be constructed with an opaque background and translucent letters and symbols, or with a colored background and lighter letters and symbols. Where white or other night bright colors are part of a logo, such colors are permitted in the logo only, provided that such logo shall represent not more than fifty percent (50%) of the total sign area permitted. A colored background may have the translucency allowed by the City of Flagstaff.

d. Support Elements

The support elements for all signs shall appear to be free of any angle iron, bracing, guy wires or similar features.

e. Electrical Service

Electrical service to the building mounted signs, including conduit, housings, and wire, are to be entirely concealed or, when necessary (and only when approved by landlord,) painted to match the surface of the structure upon which it is mounted.

f. Sign Type and Construction

(1) Sign cabinets are to be rectangular shaped, internally illuminated, single face cabinets, with 6" radius corners, and of high quality aluminum metal.

(2) The sign cabinet exterior shall be painted to match the shopping center's trim color.

(3) Cabinet dimensions shall all be 8" deep and 36" high.

(4) All copy shall be not less than six (6") inches high.

(5) All signs shall be U.L. listed. Interior illumination shall be evenly disbursed and shall have high output type lamps.

(6) Signs for businesses whose primary access is from the rear/back of the building are permitted one (1) sign at a ratio of sixty percent (60%) of the area permitted for a business storefront of the same dimensions fronting on a City street, but never more than allowed by the City of Flagstaff.

(7) There shall be no changeable copy signs in the tenant sign cabinets.

4. **Criteria Changes**

In the event the City of Flagstaff or any governing authority shall make changes to the City sign codes which are in conflict with this shopping center sign criteria, landlord shall have the right, with written notice to tenant, to make changes to the shopping center sign criteria in order to bring the sign criteria into conformance with the new City codes. And upon tenant receiving a written copy of the new sign criteria, it shall be deemed that the new sign criteria has superseded the previous sign criteria and tenant shall abide by all of the new sign criteria's terms, conditions and requirements.

Landlord's Initials ____
Tenant's Initials ____

5. **Sign Maintenance**

a. Tenant, at tenant's expense, shall be responsible for maintaining tenant's sign in good condition.

b. Complete maintenance is required for all signs, whether or not in existence prior to tenant taking occupancy of the premises. Maintenance of tenant's sign shall include periodic cleaning, replacement of flickering, burned out or broken light bulbs or fixtures, repair or replacement of any faded, peeled, cracked, or otherwise damaged or broken parts of a sign, and any other activity necessary to restore the sign so that it continues to conform to the requirements and contents of the sign permit issued for its installation and the provisions of the shopping center sign criteria.

6. **Vacating Premises and Sign Removal**

On the expiration or earlier termination of tenant's lease, unless landlord has conducted a lockout of the premises, any sign cabinet that has been purchased and installed by tenant shall be the property of the tenant and tenant shall have the right to remove the sign cabinet upon vacating the premises. However, any removal of a tenant's sign cabinet must be completed by a licensed sign contractor and tenant shall be responsible for the repair and/or replacement of any building area, facia area or electrical service that is damaged at the time of the removal and as a result of the removal. The sign face shall be the personal property of tenant and may be removed by tenant upon vacating the premises.

Landlord's Initials ____
Tenant's Initials ____