

## Sample Lease Contract – Arizona Data Center (AZ-LEASE-CLIENT-001)

### LEASE AGREEMENT

This Lease Agreement (“Lease”) is made effective as of **March 15, 2023** (“Effective Date”) by and between **Desert Horizon Realty, LP**, an Arizona limited partnership, having its principal office at 4000 Marathon Blvd., Tucson, AZ 85714 (“Lessor”), and **TechWave Innovations, LLC**, an Arizona limited liability company, with its principal place of business at 2200 Innovation Parkway, Phoenix, AZ 85004 (“Lessee”).

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### 1. Premises

- Lessor leases to Lessee, and Lessee accepts, approximately **12,000 rentable square feet** of data center space, located at 789 Data Center Way, Mesa, Arizona 85205 (the “Premises”), including up to 300 kW of dedicated power (with space for up to 50 equipment racks).

### 2. Term

- **Initial Term:** Five (5) years, beginning on April 1, 2023 (“Commencement Date”) and ending on March 31, 2028 (“Expiration Date”).
- **Renewal Option:** Subject to Lessee performing all obligations and providing written notice at least 180 days prior to expiration, Lessee may renew for one (1) additional five (5) year term at a rent not to exceed market rate as determined by a third-party appraisal.

### 3. Base Rent

- Monthly Base Rent is **Fifteen Thousand United States Dollars (USD 15,000.00)**, due in advance on the first day of each month. The first month’s Base Rent is due upon execution of this Lease.

### 4. Additional Rent

- Lessee shall pay, as Additional Rent:
  1. **Utilities:** Directly billed by utility providers for electricity drawn beyond the 300 kW base allocation; Lessor shall install a dedicated meter for Lessee’s power usage.
  2. **Operating Expenses:** Pro rata share of real estate taxes, building security, common area maintenance, and insurance, based on the ratio of Lessee’s rentable square feet to total rentable area.
  3. **Service Charges:** Any call-outs for after-hours support, scheduled generator tests, or emergency HVAC adjustments requested by Lessee.

### 5. Security Deposit

- Lessee shall deposit **Twenty Thousand United States Dollars (USD 20,000.00)** as security. Lessor may apply the Security Deposit to cure any unpaid Rent or to remedy any default.

## 6. Lease Obligations & Maintenance

- **Lessor Responsibilities:**
  1. Maintain and repair structural components of the building (foundation, roof, exterior walls).
  2. Maintain the building's life-safety systems, including fire alarms, sprinklers, and emergency lighting.
  3. Provide central chilled-water cooling to the data hall and ensure N+1 redundancy on all chillers and air handlers.
- **Lessee Responsibilities:**
  1. Keep the Premises clean and free of debris, including regular removal of server packaging and discarded cabling.
  2. Maintain any supplemental cooling units, rack PDUs, and networking gear.
  3. Repair any damage to the Premises caused by Lessee's vendors or personnel.

## 7. Minimum Occupancy Requirement

- Lessee must maintain a minimum of **60 %** of the leased rack units populated with servers or storage systems for the first 24 months. Failure to meet this requirement will result in an "Under-Occupancy Charge" equal to the difference between 60 % of the Base Rent and the actual occupancy level, billed monthly until Lessee cures the shortfall.

## 8. Termination Fee

- If Lessee terminates this Lease prior to February 1, 2026, Lessee shall pay **Seventy-Five Thousand United States Dollars (USD 75,000.00)** as a termination fee. If termination occurs between February 1, 2026 and March 31, 2027, the fee shall be reduced to USD 50,000.00. No termination fee is due if Lessee vacates on or after April 1, 2027, provided all Rent and Additional Rent are current.

## 9. Use of Premises

- The Premises shall be used exclusively for data center operations, including server racks, networking equipment, and ancillary infrastructure. Lessee shall not store any flammable or hazardous materials without obtaining Lessor's prior written consent and providing evidence of appropriate environmental permits.

## 10. Utilities & Power

- Lessee's Base Rent includes up to 300 kW of power consumption.
- Usage beyond 300 kW shall be charged at **USD 0.12 per kWh**. Lessor shall provide a monthly meter read showing actual consumption.

- Backup power is provided by Lessor's generators with a fuel contract ensuring at least 72 hours of continuous runtime; Lessee may conduct monthly failover tests, provided 48 hours' prior notice and payment of a USD 500 support fee per test.

## **11. Access & Security**

- Lessee shall have **24 × 7** access to the Premises via electronic badge and biometric verification. All prior-approved visitor requests must be submitted at least 48 hours in advance.
- Lessee shall comply with Lessor's security policies, including prohibition of unscheduled access to redundant UPS rooms and generator areas. Lessor will maintain CCTV coverage of all common areas and shared loading docks.

## **12. Insurance & Indemnification**

- **Lessor Insurance:**
  1. Building property insurance, including flood coverage up to USD 10,000,000.
  2. Commercial general liability insurance with minimum limits of USD 5,000,000 per occurrence.
- **Lessee Insurance:**
  1. All-risk property insurance covering Lessee's equipment, valued at replacement cost, with Lessor as loss payee for building-related claims.
  2. Commercial general liability insurance with minimum combined single limits of USD 3,000,000 per occurrence.
- Lessee shall indemnify and hold harmless Lessor from any claims arising from Lessee's use or occupancy, including data breach investigations, environmental contamination, or personal injury within the Premises caused by Lessee or its agents.

## **13. Compliance & Certifications**

- Lessor represents that the facility meets PCI DSS Level 1 standards. Lessee shall furnish to Lessor written evidence of any audits or compliance certifications (e.g., SOC 2 Type II) for its hosted applications upon request.
- Lessee shall comply with all applicable federal, state, and local environmental, building, and health regulations, including NFPA 70 and NFPA 75 (Standard for the Fire Protection of Information Technology Equipment).

## **14. Backup & Disaster Recovery**

- Lessee's backup services must align with the following:
  1. Daily full backups to an off-site encrypted tape vault, managed by Lessor's third-party provider; retention of 30 days.
  2. Weekly snapshot copies stored in Lessor's on-site SAN replication array, with off-site replication to Lessor's Phoenix facility.

3. Lessee may elect to subscribe to Lessor's cloud-based DR service at prevailing rates; otherwise, Lessee remains responsible for maintaining its own DR infrastructure.

## **15. Assignment & Subletting**

- Lessee shall not assign, sublease, or transfer rights under this Lease without Lessor's prior written consent, which shall not be unreasonably withheld. Any approved transferee must meet minimum credit requirements and comply with Lessor's security policies.

## **16. Default & Remedies**

- **Events of Default:** Late payment of Rent by more than 10 days after due date; bankruptcy or insolvency of Lessee; abandonment of premises; failure to maintain insurance.
- **Lessor's Remedies:** Lessor may terminate Lessee's access, re-enter and re-let the Premises, and sue for damages. Lessee remains responsible for all Rent and Additional Rent through the end of the Term, less net rent obtained by re-letting.

## **17. Environmental & Safety**

- Lessee shall immediately notify Lessor of any noticed leaks, electrical arcing, or odors indicating a possible fire hazard. Lessor will inspect and remediate within 24 hours at Lessor's cost, unless caused by Lessee's negligence, in which case Lessee shall reimburse.

## **18. Certificate of Occupancy**

- Lessor warrants that the Premises comply with all applicable building codes and have been issued a valid Certificate of Occupancy allowing data center use. Lessee shall not make any structural changes that would nullify the Certificate.

## **19. Notice**

- All notices under this Lease shall be in writing and delivered by certified mail or overnight courier to the addresses set forth below (or to such other address as either party may designate):
  - **Lessor:** Desert Horizon Realty, LP, 4000 Marathon Blvd., Tucson, AZ 85714
  - **Lessee:** TechWave Innovations, LLC, 2200 Innovation Parkway, Phoenix, AZ 85004

## **20. Miscellaneous**

1. **Governing Law:** Arizona law governs this Lease.

2. **Brokerage:** Lessee and Lessor each represent they have dealt only with the following broker: Colliers International. Lessor shall pay any brokerage commission per a separate agreement.
3. **Integration:** This Lease, including all exhibits and addenda, is the entire agreement. Any amendments must be in writing and signed by both parties.
4. **Severability:** If a court deems any provision invalid, the remainder shall remain in full force.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the Effective Date.

**Lessor:**

Desert Horizon Realty, LP

By: \_\_\_\_\_

Name: Alicia Marquez

Title: Managing Partner

**Lessee:**

OmniTech Solutions, Inc.

By: \_\_\_\_\_

Name: John Smith

Title: Vice President, Infrastructure

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