

CITY OF MESA
AN ARIZONA MUNICIPAL CORPORATION

LEASE AGREEMENT

with

BENEDICTINE UNIVERSITY
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

for

51 East Main Street
Mesa, Arizona

Effective Date: July 15, 2012

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LEASE

This Lease Agreement (the "Lease") is executed to be effective the 15th day of July, 2012 (the "Effective Date") between THE CITY OF MESA, an Arizona municipal corporation ("Mesa" or "Landlord"), and BENEDICTINE UNIVERSITY, an Illinois not-for-profit corporation (the "Benedictine" or "Tenant"). Landlord and Tenant may be referred to jointly as "Parties," and each separately as a "Party."

RECITALS

A. This Lease is being entered into to implement certain portions of that certain Memorandum of Understanding for a Mesa Downtown Campus Development Agreement (the "MOU") dated January 2012 and entered into between Mesa and Benedictine.

B. Mesa desires to have a four-year, liberal arts college to locate its campus in the City of Mesa's central downtown area; and Benedictine desires to establish a four-year, liberal arts college in the City of Mesa's central downtown area.

C. Mesa owns the improved real property located on the south side of Main Street, between Center and Sirrine Street, Mesa, Maricopa County, Arizona, addressed as 51 and 55 E. Main Street (APN: 138-40-040A) See attached Exhibit "A" (the "Property").

D. Benedictine desires to lease and Mesa is willing to lease, pursuant to the terms of this Lease, that portion of the building and improvements on the Property that is a portion of what is commonly known as 51 E. Main Street, Mesa, Arizona, and the leased premises are as more specifically depicted in the attached Exhibit "B" (the "Premises").

E. Benedictine intends and will use the Premises to establish administrative offices to facilitate establishing a four-year, liberal arts college and for other related college or college administrative uses.

AGREEMENT

In consideration of the foregoing recitals, which are incorporated herein, and the terms and conditions of this Lease, the Parties agree as follows:

1. LEASE

1.1 The Premises. Landlord hereby leases the Premises to Tenant subject to all matters that a physical inspection of the Premises would disclose and all matters of record, including but not limited to liens, encumbrances, easements, assessments, and restrictions; and further subject to all operational and use restrictions and other terms, limitations, and conditions set forth in this Lease. Additionally, the Premises are subject to: (i) all applicable present and future laws, regulations, ordinances, resolutions, building restrictions and regulations, and zoning laws of the City of Mesa, and county, state, and federal bodies having jurisdiction; (ii) the condition and state of repair of the Premises as of the Effective Date; (iii) the right of access by the City of Mesa to utility lines, telecommunication lines, cable lines, and other similar improvements when needed by the City of Mesa for repair or replacement.

1.2 Right to Use the Premises. As of the Effective Date (and subject to any Building Code requirements and compliance with the Mesa City Code), Landlord agrees that so long as Tenant shall timely pay the Premises Rent (as defined in Section 4.1 herein) and other charges required to be paid hereunder, and perform all of its other obligations under this Lease, Tenant shall peaceably have and enjoy the use of the Premises without hindrance from Landlord or anyone claiming by or through them.

1.3 Condition of Premises. Tenant specifically acknowledges that Tenant, as of the Effective Date, has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Landlord, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed.

1.4 Access and Common Areas. As of the Effective Date (and subject to any Building Code requirements and compliance with the Mesa City Code), Tenant shall have a means of nonexclusive access suitable to the nature of Tenant's business and operations to and from the Premises across the exterior common areas of the Property that are adjacent to the Premises (the "Common Area"). Tenant shall be responsible for keeping the Common Area neat, clean and orderly, and shall not place any tables, merchandise, signs, or other items in the Common Area without the prior written approval of the Landlord.

1.4.1 Tenant's Additional CAM Expenses. None.

1.4.2 Restrooms. Tenant and its employees, agents, students, and invitees will be provided access to and ability to use the restrooms that are adjacent to the Premises, and that are accessed from the exterior common areas. In order to maintain security for restrooms, Landlord may maintain a locking system on the restrooms so long as Landlord provides Tenant keys or other means for accessing the restrooms. Tenant agrees to maintain the security of the restrooms to the extent of its use of the restrooms. Landlord agrees to maintain the restrooms.

1.5 Permitted Uses. Tenant shall only use the Premises for administrative offices to facilitate establishing (and operating) a four-year, liberal arts college, or to teach such college courses, or for any related college, college administrative uses, college recruiting, or similar collegiate uses.

1.6 Continuous Operation. Tenant shall continuously use the Premises during the Term (as defined below) with a use permitted under the above Section 1.5, Permitted Uses. If Tenant fails to so use the Premises for a period of 120 consecutive days, Tenant shall be deemed to have allowed the Premises to "go dark," which shall be a default under this Lease

1.7 Compliance with Laws. In its use of the Premises and while on the Property, Tenant shall comply with all applicable laws, ordinances and regulations.

2. TERM.

2.1 Initial Term. The initial term (the "Initial Term") of this Lease shall be for two calendar years commencing on the Effective Date and continues until midnight July 14, 2014, unless terminated earlier as provided in this Lease.

2.2 Renewal Term, and Term. Provided that Tenant is not then in default of this Lease and subject to the written approval of Landlord, this Lease may be renewed for up to three (3) successive one (1) year terms (each a "Renewal Term"). In no event shall the Term (as defined below) of this Lease, with all Renewal Terms, extend beyond five years from the Effective Date. A renewal shall occur upon Tenant's written notice to Landlord given not later than one hundred twenty (120) calendar days prior to the end of the then-current term of its desire to renew the Lease and Landlord's written approval to allow for such extension of the Term. Upon such renewal, the terms and conditions of this Lease shall remain in full force and effect. The use of the defined word "Term" in this Lease shall mean the Initial Term and any Renewal Term unless the context indicates otherwise.

3. NO SALE RIGHTS; EXCLUSIVE AND NONEXCLUSIVE RIGHTS.

3.1 No Sale of the Premises. Tenant may not sell or convey all or any part of the Premises.

3.2 Exclusive and Nonexclusive Rights. Subject to the terms of this Lease, Tenant shall have the exclusive right to occupy and use the Premises while in compliance with the terms and conditions of this Lease. All other rights granted to Tenant under this Lease are nonexclusive.

4. RENT, PAYMENT, AND ADDITIONAL PAYMENTS.

4.1 Monthly Rent. Commencing on the Effective Date, and on the first of every month thereafter during the Term of this Lease, Tenant shall pay, without notice or demand, to Landlord a monthly rental amount for use of the Premises at the rate of \$3,815 per month (based on \$14.00 per square foot per year of leasable space) plus applicable tax (the "Premises Rent"). The premises rent for the first and final month shall be a pro-rated amount.

4.2 Net Lease. This Lease is a net lease. Tenant acknowledges and agrees that its obligations to pay Premises Rent and all other charges due and owing under the terms of this Lease shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Tenant may have against Landlord or anyone else for any reason whatsoever; (ii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease by or through Tenant or any lack of right, power or authority of Tenant to enter into this Lease; (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Tenant, or any other person; or (iv) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties that the Premises Rent shall continue to be payable in all events and in the manner and at the times provided by this Lease.

4.3 Non-Subordination. Landlord's interest in the Premises and this Lease, as the same may be modified, amended or renewed, shall not be subject or subordinate to: (i) any mortgage now or hereafter placed upon Tenant's interest in this Lease; or (ii) any other liens, encumbrances or other matters hereafter affecting Tenant's interest in this Lease.

4.4 Obligations Unconditional. Tenant agrees—regardless of any event, occurrence or situation, whether foreseen or unforeseen, and however extraordinary—that it: (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Lease, (ii) will perform and observe all of its other agreements contained in this Lease, and (iii) will not suspend the performance of its obligations hereunder for any cause, including, and without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction or damage to the Premises, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Arizona or any political subdivision of either.

4.5 Payment of Premises Rent.

4.5.1 Without notice or demand, the Premises Rent payments are due and payable by Tenant to Landlord on the 1st day of each month during the Term of this Lease in lawful currency of the United States, either by check or electronic transfer. If Tenant fails to pay any installment of Premises Rent in full on or before the due date, Tenant shall be responsible for interest on the unpaid installment at the rate of twelve (12%) per annum from the due date until payment in full is made. In addition, in the event any installment of Premises Rent is paid more than twenty (20) days after the due date, a late penalty equal to ten percent (10%) of the amount of such delinquent installment shall be due and payable in addition thereto.

4.5.2 No payment to or receipt by Landlord of a lesser amount than that which is due and payable under the provisions of this Lease at any time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Landlord's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.5.3 All Premises Rent and any other payments shall be remitted to the following address (unless otherwise specified by Landlord) by the due date required by this Lease:

The City of Mesa, Arizona
Attn.: Cashier's Office
20 East Main Street
P.O. Box 1466
Mesa, Arizona 85211-1466

4.6 Security Deposit and Pre-paid Rent Deposit. None.

4.7 Additional Payments (Taxes). Tenant shall pay as "Additional Payments," without notice (except as specifically provided), and without abatement, deduction or setoff, before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, all sums, impositions, costs, expenses and other payments and all taxes including personal property taxes and taxes on rents, leases or occupancy, and GPLET, assessments, special assessments, enhanced municipal services district assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, licenses and permit fees, and other governmental or quasi-governmental taxes or charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever which, at any time during the Term may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or with respect to, or become a lien on or encumbering, the Premises or any part thereof, or any appurtenances thereto, or any use or occupation of the Premises (all of which are sometimes herein referred to collectively as "Impositions," and, individually, as an "Imposition") provided, however, that:

A. if, by law, any Imposition may at the option of the Tenant be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and in such event, shall pay such installments as they become due during the Term before any fine, penalty, further interest or cost may be added thereto; and

B. any Imposition (including Impositions which have been converted into installment payments by Tenant, as referred to in the above paragraph (A) relating to a fiscal period of the taxing authority, a part of which period is included within the Term and a part of which is included in the period of time after the expiration of the Term shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or become a lien upon the Premises, or shall become payable, during the Term) be adjusted between Landlord and Tenant as of the expiration of the Term, so that Tenant shall pay that portion of such Imposition attributable to the Term and Landlord shall pay the remainder thereof.

4.8 Payment of Additional Payments. Unless otherwise directed by Landlord, Tenant shall pay to Landlord, with and in addition to Premises Rent, all taxes imposed by any governmental unit on the rentals received by Landlord pursuant to the terms of this Lease. Tenant shall pay all other Impositions directly to the taxing authority or authorities, unless otherwise required by any applicable law.

4.9 Contest. Tenant, if it shall so desire, may contest the validity or amount of any Imposition, in which event Tenant may defer the payment thereof during the pendency of such contest; provided, that upon request by Landlord at any time after the same shall have become due, Tenant shall deposit with

Landlord an amount sufficient to pay such contested item together with the interest and penalties thereon (as reasonably estimated by Landlord and Tenant), which amount shall be applied to the payment of such item when the amount thereof shall be finally fixed and determined. Nothing herein contained, however, shall be so construed as to allow such item to remain unpaid for a length of time that permits the Premises or any part thereof, or the lien thereon created by such Imposition to be sold for the nonpayment of the same. If the amount so deposited shall exceed the amount of such payment, the excess shall be paid to Tenant or, in case there shall be any deficiency, the amount of such deficiency shall be promptly paid by Tenant to Landlord together with all interest, penalties or other charges accruing thereon.

4.10 Assessment Reduction. Tenant may, with the prior written consent of Landlord and without expense to Landlord, endeavor at any time to obtain a lowering of an Imposition or assessment upon the Premises for the purpose of reducing the amount thereof. In such event, Landlord will not be required to cooperate with Tenant. Tenant shall be authorized to collect any refund payable as a result of any proceeding Tenant may institute for that purpose and any such refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

4.11 Hold Harmless. Landlord shall not be required to join in any action or proceeding referred to in Sections 4.8 or 4.9 (unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event any such action or proceeding may be taken by Tenant in the name of the Landlord only with Landlord's prior written consent, which consent may be given or withheld in its sole discretion). Tenant hereby agrees to pay, protect, defend, indemnify and save and hold Landlord harmless from, all costs (including Landlord's attorneys' fees), expenses, claims, loss or damage by reason of, in connection with, on account of, growing out of or resulting from, any such action or proceeding.

4.12 Government Property Lease Excise Tax. If and to the extent required under A.R.S. § 42-6206, Tenant is hereby notified of its potential tax liability under the Government Property Lease Excise Tax ("GPLET") provisions of A.R.S. §§ 42-6201, *et seq.* Failure of Tenant to pay GPLET (if applicable) is an Event of Default hereunder. Tenant represents that it is an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code. Accordingly, Tenant represents that it falls within the GPLET exemption in A.R.S. § 42-6208(13).

5. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF TENANT.

5.1 Lawfully in Arizona. Tenant is an Illinois not-for-profit corporation duly organized, validly existing, in good standing, and authorized to operate under the laws of the State of Arizona. Tenant's organizational identification number is 362-722-198. Tenant has full power and authority to execute, deliver and perform this Lease and the other documents to which it is a party and to enter into and carry out the transactions contemplated by those documents. The execution, delivery and performance of this Lease and the other documents related to the Premises do not, and will not, violate any provision of law applicable to Tenant or its organizational documents, and do not, and will not, conflict with or result in a default under any agreement or instrument to which Tenant is a party or by which it is bound.

5.2 Duly Executed. This Lease has been duly executed and delivered by Tenant and it constitutes a valid, binding and enforceable agreement against Tenant.

5.3 No Additional Authorizations or Consents Needed. No authorizations, consents or approvals are required in connection with the execution and delivery of this Lease or in connection with the carrying out by Tenant of its obligations hereunder.

5.4 No Defaults. To the best of Tenant's knowledge, Tenant is not in default in the payment of any of Tenant's indebtedness for borrowed money; and Tenant is not in default in any material respect under

any order, writ, judgment, injunction, decree, determination, or award or any indenture, agreement, lease or instrument.

5.5 Litigation. Tenant must notify Landlord within ten (10) business days after the commencement of any action, suit, proceeding or arbitration against Tenant, or any material development in any action, suit, proceeding or arbitration pending against Tenant if such action, suit, proceeding or arbitration would materially and adversely affect the Premises, the validity of this Lease, or the performance of Tenant's obligations under this Lease.

5.6 Authorizations and Approvals. Tenant shall promptly obtain, from time to time at its own expense, and maintain all such governmental licenses, rights, authorizations, consents, permits and approvals as may be required to enable it to comply with its obligations hereunder, including but not limited to all such approvals necessary to operate a four-year, liberal arts college.

6. IMPROVEMENTS.

6.1 Landlord Improvements. Landlord agrees to complete the improvements described in the attached Exhibit "C" within the timeframes described in this exhibit or if no timeframes are provided therein within a commercially reasonable period of time.

6.2 Tenant Improvements. Tenant agrees to complete, or have completed, or reimburse Landlord for the cost to complete (within 30 days of invoice from Landlord), the improvements described in the attached Exhibit "D" within the timeframes described in this exhibit or if no timeframes are provided therein within a commercially reasonable period of time. Further, Tenant agrees to complete, at its own expense, all improvements necessary for the Premises to be operated as intended and allowed under this Lease, including but not limited to all furniture, equipment, trade fixtures, and other personal property needed by the Tenant to operate the Premises as intended under this Lease.

6.3 No Alterations. Tenant shall make no improvements, alterations, additions, enhancements or modifications to the Premises during the Term of this Lease without the prior written permission of Landlord, which permission shall not be unreasonably withheld. The provisions of this Section shall not apply to the repair, replacement, or maintenance of the Premises or improvements.

6.4 Title to Alterations and Improvements. Title to all improvements, alterations, additions, enhancements or modifications on the Premises (but not personal property) shall immediately, upon completion or installation thereof, become the property of the Landlord without payment therefor by Landlord, and shall be surrendered to Landlord upon expiration or other termination of this Lease. Tenant agrees to execute and deliver to the Landlord, within TEN (10) business days after the Landlord's request therefor, a quitclaim deed confirming that title to such improvements and alterations is vested in the Landlord.

6.5 Mechanics' Liens. Tenant shall keep the Premises and the Property and all improvements thereon free of any mechanic or materialmen's liens from any third party claiming by or through Tenant. In the event that any such lien is filed, Tenant shall, at its sole cost, cause such lien to be removed by bonding or otherwise within thirty (30) calendar days of notice thereof.

6.6 No Implied Consent. Nothing contained in this Lease shall be deemed or construed in any way as constituting Landlord's express or implied authorization, consent or request to any contractor, subcontractor, laborer or materialman, architect, or consultant, for the construction or demolition of any improvement, the performance of any labor or services or the furnishing of any materials for any improvements, alterations to or repair of the Premises or any part thereof.

6.7 Permit Required. Tenant's construction (including but not limited to structural, electrical, plumbing or mechanical construction or reconstruction) involving the Premises shall conform to the City Code for the City of Mesa, including Landlord's construction and technical codes. Tenant shall be responsible for determining whether it is subject to any other building/construction codes or permit requirements, and for compliance with them to the extent they are applicable to Tenant's work. No such work shall be commenced without first submitting required plans and obtaining required permits from the City of Mesa. All such work shall be permitted, inspected and approved by the City of Mesa.

7. MAINTENANCE AND REPAIRS.

7.1 Tenant's Maintenance. Tenant shall, at its own expense, repair, replace, and maintain the Premises (except that portion of the Premises to be maintained by Landlord under Section 7.2 below) in a good state of repair and cleanliness, both interior and exterior, including, without limitation, tenant improvements, fixtures, windows, store front doors, walls, ceiling and floor covering. Further, Tenant shall keep the outside areas immediately adjoining the Premises free of any obstructions, rubbish, and merchandise.

7.2 Landlord's Maintenance. Landlord shall repair and maintain in good and tenable condition the roof, heating, refrigeration, and ventilation improvements in and for the Premises, the restrooms located adjacent to the Premises, and the City of Mesa will maintain utility lines (e.g. plumbing and electrical). Landlord shall not be required to make repairs necessitated by the negligence, acts, or omissions of Tenant or its agents, employees, licensees, invitees, or contractors or by reason of Tenant's failure to perform or observe any of its obligations under this Lease. In no event shall Landlord be liable to Tenant due to Landlord's failure to maintain or make repairs as provided herein unless Tenant shall have given Landlord written notice of the necessity for such and has afforded Landlord a reasonable opportunity to make the repairs after the notice. Landlord shall have access to the Premises to enable Landlord to perform maintenance and repairs as necessary.

7.3 Damage to Landlord's Property. Any improvements, or real or personal property of Landlord's damaged or destroyed by Tenant as a result of Tenant's use or occupancy of the Premises, ordinary wear and tear excepted, shall be promptly repaired or replaced by Tenant to the reasonable satisfaction of Landlord. In lieu of such repair or replacement, where required by the Landlord, Tenant shall pay to Landlord an amount sufficient to compensate for the loss.

7.4 Trash Removal. Tenant shall at all times keep the Premises in a neat, clean, safe, sanitary and orderly condition and shall keep such area free of all trash and debris. Tenant shall, at Tenant's expense, be responsible for all trash removal from the Premises.

7.5 Emergency Repairs. Within fifteen (15) days of the Effective Date, each Party shall provide to the other Party a list of names and telephone numbers for 24-hour emergency contact for the Premises.

8. DAMAGE AND DESTRUCTION OF PREMISES.

8.1 Tenant's Obligations to Restore. If the Premises are damaged or destroyed by fire or other casualty, Tenant at its sole cost and expense shall proceed with reasonable diligence to repair, restore, or rebuild the same as nearly as possible to its value, condition, and character immediately prior to such damage or destruction; provided however that Tenant's foregoing obligations shall be limited to the amount of insurance proceeds available for such repair, restoration, or rebuild and any deductible thereto (if Tenant fails to maintain the insurance required by this Lease, Tenant shall be responsible for the amount that insurance would have provided in such circumstances). Unless otherwise agreed to by Parties in writing, Tenant shall use all insurance proceeds plus the amount of any deductible for such insurance to repair, restore, or rebuild the Premises. Tenant's obligation to pay Premises Rent and any other amounts owing under this Lease shall

continue regardless of any partial, substantial, or total destruction of the Premises; provided, however, if the insurance proceeds and any deductible amount (and any amounts Landlord is willing to pay to restore even though it has no obligation to pay any such amounts) are not sufficient to restore the Premises to a condition that would allow Tenant to use the Premises as reasonably intended or if the Parties agree in writing to not use such proceeds to restore the Premises, then Tenant may terminate this Lease through the following: (i) payment by Tenant to Landlord of all insurance proceeds for the Premises (except proceeds to cover loss for Tenant's personal property) plus any deductible amount (or if Tenant fails to maintain the insurance required by this Lease, Tenant shall be responsible for the amount that insurance would have provided in such circumstances); and (ii) thirty (30) days written notice to Landlord. Such a termination shall be deemed to be the end of the Term of this Lease and the final months Premises Rent shall be prorated on a daily basis. Landlord shall have no responsibility or liability for any damage or destruction by fire or other casualty and shall have no obligation to repair, restore, or rebuild the Premises in such event.

9. PARKING AND SECURITY.

9.1 Parking. Landlord will make six (6) parking spaces in the Serrine Garage (which is southeast of the Premises) available to Tenant to the extent such spaces are not already obligated at the time of Tenant's request for such spaces. Tenant shall be responsible for obtaining permits for parking spaces in compliance with the Downtown Mesa Association ("DMA") requirements for obtaining such permits, and Landlord will pay or waive the fees for the six (6) parking spaces. Additional parking spaces may be available to Tenant, at Tenant's sole expense, and subject to availability and the then applicable rates and compliance with DMA requirements. Customer parking is available on the first floor of the Serrine Garage on a first-come, first-serve basis. Tenants and its employees and invitees are subject to compliance with the applicable parking provisions of the Mesa City Code and City of Mesa's parking requirements, and this Lease is not intended to modify or amend in anyway the Mesa City Code. Parking availability may be subject to, inter alia, maintenance, road work, construction, and special events.

9.2 Security. Tenant shall be solely responsible for the security for the Premises. Tenant shall indemnify, defend, and hold Landlord harmless from any claim relating to or arising out of security (including, but not limited to, lack of security, and types of security installed) for the Premises and any employee, invitee, or person in the Premises or the Common Area immediately adjacent to the Premises.

10. ASSIGNMENT, SUBLETTING, AND OTHER TRANSFERS.

10.1 Consent Required. For the Initial Term of this Lease, Tenant shall not transfer, assign, encumber, pledge or hypothecate its interest in this Lease or any right or interest hereunder, or sublet the Premises or any part thereof, nor permit any other person to occupy the Premises (each of which events is herein called a "Transfer"), without the prior written consent of Landlord, which consent may be withheld in the Landlord's sole discretion. Landlord may, as a condition of approval, require any potential transferee to submit biographical and financial information to Landlord at least prior to the proposed Transfer. Tenant shall submit any proposed documentation relating to a proposed Transfer for Landlord's review and approval. Any Transfer entered into without the consent of Landlord shall be null and void upon notification by Landlord to Tenant. Any such Transfer shall require the transferee to assume all of the obligations of the Tenant under this Lease from the date of the transfer and thereafter, and shall not release Tenant from any claim or liability arising prior to the date of transfer.

10.2 Consent Not Required. After the Initial Term of the Lease, Tenant may Transfer this Lease, without the consent of Landlord, if: (i) the transferee is a four-year, liberal arts college or university, (ii) Tenant notifies Landlord in writing at least thirty (30) days prior to such Transfer; and (iii) the transferee assumes and agrees in writing to perform Tenant's obligations under this Lease. All other Transfers shall require the prior written consent of Landlord, which consent may be withheld in the Landlord's sole discretion and may be subject to conditions and limitations. All Transfers shall require the transferee to

assume all of the obligations of the Tenant under this Lease from the date of the transfer and thereafter, and shall not release Tenant from any claim or liability arising prior to the date of transfer.

11. IDENTIFICATION SIGNS.

Tenant may install on the exterior of the Premises a sign or signs identifying its business with the prior approval of Landlord, which shall not be unreasonably withheld; provided, however, signage is subject to compliance with the City of Mesa City Code (when applicable), including its Zoning Ordinance requirements (which involves a process and approvals that are separate from this Lease).

12. TENANT DEFAULT, LANDLORD REMEDIES.

12.1 Events of Default. Each of the following shall constitute a material default of this Lease by Tenant (an "Event of Default"):

12.1.1 The failure of Tenant to pay any installment of Premises Rent due and any other amount due from Tenant under this Lease, provided that Tenant does not cure such failure within ten (10) business days after delivery by Landlord of a written notice of such failure; or

12.1.2 The failure of Tenant to perform any of its other obligations under this Lease, provided that Tenant does not cure such failure within thirty (30) calendar days after delivery by Landlord of a written notice of such default; provided, however, if a cure of the default reasonably requires more than thirty (30) calendar days to complete and Landlord agrees, then the time to cure shall be extended so long as the cure is being diligently pursued; or

12.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises or Property because of any act or omission of Tenant which lien is not discharged, by bonding or otherwise, within thirty (30) calendar days of receipt of actual notice thereof by Tenant; or

12.1.4 The taking of possession for a period of thirty (30) days or more of all or substantially all of the personal property used on or at the Property belonging to Tenant by or pursuant to lawful authority of any legislative act, resolution, rule, order or decree of any court or governmental board, agency, officer, receiver, trustee or liquidator; or

12.1.5 The voluntary abandonment by Tenant of its operations or a substantial portion of its operations at the Property for a period of thirty (30) days or more; or

12.1.6 The failure of Tenant to maintain all insurance coverage required by Section 16 of this Lease (and any cure must cover any lapsed or uncovered period of time); or

12.1.7 There shall occur the dissolution of Tenant or Tenant shall file and petition or institute any proceeding under the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"), either as such Bankruptcy Code now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, state or federal, dealing with, or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt, or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby Tenant asks or seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of Tenant's debts, or for any other similar relief, or any involuntary petition in bankruptcy is filed against Tenant and the same is not stayed or discharged within ninety (90) days from such filing or any other petition or any other proceedings of the foregoing or similar kind or character is filed or instituted or taken against Tenant, or a receiver of the business or of the property or assets of Tenant shall be appointed by any court except one appointed at the

instance or request of Landlord, or Tenant shall make a general assignment for the benefit of Tenant's creditors.

12.2 Landlord's Remedies. Upon the occurrence of an Event of Default under this Lease, Landlord may, without prejudice to any other rights and remedies available to a Landlord at law, or in equity, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

12.2.1 Terminate this Lease and re-enter without notice and take possession of the Premises and take possession or remove any property therein; or

12.2.2 Without terminating this Lease, re-enter without notice, terminate Tenant's right to possession of the Premises and take possession of the Premises and take possession or remove any property therein; or

12.2.3 With or without such re-entry, recover possession of the Premises and demand Premises Rent in the manner prescribed by any statute; or

12.2.4 With or without terminating this Lease, Landlord may re-let the Premises or any portion thereof.

12.3 Termination in the Initial Term. If this Lease is terminated under the terms of Sections 12.1 and 12.2 above or for any other reason other than an uncured default by Landlord within the Initial Term, in order to compensate Landlord for the cost of the improvements installed by Landlord, Tenant shall pay Landlord monetary damages in the amount of all costs and expenses Landlord incurred for the Landlord Improvements (including, but not limited to, costs for design and installation of such improvements). Landlord shall invoice Tenant for such costs and expenses and Tenant shall pay such sum within ten (10) business days of invoice. Damages paid under this sub-section are in addition to (and shall not reduce or offset) damages that Tenant is obligated to pay under any other Section of this Lease or as a matter of law.

12.4 No Implied Termination. Landlord shall not be deemed to have terminated this Lease unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Tenant hereby waives all claims based on Landlord's reentering and taking possession of the Premises or removing and storing the property of Tenant and shall save Landlord harmless from all losses, costs or damages occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Landlord.

12.5 Landlord's Costs to Re-Lease. Landlord is authorized to make such repairs, refurbishments or improvements to the Premises and other improvements thereon, as may be necessary for the purpose of attempting to re-let the Premises, and the costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Tenant to Landlord within ten (10) business days after receipt of Landlord's statement therefor.

12.6 Landlord's Damages Relating to Premises Rent. Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the Premises Rent and all other payments which would be payable under this Lease by Tenant for the remainder of the Term if this Lease were still in effect, which shall be paid within five (5) days of termination of the Lease, and (ii) all of Landlord's expenses in connection with any repossession or re-letting including but not limited to repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses, which shall be paid within ten (10) days of invoice to Tenant for such costs. All amounts collected by Landlord from subtenants in the Premises during the Term of this Lease shall be credited against Landlord's damages.

12.7 Landlord May Perform Tenant's Obligations, Interest on Amounts Owing. In the Event of a Default, Landlord may (but shall not be obligated to) cure such default (e.g., make payments or perform or comply with such obligations) and all amounts paid or expended by Landlord to cure such default shall become an additional obligation of Tenant to Landlord, which amounts Tenant agrees to pay within five (5) days of invoice to Tenant. If Tenant fails to pay any amount owing under this Lease on or before the due date, Tenant shall be responsible for interest on the unpaid amount at the rate of twelve (12%) per annum from the due date until payment in full is made.

12.8 No Waiver by Landlord. There shall be no implied waivers. No express waiver by Landlord of any breach or default by Tenant in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Tenant in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in the waiver. The consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or for any subsequent similar acts by Tenant.

12.9 Content of Default Notice. Any default notice tendered to Tenant hereunder shall be deemed to be sufficient if it is reasonably calculated to put Tenant on inquiry as to the nature and extent of such default.

13. LANDLORD'S TERMINATION FOR CONVENIENCE.

13.1 Termination for Convenience. After the expiration of the Initial Term, and if the Term is renewed under Section 2.2, Landlord may terminate this Lease, for any reason or for no reason whatsoever, upon not less than ninety (90) days prior written notice to the Tenant; and such a termination shall be deemed to be the end of the Term of this Lease and the final months Premises Rent shall be prorated on a daily basis. If so terminated, Tenant shall not receive any compensation or other consideration from Landlord.

14. LANDLORD'S DEFAULT, TENANT REMEDIES.

14.1 Landlord Default. The following shall constitute a material default of this Lease by Landlord (a "Landlord Default"): the failure of Landlord to perform any of its obligations under this Lease, provided that Landlord does not cure such failure within thirty (30) calendar days after delivery by Tenant of a written notice of such default; provided, however, if a cure of the default reasonably requires more than thirty (30) calendar days to complete and Tenant agrees, then the time to cure shall be extended so long as the cure is being diligently pursued.

14.2 Content of Default Notice. Any default notice tendered to Landlord hereunder shall be deemed to be sufficient if it is reasonably calculated to put Landlord on inquiry as to the nature and extent of such default.

14.3 Tenant Remedies. Upon the occurrence of an Landlord Default under this Lease, Tenant may seek any right or remedy allowed at law or in equity or by statute or otherwise (except as provided below) for such breach, including but not limited to seeking specific performance, all of which shall be construed and held to be cumulative and non-exclusive; provided, however, Tenant shall not seek, and hereby waives any right to, damages from Landlord for loss profits, loss of sub-rents, loss of any other revenue, loss of business opportunity, loss of good will, or loss due to business interference.

15. ENVIRONMENTAL PROTECTION.

15.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Environmental Protection Section shall, for all purposes of this Lease have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

15.1.1 *Environmental Laws.* The term “Environmental Laws” shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300h et seq.; the *Clean Water Act*, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

15.1.2 *Hazardous Material.* The term “Hazardous Material” shall mean any toxic or hazardous material, hazardous substance or hazardous waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

15.3 Tenant Compliance.

15.3.1 Tenant shall, at Tenant’s own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Tenant’s activities on and affecting the Premises or Property during the period of Tenant’s occupancy of the Premises under this Lease.

15.3.2 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Tenant’s agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Tenant may bring on the Premises such materials as cleaners, solvents, or paint that are ordinarily and customarily used in the conduct of Tenant’s permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws.

15.4 Indemnification. To the fullest extent permitted by law, Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord), protect and hold harmless Landlord, and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity in each case which are incurred or assessed as a result of any of Tenant’s activities or operations on or discharged on or from the Premises during the Term of this Lease. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Tenant’s obligations and liabilities under this Section of the Lease shall survive the termination of this Lease. The indemnification of Landlord by Tenant as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material located on the property or present in the soil or ground water on or under the Property due to Tenant’s, or its officers’, directors’, employees’, agents’, contractors’ or invitees’ or its sub-tenant’s occupancy, activities or operations thereon. If Landlord’s right to enforce Tenant’s promise to indemnify is not an

adequate remedy at law for Tenant's failure to abide by the provision of this Section of the Lease, Landlord shall have the right to injunctive relief in the event of any violation or threatened violation by Tenant.

15.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Tenant results in any Release on the Premises or Property in violation or potential violation of any Environmental Law, Tenant shall promptly take action to remediate the affected property at its sole expense as necessary to return the property to the condition existing prior to the introduction of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the property and Tenant is not under administrative or court order related to such remediation action. Notwithstanding such approval by Landlord, Landlord is not responsible for directing or managing any remediation action. For purposes of this Section of the Lease, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

15.6 Governmental Submittals. Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws with respect to Tenant's, or its officers', directors', employees', agents', contractors' or invitees' or its sub-tenants' occupancy, activities or operations on the Premises. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Materials by reasons of Tenant's activities or actions on the Premises which occur during the term of this Lease, then Tenant shall, at Tenant's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

15.7 Information Sharing. Lessee shall immediately notify Landlord of any of the following: (i) Tenant's receipt of any notification from any governmental entity either charging or informing Tenant that it will be charged with a significant (as defined below) violation of Environmental Laws, and (ii) any significant change in Tenant's activities on the Premises that is reasonably likely to adversely change Tenant's or Landlord's obligations or liabilities under the Environmental Laws. In addition, Tenant agrees to provide Landlord with copies of documents reflecting the physical condition of the Premises or Property, including but not limited to, and environmental testing of soils and groundwater if any such documents or tests are obtained by Tenant. A "significant violation of Environmental Law" shall be any violation that requires more than thirty (30) calendar days to resolve.

15.8 Sublease. If Tenant shall receive prior written authorization from Landlord to sublease all or a portion of the Premises (or is allowed under the terms of Lease to sublease without approve of Landlord), Tenant shall insert provisions substantially identical to the provisions of this Section entitled "Environmental Protection" in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation, or other entity under this Lease.

15.9 Actions of Tenant. The activities or actions of Tenant under this Environmental Protection Section of the Lease shall include the activities or actions of Tenant's officers, directors, employees, agents, contractors, invitees and successors.

15.10 Right to Enter Premises. Landlord's rights under this Lease specifically include the right of Landlord, the United States Government, the Environmental Protection Agency (the EPA), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Tenant for purposes of: (i) inspecting Tenant's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Landlord shall give Tenant twenty-four (24)

hour's prior notice of its intention to enter the Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Tenant shall have no claim against the United States, EPA, ADEQ, ADOSH, or Landlord, or any officer, agent, employee, or contractor thereof on account of any such entries.

16. INSURANCE.

16.1 Coverage Required. Upon the Effective Date, Tenant shall procure and at all times maintain the following types and amounts of insurance for its operations at, and use of, the Premises:

16.1.1 General Liability Insurance. General Liability insurance with minimum coverage of \$2,000,000. Liability coverage must include Product Liability coverage. The Landlord, its agents, officials, volunteers, officers, elected officials and employees shall be named as additional insureds.

16.1.2 Automobile Liability Insurance. Automobile Liability insurance for all owned, non-owned and hired vehicles in the amount of at least \$1,000,000 per occurrence.

16.1.3 Property Insurance. Tenant shall be responsible for carrying fire and extended risk insurance coverage for the structure and all permanent fixtures for the replacement value thereof. Landlord shall be named as Loss Payee on property insurance policy. All merchandise, furniture, floor coverings and all 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.

16.1.4 Workers' Compensation Insurance. Tenant shall maintain workers' compensation insurance to cover obligations imposed by federal and state statute.

16.2 Evidence and Requirements of For All Insurance Coverages. Upon the Effective Date, Tenant shall provide the Landlord with a Certificate(s) of Insurance (using the appropriate ACORD certificate) signed by the Issuer with applicable endorsements. Landlord reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating to the policies.

16.2.1 Tenant's insurance shall be primary of all other sources available. No policy shall expire, be cancelled or materially changed to affect the coverage available without advance written notice to the Landlord.

16.2.2 All insurance certificates and applicable endorsements are subject to review and approval by Landlord's Risk Manager.

16.2.3 All insurance policies (whether or not required by this Lease) shall contain a waiver of subrogation in favor of the Landlord, and its agents, officials, volunteers, officers, elected officials and employees.

16.2.4 All policies shall be from a company or companies rated A- or better, authorized to do business in the State of Arizona.

16.3 No Limits on Indemnification. The procuring of such policies of insurance shall not be construed to be a limitation upon Tenant's liability or as a full performance on its part of the indemnification provisions of this Lease.

16.4 Landlord's Right to Adjust Insurance. Landlord may reasonably adjust the amount and type of insurance Tenant is required to obtain and maintain under this Lease as reasonable required by Landlord's Risk Manager.

16.5 Use of Proceeds. Proceeds (or an equivalent amount of such proceeds) of any property damage insurance shall be applied as required by this Lease.

16.6 Insurance by Landlord. In the event Tenant shall fail to procure any insurance required hereunder, Landlord may, upon written notice to Tenant, procure and maintain any or all of the insurance required of Tenant under this Section. In such event, all costs of such insurance procured and maintained by Landlord on behalf of Tenant shall be the responsibility of Tenant and shall be fully reimbursed to Landlord within ten- (10) business days after Landlord advises Tenant of the cost thereof.

17. INDEMNITY.

17.1 Indemnity.

17.1.1 Tenant will pay, defend, protect, indemnify and save harmless individually and collectively Landlord and its officials, elected officials, employees, volunteers, and agents (collectively, the "Indemnified Persons"), for, from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and costs), causes of action (whether in contract, tort, or otherwise), suits, claims, demands, and judgments of every kind, character and nature whatsoever (collectively, the "Liabilities") directly or indirectly arising from or relating to Tenant's performance under this Lease, or due to Tenant's, or its officers', directors', employees', agents', contractors' or invitees' or its sub-lessees' occupancy, activities or operations of the Premises, including, but not limited to, the following:

A. any liability directly or indirectly arising out of or connected with the use, non-use, condition or occupancy of the Premises or any part thereof, or any accident, injury to or death of any person or damage to property in or upon the Premises, during the Term of this Lease;

B. any breach or violation by Tenant of any agreement, covenant, warranty, representation, or condition of this Lease, any other documents executed in connection with this Lease;

C. any violation due to Tenant, or its officers, directors, employees, agents, contractors or invitees or its sublessees of any contract, agreement or restriction relating to the Premises;

D. any violation due to Tenant, or its officers, directors, employees, agents, contractors or invitees or its sublessees of any law, ordinance, or regulation affecting the Premises or any part thereof or the ownership, occupancy or use thereof during the Term of this Lease;

provided, however, that nothing in this Section 40.4 shall be deemed to provide indemnification to an Indemnified Person, with respect to Liabilities arising from the fraud, gross negligence or willful misconduct of such Indemnified Person.

17.1.2 After service of a legal action to an Indemnified Person for which Tenant's indemnification obligations would apply, such served Indemnified Person shall notify Tenant in writing of the commencement thereof; provided that the failure to give such notice shall not result in the loss of rights to indemnity hereunder, except that the liability of Tenant shall be reduced by the amount of any loss, damage or expense incurred by Tenant as the result of such failure to give notice. Tenant may, or if so requested by the Indemnified Person shall, participate therein and assume the defenses thereof, with counsel reasonably satisfactory to such Indemnified Person and Tenant. If Tenant shall, after notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Person, the Indemnified Person shall have the right, but not the

obligation, to undertake the defense of, and to compromise or settle the claim or other matters on behalf of, for the account of, and at the risk of, Tenant, and Tenant shall be responsible for the reasonable fees, costs, and expenses, (including reasonable attorneys' fees and costs) of the Indemnified Person in conducting its defense.

17.1.3 The indemnification provisions in this Section shall not be exclusive or in limitation of, but shall be in addition to, the rights to indemnification of the Indemnified Persons under any other Section of this Lease or any applicable law.

17.1.4 The obligations of Tenant under this Section entitled "Indemnity" shall survive any assignment or termination of this Lease.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property. Upon the expiration or earlier termination of this Lease, Tenant's right to occupy the Premises and exercise the privileges and rights granted under this Lease shall cease, and Tenant shall peaceably surrender the same and leave the Premises free of trash and debris, broom clean and in good condition, except for normal wear and tear. All trade fixtures, equipment, and other personal property installed or placed by Tenant in the Premises which is not permanently affixed thereto shall remain the property of Tenant, and Tenant shall have the right at any time during the Term of this Lease, to remove the same from the Premise, provided that Tenant shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Tenant within thirty (30) days after the expiration or termination of this Lease shall become a part of the Premises, and ownership thereof shall vest in Landlord. Tenant shall, however, remain financially liable to Landlord for the costs of repairs to the Premises incurred as a result of Landlord's removal and/or relocation of property formerly belonging to Tenant and not otherwise removed from the Premises as provided herein, and shall remit to Landlord payment for such costs within ten (10) business days of Tenant's receipt of Landlord's invoice therefor.

18.2 Holding Over. Tenant shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord. Should Tenant hold over without the express written consent of Landlord, such tenancy shall be at the sufferance of Landlord and not a renewal of the Term and in such case, the Premises Rent and all other charges due pursuant to this Lease shall be payable at two (2) times the amount payable during the last year (or month as applicable for month-to-month rent payments) of the Term and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Tenant holds over, Tenant shall be liable for all of Landlord's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Landlord as a result of Tenant's holding over, and damages and expenses incurred by Landlord for its inability to deliver possession of the Premises to a new subtenant.

19. INSPECTION/ACCESS BY LANDLORD.

Landlord may enter the Premises at reasonable times and upon reasonable notice for any reasonable purpose including, but not limited to: inspecting the condition of the Premises, verify compliance with the terms and conditions of this Lease, perform maintenance or repairs, or the exercise of its governmental functions for such activities as fire protection or security; provided, however, that no notice will be required in any emergency situation as reasonably determined by Landlord.

20. NOTICE.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LANDLORD: The City of Mesa
Attn.: Real Estate
20 East Main Street
Mesa, Arizona 85211

With copies to: The City of Mesa
Attn.: Economic Development Director
20 East Main Street
Mesa, Arizona 85211

The City of Mesa
Attn: City Attorney
20 East Main Street
Mesa, Arizona 85211

TO TENANT: Benedictine University
Attn: Charles Gregory, Executive Vice President,
University Services
5700 College Road
Lisle, Illinois 60532

With copy to: Benedictine University
Attn: Chad Treisch, Executive Director, Campus Planning,
Design and Construction Management
5700 College Road
Lisle, Illinois 60532

20.2 Any notice shall be deemed to have been received two-(2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes by giving such notice in accordance with this subsection.

21. LIENS AND MORTGAGES.

Except as may be permitted under the terms of Lease, Tenant shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises or this Lease, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Tenant's interest in the Premises or this Lease. Except as contemplated in this Lease, any such mortgage or deed of trust, encumbrance, or lien shall be deemed to be a violation of this Section, constituting a failure by Tenant to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

22. CORPORATE AUTHORIZATION.

Tenant shall provide a certified copy of a resolution of its corporate Directors authorizing Tenant to enter into this Lease to Landlord within thirty (30) calendar days of execution of the Effective Date.

23. UTILITY LINES AND SERVICE CHARGES.

23.1 Tenant shall pay for all utilities, including water, electric, gas, and sewer, and all telephone and cable and related charges used in its operations at the Premises. Landlord will provide City of Mesa trash collection services for the normal use and operation of the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

23.2 Landlord retains the right to the continued use for any utility lines and utility improvements and services (including but not limited to all uses allowed in a PUFU under the Mesa City Code) as are presently on, under, over, or through the Premises and the right to repair, maintain, and replace the same when necessary in Landlord's sole discretion, including but not limited to any utility easements on the Premises. Landlord shall conduct such repairs in such a manner and at such times as to not unreasonably interfere with Tenant's activities thereon.

24. RESERVATIONS TO THE CITY OF MESA.

The Premises are accepted by Tenant subject to any and all existing easements or other encumbrances of record or that an ALTA survey of the Premises would reveal. Mesa shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; telephone and telegraph power lines; and such other appliances and appurtenances necessary or convenient to use in connection therewith ("Utility Improvements"), over, on, across or in proximity to the Premises or any part thereof, as will not unreasonably interfere with Tenant's operations hereunder, and to enter upon the Premises for such purposes; provided, however, that Mesa provides Tenant with written notice of such entry no less than thirty (30) calendar days prior to any construction in the Premises. Mesa also reserves the right to grant franchises, easements, rights-of-way, and permits, over, on, across or in proximity to any portions of the Premises, provided, that Mesa shall not exercise such rights so as to interfere unreasonably with Tenant's activities on the Premises. Mesa agrees that any rights granted to any parties by reason of this clause shall contain provisions that the Premises shall be restored to its original condition, at no cost to Tenant, upon the completion of any construction.

25. BROKERS.

Tenant represents and warrants that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. To the fullest extent permitted by law, Tenant further agrees to indemnify, defend (with counsel selected by Landlord) and hold Landlord and Landlord's successors and assigns harmless for, from and against any and all claims, costs, commissions, fees or damages by any person or firm whom Tenant authorized or employed, or acted by implication to authorize or employ, to act for Tenant in connection with this Lease.

26. SALE OF PREMISES.

If there is a sale or other conveyance by Landlord of its interest in the Premises, Landlord shall be automatically freed and released from all liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Landlord contained in this Lease to be performed. Upon such a sale or conveyance, the covenants and obligations contained in this Lease on the part of Landlord shall be binding on its successors or assigns. Landlord and any of its successors in interest agree not to disturb or otherwise interfere with Tenant's possession of the Premises for the unexpired Term of the Lease, except as otherwise provided herein. From and after the such sale or conveyance, Tenant shall be bound to such successor or assign who becomes the new Landlord under this Lease; and Tenant shall attorn to such successor or assign as its landlord, said attornment to be effective and self-operative without the execution of any further instruments on the part of either party.

27. ESTOPPEL CERTIFICATE.

Both Parties shall, without charge, at any time and from time to time hereafter, within thirty (30) calendar days after written request from the other Party to do so, certify by written instrument duly executed and acknowledged by the Party and certified to the requesting Party and to any prospective lender or purchaser the following, to the extent such information is true and correct at the time such request is made: (i) as whether this Lease is in full force and effect along with the amount and current status of the Premises Rent and other amounts due hereunder; (ii) as to whether this Lease has been modified or amended in any respect or describing such modifications or amendments, if any; (iii) as to whether there are any existing defaults, to the knowledge of the Party executing the certificate, and specifying the nature of such defaults, if any; (iv) as to whether that Party has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters as may be reasonably requested. Any such certificate may be relied upon by the requesting Party and any prospective purchaser or lender to whom the same was certified.

28. CONDEMNATION.

28.1 Entire or Partial Condemnation. If the whole or any part of the Premises shall be taken or condemned by any competent authority for any public use or purposes during the Term of this Lease, this Lease shall terminate with respect to the part of the Premises so taken, and Tenant reserves unto itself the right to claim and prosecute its claim in all appropriate courts and agencies for any award or damages based upon loss, damage or injury to its leasehold interest (as well as relocation and moving costs) without impairing any rights of Landlord for the taking of or injury to the Landlord's interests.

28.2 Continuation of Lease. In the event of a taking of less than all of the Premises, this Lease shall continue in effect with respect to the portion of the Premises not so taken; the Premises Rent shall not be adjust except if the taking materially affects Tenant's use of the Premises and in such event the Premises Rent shall be equitably adjusted as agreed to by the Parties. Provided, further, however, if the taking is so material that the remaining part of the Premises cannot feasibly be used or converted for use by Tenant for the uses contemplated by the Lease, Tenant may, at its option, terminate this Lease within ninety (90) days after such taking by serving upon Landlord at any time within said ninety (90) day period, a thirty (30) day written notice of Tenant's election to so terminate accompanied by a certificate of Tenant that the remaining part of the Premises cannot feasibly be used or converted for use by Tenant.

28.3 Temporary Taking. If the temporary use of the whole or any part of the Premises or the appurtenances thereto shall be taken, the Term shall not be reduced or affected in any way. The entire award of such taking (whether paid by way of damages, rent, or otherwise) shall be payable to Tenant, unless the period of occupation and use by the condemning authority shall extend beyond the date of expiration of this Lease, in which event the award made for such taking shall be apportioned between Landlord and Tenant as of the date of such expiration.

28.4 Notice of Condemnation. In the event any action is filed to condemn the Premises or Tenant's leasehold estate or any part thereof by any public or quasi-public authority under the power of eminent domain, either Landlord or Tenant shall give prompt notice thereof to the other Party. Each Party shall have the right, at its own cost and expense, to represent its respective interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking and to make full proof of its claims. No agreement, settlement, conveyance or transfer to or with the condemning authority affecting Tenant's leasehold interest shall be made without the consent of Tenant, which shall not be unreasonably withheld.

29. MISCELLANEOUS.

29.1 Compliance with Laws and Governmental Capacity. Tenant shall at all times comply with all federal, State and local laws, ordinances, rules, and regulations which are applicable to its activities on the Premises (including but not limited to the Americans with Disabilities Act, and the Mesa City Code). Any approvals Tenant is required to obtain from Landlord under this Lease are in addition to and separate from approvals Tenant must obtain from the City of Mesa in its governmental capacity, including but not limited to applicable approvals required under the City of Mesa Building Code or Zoning Ordinance. Notwithstanding anything in this Lease to the contrary, this Lease does not affect the City of Mesa in its governmental capacity.

29.2 Governing Law, Venue, and Jurisdiction. The laws of the State of Arizona, including its conflicts of law provisions, shall govern the matters set forth in this Lease. Venue and jurisdiction for any action brought under this Lease shall only be brought in (and shall not be removed from) Superior Court, in Maricopa County, Arizona. In the event of any litigation or arbitration between Landlord and Tenant arising under this Lease, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

29.3 No Personal Liability of Officials of Landlord or Tenant. None of the covenants, stipulations, promises, agreements and obligations of Landlord or Tenant contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent or employee of Landlord or Tenant in his or her individual capacity, and no recourse shall be had for the payment for any claim based thereon or any claim hereunder against any official, officer, agent or employee of Landlord or Tenant.

29.4 Severability. If any provision of this Lease is declared void or unenforceable (or is construed as requiring the Landlord to do any act in violation of any applicable law, including any constitutional provision, law, regulation, City Code or City Charter), such provision shall be deemed severed from this Lease and this Lease shall otherwise remain in full force and effect; provided that this Lease shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits to the parties as if such severance and reformation were not required. Unless prohibited by any applicable law, the Parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Lease, as reformed.

29.5 Sales and Property Taxes. Tenant shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee or any other tax assessed as the result of its occupancy or use of the Premises, including any such tax assessable on Landlord. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Landlord, such tax shall also be paid by Tenant for the period this Lease is in effect to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Tenant's business.

29.6 Approvals, Consents, and Notices. All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony

29.7 Entire Agreement, Amendments. This Lease is the entire agreement between the Parties relating to the Premises, and this Lease shall completely and fully supersede all other prior understandings or agreements, both written and oral, between Landlord and Tenant relating to leasing the Premises. . Any modification of or amendment to this Lease shall only be enforceable if it is in writing signed by the Party to be bound.

29.8 Notice of ARIZ. REV. STAT. Section 38-511 – Cancellation. This Agreement may be subject to cancellation pursuant to A.R.S. § 38-511.

29.9 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

29.10 Non-Waiver of Rights. No waiver or default by Landlord of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by Tenant shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by Tenant, and Landlord shall not be restricted from later enforcing any of the terms and conditions of this Lease.

29.11 Non-Discrimination. Tenant agrees that (i) it does not discriminate against any person on the grounds of race, color, national origin, or disability, age, or familial status shall be excluded from participation, denied the benefits of, or be otherwise subject to unlawful discrimination in the use of the Premises; (ii) in the construction of any improvements on the Premises and the furnishing of services thereon, it will not discriminate against any person on the grounds of race, color, national origin, or disability or otherwise exclude from participation in, deny the benefits of, or otherwise be subject to unlawful discrimination.

29.12 Drug Free Work Place. Tenant shall require a drug free workplace for all employees working at the Premises. Specifically, Tenant's employees who are working at the Premises shall be notified by the Tenant that they are prohibited from the manufacture, distribution, dispensation, possession or unlawful use of a controlled substance on the Premises. Tenant shall ensure that employees do not use or possess illegal drugs while in the course of performing their duties on the Premises.

29.13 E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401 and 23-214, Tenant represents and warrants compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements of A.R.S. 23-214(A). Breach of the above-mentioned warranty shall be deemed a breach of the Agreement and may result in the termination of the Agreement by Landlord. Landlord retains the legal right to randomly inspect the papers and records of any employee who works under this Lease or on the Premises to ensure compliance with the above-mentioned laws.

29.14 Scrutinized Business Operations. Pursuant to A.R.S. Sections 35-391.06 and 35-393.06, Tenant certifies that it does not have scrutinized business operations in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. Section 35-391 or 35-393, as applicable. If Landlord determines that Tenant submitted a false certification, Landlord may impose remedies as provided by law including terminating this Lease.

29.15 Incorporation of Recitals. The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

29.16 Time of the Essence. Time is of the essence with respect to the obligations to be performed under this Lease.

29.17 Successors. The terms, conditions, and covenants of this Lease shall, subject to the provisions limiting assignments, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto.

29.18 No Third Party Beneficiaries. This Lease is intended solely for the benefit of the Parties. Nothing set forth in this Lease, or in any presentation, report, or other document is intended to create, or shall create, any rights in any third parties. There shall be no third party beneficiaries to this Lease.

29.19 Construction. The terms and provisions of this Lease shall be interpreted and construed in accordance with their usual and customary meanings. The Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Lease that ambiguous or conflicting terms or provisions contained in this Lease shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Lease or any earlier draft of the same.

29.20 Surviving Provisions. All warranties, representations, and duties to indemnify, defend, and hold harmless shall survive the termination, cancellation, or expiration of this Lease. Additionally, all obligations to restore the Premises shall survive the termination or expiration of this Lease as well as any other section which reasonably should survive shall survive.

29.21 Counterparts. This Lease and any addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from the counterparts and the signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document. The Parties agree that they may reflect and confirm their agreement to be bound hereby, and their execution and delivery of this Lease, by transmitting a signed copy of the signature page hereof, by facsimile or email, to the other Party hereto.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year first above written.

EXECUTED to be effective on the date specified above.

LANDLORD:

THE CITY OF MESA, ARIZONA

By: _____
Name: Christopher J. Brady
Title: City Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of _____, 2012, by Christopher Brady, in his capacity as the City Manager of the City of Mesa, Arizona.

Notary Public

TENANT:

**BENEDICTINE UNIVERSITY, AN
ILLINOIS NOT-FOR-PROFIT
CORPORATION**

By: _____
Name:
Title:

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of _____,
2012, by _____, in his capacity as _____ of Benedictine University, an Illinois not-
for-profit corporation.

Notary Public

EXHIBIT A



DATE SAVED: 5/2/12 I:\C:\0553 BENEDICTINE UNIVERSITY\DESIGN\DMO FILES\EXHIBITS\51 E MAIN ST_AERIAL_EXHIBIT.DWG

**BENEDICTINE UNIVERSITY
51 E. MAIN STREET
MESA, ARIZONA 85210**

EXHIBIT B

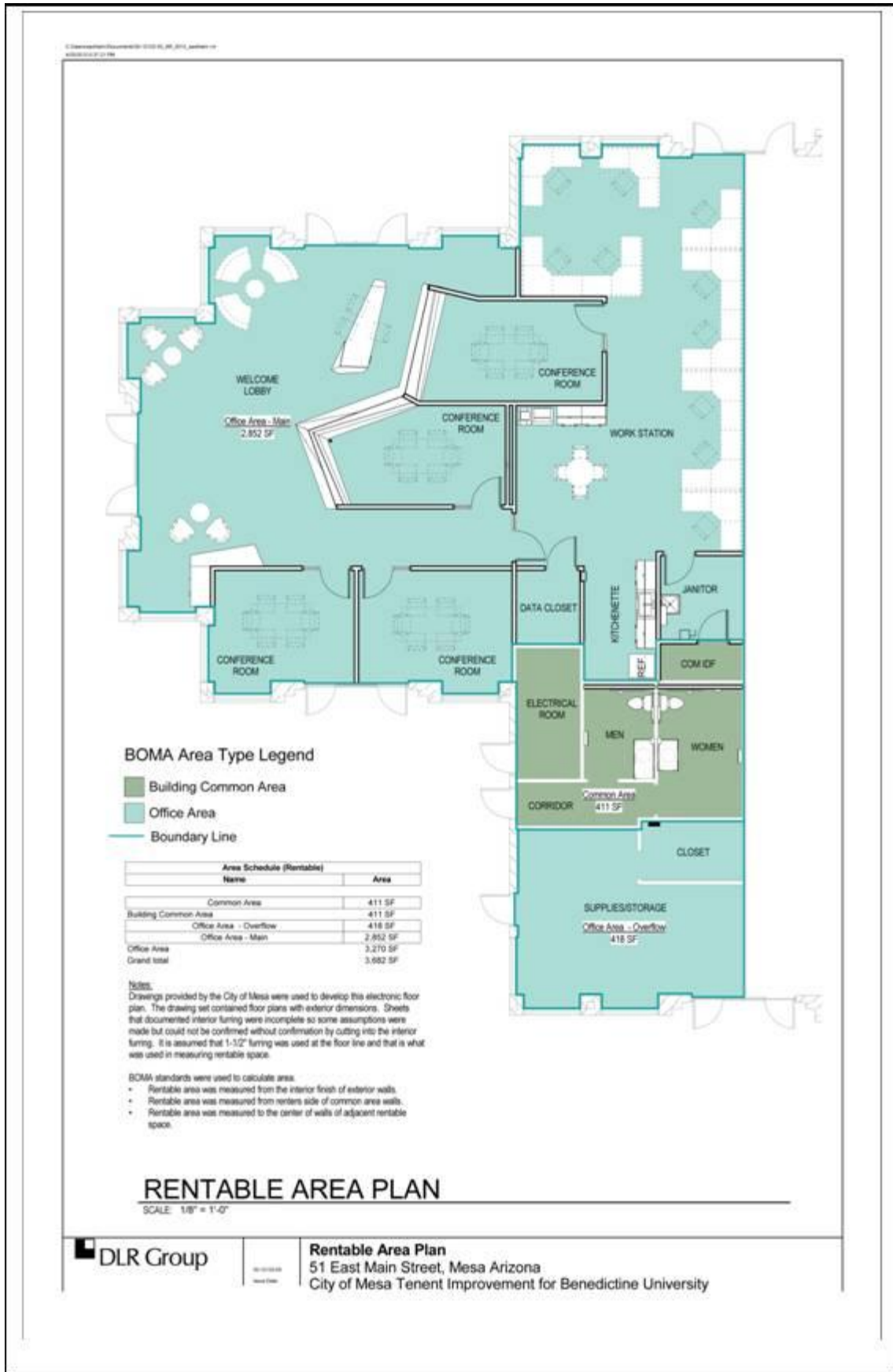


EXHIBIT C

Project Construction Summary

Landlord Improvements

Item	Item Description*
Vanilla Shell/Basic TIs	Demo, Clean-up, Carpentry, Roofing, Glass & Glazing,
	Structural Steel, Millwork, Drywall, HVAC
	Plumbing, Electrical, Flooring, Ceilings,
	Insulation, Doors, Frames, Hardware
Restrooms	Demo, Doors, Hardware, Drywall, Toilets
	Plumbing, Flooring
	*as these items are described in the DL Withers GMP dated 5/10/12

EXHIBIT D

Project Construction Summary

Tenant Improvements	
Item	Item Description*
Signage	Exterior Signage*
	Interior Branded Signage**
Interior (furniture, fixtures, IT connections)	Genius Bar*
	Gift Shop*
	TV supports*
	HVAC splits for IT*
	IT cabling beyond data drops**
	IT hardware**
	Other FFE**
	<p>*as these items are described in the DL Wither GMP dated 5/10/12, tenant to reimburse Landlord for these improvements included in the GMP.</p> <p>**not included in the DL Withers GMP document dated 5/10/12 and to be completed by Tenant</p>