

**Amendment III to the Lease Agreement between  
Tucson Unified School District  
and  
Lapan Memorial Sunshine Foundation Inc.**

This Amendment (“Amendment III”) modifies and amends the Lease Agreement dated August 8, 2013 and amended by Amendment II dated August 11, 2015 (collectively, the “Lease”) by and between Tucson Unified School District (“Landlord”) and Lapan Memorial Sunshine Foundation, Inc. (“Tenant”) concerning Tenant’s lease of that certain property owned by Landlord known as Wakefield Middle School at 101 West 44<sup>th</sup> Street in Tucson, Arizona and as further described in the Lease (the “Premises”).

WHEREAS, the term of Lease ends on June 30, 2033;

WHEREAS, Tenant wishes to make certain capital improvements to the Premises and Landlord wishes for Tenant to make such capital improvements:

WHEREAS, as an inducement to invest in such capital improvements Tenant wishes to extend the Lease and Landlord wishes to grant Tenant such extension;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree to amend the Lease as follows:

1. **Secondary Premises:** The lease is amended to include 893 square feet of additional lease space referred to as Family Life Lab (Room C104) Secondary Lease area per Exhibit A. This lease space is not included in the Right of Refusal to Purchase (10.5) of this amendment and use of this space is subject to termination with thirty (30) days notice by Landlord.
2. Paragraph 5 of the Lease is hereby deleted in its entirety and replaced with the following:
  5. **Alterations and Equipment.** Tenant shall have the right to make non-structural changes and improvements, to the then existing Premises, as Tenant shall desire. Any changes or improvements that are structural, affect plumbing, electrical, or other building systems, or impact the square footage of the then existing Premises shall be subject to Landlord's approval, in its reasonable discretion. For both structural alterations requiring Landlord’s approval hereunder, Tenant shall (a) submit plans of all changes to Landlord at least thirty (30) days in advance of the proposed construction date, which plans shall be subject to Landlord's reasonable approval, (b) provide Landlord with evidence of Tenant's financial ability to pay for such changes, (c) all such construction shall be completed in a good and workmanlike manner and in material compliance with all laws, building codes and ordinances applicable thereto, at Tenant's sole expense, and (d) such additions, alterations, changes and improvements (whether structural or non-structural) shall not reduce the fair market value of the Premises, as reasonably determined by Landlord. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work. All alterations and fixed equipment shall become the property of Landlord upon termination of the Lease.

Landlord acknowledges Tenant’s improvement plans (“2015 Plans”), attached hereto as Exhibit “A” and incorporated herein by this reference, were approved by Landlord as of March 7, 2015 by the TUSD Director of Architecture & Engineering and no further approvals are required for Tenant to commence work on the 2015 Plans. Landlord further acknowledges Landlord has been provided with Tenant’s ability to pay for the 2015 Plans and requires no further evidence of Tenant’s ability to pay.

3. Paragraph 8 of the Lease is hereby deleted in its entirety and replaced with the following:

**8. Assignment.** Tenant shall not assign this Lease. Any assignment by Landlord of its interest in this Lease and/or the Premises shall not relieve Landlord of its obligations under the Lease, unless the successor-in-interest expressly assumes all of Landlord's obligations hereunder in writing, in which case Tenant agrees to look solely to such successor-in-interest of Landlord for performance of such obligations. Any sale, transfer or mortgage by Landlord of the Premises shall be expressly subject to the Lease.

4. The following is hereby added as Paragraph 10.5:

**10.5 Right of Refusal to Purchase.** During the Term of this Lease, should Landlord receive a bona fide offer from any third party to purchase the Premises referred to as Building D thereon which Landlord desires to accept, Landlord shall, before accepting such offer, notify Tenant in writing of all of the terms and conditions thereof (including a copy of the offer) and shall first offer in writing to sell at minimum Building D and the areas north and south thereof (as further described on Exhibit A) that Tenant currently occupies to Tenant upon terms and conditions to be negotiated in good faith based upon the bona fide offer price received. At such time the parties shall mutually agree on a procedure to negotiate the purchase price and other terms, provided negotiations shall not be less than thirty (30) days and the parties shall negotiate in good faith. At such time if Tenant notifies Landlord in writing it does not wish to purchase any portion of the Premises or fails to respond to Landlord's notice within ten (10) business days after receipt thereof, Landlord shall be free to sell the Premises to the original offeror without further notice to Tenant. It is expressly understood and agreed by and between the parties hereto that Tenant shall have this right of first refusal with respect to each and every offer to sell or purchase made or received by Landlord or by any successor Landlord and the then Landlord at the time of the making or receipt of such offer to sell or purchase shall in each and every instance notify Tenant of such offer in the manner set forth above and Tenant shall have the right to purchase Building D and the areas north and south thereof under the terms and conditions of such offer in accordance with the terms and provisions set forth above.

5. The following in is hereby added as Paragraph 24:

**24. Governing Law.** This Lease shall be governed by and construed and enforced under the laws of the State of Arizona.

EXCEPT AS MODIFIED HEREIN, all terms covenants and conditions contained in the Lease shall remain in full force and effect. This Amendment II, along with the original Lease (including all amendments thereto), constitute the entire agreement between the parties, and integrate and supersede all understanding of agreements, written or verbal, with respect to the same.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the day and the year shown below.

LANDLORD:  
Tucson Unified School District

TENANT:  
Lapan Memorial Sunshine  
Foundation, Inc.

By: Bryant Nodine  
Director of Planning Services

By: Lucy Kin  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit "A"**

