Adopted by the
Rio Nuevo Multipurpose Facilities District
Board of Directors August 11, 2004

Resolution No. 2004-01

RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF TUCSON, RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, AND BOARD OF REGENTS OF THE UNIVERSITY OF ARIZONA FOR THE FUNDING AND DEVELOPMENT OF A SCIENCE CENTER.

WHEREAS, on November 5, 2003 the Rio Nuevo Board approved the University of Arizona's application for $20 million to support development of a $100 million multipurpose facility; and

WHEREAS, on November 10, 2003 the Mayor and Council approved the University's application for funding and directed staff to return for consideration an acceptable development agreement setting forth the specific performance obligations of each of the parties; and

WHEREAS, the parties have successfully negotiated an intergovernmental agreement, a copy of which is attached hereto; and

WHEREAS, on August 2, 2004 the Mayor and Council approved said agreement and Rio Nuevo staff recommends its Board's approval of same; now therefore, be it

RESOLVED, by the Board of Directors of the Rio Nuevo Multipurpose Facilities District, that the hereinabove described intergovernmental agreement be and hereby is approved for execution by the proper District officials.

Passed, adopted and approved by the Board of Directors of the Rio Nuevo Multipurpose Facilities District this 11th day of August, 2004 by

Ruben Suarez

Ruben Suarez, Chairman

Approved as to form by:

Nelson A Hicks, III

District Counsel

ADOPTED BY THE
MAYOR AND COUNCIL

August 2, 2004

RESOLUTION NO. 19914

RELATING TO INTERGOVERNMENTAL AGREEMENTS; APPROVING AND AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF TUCSON, RÍO NUEVO MULTIPURPOSE FACILITIES DISTRICT AND THE UNIVERSITY OF ARIZONA FOR FUNDING AND DEVELOPMENT OF THE UNIVERSITY OF ARIZONA SCIENCE CENTER; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON ARIZONA, AS FOLLOWS:

SECTION 1. The Intergovernmental Agreement between the City of Tucson, Río Nuevo Multipurpose Facilities District and the University of Arizona for the funding and development of the University of Arizona Science Center, which is attached as Exhibit A, is hereby authorized and approved.

SECTION 2. The Mayor is hereby authorized and directed to execute the Intergovernmental Agreement attached as Exhibit A for and on behalf of the City of Tucson, and the City Clerk is authorized and directed to attest to the same.

SECTION 3. The various City officers and employees are directed to perform all acts necessary or desirable to give effect to this resolution.

SECTION 4. WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Tucson that this resolution become

immediately effective, an emergency is hereby declared to exist and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, August 2, 2004.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

REVIEWED BY:

CITY MANAGER

MR:dp
07/21/2004

INTERGOVERNMENTAL AGREEMENT FOR FUNDING AND DEVELOPMENT OF SCIENCE CENTER AT RÍO NUEVO

This intergovernmental agreement ("**this IGA**") is entered into by and between the City of Tucson ("**City**"), Río Nuevo Multipurpose Facilities District ("**District**"), and the Arizona Board of Regents acting on behalf of the University of Arizona ("**UA**"). City, District and UA are sometimes referred to collectively as the "**Parties**."

Recitals

A. This IGA is entered into by authority of Arizona Revised Statutes section (A.R.S. §) 11-952, which authorizes two or more public entities to execute intergovernmental agreements; and A.R.S. § 48-4203(A)(3), which authorizes the District to execute intergovernmental agreements.

B. City is a municipal corporation of the State of Arizona.

C. District is a multipurpose facilities district established pursuant to A.R.S. § 48-4201 *et seq*.

D. The Arizona Board of Regents is a body corporate with perpetual succession created by the constitution and statutes of the State of Arizona to govern and maintain the state universities, including the University of Arizona.

E. District was created in 1999 to revitalize Río Nuevo, the heart of downtown Tucson, into a network of unique experience areas linked by shaded plazas connecting cultural, civic, entertainment, and business activities interwoven in a historically considerate and aesthetically pleasing manner.

F. In November 1999, the voters of the City of Tucson and the City of South Tucson approved Proposition 400, authorizing the creation of a tax-increment funding **("TIF")** multipurpose facilities district in accordance with A.R.S. § 42-5031 and § 48-4201 *et seq.*

G. TIF funding of the District from the Arizona Department of Revenue began July 1, 2003, and will continue until June 30, 2013. During this 10-year period, District anticipates receipt of approximately $120 million in TIF funds from ADOR.

EX A TO RESOLUTION NO. 19914

CITY OF TUCSON CONTRACT NO. 0197-05

H. In July 2003, a feasibility study of the proposed UA Science Center commissioned by the Parties was completed. The findings of the study included the determinations that the proposed facility will attract a wide audience, will generate significant tax and wage revenue for the City and its residents, and will stimulate new attractions and economic development in the downtown. The study also found that the UA has sufficient capacity to raise necessary funds, capitalize the endowment fund, and issue the debt anticipated for the project.

I. On November 5, 2003, the District Board unanimously approved UA's application for District funding of $20 million for the UA Science Center and lease rights to City-owned land valued at approximately $6 million. The application described the UA's participation as including a commitment of more than $70 million total project cost (including the $20 million from the District).

J. On November 10, 2003, the City's Mayor and Council unanimously approved UA's application for District funding of $20 million for the UA Science Center and lease rights to City-owned land valued at approximately $6 million.

K. On January 23, 2004, the Arizona Board of Regents approved adding the UA Science Center to the UA's capital development plan, thereby allowing UA to begin the design phase of the project.

L. City either owns or is pursuing acquisition of the property that is the subject of this IGA, located within the jurisdictional boundaries of the District, spanning Interstate 10 and the Santa Cruz River south of Congress Street, as generally shown on Exhibit A ("**the Property**"). The exact location is subject to adjustment for design or technical reasons, and the precise boundaries of the Property will be more specifically defined as design and infrastructure plans are developed in the course of carrying out this IGA, and shall be set forth in detail in the lease described in section 1.2 below.

M. This IGA is entered into for the purpose of facilitating the construction and operation on the Property of a science center to be owned and operated by UA. The science center is referred to in this IGA as the "**UA Science Center**."

Agreement

NOW, THEREFORE, based on the foregoing recitals, which are incorporated here as the Parties' intent in entering into this IGA, the Parties agree as follows:

1. *Ownership of Property; Lease to UA.*

1.1. *Acquisition of Property.* At the time of the execution of this IGA, City owns most but not all of the Property. From the time of the execution of this IGA until the anticipated commencement of construction of the UA Science Center, City shall obtain fee ownership of the entirety of the Property. City understands that University will be expending substantial amounts for money for project planning and design in reliance upon the expectation that City will be able to obtain title.

1.2 *Transfer to District; Lease to UA.* At or before the time the UA gives notice that it is ready to begin construction of the UA Science Center, City shall transfer ownership of the Property to District, subject to automatic reversion of title to City upon termination of this IGA as provided in paragraph 25, or upon dissolution of the District as described in paragraph 32. Upon transfer of ownership of the Property to District, District shall lease the Property to UA under the terms set forth in paragraph 3 and elsewhere in this IGA. The lease shall remain in effect if the Property reverts to the City.

2. *Right to acquire reports and surveys; Right of entry.* Prior to execution of this IGA, City shall provide UA with copies of all environmental, historical, archeological, geological, hydrological, and other surveys, reports, studies and information relating to the Property. Upon execution of this IGA, UA (directly or through consultants) shall have the right to enter upon the Property to perform such tests, studies or analyses as it deems desirable or appropriate, provided that it shall promptly repair any disturbance caused by such tests, studies or analyses and shall be solely responsible for the cost thereof, and shall provide the City with copies of any such tests, studies or analyses.

3. *Lease Terms.* District agrees to lease the Property to UA for a period of fifty years beginning on the day (referred to in this Agreement as the "**Lease Commencement**") that the UA gives notice that it is ready to begin construction of the UA Science Center. The fifty-year period of time from Lease Commencement to the end of the lease, is referred to in this Agreement as the "**Lease Term**". The lease shall renew automatically, without notice or formal action by any Party, for successive renewal terms of five years each, as long as the Property is operated as a Science Center.

4. *Rent.* UA shall make the following payments, all of which shall be collectively referred to in this Agreement as "**Rent**":

4.1 *Base rent.* Base rent, payable to District, of ten dollars for the term of the Lease, due and payable at Lease Commencement. Base rent for each five year renewal term shall be five dollars, payable upon demand at or after the commencement of each such renewal term.

4.2 *Taxes.* Any and all property taxes or payments in lieu of taxes including any possessory interest taxes (for example, government property lease excise taxes, or "GPLET") required or contributed to as a result of the lease entered into by this Agreement. As a governmental entity UA is currently exempt from property taxes and GPLET. However, the parties recognize that UA's assignment of its interests could affect the property tax or GPLET exemption. UA may, in its business discretion, elect to participate in a special improvement district as authorized in A.R.S. § 15-1634.

5. *Evidence of Payment.* Upon District's or City's request, UA shall promptly furnish satisfactory evidence that any payment required under paragraph 4 has been timely made.

6. *Development and Construction of the UA Science Center.* UA shall develop and construct the UA Science Center on the Property in accordance with a development plan and building design developed in accordance with this IGA, and in conformance with the following minimum requirements:

6.1 Total project cost of at least $72 million.

6.2 Design in reasonable conformance with the Río Nuevo and Downtown Zone Development Standards (Development Standard No. 9-05.0, Río Nuevo and Downtown (RND) Zone, subject to the unique functions or the UA Science Center and special features such as the major freeway and river bridges. City and District acknowledge that University's Planning and Development Review Advisory Committee (PADRAC) has expertise in the development of University facilities, including museums, and that as a University capital project the UA Science Center will be subject to review by PADRAC. Design and construction shall be in accordance with the relevant procurement, building, mechanical, fire, safety, and similar codes adopted by UA, the Arizona Board of Regents or the State of Arizona, and all inspections and approvals shall be carried out by UA in the same manner as UA-owned facilities constructed on the UA Main Campus;

6.3 All improvements shall be constructed in a good, workmanlike and first-class manner, and constructed and maintained in compliance with all applicable laws, rules, ordinances, and regulations.

6.4 UA shall provide the City, in advance of construction, with copies of all plans for courtesy review and comment. Although UA is exempt from traditional municipal regulation associated with development, the Parties acknowledge and agree that development of the UA Science Center impacts the surrounding City neighborhoods, infrastructure, and businesses to such a degree that appropriate planning on the part of UA is necessary to avoid or to mitigate negative impact to surrounding areas. Accordingly, UA shall include representatives of the City on the following bodies relating to the UA Science Center project: Project Management Team, Architect Selection Committee, and UA/COT Interface Committee. Similarly, because appropriate planning by City is necessary to avoid negative impact on the UA Science Center project, City shall include UA representatives in the Rio Nuevo and Civic Plaza planning and design processes.

6.5 To the extent economically feasible, construction and operation in conformance with the Tucson/Pima County Sustainable Energy Standard and UA design standards.

6.6 Irrigation of landscaping on the Property using water harvesting and/or reclaimed water; provided that the City shall make reclaimed water available to UA at the same price charged for reclaimed water on the UA Main Campus.

6.7 Heating and cooling shall be designed to connect to the central heating and cooling plant at the Tucson Convention Center. City and District shall provide connectivity to the Property boundary and that such heating and cooling shall be made available at commercially competitive rates and as provided in paragraph 16 of this IGA.

6.8 Start of construction not later than October 2006. The Parties recognize and acknowledge that the construction schedule will be affected by the need to achieve fund-raising targets as well as by ADOT's schedule for I-10 improvements.

6.9 Opening to the public not later than December 31, 2008, subject to unforeseen construction delays outside the control of UA, delays due to freeway construction work, delays in receiving required approvals, and City parking development. It is specifically understood and agreed that the UA Science Center will

not be able to operate successfully during the anticipated period of freeway construction, and that UA is under no obligation to complete the UA Science Center before the freeway construction is completed.

7. *Parking*. City shall design and construct parking facilities sufficient to accommodate the public and employee parking demand for the UA Science Center. For the purposes of this IGA, the availability of six hundred (600) spaces in reasonable proximity to the eastern and western components of the Property [indicated in Exhibit A as the "Parking Structure Wrapped w/ Commercial/Office/Residential on the west side and as the "Civic Plaza" (where parking will be underground) on the east side], is deemed to be sufficient parking for the Property.

8. *Business Plan*. UA has previously provided City and District with a business plan demonstrating a likelihood that the UA Science Center will generate sufficient visitor traffic to be financially feasible and to accomplish the goals of the UA, City, and District as stated in the Recitals of this IGA.

9. *No Light Cone*. Within six months after the effective date of this IGA, UA shall provide City with a three-dimensional map and description of the no light cone needed for the observatories to be constructed at the UA Science Center. To the extent compatible with overall project design, UA shall locate the observatories toward the west end of the project, away from downtown and I-10 light and vibration. Within six months after receipt of this information, City shall establish a no light cone for the described area through the adoption of regulations or by acquisition. The City shall adopt and install observatory-friendly lighting in the area surrounding the Project, and shall join with UA in seeking to have Arizona Department of Transportation use high pressure sodium or other observatory-friendly lighting on Interstate 10 in the vicinity of the Property.

10. *District Improvements*. District shall provide civil improvements sufficient to assure that the Property is out of the 100-year flood plain, shall design drainage and other improvements in a manner that does not adversely affect the Property, and shall provide vehicular access and water, electric, and sewer service to the boundary of the Property. City shall assure public, service, and handicap vehicular access to each segment of the Property (i.e., east of I-10, by frontage road between I-10 and the Santa Cruz River, and west of the Santa Cruz).

11. *Adjacent or Nearby Attraction*. District and City shall use their best efforts to cause another anchor attraction to be located adjacent to or in close proximity to the Property.

UA shall not be obligated to begin construction of the UA Science Center until UA is satisfied that there will be a favorable environment for the success of the facility.

12. *UA Science Center Components.* The UA Science Center shall be a facility devoted to the interpretation of science and technology content, and is presently anticipated to include, in addition to exhibition space, the following minimum components, which may be constructed in phases:

12.1 One or more astronomical observatories for the primary purpose of public education.

12.2 A "large format" theater (e.g., Imax, Omnimax or other vendor to be determined).

12.3 Retail and food sales for the convenience of visitors to the UA Science Center.

12.4 Museum science store.

12.5 A butterfly vivarium or similar attraction.

12.6 A resource center for teachers and educators.

12.7 A Unispherium constructed and operated as a state-of-the-art, digital planetarium that will both present traditional star shows and create interactive virtual experiences.

12.8 A mineral museum.

12.9 A bridge that will connect the east and west components of the facility, and will function not only for pedestrian transit but also as an architectural attraction and exhibition place.

The foregoing enumeration shall not be construed to limit the components that may be included in the UA Science Center. The parties recognize that, once the UA Science Center is completed, operating experience may dictate the addition or deletion of various items throughout the lifetime of the facility, and such future changes shall not affect the rights or obligations of the parties under this IGA or the anticipated Lease.

13. *Sales Tax.* UA consents and agrees that, notwithstanding any other provision of law, UA shall collect City sales taxes on all retail food, drink and merchandise sales, as well as on admissions to the large format theater or any other for-profit components, to the same extent as if it were a private party, and shall remit the same to City.

14. *Operational Provisions.* In the operation of the UA Science Center, UA agrees to:

14.1 Participate in joint promotional and advertising efforts directed toward attracting conventions and visitors to downtown Tucson, subject to satisfactory cost-sharing arrangements and demonstrable economic feasibility.

14.2 Not use or occupy, nor permit or suffer, the Property or any part thereof to be used or occupied for any unlawful, illegal, or immoral business use or purpose, nor for any disreputable or hazardous business use or purpose, nor in such a manner as to constitute a nuisance of any kind, nor for any purpose or in any way in violation of any present or future governmental laws, ordinances, requirement, orders, directions, rules or regulations. UA shall immediately, upon the discovery of any such unlawful, illegal, immoral, disreputable or hazardous use, take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any subtenants, occupants, or other persons of such unlawful, illegal, immoral, disreputable or hazardous use. Tucson Police Department, Tucson Fire Department and any security service employed for general security of the Rio Nuevo project shall provide law enforcement and security assistance in termination of unlawful, illegal or hazardous activities on the same basis that such assistance is provided generally in the Rio Nuevo district.

15. *District TIF Contribution.* District shall contribute $20 million out of tax-increment financing (TIF) proceeds, or from bonds or other funding mechanisms authorized under A.R.S. §§48-4201 et seq. (the "MFD statutes"), to the UA for the construction of the UA Science Center. The funds provided pursuant to this section shall be used only for those purposes authorized under the MFD statutes. District shall pay these funds to UA at the time that UA issues debt for the construction of the UA Science Center, currently projected to occur in April 2006.

16. *Heating, Cooling and Electricity.* The City is a party to a contract with Tucson District Energy LC (TDE) relating to the provision of heating and cooling and electricity to certain City-owned facilities. The City purchases the heating and cooling and electricity pursuant to this contract from a plant owned by the City but managed by TDE. In the event that the UA requests that TDE provide heating and cooling and

electricity to the UA Science Center and TDE consents to this, and in the event that it is legally permitted to supply electricity to the UA Science Center, the City shall request extension of such services from TDE to the Center, pursuant to the City's contract with TDE. The City shall be responsible for the costs of extending the facilities necessary for the provision of heating and cooling from the plant to the boundary of the Property. For the purposes of this IGA, "heating and cooling" means chilled water and hot water, in capacities to be determined during the design phase.

17. *UA Funding Commitment.* UA shall obtain funding for all costs of the UA Science Center not otherwise identified in this IGA.

18. *Santa Cruz River/Interstate-10 Bridge.* The UA and the City shall cooperate in seeking funding from the Arizona Department of Transportation, Corps of Engineers, Federal Highway Administration, and other state and federal agencies for design and construction of the proposed bridge over the Santa Cruz River and Interstate-10 ("Bridge"). UA shall be responsible for operation and maintenance costs for all portions of the bridge, including the spans over the Santa Cruz River and Interstate-10. City agrees to pay the costs of the installation of utilities that may be incorporated into the construction of the Bridge, to the extent that those utilities are installed for the purpose of serving properties other than the UA Science Center. City also agrees, as provided in paragraph 14.2 above, to provide law enforcement and security for the bridge on the same basis that such assistance is provided generally in the Rio Nuevo district.

19. *Civic Amenities.* City shall fund or secure the funding for all costs associated with the design, construction and maintenance of public plazas (the Civic and Cultural Plazas) to the east and west of the UA Science Center, and improvements to the Santa Cruz River Linear Park to the west of the Santa Cruz River. All such improvements shall be and remain owned by the City. City anticipates constructing improvements that will allow the downtown trolley to travel to the east and west plazas of the Rio Nuevo District.

20. *City cooperation in seeking funds.* City will cooperate with UA to seek available funding for the project, including funding from federal, state (including ADOT, as referenced in paragraph 19.1), county or local authorities as may be available and as might be required to meet the needs of the project.

21. *Proportionate share of construction cost savings.* Under the terms of this IGA, the District will contribute $20 million dollars, or 20.2% of the Total Project Cost. UA will contribute $72,821,360, or 73.7% of the Total Project Cost. The Total Project Cost

includes an estimated Building Construction Cost of $23.9 million. UA agrees that in the event that cost savings of twenty percent (20%) (i.e., $4.78 million) or greater accrue or are realized within this Building Construction Cost Amount, UA will share the benefit of those savings with District by reimbursing District in a proportion equal to the District's contribution toward the Total Project Cost as described in this paragraph; i.e., UA shall pay to District 20.2% of the Construction Cost savings.

22. *Apportionment of New Market Tax Credits and other funds secured by City or District.* To the extent that City or District secures grants or funds for the construction of the UA Science Center not otherwise identified in this IGA, including New Market Tax Credits and/or Heritage Funds, the District shall receive 1/3 (33.3%) of those funds, and the UA shall receive 2/3 (66.7%) of those funds. This allocation shall not apply, and UA shall received 100% of funding obtained from, funding sources identified, solicited or procured by University, even if City or District plays a nominal or ministerial role in facilitating such funding.

23. *Labor Provisions.* UA employees (both regular staff and student employees) at the UA Science Center shall be paid in accordance with established UA policies and practices on the same basis as though they were employed at the UA Main Campus. If UA uses outside contractors for services at the UA Science Center, it shall require those contractors to comply with the City's "living wage" requirements for City contractors.

24. *Effective Date.* This IGA shall be effective on the date it has been executed on behalf of City, District, and UA, and shall remain in effect until its termination in accordance with paragraph 25.

25. *Termination.* This IGA shall terminate on the earlier of the following dates:

25.1 The date UA identifies in writing as when the operation of the UA Science Center will permanently cease.

25.2 The six month anniversary of the permanent closure of the UA Science Center (other than temporary closure due to construction, remodeling, renovation, expansion, or circumstances beyond UA control).

25.3 The date UA determines in writing that it is unable to proceed with the development of the UA Science Center.

26. *Ownership upon Termination*. Upon termination of this IGA in accordance with paragraph 25, legal title to the Property and all improvements located on the Property shall automatically transfer to City; provided, however:

26.1 If the Parties agree otherwise in writing before this IGA terminates, legal title shall transfer as provided in that written agreement.

26.2 If City chooses not to take legal title to the Property and all improvements located on the Property, City may, at its sole option, record at the office of the Pima County Recorder a document giving notice of City's decision not to take legal title. This document must be recorded prior to the date of termination of this IGA in accordance with paragraph 25. In that event, legal title to the Property and all improvements located on the Property shall remain in UA, and the reversion referenced in paragraph 25 shall be inoperative, null and void.

26.3 Prior to such transfer, City shall reimburse UA for the difference between (a) the fair market value of the UA Science Center building and other improvements (exclusive of the real property contributed by the City) and (b) the District TIF Contribution under paragraph 15 above plus interest on such Contribution at the same rate as the TIF bonds issued pursuant to A.R.S. § 48-4201 et seq. For the purposes of this paragraph, "fair market value" shall mean the value determined through the reconciliation of two appraisals performed by MAI appraisers, with one prepared by the City and one by UA, as reconciled by a third MAI appraiser jointly selected by the City and UA, and which shall use as a fair market value definition the "most probable price."

27. *UA Science Center Liabilities*. UA shall retain all liabilities incurred by UA during its lease of the Property and ownership of the UA Science Center improvements. Nothing in this IGA shall be interpreted to cause or allow liabilities incurred by UA during its lease of the Property and/or its ownership of the UA Science Center improvements, to be transferred to City either while this IGA is in force or after this IGA terminates.

28. *Recording*. After its execution on behalf of City, District and UA, this IGA shall be recorded at the office of the Pima County Recorder.

29. *Assignment*. UA shall have the right to transfer ownership and/or operation of the UA Science Center, or portions thereof, subject to all of the terms and conditions of this Agreement, to a non-profit corporation qualified to do business in Arizona; provided that:

29.1 The assignment is by written instrument, expressly assigning such rights and obligations, recorded in the official records of Pima County, Arizona; and

29.2 UA has provided prior written notice of the assignment to the City and District and they have approved the assignment.

29.3 The rights and obligations of UA shall be assignable only if expressly stated in writing with the prior approval of the City and District.

29.4 The City Manager or the Manager's designee is hereby authorized to provide consent to an assignment on behalf of the City. If the City fails to object in writing to the assignment within fifteen (15) days of the date of the notice, the City shall be deemed to have consented to the assignment.

29.5 Neither the City nor the District shall unreasonably withhold or delay providing consent to any assignment requested by UA.

29.6 In the event of a complete assignment by UA of all of its rights and obligations under this IGA, and upon notice to and approval by the City and District, the UA's liability under this IGA shall terminate effective upon the assumption of the UA's rights and obligations hereunder by the UA's assignee(s). Upon any such transfer, the transferee shall be liable for all obligations of UA hereunder, and UA shall have no further responsibility hereunder except as to acts or omissions occurring prior to the effective date of such transfer.

30. *Miscellaneous.*

30.1 *Nondiscrimination*. The parties agree to be bound by applicable state and federal rules governing Equal Employment Opportunity and Non-Discrimination.

30.2 *Arbitration*. Any dispute arising under this Agreement, involving the sum of $30,000 or less in money damages only, shall be resolved by arbitration pursuant to the Arizona Uniform Arbitration Act. The decision of the arbitrator(s) shall be final.

30.3. *State Obligation*. The parties recognize that the performance by the Arizona Board of Regents for and on behalf of The University of Arizona may be dependent upon the appropriation of funds by the State Legislature of Arizona. Should the Legislature fail to appropriate the necessary funds or if the University's appropriation is reduced during the fiscal year, the UA may reduce the scope of this

IGA if appropriate, or cancel the IGA without further duty or obligation. The UA agrees to notify the other Parties as soon as reasonably possible after the unavailability of said funds comes to the UA's attention. In the event that UA reduces the scope of its participation under this IGA pursuant to this paragraph, the City and District may elect to terminate this IGA, or in the alternative to negotiate a new IGA to reflect the reduced scope of the agreement.

30.4 *Conflict of Interest.* This Contract is subject to the provisions of Arizona Revised Statute § 38-511.

30.5 *Attorney Fees.* Pursuant to Arizona Revised Statute § 12-341.01, the prevailing party in any dispute arising from this agreement may be entitled to reasonable attorneys' fees to be awarded by the judge or arbitrator.

30.6 *No Joint Venture.* It is expressly understood and acknowledged that the parties are entering into this Agreement as independent contractors and that this Agreement is not intended to create, nor shall it be construed as creating, any type of partnership, joint venture, or franchise relationship between the Parties.

31. *Agreement to Meet, Confer and Provide Reports.* The Parties agree to meet and confer as needed to discuss and resolve matters related to this IGA and the development of the UA Science Center. The Parties further agree to provide each other with reports and updates sufficient to inform the other as to progress made concerning their obligations and responsibilities under this IGA.

32. *Effect of District Dissolution.* If District is dissolved, District's rights and obligations under this IGA and under the Lease contemplated herein shall automatically transfer to City, and UA and City shall thereafter be "the Parties" for purposes of this IGA.

33. *Signage.* UA shall not erect exterior signage for the UA Science Center without first obtaining the written consent of City. City agrees that it will not unreasonably withhold such consent.

IN WITNESS WHEREOF, the Parties have executed this IGA on the last signature date set forth below.

UA Science Center IGA

"City":

CITY OF TUCSON

Mayor August 2, 2004

ATTEST:

City Clerk
Date: August 2, 2004

"District":

RÍO NUEVO MULTIPURPOSE FACILITIES DISTRICT

Chairman

ATTEST:

~~District Clerk~~ Acting Secretary
Date: 8-11-04

"UA":

ARIZONA BOARD OF REGENTS

Name: Peter HIKINS
Title: President

ATTEST:

Name: JOEL D. VALDEZ
Title: Sr. Vice President
Date: 8/18/04

This agreement has been submitted to the undersigned attorney for the Río Nuevo Multipurpose Facilities District, who has determined that this agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the District.

Attorney
Date: 8-11-04

This agreement has been submitted to the undersigned attorney for the Arizona Board of Regents, who has determined that this agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Board of Regents.

Attorney
Date: 8/20/04

Exhibit A: General location of the Property (see Recital L)