

CITY OF MESA
AN ARIZONA MUNICIPAL CORPORATION

GOVERNMENT PROPERTY IMPROVEMENT LEASE AGREEMENT

with

LOCAL FIRST FOR BUSINESS
AN ARIZONA NONPROFIT CORPORATION

for

111 West Main Street
Mesa, Arizona

CITY OF MESA
GOVERNMENT PROPERTY IMPROVEMENT LEASE AGREEMENT

This government property improvement lease agreement (this “Lease”) is executed this _____ day of _____, 2026 (“Effective Date”) between the CITY OF MESA, an Arizona municipal corporation (“Mesa” or “Landlord”), and LOCAL FIRST FOR BUSINESS an Arizona nonprofit corporation (“Tenant”). Mesa, Landlord, and Tenant may be referred to jointly as the “Parties” or individually as a “Party.”

RECITALS

As background to this Lease, the Parties agree, acknowledge, and recite the following, each of which is a material term and provision of this Lease:

A. The American Rescue Plan Act of 2021 (“ARPA”) established the Coronavirus State and Local Fiscal Recovery Funds (the “ARPA Funds”), appropriating \$350 billion dollars to eligible state, local, territorial, and tribal governments to mitigate the fiscal effects stemming from the Coronavirus Disease 2019 public health emergency (“COVID-19”).

B. Mesa received ARPA Funds that can be used in accordance with the requirements of ARPA to provide assistance to small businesses that have experienced negative economic impacts or disproportionate impacts because of COVID-19.

C. Many small restaurants and food-based businesses, including those located in the City of Mesa, were disproportionately impacted by COVID-19 when they were forced to shut down for a period of time. These Mesa Businesses (as defined in this Lease) have experienced a significant decline in revenue and a dramatic increase in operating costs. This, in combination with a lack of access to capital, has made it challenging for these Mesa Businesses to sustain and grow their businesses. Mesa values these Mesa Businesses and wants them to not only successfully bounce back from the impacts of COVID-19 but to prosper and grow their businesses.

D. To assist Small Businesses, specifically Mesa Businesses, mitigate the impacts of COVID-19, Mesa has partnered with Tenant, a qualified partner agency, to bring a restaurant and food service business incubator to the City of Mesa that will provide business development training and support, programs and classes, a shared-use commercial kitchen, and a food court as further described in this Lease. The goal and public purpose of the program is to provide, among other things, economic support and development, workforce development, job growth and resiliency, sustainability, and resources for the long-term success of these businesses.

E. Mesa desires that Tenant locate its Incubator Program in the City of Mesa’s central downtown area; and Tenant desires to establish a branch of its Program in this area.

F. To accommodate the Incubator Program, Mesa used ARPA Funds to purchase the real property located at 111 W. Main Street, Mesa, Arizona, Assessor Parcel Number 138-42-048, which is legally described in Exhibit A (the “Property”) as well as the commercial building on the Property (the “Building”).

G. Mesa plans on using ARPA Funds to design and construct certain improvements to the Building and provide equipment for the Tenant’s Program (as further described in this Lease) that will permit Tenant to occupy and use the Building for the Program upon the Landlord completing construction of the Build-Out Improvements. The Parties intend this Lease to be effective and enforceable upon entering into this Lease, but the rental payments will not begin until the Rent Commencement Date set forth in Section 5.01.

H. The use of the Premises for the Program constitutes “Government Property Improvement” under Arizona Revised Statutes (“A.R.S.”) § 42-6201(2).

I. Landlord is a “Government Lessor” under A.R.S. § 42-6201(1) and Tenant is a “Prime Lessee” under A.R.S. § 42-6201(4).

J. The Premises are subject to the Government Property Lease Excise Tax as provided under A.R.S. § 42-6201, *et seq.* (the “GPLET Tax”) unless an exemption applies. It is the Tenant’s sole and absolute responsibility to determine the applicability of the GPLET Tax and whether the Tenant falls within an exemption.

K. Tenant represents that the GPLET Tax does not apply because the Premises will be used by Tenant and Tenant is a chamber of commerce recognized under section 501(c)(6) of the United States internal revenue code and the Premises will be used predominately for those federal tax-exempt purposes. Provided further, Tenant agrees not to utilize or allow others to utilize the Premises (including Program Participants, Program Mentors, Qualified Affiliate, Permitted Licensees, and Permitted Sublessees) in a manner that would require payment of the GPLET Tax.

AGREEMENT

For and in consideration of the mutual agreements, covenants, conditions, and promises set forth in this Lease and for other good and valuable consideration, the receipt, sufficiency, and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

ARTICLE 1 DEFINITIONS

1.01 Definitions. Words and phrases used in this Lease, including the Recitals, have the meanings given to them in this Article 1. Words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The use of the term “including” in this Lease shall be interpreted in a manner

that is not exclusory and means “including without limitation” and “including but not limited to.” Use of the term “shall” in this Lease refers to a mandate.

- (a) “30-Day Period” means as defined in Section 20.01.
- (b) “Additional Payments” means all amounts, fees, taxes, assessments, and payments other than Net Rent, to be paid by Tenant to Landlord pursuant to this Lease, whether or not designated as such.
- (c) “Annual Assessment” means as defined in Section 5.12.
- (d) “Applicable Laws” means all present and future laws, regulations, rules, ordinances, resolutions, permit requirements, zoning laws, and other requirements and official policies of the City of Mesa (including but not limited to the Mesa City Code and the Zoning Ordinance), and all applicable present and future ordinances, laws, regulations, and orders of all boards, bureaus, commissions, and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction, all as they may be amended from time to time.
- (e) “ARPA” means the American Rescue Plan Act of 2021.
- (f) “ARPA Funds” means as defined in Recital A.
- (g) “A.R.S.” means Arizona Revised Statutes as now or later enacted or amended.
- (h) “Building” means as defined in Recital F.
- (i) “Build-Out Improvements” means as defined in Section 7.01(A).
- (j) “Business Days” means a City of Mesa business day, which is any day Monday through Thursday except for a legal holiday recognized by the City of Mesa.
- (k) “Claims” means any and all liabilities, claims, damages, losses, obligations, penalties, fines, costs, charges, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, demands, proceedings, judgments, disbursements, charges, assessments, and expenses including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding.
- (l) “Completion of Construction” means the date on which the City has completed the Build-Out Improvements, and a final Certificate of Occupancy is issued for the Premises.
- (m) “COVID-19” means as defined in Recital A.
- (n) “Due Date” means as defined in Section 5.02.
- (o) “Effective Date” means as defined on page one of this Lease.
- (p) “Food Court” means as defined in Section 3.01(E).
- (q) “Food Court Area” means as defined in Section 3.01(E).

(r) “GPLET Tax” means as defined in Recital J.

(s) “Hazardous Materials” means (i) any hazardous or toxic substance, material, or waste that is or becomes regulated by the United States, the State of Arizona, or any local government authority having jurisdiction over the Premises; (ii) any “hazardous substance” as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code §§ 9601 9675), including all amendments thereto or successor statutes; (iii) any “hazardous waste” as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code §§ 6901 6992K), including all amendments thereto or successor statutes; (iv) any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereafter in effect); (v) petroleum products; (vi) radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code §§ 2011 22976 4 including all amendments thereto or successor statutes; (vii) asbestos in any form or condition; and (viii) polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

(t) “Improvements” means as defined in Section 2.01.

(u) “Incubator Program” means as defined in Section 3.01.

(v) “Initial Sign” means as defined in Section 9.01.

(w) “Installment” means as defined in Section 5.02.

(x) “Landlord” means the Party designated as Landlord on the first page of this Lease.

(y) “Landlord Default” means as defined in Section 19.01.

(z) “Landlord FF&E” means as defined in Section 7.01(B).

(aa) “Landlord Indemnified Persons” means as defined in Section 14.01.

(bb) “Lease” means this Lease, as amended and restated or supplemented in writing from time to time and includes all attached Exhibits and schedules. References to Sections or Exhibits are to this Lease unless otherwise qualified.

(cc) “Mesa” means the Party designated as Mesa on the first page of this Lease.

(dd) “Mesa Business” or “Mesa Businesses” means a Small Business (as that term is defined in this Lease) that is either located in the City of Mesa or owned by someone whose residence is in the City of Mesa.

(ee) “Net Rent” means as defined in Section 5.01.

(ff) “New Program Participants” means representatives of Mesa Businesses and Small Businesses who have never participated in the Incubator Program operated by the Tenant and who have applied for and been accepted into the Incubator Program.

(gg) “Notice” means as defined in Section 24.01.

(hh) “O&M” means as defined in Section 3.01(C).

(ii) “Party” or “Parties” means Landlord or Mesa and Tenant as designated on the first page of this Lease.

(jj) “Permitted Licensee” or “Permitted Licensees” means as defined in Section 17.01(B).

(kk) “Permitted Sublessee” means as defined in Section 17.01(C).

(ll) “Premises” means as defined in Section 2.01.

(mm) “Profits” means as defined in Section 3.01(C).

(nn) “Program” means as defined in Section 3.01.

(oo) “Program Class” or “Program Classes” means as defined in Section 3.01(A).

(pp) “Program Fees” means as defined in Section 3.01(C).

(qq) “Program Improvements” means as defined in Section 7.01(B).

(rr) “Program Mentor” means a restaurant or other food-based business or food-based organization with substantial experience in the food service industry in which the business and management serve as a volunteer resource for Program Participants to help them in their professional growth and skill development.

(ss) “Program Participants” means any of the following: (i) New Program Participants, and (ii) participants (including Mesa Businesses and Small Businesses) who are currently participating or have graduated from a Tenant program.

(tt) “Property” means as defined in Recital F.

(uu) “Protected Status” means as defined in Section 24.26.

(vv) “Qualified Affiliate” means an Arizona nonprofit corporation that is both exempt from taxation under section 501(c)(3) of the internal revenue code and exempt from taxation under A.R.S. § 42-6208, and that is directly or indirectly controlling, controlled by, or under common control of Tenant. For the purposes of this definition, (i) “control” (including with correlative meaning, the terms “controlling,” “controlled by” and “under common control”) means directly or indirectly possessing the power to direct or cause the direction of the management and policies of the entity.

- (ww) “Renewal” means as defined in Section 4.01.
- (xx) “Rent Commencement Date” means as defined in Section 5.01.
- (yy) “Report” means as defined in Section 3.01(G).
- (zz) “Shared Kitchen” means as defined in Section 3.01(D).
- (aaa) “SID 228” means Special Improvement District 228 of the Mesa Town Center Improvement District.
- (bbb) “Small Business” or “Small Businesses” means a restaurant or other food-based business or food-based organization impacted by COVID-19 that: (1) has no more than 500 employees or, if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates; and (2) is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).
- (ccc) “Tenant” means the means the Party designated as Tenant on the first page of this Lease.
- (ddd) “Tenant Default” means as defined in Section 18.01.
- (eee) “Tenant Personal Property” means as defined in Section 7.02.
- (fff) “Tenant Persons” means as defined in Section 2.02.
- (ggg) “Term” means as defined in Section 4.01.
- (hhh) “Transfer” means as defined in Section 17.01.
- (iii) “User Agreement” means as defined in Section 17.01(B).
- (jjj) “Week” means a period of seven consecutive calendar days beginning on a Sunday and ending on a Saturday.
- (kkk) “Zoning Ordinance” means the Zoning Ordinance of City of Mesa, as the same may be amended from time to time during the Term.

ARTICLE 2 LEASE OF PREMISES

2.01 The Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and in consideration of the terms and conditions contained in this Lease the: (i) Property and Building; (ii) Program Improvements, and all other present and future improvements on the Property that have been or will be constructed by Landlord; and (iii) all improvements that may be constructed on the Property hereafter by Tenant. The Program Improvements and all other

present and future improvements on the Property that have been constructed (or that will be constructed) by Landlord or Tenant are referred to collectively as the “Improvements” and the Property, Building, and Improvements are referred to collectively as the “Premises” Landlord leases the Premises to Tenant subject to:

A. All covenants, restrictions, liens, encumbrances, easements, assessments, restrictions, agreements, and reservations of record.

B. All operational and use restrictions and other terms, limitations, and conditions set forth in this Lease.

C. All Applicable Laws and requirements of ARPA and ARPA Funds; however, Landlord confirms to Tenant that as of the Rent Commencement Date, the Property and the Tenant’s proposed Program complies with all materially applicable City of Mesa building codes and the Zoning Ordinance.

D. The condition and state of repair of the Premises as of the Rent Commencement Date.

E. The right of access by Landlord to install the Program Improvements as set forth in this Lease.

F. The right of access by the City of Mesa to install, repair, maintain, or replace utility lines, telecommunication lines, cable lines, and other similar improvements when needed by the City of Mesa; and the right of access for Landlord to perform its maintenance, repair, and replacement obligations as specifically required by this Lease.

2.02 Parking for the Premises. No parking spaces are or will be provided on the Property. Tenant is responsible, at its sole cost and expense, for the parking necessary to serve the Tenant-generated parking demand of the Program, including but not limited to, Tenant and Tenant’s officers, officials, directors, employees, staff, and agents, and Qualified Affiliate, Program Participants, Program Mentors, Permitted Licensees, Permitted Sublessee, and invitees, guests, and customers of the Premises (collectively, “Tenant Persons”). In close proximity to the Property is a City-owned parking lot that is currently managed by the Downtown Mesa Association. Parking spaces may be available to Tenant and Tenant Persons at this lot, subject to: (i) availability; (ii) the then applicable rates; and (iii) obtaining applicable parking permits. There is also limited time restricted parking available on a first-come, first-served basis on Main Street, but Landlord does not guaranty the availability or adequacy of these parking spaces, and Tenant and Tenant Persons must comply with the applicable parking provisions of the Mesa City Code and Mesa’s parking requirements. This Lease is not intended to modify or amend in any way the Mesa City Code or Mesa’s parking requirements and availability of parking on Main Street is subject to maintenance, roadwork, construction, and special events.

2.03 Covenant of Quiet Enjoyment. As of the Rent Commencement Date (as defined in Section 5.01), Landlord agrees that, so long as Tenant performs all its obligations under this Lease, Tenant can peaceably have and enjoy the use of the Premises without hindrance from Landlord or anyone claiming by or through them. Subject to the terms of this Lease, Tenant has the exclusive right to occupy and use the Premises.

2.04 Condition of Premises. As of the Rent Commencement Date, Tenant has inspected the Premises and Tenant acknowledges, represents, 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 without limitation any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed. Tenant is solely relying upon its own inspection and investigation of the Premises.

ARTICLE 3 USE OF PREMISES

3.01 Use of Premises. As of the Rent Commencement Date, Tenant will only occupy and use the Premises for: (i) a restaurant and food service business incubator program (the “Incubator Program”) with programs, training, services, mentoring, coaching, educational classes and opportunities, and a shared-use commercial kitchen for the benefit of Small Businesses, specifically Mesa Businesses; (ii) a food court, open to the public, where Program Participants can put into practice the skills they learned in the Incubator Program; and (iii) other reasonably appurtenant facilities and uses (e.g., tasting room, event space) approved in advance by Landlord (acting through its City Manager or designee) in Landlord’s sole and absolute discretion (collectively, the “Program”). Tenant is solely responsible for operating and paying all costs of the Program, except as otherwise specifically set forth in this Lease. In addition:

A. Incubator Program. As part of the Incubator Program, Tenant must offer a variety of educational classes and activities tailored to the development of Small Businesses such as restaurant start-up bootcamp, strategic planning, financial management, sales and marketing, legal structures and business responsibilities, human resources, operations, production management, and business development (each, a “Program Class” and collectively, the “Program Classes”). On the Rent Commencement Date, the first floor of the Building will be built out with a shared-use commercial kitchen for the Incubator Program but the classroom space in the basement for the Program Classes will not be built. To account for only the first floor being built out for the Program and the potential future build out of the basement by Tenant for expansion of the Program including classroom space (as set forth in Section 7.01(A)) Tenant guarantees the following:

(1) Build-Out of First Floor Only. If only the first floor of the Building is built out and there is no classroom space in the basement, then beginning on the first anniversary of the Rent Commencement Date and annually thereafter during the Term, Tenant will guarantee at least five (5) Program Participants are enrolled in the Incubator Program each year. Program Participants are expected to graduate the Program in either two (2) or three (3) year intervals. As space in the Incubator Program becomes available, through Program Participants either graduating, vacating, or for other reasons, Tenant will fill that space with a New Program Participant, provided there are sufficient eligible applicants.

(2) Build-Out of Basement and First Floor. If Tenant builds out the basement with classroom space (as permitted under Section 7.01(A)), in addition to complying with Section 3.01(A)(1) above, upon completion of classroom space and each quarter thereafter during the Term, Tenant will guarantee at least four (4) Program Classes are offered and at least twenty (20)

Program Participants, of which five (5) must be New Program Participants enrolled in each Program Class, provided there are sufficient eligible applicants

B. Marketing. Tenant in coordination with Landlord will market the Incubator Program to Small Businesses, specifically Mesa Businesses that have been impacted by COVID-19. Tenant will give preference to and will accept all Mesa Businesses that qualify for the Incubator Program, up to the maximum number of program spaces. Tenant will only select non-Mesa Businesses if there is availability after Tenant has accepted all qualified Mesa Businesses that have applied. While Tenant will give preference to Mesa Businesses, the mutual goal of the Landlord and the Tenant is to encourage all Program Participants, including those that are non-Mesa Businesses at the time of acceptance into the Incubator Program, to expand their business operations into the City of Mesa. On an annual basis beginning on the first anniversary of the Rent Commencement Date and on each anniversary of the Rent Commencement Date during the Term, Tenant will enroll or re-enroll at least eighty (80) Program Participants in the Incubator Program, provided there are sufficient eligible applicants.

C. Program Fee. Tenant may charge a program fee for participation in the Incubator Program (the "Program Fees") to cover Tenant's operating expenses for the Incubator Program and its maintenance obligations of the Premises (collectively, the "O&M"). Tenant will not include in the Program Fees any other costs or expenses it incurs to operate the Program or use the Premises. If the Program Fees Tenant collects is more than Tenant's O&M (the "Profits"), Tenant must reinvest the Profits into the Incubator Program to provide additional Program Classes, equipment, or other services for the Incubator Program or use the Profits to maintain the Premises, which can include Tenant's utility, insurance, and other property maintenance expenses. Tenant is prohibited from using, and will not use, the Profits for any other purpose. Provided further, during the Term, Tenant must maintain detailed financial records of the Program Fees collected, the O&M expenses and any other expenditures for the Incubator Program, and the reinvestment of the Profits into the Incubator Program and for the maintenance of the Premises and must provide these documents to Landlord upon Landlord's request.

D. Shared-Use Kitchen. Tenant will manage and operate a shared-use commercial kitchen (the "Shared Kitchen") for the benefit of, and use by, the Program Participants. Tenant will maintain the Shared Kitchen in a sanitary and orderly condition and comply with applicable health and safety standards.

E. Food Court. An essential part of the Incubator Program is for the Program Participants to be able to utilize the information from the Program Classes and the skills developed in the Incubator Program in a hands-on learning environment. To give the Program Participants hands-on experience Tenant will operate and manage a food court on the Premises (the "Food Court Area") where Program Participants can sell their food and food products to the public (the "Food Court"). Commencing four months from the Rent Commencement Date and for the duration of the Term, the Food Court must be open to the public a minimum of six days per week for a minimum of eight hours per day. At all times when the Food Court is open to the public there must be a minimum of four Program Participants vending in the Food Court, provided there are sufficient eligible applicants. In addition to the Program Participants, Tenant may have up to two Program Mentors vending at the Food Court when Program Participants are vending. The purpose of the Program Mentor is to assist the Program Participants when they are vending, by among other

things, answering their questions, showing them how to perform certain tasks and how to master and apply certain food related concepts including but not limited to food costing, menu shaping, waste reduction, kitchen management, portion control, and other food industry knowledge. Program Mentors shall not vend at, use, or occupy the Food Court unless at least one Program Participant is vending at the Food Court at the same time. Tenant, in its sole discretion, will determine which Program Participants will vend in the Food Court (so long as Tenant satisfies the requirements set forth in this Section), what rate Tenant charges the Program Participants to use the Food Court, if any, and Tenant and Program Participants will keep all profits from the sales generated at the Food Court.

F. Staffing. Tenant will provide at least one (1) full-time staff member for the Program, and this full-time staff member will occupy an office in the Building. The staff member must be present at the Building during the business hours of the Program (including the Food Court and any special events at the Premises) and must be knowledgeable regarding the Program Classes, Shared-Use Kitchen, and Food Court, the schedule and location of Program Classes and any other special events at the Premises. Tenant must also provide any other necessary staffing, as determined by Tenant, for Tenant's operation of the Premises and the Program. At no time and for no purpose will any staff of the Tenant or Qualified Affiliate, nor any Program Participant, Program Mentors, Permitted Licensees, or Permitted Sublessee be considered an employee of Landlord for any purpose.

G. Quarterly and Annual Program and Expenditure Reporting. Because this Lease and the procurement of the Build-Out Improvements for the Program utilizes ARPA Funds, Tenant agrees to comply with all reporting requirements of the ARPA Funds as well as the reporting in this Section 3.01(G). During the Term, Tenant agrees to provide Landlord with a written report of the Program (the "Report") that includes, at a minimum, the following information: the number of Program Participants enrolled in the Incubator Program; the number of Program Classes offered; the number of Program Participants enrolled in each Program Class; the number of Program Participants who graduate in each Program Class; statistics on the success rate of Program Participants after graduation (such as, number of new businesses, expansion of existing businesses, revenue growth, new capital investment and business loans acquired); number of new jobs generated, the types of jobs and average salary; the amount of money Tenant has invested in the Program; the number of Program Participants who expanded their business or saw growth in their sales; the monthly attendance at the Food Court (excluding Tenant, staff and employees of Tenant, and Program Participants); and any other information Landlord deems is required of the ARPA Funds. The data and information in the Report must include the overall data and statistics of the Program Participants (including the new participants and graduates of the program) and be broken out into specific categories by Small Businesses and Mesa Businesses. Tenant must provide the Report to the Landlord on both a quarterly basis commencing on the first Due Date of the Net Rent and on the first day of each quarter thereafter until the end of December 2026 as well as annually on each anniversary of the Rent Commencement Date during the Term. Provided further, the quarterly Report must include the data and information for the three months prior to the date the quarterly Report is due to Landlord, and the annual report must include the data and information for the entire year.

3.02 Conduct of Activities. Tenant will use the Premises and conduct its activities, and require all Tenant Persons to conduct their activities, in accordance with this Lease and all Applicable

Laws (including but not limited to the Zoning Ordinance, and all requirements of ARPA Funds and Maricopa County and the State of Arizona related to food handling and health and safety) and in a manner that: (i) will not cause or be likely to cause material damage to the Improvements or any part of the Improvements; (ii) will not materially interfere and detract from the value or appearance of the Premises; (iii) will not create or cause to be created nuisances or hazards to the public health or safety; or (iv) is not illegal, unlawful, or immoral.

3.03 Continuous Operation. As of the Rent Commencement Date, Tenant will comply in all material respects with the Program requirements set forth in this Lease including but not limited to the minimum Program Class requirements in Section 3.01(A), and the minimum Food Court operational hours in Section 3.01(E). The Parties agree and acknowledge that the minimum Program Class requirements in Section 3.01(A) may need to change to accommodate the needs of the Program Participants and Small Businesses among other reasons and the minimum Food Court operational hours in Section 3.01(E) may need to change to accommodate holidays, maintenance, and other temporary closures, among other reasons and that Tenant may request minor modifications to the minimum Program Class requirements, the minimum Food Court hours, or both, that are consistent with the intent of the Parties and this Lease. The Parties will work together using reasonable best efforts to agree upon such minor modifications and the City Manager or the City Manager’s designee may, without the need for City Council approval, approve such minor modifications that are agreed to by the Parties and are consistent with this Section 3.03, the intent of the Parties, and this Lease. After the date of any approved minor modification under this Section 3.03, any reference to the minimum Program Class requirements or Food Court operational hours in this Lease means the modified Program Class requirements and Food Court operational hours, as applicable.

3.04 Permits and Approvals. Tenant agrees to obtain all approvals and permits required by the Mesa City Code to use the Premises for the purposes stated in this Lease.

ARTICLE 4 TERM

4.01 Term. The term of this Lease commences on the Effective Date and continues for ten (10) years after the Rent Commencement Date unless this Lease is extended or sooner terminated as expressly provided in this Lease (the “Term”). Provided that Tenant is not then in default of this Lease, and subject to the written approval of Landlord (which Landlord may grant or deny in its sole and absolute discretion), this Lease may be renewed up to three (3) times, for a maximum period of five (5) years for each renewal (each a “Renewal”) on the same terms and conditions as in effect immediately prior to the then-current expiration, and such renewal(s) will become part of the “Term” of this Lease.

ARTICLE 5 NET RENT, PAYMENT OF RENT, ADDITIONAL PAYMENTS, AND TAXES

5.01 Net Annual Rent. On the last date on which both Completion of Construction occurs, and Landlord delivers possession of the Premises to Tenant (the “Rent Commencement Date”), Tenant will pay to Landlord, at the addresses specified or furnished in Section 5.04, net rent (the “Net Rent”) in the amount of \$10,000.00 per year subject to adjustment in accordance with Section 5.03. Landlord intends to use the Net Rent to pay the costs associated with Landlord’s maintenance obligations in this Lease.

5.02 Quarterly Installments. Tenant will pay the Net Rent in quarterly installments (each an “Installment”) of two thousand five hundred dollars (\$2,500.00), in advance and without notice or demand, beginning on the Rent Commencement Date and quarterly thereafter, on the first calendar day of the month, during the Term (the “Due Date”). Tenant may, at Tenant’s sole discretion and without penalty, pre-pay the Net Rent in one annual installment on the Rent Commencement Date, and on each anniversary of the Rent Commencement Date during the Term.

5.03 Escalation. Upon each Renewal, the Net Rent will increase by five thousand dollars (\$5,000.00) and Tenant will be required to pay the escalated Net Rent amount. For illustration purposes, if all Renewals were granted for the maximum allowed period and this Lease was not otherwise terminated, over the course of the Term the Net Rent would be: (i) 0 to 10 years \$10,000.00 annually (paid in quarterly installments of \$2,500.00); (ii) 11 to 15 years \$15,000.00 (paid in quarterly installments of \$3,750.00); (iii) 16 to 20 years \$20,000.00 annually (paid in quarterly installments of \$5,000.00); and 21 to 25 years \$25,000.00 annually (paid in quarterly installments of \$6,250.00). After the date of an escalation, any reference to the “Net Rent” in this Lease means the escalated Net Rent amount.

5.04 Payment of Net Rent. The Net Rent and any other Additional Payments due under this Lease must be paid in lawful currency of the United States, either by check or electronic transfer, and remitted to the following address (unless otherwise specified by Landlord in writing during the Term of this Lease):

The City of Mesa, Arizona
Attn.: Real Estate Department
20 East Main Street
P.O. Box 1466
Mesa, Arizona 85211-1466

5.05 Late Fee. If Tenant fails to pay any Installment of the Net Rent in full on or before the Due Date or fails to pay any Additional Payments when due, then Tenant is responsible for and will pay the interest on the unpaid amount at the rate of twelve percent (12%) per month from the Due Date (or, for Additional Payments, from the date due) until payment in full is made. If any Installment of the Net Rent is paid more than twenty (20) days after the Due Date (or, for Additional Payments, twenty (20) days after the date due), a late penalty equal to ten percent (10 %) of the amount of such delinquent payment will be due and payable in addition thereto.

5.06 Payment of Lesser Amount; Recovery of Balance. No payment to or receipt by Landlord of an amount less than what is due and payable under the provisions of this Lease (including but not limited to Net Rent and Additional Payments), at any time of such payment, shall be deemed

to be other than a payment on account of the earliest payment due. No endorsement or statement on any check or payment shall 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.

5.07 Other Payments and Obligations. Net Rent is in addition to Additional Payments and other obligations to be performed by Tenant, as provided in this Lease.

5.08 Rent Absolutely Net. It is the purpose and intent of the Landlord and Tenant that this Lease be a so-called "triple net lease." As such, the Net Rent payable in this Lease is absolutely net to Landlord so that this Lease will yield to Landlord the Net Rent specified in this Lease, free of any charges, assessments, impositions, or deductions of any kind charged, assessed, or imposed on or against the Premises and without abatement, deduction, or set-off by the Tenant; and Landlord will not be expected or required to pay any such charge, assessment, or imposition or be under any obligation or liability hereunder except as expressly set forth, and all costs, expenses, and obligations of any kind relating to the maintenance and operation of the Premises, including repairs and maintenance in Section 11.02, which may arise or become due during the Term will be paid by Tenant; except, Landlord's maintenance obligations in Section 11.01, and Tenant will indemnify, defend, and hold harmless Landlord and Landlord Indemnified Parties for, from, and against any and all such costs, expenses, taxes, insurance, and obligations in accordance with Article 14.

5.09 Additional Payments. Tenant will pay 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, GPLET Tax (subject to Section 5.10), and assessments, special assessments (including but not limited to the Annual Assessment in Section 5.12), 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.

5.10 Government Property Lease Excise Tax. As required under A.R.S. § 42-6206, Tenant is hereby notified of its potential tax liability under the Government Property Lease Excise Tax ("GPLET Tax") provisions of A.R.S. § 42-6201, *et seq.* Tenant is responsible for any and all applicable property taxes and GPLET Tax for the Premises as described in A.R.S. § 42-6201, *et seq.*, or similar laws in force from time to time that may be imposed on the Premises or on any interest of Tenant in the Premises under this Lease including but not limited to any GPLET Tax required to be paid by Program Participants, Program Mentors, Qualified Affiliate, Permitted Licensees, or Permitted Sublessee. Tenant represents and warrants it is a chamber of commerce recognized under section 501(c)(6) of the United States internal revenue code. Tenant further represents and warrants that the GPLET Tax does not apply because Tenant will use the Premises predominately for federal tax-exempt purposes under 501(c)(6) of the United States internal

revenue code. If at any time during the Term Tenant's tax status changes and Tenant is no longer exempt from GPLET Tax, Tenant will, in addition to paying the GPLET Tax, provide written Notice to Landlord. Further, if Tenant receives notice that Qualified Affiliate or any Program Participant, Program Mentor, Permitted Licensee or Permitted Sublessee is subject to the GPLET Tax, Tenant will pay the GPLET Tax required of the Qualified Affiliate, Program Participant, Program Mentor, Permitted Licensee, or Permitted Sublessee and provide written Notice to Landlord. It is the Tenant's sole and absolute responsibility to determine the applicability of the GPLET Tax and whether Tenant, Qualified Affiliate, Program Participants, Program Mentors, Permitted Licensees, and Permitted Sublessee fall within an exemption. Tenant acknowledges that, pursuant to A.R.S. § 42-6206, failure of Tenant to pay the GPLET Tax and any other such taxes after any applicable notice and opportunity to cure provided in this Lease, is a Tenant Default that could result in the termination of Tenant's interest in this Lease and of its right to occupy the Premises.

5.11 Indemnity from GPLET Claims. Tenant will indemnify, defend, and hold harmless Landlord and Landlord Indemnified Parties from any Claims relating in whole or in part to: Tenant's tax exempt status under A.R.S. 42-6208, whether Tenant is, or operates as, a chamber of commerce recognized under section 501(c)(6) of the United States internal revenue code, whether Tenant is using the Premises predominately for a federal tax-exempt purpose as required by A.R.S. 42-6208 (12), or any other Claim related to Tenant, Qualified Affiliate, Program Participants, Program Mentors, Permitted Licensees, or Permitted Sublessee tax liability under Arizona Revised Statutes Title 42, Chapter 6, Article 5: Government Property Lease Excise Tax; and City will select an attorney(ies) of its choosing to defend City and Tenant shall pay all costs and expenses incurred by City.

5.12 Annual Assessment to Mesa Town Center Improvement District. Tenant acknowledges the Property is located within the Mesa Town Center Improvement District, specifically within Special Improvement District 228 ("SID 228"). Property located within SID 228 are assessed an annual fee in order for City or its designee to provide a greater degree of management and public services and such annual fee may be amended from time to time ("Annual Assessment"). City currently contracts with the Downtown Mesa Association to provide this service to SID 228. Tenant acknowledges and agrees to annually pay the Annual Assessment to Landlord or Landlord's designee within thirty (30) days of Tenant's receipt of an invoice from Landlord or Landlord's designee.

5.13 Obligations Unconditional. Tenant agrees, regardless of any event, occurrence or situation, whether foreseen or unforeseen, and however extraordinary, that it will: (i) perform and observe all of its other agreements contained in this Lease; (ii) not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Lease (including but not limited to Net Rent, Additional Payments, Annual Assessment, and GPLET Tax); and (iii) not suspend the performance of its obligations hereunder for any cause, including 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.

ARTICLE 6
REPRESENTATIONS, WARRANTIES, AND COVENANTS OF TENANT

6.01 Lawfully in Arizona. Tenant is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of Arizona and is registered and authorized to operate in the State of Arizona. Tenant's organizational identification number is 261657951. 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 violate any provision of law applicable to Tenant or its organizational documents, and do 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.

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

6.03 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 Tenant carrying out its obligations in this Lease.

6.04 No Defaults. To the best of Tenant's knowledge, Tenant is not in default: (i) in the payment of any of Tenant's indebtedness for borrowed money; and (ii) in any material respect under any order, writ, judgment, injunction, decree, determination, or award or any indenture, agreement, lease, or instrument.

6.05 Litigation. Tenant shall 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 that, if adversely determined, would materially and adversely affect the Premises, the validity of this Lease or the performance of Tenant's obligations under this Lease.

ARTICLE 7
IMPROVEMENTS, FIXTURES, AND EQUIPMENT

7.01 Landlord Obligations.

A. Build-Out Improvements. Landlord agrees to complete, at its sole cost and expense, the necessary improvements to build out the first floor of the Premises for the Program as generally identified in Exhibit B (the "Build-Out Improvements"). The Parties acknowledge that the Build-Out Improvements in Exhibit B may need to be revised based on the final design of the Program and that prior to the Rent Commencement Date Landlord may make reasonable modifications to the Build-Out Improvements, and Tenant and Landlord may make any other modifications to the Build-Out improvements that are agreed to in writing by the Parties. The Build-Out Improvements are intended by the Parties to be the improvements that will be completed

by the Landlord prior to Tenant operating the Program on the Premises (i.e., the Rent Commencement Date); and on and after the Rent Commencement Date, Landlord has no further obligations to purchase or install the Build-Out Improvements. If in the future Tenant needs more space for its Program, including classroom space for Program Classes, Tenant, with prior written consent of Landlord, which consent will not be unreasonably withheld, can at its sole cost and expense build-out the basement to expand the Program.

B. Furniture, Fixtures, and Equipment. In addition to the Build-Out Improvements in Section 7.01(A), Landlord agrees to procure at its sole cost and expense, whether through purchase or lease, the furniture, equipment, and fixtures for the Premises in an amount reasonably sufficient in quantity and utility for the Program (the “Landlord FF&E”). The Parties agree to work in good faith to determine the final types and amount of furniture, equipment, and fixtures; and the furniture, equipment, and fixtures agreed to in writing by the Parties as of the Rent Commencement Date (or that were ordered before the Rent Commencement Date and are awaiting delivery) will be the final agreed upon Landlord FF&E. The Landlord FF&E are intended by the Parties to be the initial furniture, fixtures, and equipment for the Program that will be completed by the Landlord prior to Tenant operating the Program on the Premises (i.e., the Rent Commencement Date); and on and after the Rent Commencement Date, Landlord has no further obligations to purchase or install any Landlord FF&E; except Landlord will install any Landlord FF&E that Landlord purchased before the Rent Commencement Date but have not been delivered. The terms “Build-Out Improvements” and “Landlord FF&E” are collectively referred to and defined in this Lease as the “Program Improvements.”

C. Tenant’s Use of the Program Improvements. Tenant may use the Program Improvements for the operation of the Program as set forth in Article 3. Tenant is prohibited from using the Program Improvements for any other use or purpose. Additionally, Tenant’s duty to indemnify, defend, and hold harmless in Article 14 includes any Claims relating to or arising from, whether in whole or in part, a person’s use of the Program Improvements.

D. No Other Landlord Obligations. Other than the Program Improvements, Landlord has no other obligations to improve the Premises or to afford any property or services at the Premises and Tenant hereby waives all Claims to the contrary. The Program Improvements will be procured by Landlord in compliance with all applicable City of Mesa Charter provisions, the Mesa City Code, the City of Mesa procurement policies and procedures, and Applicable Laws. Further, on and after the Rent Commencement Date, Tenant is responsible and will repair, maintain, and replace the Program Improvements as set forth in Section 11.02.

E. Anticipated Cost of the Program Improvements. Landlord anticipates the costs and expenses associated with the improvements in Section 7.01(A) and Section 7.01(B) (i.e., Program Improvements) will be between \$4 million and \$4.5 million dollars. If Landlord’s costs and expenses for the Program Improvements are less than the anticipated costs, Landlord is not obligated to, and will not, spend additional money on the Program Improvements to reach the anticipated amount. Additionally, the Program Improvements installed by the Rent Commencement Date are all the Program Improvements that the Landlord is required to install to satisfy its obligations in Section 7.01(A) and Section 7.01(B), and Landlord will have no further

obligation for the Program Improvements, even if the Landlord has not spent the entire anticipated amount.

7.02 Tenant Personal Property Obligation. Tenant agrees to procure and install at its sole cost and expense any other furniture, trade fixtures, and personal property it needs to operate the Program such as small unaffixed appliances, kitchen supplies, and utensils, and (collectively, "Tenant Personal Property").

7.03 No Alterations by Tenant. Tenant will not make any physical improvements, alterations, additions, enhancements, or modifications to the Premises during the Term of this Lease without the prior written consent of Landlord, which consent will not be unreasonably withheld.

7.04 Permit Required. Tenant's construction of improvements involving the Premises, if consented to by City under Section 7.03, must conform to Applicable Laws including but not limited to the Mesa City Code and construction and technical codes. Tenant is responsible for determining whether it is subject to any other building or construction codes, or both, and any permit requirements, and for compliance with them to the extent they are applicable to Tenant's work. Tenant will not commence any work on the Premises without Tenant first submitting plans and obtaining the required permits, inspections, and approvals from the City of Mesa.

7.05 Title to Alterations and Improvements. Title to all improvements, alterations, additions, enhancements, or modifications on the Premises (but not Tenant Personal Property) will immediately, upon completing construction or installation thereof, become the exclusive 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 (or an assignment of all ownership rights) confirming that title to such improvements and alterations is vested in the Landlord.

ARTICLE 8 IMPAIRMENT OF LANDLORD'S TITLE

8.01 Mechanics Liens. Tenant agrees to keep the Premises, and all Improvements thereon, free of any mechanics' and materialman's liens and other liens of any kind or nature for work done, labor performed, or materials furnished thereon at the instance or occasion of Tenant; and Tenant's duty to indemnify, defend, and hold harmless in Article 14 includes any and all Claims for any such work done, labor performed, or materials furnished. Landlord acknowledges and agrees that prior to the Rent Commencement Date the work done, labor performed, or materials furnished for the Program Improvements is at the instance or occasion of the Landlord and Landlord is responsible for any mechanics' and materialman's liens and other liens of any kind or nature for work done, labor performed, or materials furnished in connection with the Program Improvements that occur prior to the Rent Commencement Date.

8.02 Discharge. If any mechanic's, laborer's, or materialman's lien is at any time filed against the Premises or any part thereof for work done, labor performed, or materials furnished thereon at the instance or occasion of Tenant then Tenant, within thirty (30) days after Tenant's receipt of a

notice of the filing thereof, must cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. Tenant must provide written Notice to Landlord of its action to either satisfy or contest the lien and, if contested, of the matter's status on a monthly basis until concluded. If Tenant fails to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but is not obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding. Any amount so paid by Landlord and costs and expenses incurred by Landlord in connection therewith, constitutes Additional Payments payable by Tenant and must be paid by Tenant to Landlord within thirty (30) days from demand therefor, together with proof of payment and detailed invoices.

8.03 No Implied Consent. Nothing contained in this Lease shall be deemed or construed in any way as constituting Landlord's expressed or implied authorization, consent, or request to any of Tenant's contractors, subcontractors, laborers or materialmen, architects, or consultants, for the construction or demolition of any improvements, 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.

8.04 No Agency. Tenant is not an agent of the Landlord, nor an employee of the Landlord, nor is Tenant or Tenant Persons authorized to act for or on behalf of Landlord as its agent, employee, representative, or otherwise, for any purpose, including the constructing of any improvements or alterations at the Premises, and neither Landlord nor Landlord's interest in the Premises is subject to any obligations incurred by Tenant.

ARTICLE 9 SIGNS

9.01 Signs. Landlord, as part of the Build-Out Improvements, intends to install on the Building a sign for the Program (the "Initial Sign"). Tenant, at its sole cost and expense, and with prior written approval from Landlord, may install additional signs and may modify any existing sign(s) on the Premises (excluding the Initial Sign), in connection with Tenant's operation of the Program as Tenant may elect from time to time. Further, Tenant, at its sole cost and expense, will maintain all signs on the Premises (including the Initial Sign). All signs on the Premises must comply with the Zoning Ordinance; and Tenant must obtain all approvals and permits required by the Mesa City Code, except for the approvals and permits for the installation of the Initial Sign.

ARTICLE 10 SERVICES AND UTILITIES

10.01 Utilities. Tenant is responsible for and must pay for all utilities supplied to, used, or consumed in or on the Premises (including all water, sewer, gas, electric, and waste disposal services), when the charges become due and payable. All utility services to the Property provided by the City of Mesa are subject to the City of Mesa Terms and Conditions for the Sale of Utilities, the Mesa City Code, and all other Applicable Laws, as well as payment of the then applicable rates,

fees, and charges. Tenant will have all utilities turned on in the Tenant's name by the Rent Commencement Date.

10.02 Landlord's Use of Utility Lines and Services. Landlord, in its capacity as a governmental entity that owns, operates, and provides utility service to its customers, retains the right to: (i) the continued use of any utility lines, improvements, and services (including but not limited to all uses allowed in a Public Utilities Facilities Easement under the Mesa City Code) presently on, under, over, or through the Premises; and (ii) repair, maintain, and replace the same, when necessary, in Landlord's sole and absolute discretion, including without limitation any current utility easements on the Premises.

10.03 Support Services. Tenant is responsible for and must pay for any technological needs and other services, including but not limited to telephone service, WI-FI access, and internet connectivity and internet access necessary or desirable to serve the Premises.

ARTICLE 11 MAINTENANCE, REPAIR, AND REPLACEMENT

11.01 Landlord's Maintenance, Repair, and Replacement Obligations. Landlord's obligation to maintain, repair, and replace the Premises are identified in Exhibit C. Landlord has no other maintenance, repair, or replacement obligations in this Lease except for those obligations identified in Exhibit C. Landlord will fulfill its obligations in this Section 11.01 at its sole cost and expense and according to the applicable industry standard. Further, Landlord is not required to make any repairs necessitated by the negligent acts or omissions of Tenant or Tenants Persons or by reason of Tenant's failure to perform or observe any of its obligations under this Lease. In no event is Landlord liable to Tenant due to Landlord's failure to maintain or make repairs as provided in this Section 11.01 unless Tenant gives Landlord written Notice of the necessity for the repairs or maintenance and has afforded Landlord a reasonable opportunity to make the repairs or perform the maintenance after Landlord's receipt of Tenant's written Notice. Landlord shall have access to the Premises to enable Landlord to perform its maintenance, repair, and replacement obligations as necessary.

11.02 Tenant's Maintenance, Repair, and Replacement Obligations. Tenant is responsible, at its sole cost and expense, for the maintenance, repair, and replacement of the Premises and Improvements identified in Exhibit C-1. All repairs and replacements made by Tenant shall be substantially the same in quality to the original work (or original Improvement), and shall be done according to industry standards, Applicable Laws, ordinances, and regulations whether heretofore or hereafter enacted. Tenant shall perform all scheduled maintenance on the Improvements, including the Program Improvements, according to industry standards, and the preventative maintenance schedules and manuals as set forth in Section 11.04. Tenant will perform its maintenance, repair, and replacement obligations in this Lease in a commercially reasonable time.

11.03 Service Records. Tenant will maintain service records relating to and evidencing preventative maintenance, repair, and replacement of the Improvements. On the first anniversary of the Rent Commencement Date and each year thereafter, Tenant will provide to Landlord a service report of the preventive maintenance that was conducted and the repairs and replacement

that occurred throughout the preceding year along with copies of the service records. Additionally, within twenty (20) days of written request by Landlord, Tenant, will provide copies of such records to Landlord or otherwise make such records available at the Premises for Landlord's review.

11.04 Contractor Warranties; Operations and Maintenance Manuals. On or after the Rent Commencement Date Landlord will provide Tenant copies of warranties, operations and maintenance manuals, and schedules of preventative maintenance for the Program Improvements. If any repair or maintenance of the Program Improvements is covered under a warranty the Landlord has for such Program Improvement, Landlord will work with Tenant to facilitate the repair or maintenance using its warranty. In the event Landlord's warranty does not cover a repair or maintenance, Tenant is not relieved of its duty to make such repair or perform such maintenance and must make such repairs or maintenance in accordance with Section 11.02. Upon the expiration of this Lease Tenant will return such copies of warranties, manuals and schedules to Landlord.

11.05 Custodial Service. Tenant, at Tenant's sole cost and expense, will provide custodial services to the Premises.

11.06 Neat Condition. Tenant will keep the Premises and the Improvements neat, clean, safe, sanitary, and in an orderly condition at all times, including the prevention of the accumulation of any refuse or waste materials that might constitute a health or fire hazard or public nuisance. Tenant is responsible (at its sole cost and expense) for the removal and recycling, as appropriate, of all trash and solid waste from the Premises.

11.07 Landlord's Right to Conduct Maintenance. In the event Tenant fails to maintain, repair, or replace the Premises or the Improvements thereon as required by Section 11.02, then Landlord, after giving Tenant notice (either written or verbal), has the right, but not the obligation, to perform any such maintenance, repairs, or replacement at Tenant's sole cost and expense. Said expenses are due and payable as Additional Payments within thirty (30) days from the date the Landlord invoices Tenant for such expenses. Landlord shall have access to the Premises to enable Landlord to perform Tenant's maintenance, repair, and replacement obligations, as necessary.

11.08 Damage to Landlord's Property. Any Improvements, Program Improvements, or any other real or personal property of Landlord's damaged or destroyed by Tenant or Tenant Persons (or both) as a result of Tenant or Tenant Persons (or both) use or occupancy of the Premises, ordinary wear and tear excepted, must be promptly repaired or replaced by Tenant (at Tenant's sole cost and expense) to the reasonable satisfaction of Landlord.

11.09 Emergency Repairs. Within fifteen (15) days of the Rent Commencement Date, each Party will provide the other Party a list of names and telephone numbers for 24-hour emergency contact for the Premises.

ARTICLE 12 SECURITY

12.01 Security. Tenant acknowledges and understands that Landlord provides no security at or for the Premises. Tenant agrees that Landlord has no obligation to provide security and is not

responsible for any damage, injury, or theft that occurs in, on, or around the Premises. Tenant's duty to indemnify, defend, and hold harmless in Article 14 includes any Claims (including but not limited to Tenant Persons) relating to or arising out of, in whole or in part, the security (including lack of security and types of security installed) for the Premises.

12.02 Tenant's Obligation to Secure Premises. It is the Tenant's sole responsibility to secure the Premises during the Term. If a third-party, or any Tenant Persons, or both causes damage to the Premises, Tenant shall commence repair of the damage within 30 days of the date such damage was caused and proceed diligently thereafter to complete the repairs. If Tenant does not commence repair of the damage within this 30-day period or if Tenant commences repairs within the 30-day period but does not diligently pursue completion of the repairs, Landlord has the right, but not the obligation, after giving Tenant notice (either written or verbal) to repair the damage and invoice Tenant for the expenses incurred to repair the damage; Landlord may elect to self-perform the work or hire an independent contractor and such election is at Landlord's sole discretion. Tenant will reimburse Landlord for all costs and expenses incurred by Landlord, due and payable as Additional Payments, within thirty (30) days of the date of Landlord's invoice to Tenant.

ARTICLE 13 INSURANCE AND RISK OF LOSS

13.01 Coverage Required. From and after the Effective Date, Tenant must procure and maintain during the Term of this Lease, at Tenant's sole cost and expense, insurance against casualty to or loss of the Premises and against Claims for injuries to persons or damages to property, which may arise from or in connection with this Lease by the Tenant or Tenant Persons (or both), in accordance with the insurance requirements set forth in Exhibit D. Additionally, Tenant is responsible for carrying fire and extended risk insurance coverage for the full replacement value of the entire Premises including all Improvements (including but not limited to the Program Improvements), and Tenant Personal Property, and removable personal property from time to time in, on or upon the Premises. The Landlord must be named as Loss Payee on all property insurance policies; provided further, if Tenant's insurance is not sufficient to pay Claim(s) which arise in connection with this Lease, the Landlord's insurance (or self-insurance retention) will not be obligated to, and will not pay, any Claims, including but not limited to, any Claims for damage to the Property or the Improvements.

13.02 Failure to Maintain Insurance. If Tenant fails or refuses to provide a copy of the renewal insurance certificates, together with evidence of payment of premiums therefor, or otherwise fails or refuses to procure or maintain insurance as required by this Lease, Landlord has the right, at Landlord's election, and without prior notice, to procure and maintain such insurance. The premiums paid by Landlord is due and payable from Tenant to Landlord on the first day of the month following the date on which the premiums were paid. Landlord will give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer(s) and insured(s). The lapse or cancellation of any insurance policy required herein, in whole or in part for the benefit of Landlord, after notice and opportunity to cure in Section 18.01, is a Tenant Default. No cure of such Tenant Default can be accomplished unless a new or renewed policy is

issued which specifically provides the required coverage to the Landlord for any liability arising during the lapsed or previously uncovered period.

13.03 Relationship to Obligations to Indemnify Landlord. Tenant's obligation to maintain insurance is in addition to, and not in lieu of, Tenant's obligation to indemnify, defend, and hold harmless in Article 14 and elsewhere in this Lease.

13.04 Tenant's Obligation to Restore. If, at any time during the Term, the Premises, or any Improvements thereon, or any part hereof, is damaged or destroyed by fire, casualty or other occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, caused by Tenant or Tenant Persons, Tenant will, at its sole cost and expense, proceed with reasonable diligence to repair, restore, replace, or rebuild the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction; provided, however, Tenant's foregoing obligations are 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 will be responsible for the amount that insurance would have provided in such circumstances). Further, unless otherwise agreed to by the Parties in writing, Tenant will use all insurance proceeds plus the amount of any deductible for such insurance to repair, restore, or rebuild the Premises and Improvements thereon. Tenant's obligation to pay the Net Rent, Additional Payments, and any other amounts owing under this Lease, will continue (except as may be abated as set forth in Section 13.05) 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 Landlord 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 Personal Property), plus any deductible amount (or if Tenant fails to maintain the insurance required by this Lease, Tenant will be responsible for the amount that the insurance would have provided in such circumstances); and (ii) providing thirty (30) days' Notice to Landlord. Such a termination will end the term of this Lease and Landlord will have no responsibility or liability for any damage or destruction by fire or other casualty and will have no obligation to repair, restore, or rebuild the Premises.

13.05 Lease Obligations Continue. In the event of a fire or casualty not caused or related to Tenant or Tenant Persons use of the Premises or Improvements thereon, and a portion of the Premises is untenantable, Landlord may abate the Net Rent or Additional Payments proportionately to that part of the Premises rendered untenantable if Tenant satisfies its obligations to restore the Premises set forth in Section 13.04. If Landlord agrees to abate the Net Rent, Additional Payments, or both, Tenant thereafter is responsible for paying the reduced Net Rent and Additional Payment amounts, as applicable. Any reduction in Net Rent or Additional Payments granted under this Section 13.05 does not release Tenant of or from other obligations imposed upon Tenant under this Lease.

ARTICLE 14 INDEMNIFICATION

14.01 Landlord Responsibility for Own Negligence. Landlord is liable for the gross negligence or willful misconduct of Landlord and its elected and appointed officials, officers, employees, agents, boards, commissions, representatives, and volunteers (collectively, the “Landlord Indemnified Persons”) while on official business at the Premises.

14.02 Indemnification. Except as otherwise provided in Section 14.01, Tenant will indemnify, defend, and hold harmless, individually and collectively, Landlord and Landlord Indemnified Persons for, from, and against all Claims of every kind, character, and nature whatsoever, including property damage, personal injury, and wrongful death directly or indirectly arising from or relating to, in whole or in part, any of the following:

- A. Tenant’s performance under this Lease.
- B. Tenant or Tenant Persons occupancy, activities, or operations on or at the Premises.
- C. Any Claims, directly or indirectly arising out of or connected with the use, non-use, condition or occupancy of the Premises or any part thereof, for any accident, injury to or death of any person or damage to property in or upon the Premises during the Term of this Lease.
- D. Any work done on or about the Premises or any part thereof by Tenant or Tenant Persons.
- E. 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.
- F. Any violation of any contract, agreement or restriction relating to the Premises or any part thereof due to Tenant or Tenant Persons (or both).
- G. Any violation of any Applicable Laws, ordinance, or regulation affecting the Premises or any part thereof or the ownership, occupancy or use thereof during the Term of this Lease due to Tenant or Tenant Persons (or both).
- H. Any nuisance made or suffered on the Premises or Improvements.
- I. Any failure by Tenant to keep the Premises or Improvements, or any part thereof, in a safe condition.
- J. Any fire, accident, injury (including death), or damage to any person or property occurring in, on, or about the Premises or any part thereof.
- K. Any failure on the part of Tenant to pay Net Rent, Annual Assessment, GPLET Tax, or any other Additional Payments or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with and the exercise by Landlord of any remedy provided in this Lease with respect thereto.

L. Any tax, including any tax attributable to the execution, delivery, or recording of this Lease, with respect to events occurring during the term of this Lease.

M. Any loss of or reduction in state shared monies arising in connection with any Claims brought or maintained under A.R.S. § 41-194.01 to the extent that Tenant prevents or delays any termination of this Lease pursuant to Section 24.25 of this Lease.

N. Any other Claims set forth in the terms of the Lease.

ARTICLE 15 ENVIRONMENTAL INDEMNIFICATION

15.01 No Hazardous Materials and Indemnification. Neither Tenant nor Landlord shall bring onto, generate, use, store or dispose of in, on, or about the Premises or the Property any Hazardous Materials. In addition to and without limitation of any other indemnities or obligations in this Lease, Tenant will indemnify, defend, and hold harmless Landlord and Landlord Indemnified Persons against any Claims incurred by reason of any Hazardous Materials on or affecting the Premises, to the extent attributable to or caused in whole or part by Tenant or Tenant Persons or anyone acting on Tenant's behalf.

15.02 Remediation and Restoration. In addition to the requirements and indemnity (defend and hold harmless) in the above Section 15.01, if due to the actions or inactions of Tenant, Tenant Persons, or anyone acting on Tenant's behalf, the presence of any Hazardous Materials in or on the Premises results in any contamination of the Property or any adjacent real property, including the contamination of groundwater, Tenant will promptly, with best efforts, and at its sole cost and expense: (i) take all actions necessary to mitigate any immediate threat to human health; and (ii) undertake any actions necessary to return the Premises, Property, or both and other property (including the groundwater), as applicable, to the condition existing prior to the introduction of any Hazardous Materials. Additionally, Tenant shall first obtain the written approval of Landlord before initiating the remediation or restoration actions.

15.03 Reimbursement of Costs to Landlord. If Tenant fails to remediate and restore the Premises, as required in this Lease, Landlord has the right, but not the obligation, after giving Tenant notice (either written or verbal) to remediate and restore the Premises and invoice Tenant for the expenses incurred to remediate and restore the Premises; Landlord may elect to self-perform the work or hire an independent contractor and such election is at Landlord's sole discretion. Tenant will reimburse Landlord for all costs and expenses incurred by Landlord for the remediation and restoration of the Premises within thirty (30) days of the date of Landlord's invoice to Tenant.

15.04 Survival. The indemnity, duty to defend, and hold harmless requirements and the remediation and restoration requirements of Article 15 will survive the expiration or any termination of this Lease.

15.05 Tenant Right to Terminate. If any Hazardous Materials or contaminated substances are discovered on the Property and such materials are NOT attributable to or caused by Tenant, Tenant Persons, or anyone acting on Tenant's behalf, Tenant has the right to immediately terminate this Lease with written Notice to Landlord that identifies and locates such Hazardous Materials.

ARTICLE 16 ENTRY BY LANDLORD

16.01 Entry by Landlord. Landlord reserves the right, without abatement of Net Rent and other charges due hereunder from the Tenant, to enter upon or have Landlord's employees, agents, contractors and assignees enter upon the Premises at any reasonable time (according to State of Arizona law), for any reasonable purpose which includes but is not limited to: (i) installing the Program Improvements in accordance with Article 7; (ii) inspecting the Premises to determine if Tenant is complying with the provisions of this Lease; (iii) conducting environmental assessments and audits; (iv) performing repairs or maintenance in accordance with Article 11; and (v) any actions necessary to remediate, abate or cleanup any Hazardous Materials, hazardous substances or environmental conditions at the Premises in accordance with Article 15.

16.02 Waiver of Claims. Tenant waives any Claims for damage, injury, or inconvenience to or interference with Tenant's operations, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by Landlord's entry in accordance with Section 16.01 unless any such Claims are a direct result from Landlord's negligent or intentional misconduct. Landlord has the right to use any and all means that Landlord deems necessary to gain access to the Premises, Improvements, and Tenant Personal Property in the event of an emergency.

ARTICLE 17 ASSIGNMENT, SUBLETTING, AND ENCUMBERING

17.01 No Assignment. Tenant is prohibited from and may not sublet, license, transfer, assign, mortgage, pledge, hypothecate, allow use of or encumber the Premises, or any part thereof (each, a "Transfer"); except as follows:

A. Contractor Services. Tenant, with prior written consent of Landlord, may enter into a management service contract with a Qualified Affiliate (i.e., an Arizona nonprofit corporation that is both exempt from taxation under section 501(c)(3) of the internal revenue code and exempt from taxation under A.R.S. 42-6208, and otherwise meets the definition of Qualified Affiliate) for the operation of the Incubator Program on a portion of the Premises, so long as the Premises continues to be used predominately by Tenant for its Program. If Landlord approves Tenant entering into a management service contract with a Qualified Affiliate, Tenant shall remain responsible for all obligations under this Lease including on the portion of the Premises operated by the Qualified Affiliate.

B. Program Participants and Program Mentor. Tenant may license the Food Court Area and other areas of the Building to Program Participants and up to two (2) Program Mentors at any given time (each, a "Permitted Licensee" and collectively, "Permitted Licensees"), provided

that: (i) each Permitted Licensee enter into a separate user agreement with the Tenant (the “User Agreement”); (ii) the User Agreement includes the terms and conditions in Exhibit E except if Landlord agrees in writing to modify or remove a requirement; and (iii) Tenant provides a copy of the User Agreement for each Permitted Licensee to the Landlord within five (5) business days of the date the User Agreement is executed by both Tenant and Permitted Licensee. Any license in this Section 17.01(B) will not relieve the Tenant of its obligations under this Lease including the portion of the Premises that are licensed.

C. Compatible Restaurant Incubator Program. If Tenant is not utilizing a portion or all of the basement of the Premises, Tenant may submit a written request to the Landlord to license or sublease a portion or all of the basement of the Premises for the occupancy and use of a complimentary workforce development restaurant incubator program operated by either a non-profit that is exempt from taxation under section 501(c)(3) of the internal revenue code or a political subdivision of the State of Arizona (“Permitted Sublessee”). Landlord’s City Manager or designee in their sole and absolute discretion may approve a license or sublease to a Permitted Sublessee and may place conditions on the approval or require additional terms in the agreement for the sublease or license of the Premises, or both. Any license or sublease in this Section 17.01(C) will not relieve Tenant of its obligations under this Lease including the portion of the Premises that are licensed or subleased. Provided further the agreement Tenant enters into with a Permitted Sublessee to sublease or license the basement of the Premises (or a portion thereof) must include all of the following: (i) all the provisions in Exhibit E, the User Agreement, except if Landlord agrees in writing to modify or remove a requirement; (ii) that the Permitted Sublessee is subject to this Lease and is subordinate to this Lease and to the matters to which this Lease is or shall be subject or subordinate; (iii) that Tenant is not released of its obligations under this Lease (iv) that Permitted Sublessee shall pay for and is solely responsible for the tenant improvements within their licensed or subleased space; (v) that other than the payment of Net Rent or any obligation relating solely to that portion of the basement of the Premises which are not part of the licensed or subleased space, the Permitted Sublessee shall comply with and be bound by all of the obligations of Tenant under this Lease; (vi) that unless Landlord waives such prohibition, the sublicensee may not enter into any sub-sublicense, sublease, Transfer, or any other agreement granting any right of occupancy of any portion of the sublicensed Premises; (vii) that Landlord is not responsible for any money Tenant owes to Permitted Sublessee; (viii) that Landlord is an express third party beneficiary; and (ix) that in the event of termination of this Lease or reentry or dispossession of Tenant by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of the Permitted Sublessee, and at Landlord’s option, attorn to Landlord pursuant to the then executory provisions and execute an attornment agreement or similar agreement acceptable to the Landlord, provided that Landlord shall not: (1) be liable for any act or omission of Tenant under the sublicense or lease; (2) be bound by any previous modification of such sublicense unless consented to by Landlord or by any previous prepayment of more than one (1) month’s rent; (3) be required to account for any security deposit of the sublessee other than any security deposit actually received by Landlord; or (4) be responsible for any monies owing by Tenant to the credit of sublicensee, and such sublease shall provide that the sublicensee thereunder shall, at the request of Landlord, execute a suitable instrument in confirmation of such agreement to attorn.

D. Any Transfer in violation of this Section 17.01, whether voluntary or involuntary, is a Tenant Default, and is void and not voidable, and will confer no right of occupancy upon the proposed assignee, subtenant, or transferee. Provided further, if Tenant receives notice that the use of the Premises by Qualified Affiliate, Program Participant, Program Mentor, Permitted Licensee, or Permitted Sublessee is subject to the GPLET Tax Tenant will provide written Notice to the Landlord as well as pay the GPLET Tax required of Qualified Affiliate, Program Participant, Program Mentor, Permitted Licensee, or Permitted Sublessee, or any combination thereof. Tenant's failure to pay the GPLET Tax when due, after any applicable notice and opportunity to cure provided in Section 18.01, is a Tenant Default and Landlord may terminate this Lease.

17.02 Non-Subordination. Landlord's interest in the Property, the Premises, and this Lease, as the same may be modified, amended, or renewed, is not subject to 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.

17.03 Liens and Mortgages. Tenant will not engage in any financing or other transaction creating any mortgage or deed of trust on the Property or Premises, or place or suffer to be placed upon the Property or Premises any lien or other encumbrance or suffer any levy or attachment on Tenant's interest in the Premises or this Lease. Any mortgage or deed of trust, encumbrance, or lien on the Property, the Premises, or both is a violation of this Article 17 and constitutes a Tenant Default on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

ARTICLE 18

DEFAULT BY TENANT AND LANDLORD REMEDIES

18.01 Default by Tenant. The occurrence of any of the following events (each, a "Tenant Default") is considered a material breach and default by Tenant under this Lease:

A. Failure of Tenant to pay when due the Net Rent (or any Installment), Annual Assessment, GPLET Tax, or Additional Payments from Tenant under this Lease that Tenant does not cure within fifteen (15) days after Landlord delivers Notice to Tenant of such default.

B. Abandonment. Tenant fails to operate the Program on the Premises or a substantial portion of the Premises for a period of one hundred and twenty (120) consecutive days or more; or Tenant fails to comply with the minimum Program requirements set forth in this Lease (i.e., minimum Program Class and minimum Food Court operational hours) for a period of four consecutive quarters or more, shall be deemed an abandonment of the Premises and a default by Tenant. Substantial portion of the Premises in this Subsection means operating on fifty-one percent (51%) or more of the Premises.

C. Illegal Activities. Operation or maintenance of the Premises in violation of Applicable Laws that Tenant does not cure within ten (10) business days after Landlord delivers written Notice to Tenant of such default. The notice and cure period in the preceding sentence does not apply to any violation that constitutes an immediate danger to health or safety or is a felony

under Applicable Laws. For these violations, Tenant is not entitled to any notice or cure period, and Landlord may seek remedies under Section 18.02.

D. The filing of a petition by or against Tenant for adjudication as bankrupt or insolvent, or for its reorganization or for the appointment of a receiver or trustee of Tenant's property; an assignment by Tenant for the benefit of creditors or the taking of possession of the property of Tenant by any governmental officer or agency pursuant to statutory authority for the liquidation of Tenant.

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

F. The failure of Tenant to obtain or maintain all insurance coverage required by this Lease that Tenant does not cure (any cure must cover any lapsed or uncovered period of time) within fifteen (15) days after Landlord delivers Notice to Tenant of such default.

G. Failure of Tenant to perform any of its other agreements or obligations under this Lease that Tenant does not cure within thirty (30) days after Landlord delivers written Notice to Tenant of such default; however, if a cure of the default reasonably requires more than thirty (30) days to complete and Landlord agrees, then the time to cure shall be extended so long as the cure is being diligently pursued.

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

A. To seek specific performance of this Lease, which means the enforcement of all of Tenant's and Qualified Affiliate, Program Participants, Program Mentors, Permitted Licensees, and Permitted Sublessee agreements or obligations under this Lease. Landlord may seek and obtain specific performance (whether characterized as special action, mandamus, injunction or otherwise), requiring Tenant to use best and all efforts to fully and timely perform its obligations under this Lease.

B. Terminate this Lease and reenter without notice and take possession of the Premises and take possession or remove any property therein.

C. Without terminating this Lease, reenter without notice, terminate Tenant's right to possession of the Premises and take possession of the Premises and take possession of or remove any property therein.

D. With or without such reentry, recover possession of the Premises and demand Net Rent and Additional Payments in the manner prescribed by any statute.

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

F. Recover Landlord's costs to re-let the Premises as set forth in Section 18.04, Landlord's actual damages as set forth in Section 18.05, and other costs and expenses of Landlord as set forth in Section 18.06.

18.03 No Implied Termination. Landlord is not deemed to have terminated this Lease unless Landlord sends written Notice to Tenant that it has elected to terminate this Lease. Tenant hereby waives all Claims based on Landlord's reentering and taking possession of the Premises and the Improvements or removing and storing the property of Tenant (including the Tenant Personal Property) and will 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.

18.04 Landlord's Costs to Re-Let the Premises. 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 for such repairs, redecorating, refurbishments, and Landlord may bill Tenant for such costs. If Landlord bills Tenant for Landlord's actual costs to re-let the Premises, as set forth in this Section 18.04, then Tenant must pay such actual costs to Landlord within ten (10) business days after receipt of Landlord's statement therefor.

18.05 Landlord's Damages Relating to Net Rent. Landlord is entitled to recover from Tenant, and Tenant agrees to pay as Additional Payments all actual damages incurred by Landlord by reason of the Tenant Default, which includes, without limitation, (i) all amounts due and owing as of the termination; (ii) the equivalent of the amount of Net Rent payable under this Lease by Tenant for the remainder of the Term if this Lease were still in effect, less the amount Tenant proves could be reasonably avoided through re-leasing the Premises under the Landlord's duty to minimize its damages; and (iii) 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, all of which shall be paid by Tenant within ten (10) business days of Landlord's invoice to Tenant for such amounts.

18.06 Costs and Expenses of Landlord. Tenant agrees to pay as Additional Payments any other costs and expenses incurred by Landlord in enforcing any of Tenant's obligations or agreements under this Lease including all of Landlord's attorney's fees. Except for the costs, damages and expenses set forth in this Article 18, Landlord specifically waives the right to seek special, incidental, indirect, consequential, punitive, or other similar types of damages.

18.07 Landlord May Perform Tenant's Obligations. In the event of a Tenant Default, Landlord may (but is not 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 the Tenant Default is an Additional Payments obligation of Tenant to Landlord, which amounts Tenant agrees to pay within five (5) business days of invoice to Tenant.

18.08 Content of Default Notice. Any notice of default tendered by Landlord under this Lease must specify the nature of the default and how the default may be satisfactorily cured, if possible.

18.09 Tenant Liability Continues. No expiration or termination of this Lease will relieve Tenant of its indemnity, duty to defend, and hold harmless obligations in this Lease, and such obligations to indemnify, defend, and hold harmless that arose prior to the Lease expiration or termination will survive any such expiration or termination of this Lease for a period of two (2) years.

18.10 Other than the damages and specific performance set forth in this Article 18, Landlord specifically waives the right to seek special, incidental, indirect, consequential, punitive, or other similar types of damages.

ARTICLE 19 LANDLORD DEFAULT AND TENANT REMEDIES

19.01 Default by Landlord and Tenant Remedies. The failure of Landlord to perform any of its material obligations under this Lease that Landlord does not cure within thirty (30) days after Tenant delivers written Notice to Landlord of such default is considered a default by Landlord of this Lease (a "Landlord Default"); provided, however, if a cure of the Landlord Default reasonably requires more than thirty (30) days to complete and Tenant agrees, then the time to cure will be extended so long as the cure is being diligently pursued. If Landlord fails to commence the curing of said default within the thirty (30) day period and proceed diligently thereafter to complete the curing of the default), then Tenant's sole remedies for an uncured breach or Landlord Default are:

A. To seek specific performance of this Lease, which means the enforcement of all of Landlord's agreements or obligations under this Lease. Tenant may seek and obtain specific performance (whether characterized as special action, mandamus, injunction or otherwise), requiring Landlord to use best and all efforts to fully and timely perform its obligations under this Lease.

B. To terminate this Lease; provided, however, before Tenant pursues termination of this Lease as a remedy, Tenant must first provide written Notice to Landlord indicating that Tenant has elected to pursue termination of this Lease as a remedy for an uncured breach or Landlord Default in existence at the time the Notice is sent, and stating that if the specific breach or Landlord Default is not cured within thirty (30) days following the delivery to Landlord of the written Notice, then Tenant may proceed to terminate this Lease. In such event, Tenant must surrender the Premises to Landlord pursuant to Article 20.

C. To seek actual damages from Landlord. Other than actual damages, Tenant specifically waives the right to seek special, incidental, indirect, consequential, punitive, or other similar types of damages.

19.02 Content of Default Notice. Any notice of default tendered by Tenant under this Lease must specify the nature of the default and how the default may be satisfactorily cured, if possible.

ARTICLE 20 SURRENDER OF PREMISES

20.01 Surrender of Premises; Normal Wear and Tear. Upon expiration or termination of this Lease, Tenant's right to occupy the Premises and exercise the privileges and rights granted under this Lease will cease, and Tenant must 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 or as otherwise provided for in this Lease. Tenant must commence the removal from the Premises of all Tenant Personal Property installed or placed by Tenant in the Premises and must complete said removal within thirty (30) days of the date of written Notice terminating the Lease (the "30-Day Period"). Tenant has the right at any time during the Term of this Lease, to remove the same from the Premises, provided that Tenant repairs, at its sole cost and expense, any damage caused by such removal. Any Tenant Personal Property or Tenant-owned improvements not removed by Tenant within the 30-Day Period will become a part of the Premises, and ownership will vest in Landlord. But Tenant will remain financially liable to Landlord for the costs of repairs to the Premises incurred as a result of Tenant's removal, relocation, or both, of property formerly belonging to Tenant and not otherwise removed from the Premises as provided herein and will remit to Landlord payment for such costs within ten (10) days of Tenant's receipt of Landlord's invoice therefor.

20.02 Voluntary Surrender. Tenant must, on the last day of the Term of this Lease, or upon any termination of this Lease, truly surrender and deliver the Premises along with Program Improvements, and any other permanent improvements at the Premises into the possession and use of Landlord, without fraud or delay and in good order, condition and repair, free and clear of all liens and encumbrances other than those existing on the Effective Date of this Lease, if any, without any payment or allowance whatsoever by Landlord.

ARTICLE 21 SALE OF LEASED PREMISES AND ESTOPPEL CERTIFICATE

21.01 Sale of the Premises. If there is a sale or other conveyance by Landlord of its interest in the Premises, then Landlord is automatically freed and released from all liability accruing from and after the date of such sale or conveyance respecting the performance of any covenant or obligation on the part of Landlord contained in this Lease. Upon such a sale or conveyance, the covenants and obligations contained in this Lease on the part of Landlord will 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 this Lease, except as otherwise provided herein. From and after such sale or conveyance, Tenant is bound to such successor or assign who becomes the new Landlord under this Lease; and Landlord will attorn such successor or assign as the Landlord, effective and self-operative without the execution of any further instruments on the part of either party.

21.02 Estoppel Certificate. Landlord or Tenant may request a certificate evidencing whether or not:

A. This Lease is in full force and effect along with the amount and current status of the Net Rent and Additional Payments due under this Lease;

B. This Lease has been modified or amended in any respect or describing such modifications or amendments, if any; and

C. There are any existing defaults under this Lease, to the knowledge of the Party executing the certificate, and specifying the nature of such defaults, if any.

The certificate must be returned to the requesting Party not later than thirty (30) days following receipt of the request, and in no event shall the certificate require that the Landlord subordinate its interest in the Premises to any party.

ARTICLE 22 HOLDING OVER

22.01 Holdover. In the event of any continued occupancy or holding over of the Premises without the express written consent of Landlord beyond the expiration of the Term, whether in whole or in part, or by failing to surrender the Premises as required by this Lease, this Lease shall be deemed a tenancy from month to month and governed by the same conditions and covenants contained in this Lease.

ARTICLE 23 CONDEMNATION

23.01 Entire or Partial Condemnation. Notwithstanding any other provision in this Lease to the contrary, if at any time during the Term of this Lease title to ten percent or more of the interior portion of the Building is taken in condemnation proceedings or by any right of eminent domain or by agreement in lieu of such proceedings, then Tenant has the right to terminate this Lease effective as of the date possession is transferred to the condemning authority and the Net Rent and Additional Payments reserved will be apportioned and paid to the date of such taking. 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.

23.02 If No Tenant Termination. If Tenant does not elect to terminate this Lease, then, in the event of any taking of less than the whole or substantially all of the Premises, Tenant may, at its sole election and if Tenant is reasonably able to do so, continue to operate and maintain the remaining Premises as contemplated by this Lease, in which case, the Net Rent will not be reduced or affected in any way, and the Lease will continue in full force and effect with respect to the balance of the Premises.

23.03 Rights of Participation. 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, each Party has 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 will be made without the consent of Tenant, which will not be unreasonably withheld.

23.04 Notice of Proceeding. In the event Landlord or Tenant receives notice of any proposed or pending condemnation proceedings affecting the Premises, the Party receiving such notice will notify the other Party of the receipt and contents thereof within five (5) days from receipt of the notice.

ARTICLE 24 GENERAL PROVISIONS

24.01 Notices. Any notice, request, demand, statement, or consent required to be given by either Party to the other in this Lease (each, a "Notice"), must be in writing, signed by or on behalf of the Party, and addressed to the other at the address set forth below.

To Landlord: City of Mesa
 20 E. Main Street
 Mesa, Arizona 85201-7425
 Attention: Kim Fallbeck, Real Estate Services

To Tenant: Local First for Business
 1505 E. Missouri Avenue
 Phoenix, Arizona 85014
 Attention: Kimber Lanning, CEO

Each Party may by Notice change its address for the purpose of this Lease, which address shall thereafter be used in place of the former address. Each Notice to a Party is deemed sufficiently given, served, or sent for all purposes here under (i) upon personal delivery, or (ii) one business day after deposit with any recognized courier or express service for next business day delivery.

24.02 Minor Amendments. The City of Mesa's City Manager is authorized to execute and deliver on behalf of the Landlord, without the further consent and approval of the City Council, amendments to this Lease to the extent authorized in the resolution that authorizes this Lease.

24.03 Amendments. Any amendment to this Lease must be in writing and be approved by the Parties (including, but not limited to, approval by the City Council of the City of Mesa), except as set forth in Section 24.02 above.

24.04 Binding Effect. This Lease inures to the benefit of, and is binding upon, the Parties, their heirs, personal representatives, successors, and permitted assignees.

24.05 Entire Agreement. This Lease with its schedules, exhibits, and annexes, contains the entire agreement between Landlord and Tenant, and is the only agreement between the Parties pertaining to the Premises. It is understood that there are no oral agreements between the Parties affecting this Lease; and this Lease supersedes and cancels all previous negotiations, arrangements,

brochures, agreements, and understandings, if any, between the Parties with respect to the subject matter hereof, and none can be used to interpret or construe this Lease.

24.06 Time of the Essence. Time is of the essence with respect to each provision of this Lease.

24.07 No Partnership. Nothing contained in this Lease is deemed or construed as creating an agency, partnership, or joint venture relationship between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant, Tenant Persons, or any other user or invitee of the Premises.

24.08 Authority. The person executing this Lease on behalf of, or as a representative for, the Tenant warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the Tenant and that this Lease is binding upon the Tenant in accordance with the terms and conditions herein.

24.09 Governing Law. Any dispute with respect to this Lease and the rights and duties created by this Lease will be governed by the laws of the State of Arizona and litigated in a court of competent jurisdiction in Maricopa County, Arizona. The Parties will not raise, and hereby waive, any defenses based on venue, inconvenience of forum, or lack of personal jurisdiction in any action or suit brought in accordance with this Lease. The Parties acknowledge that they have read and understand this clause and agree voluntarily to its terms.

24.10 Termination under A.R.S. § 38-511. The Parties acknowledge that this Lease is subject to cancellation by the City of Mesa for a conflict of interest pursuant to the provisions of A.R.S. § 38-511.

24.11 Survivability. All warranties, representations, and duties to indemnify, defend, and hold harmless survive the termination, cancellation, or expiration of this Lease for a period of two years. Additionally, all obligations to restore the Premises survive the termination or expiration of this Lease, as well as any other Article or Section that reasonably should survive will survive.

24.12 E-Verify Requirement. To the extent A.R.S. § 41-4401 and A.R.S. § 23-214 are applicable, Tenant represents and warrants compliance with all federal immigration laws and regulations that relate to their employees and agrees to permit Landlord to inspect its personnel records as it relates to E-verify documentation to verify such compliance. A breach of Tenant's warranty under this Section 24.12 is a breach of this Lease and may result in the termination of this Lease by Landlord; however, Tenant will not be deemed to have materially breached this warranty if it establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A. Further, Tenant will require Qualified Affiliate, Permitted Sublessee, and all Program Participants, Program Mentors, and Permitted Licensees to represent and warrant compliance with all federal immigration laws and regulations that relate to their employees, to the extent A.R.S. § 41-4401 and A.R.S. § 23-214 are applicable; and any agreement (including but not limited to User Agreement) with Qualified Affiliate, Permitted Sublessee, Program Participant, Program Mentor, or Permitted Licensee (for the occupancy or use of the Premises (as provided in this Lease) include the E-Verify requirements in this Section 24.12 as it related to their employees.

24.13 Litigation. Tenant must notify Landlord within ten (10) 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.

24.14 Memorandum of Lease. Landlord and Tenant agree that in connection with the execution of this Lease, the Parties will execute a "Memorandum of Lease" in the form attached hereto as Exhibit F for recording in the Office of the County Recorder, Maricopa County, Arizona.

24.15 Governmental Capacity. 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 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.

24.16 No Personal Liability of Officials of Landlord or Tenant. Except for a violation of Section 24.08, the covenants, stipulations, promises, agreements, and obligations of Landlord or Tenant contained in this Lease are not covenants, stipulations, promises, agreements, or obligations of any official, officer, agent, or employee of Landlord or Tenant in his or her individual capacity, and there is no recourse for the payment for any Claims based thereon or any Claims hereunder against any official, officer, agent, or employee of Landlord or Tenant.

24.17 Severability. If any term or provision of this Lease is declared void or unenforceable (or is construed as requiring Landlord to do any act in violation of any Applicable Law, including any constitutional provision, law, regulation, City Code, or City Charter), such provision will be deemed severed from this Lease and this Lease will otherwise remain in full force and effect; provided that this Lease will retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed Lease (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 Laws, the Parties further will 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.

24.18 No Implied Waivers. No failure by Landlord to insist upon the strict performance of any covenant, agreement, term, or condition hereof or to exercise any right or remedy consequent upon a breach hereof, and no acceptance of full or partial rent during the continuance of any such breach, constitutes a waiver of any such breach or of such covenant, agreement, term, or condition. No covenant, agreement, term, or condition hereof to be performed or complied with by Landlord or Tenant, and no breach thereof, may be waived, altered or modified, except by a written instrument executed by the Party to be charged therewith. No waiver of any breach affects or alters this Lease, but each and every covenant, agreement, term, limitation, and condition hereof will continue in full force and effect with respect to any other then existing or subsequent breach hereof.

24.19 Drug-Free Workplace. Tenant will require a drug-free workplace for all employees, Program Participants and Program Mentors (including Permitted Licensees) and Permitted Sublicensee at the Premises. Specifically, all Tenant employees who are working at the Premises

and all Program Participants, Program Mentors, and Permitted Licensees who are participating in Tenant programs under this Lease and any Permitted Sublessee must be notified in writing by Tenant that they are prohibited from the manufacture, distribution, dispensation, possession, or unlawful use of a controlled substance. Tenant agrees to prohibit the use of intoxicating substances by all employees, Program Participants and Program Mentors (including Permitted Licensees and Permitted Sublicensee) and will ensure that all employees, Program Participants, and Program Mentors (including Permitted Licensees and Permitted Sublicensee) do not use or possess illegal drugs while in the course of performing their duties on the Premises.

24.20 Incorporation of Exhibits and Attachments by Reference. All exhibits and attachments to this Lease are fully incorporated as though set forth in the body of this Lease.

24.21 Construction. Except for those terms defined in Article 1 of this Lease, the terms and provisions of this Lease will 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 and ambiguous or conflicting terms or provisions contained in this Lease will be interpreted or construed against the Party who prepared or whose attorney prepared the executed Lease or any earlier draft of the same.

24.22 Execution and Delivery. This Lease will bind Tenant upon its execution thereof. Landlord will be bound only after it executes and delivers the Lease to Tenant following approval by the City Council of the City of Mesa, in such Council's sole and absolute discretion.

24.23 Counterparts. This Lease may be executed by the Parties in counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument.

24.24 No Boycott of Israel. Tenant certifies pursuant to A.R.S. § 35-393.01 that it is not currently engaged in, and for the Term of this Lease will not engage in, a boycott of Israel.

24.25 Preserve State Shared Revenue. Notwithstanding any other provision of, or limitation in, this Lease to the contrary, if pursuant to A.R.S. § 41-194.01 the Attorney General determines that this Lease violates any provision of state law or the Constitution of Arizona, Landlord and Tenant are not able (after good faith attempts) to modify the Lease so as to resolve the violation with the Attorney General within thirty days of notice from the Attorney General pursuant to and under the provisions of A.R.S. § 41-194.01(B)(1), this Lease shall automatically terminate at midnight on the thirtieth day after receiving such notice from the Attorney General, and upon such termination, the Parties shall have no further obligations under this Lease. Additionally, if the Attorney General determines that this Lease may violate a provision of state law or the Constitution of Arizona under A.R.S. § 41-194.01(B)(2), City is entitled to terminate this Lease, except if Tenant timely posts such bond, if required; and provided further, that if the Arizona Supreme Court determines that this Lease violates any provision of state law or the Constitution of Arizona, City may terminate this Lease; and the Parties shall have no further obligations hereunder.

24.26 Nondiscrimination and Equal Employment Opportunity. Tenant must comply with all applicable federal, state, and local laws, executive orders, ordinances, and other requirements of

the City of Mesa, relating to nondiscrimination and equal employment opportunity. In performing under this Lease, Tenant will not discriminate against any worker, employee or applicant, Program Participant, or any member of the public, because of race, color, ethnicity, national origin, religion, sex, sexual orientation, gender, gender identity and expression, genetic information, age, veterans' status, marital status, familial status, or disability (collectively, "Protected Status"), nor otherwise commit an unfair employment practice. Tenant will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment, without regard to their Protected Status. Such action will include, but not be limited to the following: employment, upgrading, demotion or transfer recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Tenant further agrees that this clause will be incorporated in all licenses or agreements entered into with any Qualified Affiliate, Permitted Sublessee, Permitted Licensee, Program Participant, or Program Mentor.

24.27 Singular and Plural, Gender. If two or more persons, firms, corporations, or other entities constitute either the Landlord or the Tenant, the word "Landlord" or the word "Tenant" will be construed as if it reads "Landlords" or "Tenants," and the pronouns "it," "he," and "him" appearing herein shall be construed to be the singular or plural, masculine, feminine, or neuter gender as the context in which it is used shall require.

Signatures of Landlord and Tenant are on the following two (2) pages.

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF **MARICOPA**, STATE OF **ARIZONA**, AND IS DESCRIBED AS FOLLOWS:

That part of Lot 8, Block 12, Mesa, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in [Book 3 of Maps, page 11](#), described as follows:

BEGINNING at a point, a distance of 84.50 feet West from the Northeast corner of said Lot 8;

THENCE South, a distance of 153.00 feet, more or less to an alley;

THENCE West, a distance of 43.50 feet, along the North line of said alley;

THENCE North, a distance of 153.00 feet, more or less, to the North line of said Lot 8;

THENCE East, a distance of 43.50 feet, along said North line of Lot 8, to the POINT OF BEGINNING.

[APN: 138-42-048](#)

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by **Chicago Title Insurance Company**. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

72C165 Commitment for Title Insurance Adopted 08-01-2016 Revised 04-02-2018

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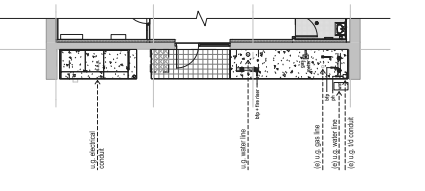
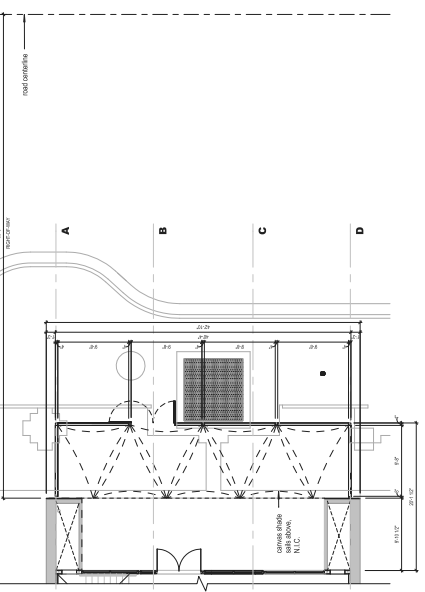
Page 3



REFER TO VIEWS FOR SCALE



BENCHMARK: ELEVATION = (C.O.M. DATUM)



2 Enlarged Patio - DRB
1/8" = 1'-0"

3 Site Utilities - DRB
1/8" = 1'-0"

EXHIBIT B TO LEASE BUILD-OUT IMPROVEMENTS

zoning + use

SEE DOWNSTREAM CONSTRUCTION PERMITS FOR UTILITY SERVICE

building setbacks

FRONT (STREET ADJ.) 7'
SIDE (ALLEY ADJ.) 5'
SIDE 5'

lot width

44' (EXISTING BUILDING WIDTH)

site + building area

SITE AREA: 6,668 SF
TOTAL BLDG. AREA: 4,270 GSF
TOTAL BLDG. AREA: 4,270 GSF
TOTAL BLDG. AREA: 4,270 GSF
4,270 SF TOTAL BUILDING AREA COVERAGE = 64%

building height

20' (EXISTING BUILDING HEIGHT)

driveway

NOT APPLICABLE

parking

NOT APPLICABLE

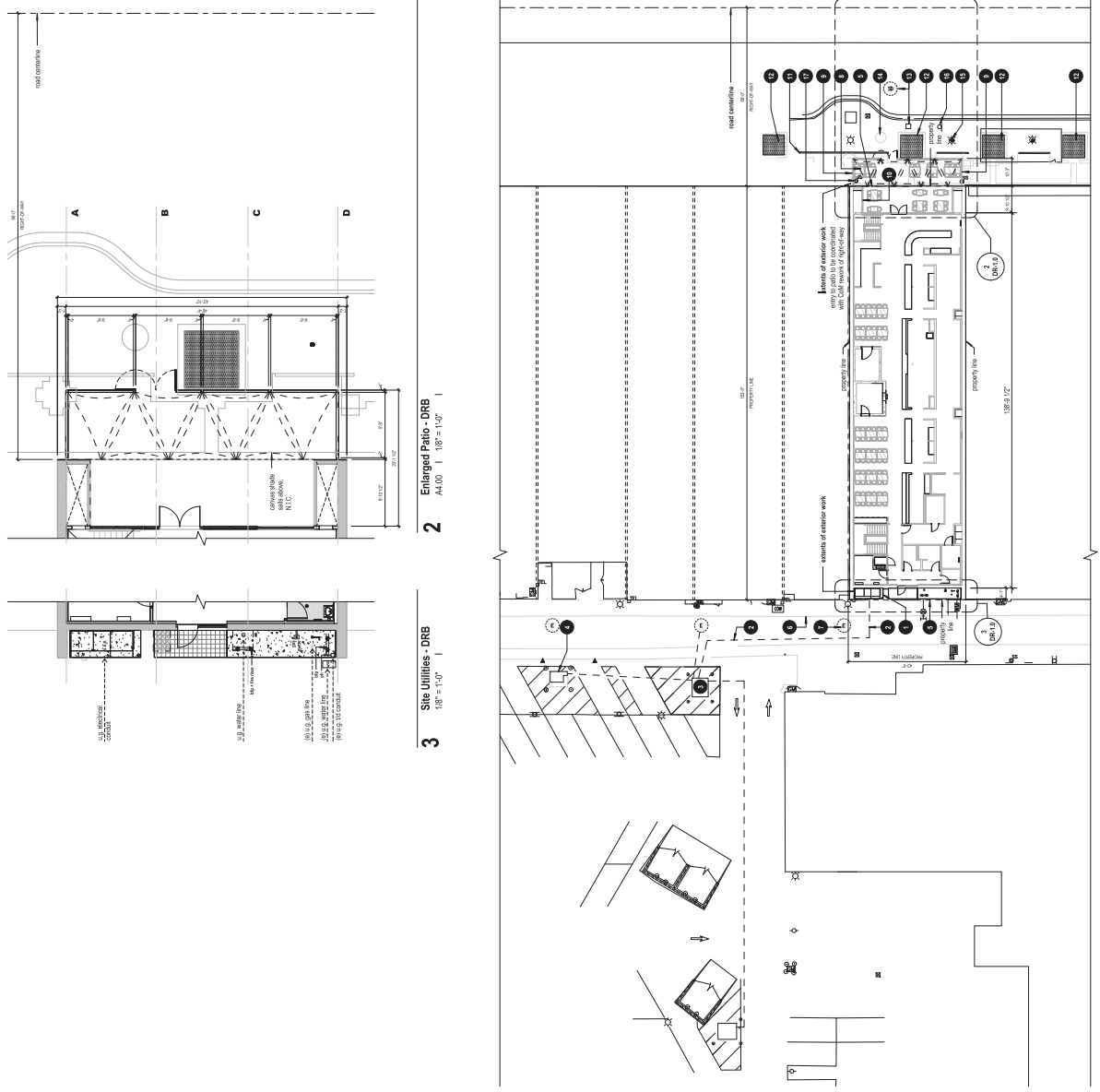
keynotes

- 1 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 2 U.G. POWER LINE UNDER SEPARATE PERMIT. SEE CIVIL DRAWING.
- 3 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 4 ELECTRICAL TRANSFORMER. SEE ELECTRICAL DR.
- 5 PROPERTY LINE.
- 6 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 7 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 8 OUTDOOR SERVING PATIO.
- 9 APPROX. LOCATION WITH MASTER KEY.
- 10 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 11 TRENCH BRAN.
- 12 ELECTRICAL SERVICE ENTRANCE SECTION PAINT TO MATCH BUILDING. SEE ELECTRICAL DR.
- 13 ELECTRICAL SERVICE ACCESS.
- 14 ELECTRICAL SERVICE ACCESS.
- 15 ELECTRICAL SERVICE ACCESS.
- 16 ELECTRICAL SERVICE ACCESS.
- 17 ELECTRICAL SERVICE ACCESS.

30 July 2025
DRB Submittal



Construction Documents CITY OF MESA ENGINEERING DEPARTMENT City of Mesa Restaurant Incubator 111 W. Main St. Mesa, AZ 85210	
COM PROJECT NO. CP-1102	DRAWINGS DR-10
DRAWN BY: APPROVED BY:	
SHEET . OF .	CATALOG NUMBER: A-



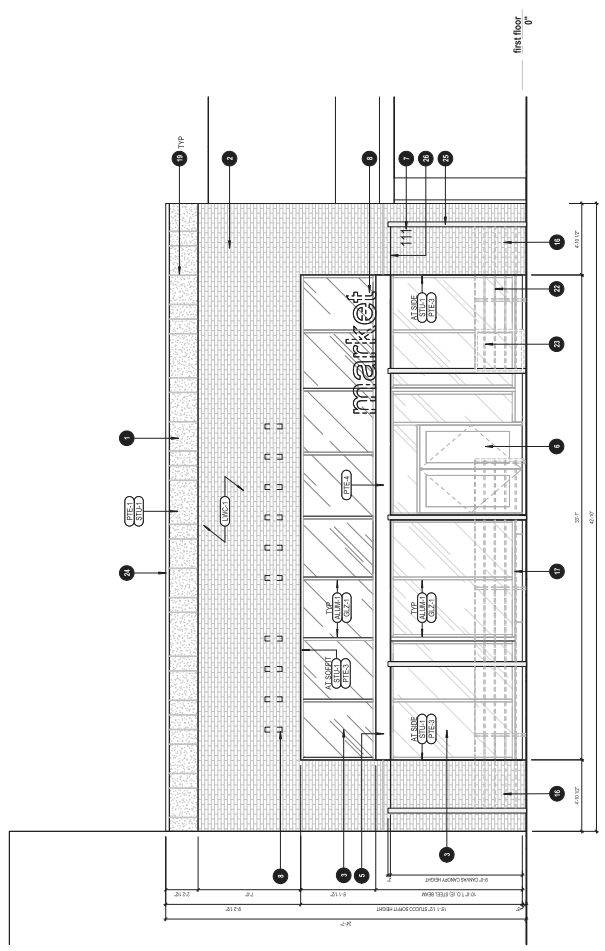
1 Site Plan - DRB
1" = 20'-0"

REFER TO VIEWS FOR SCALE

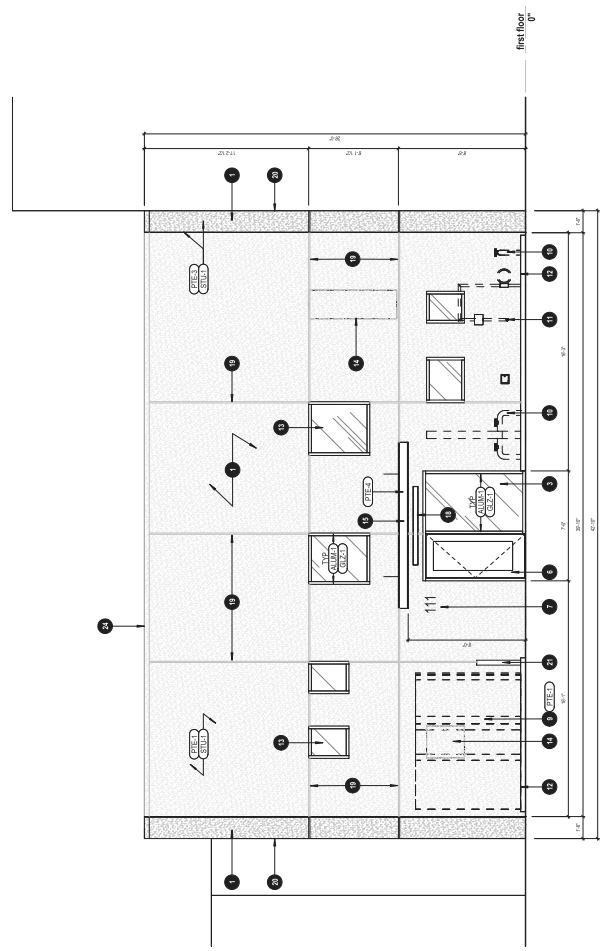
BENCHMARK: NORTH ELEVATION = (C.O.M. DATUM)

finish materials

- 1. ALL ANIMAL SURFACES
- 2. ASPH. FLOORING OVER FOOTING: ANCHOR AS 3/4" DIA. BRONZE
- 3. BRICK: 8" x 8" x 16" (CLEAR) 1/2" AIRSPACE + 1/4" CLEAR (TEMPERED EXTERIOR)
- 4. GUTTER: INSULATED LOWE (1/4" CLEAR) 1/2" AIRSPACE + 1/4" CLEAR (TEMPERED EXTERIOR)
- 5. STUCCO: SAND FINISH EXTERIOR
- 6. STUCCO: SAND FINISH EXTERIOR
- 7. STUCCO: SAND FINISH EXTERIOR
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- 24. STUCCO: SAND FINISH EXTERIOR
- 25. STUCCO: SAND FINISH EXTERIOR
- 26. STUCCO: SAND FINISH EXTERIOR



2 north elevation DRB
1/4" = 1'-0"



1 south elevation DRB
1/4" = 1'-0"

keynotes - elevations

1. SMOOTH STUCCO FINISH OVER EXISTING BRICK. PATCH AS REQUIRED.
2. BRICK: PAINTED SURFACE TO BE CLEANED FROM DEBRIS AND LOOSE MATERIAL.
3. INSULATED GLAZING.
4. BRICK: 8" x 8" x 16" (CLEAR) 1/2" AIRSPACE + 1/4" CLEAR.
5. BRICK: 8" x 8" x 16" (CLEAR) 1/2" AIRSPACE + 1/4" CLEAR.
6. SCHEDULED DOOR.
7. SCHEDULED WINDOW.
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30 July 2025
DRB Submittal



Construction Documents

CP-1102

CITY OF MESA
ENGINEERING DEPARTMENT
City of Mesa Restaurant Incubator
111 W. Main St. Mesa, AZ 85210

DRAWING NO. DR-2.0

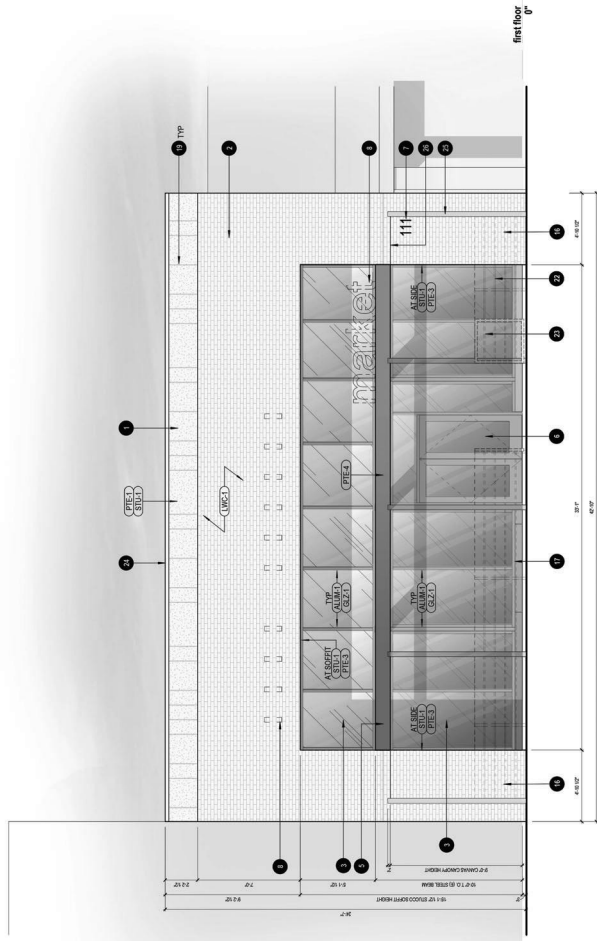
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CATALOG NUMBER: A-

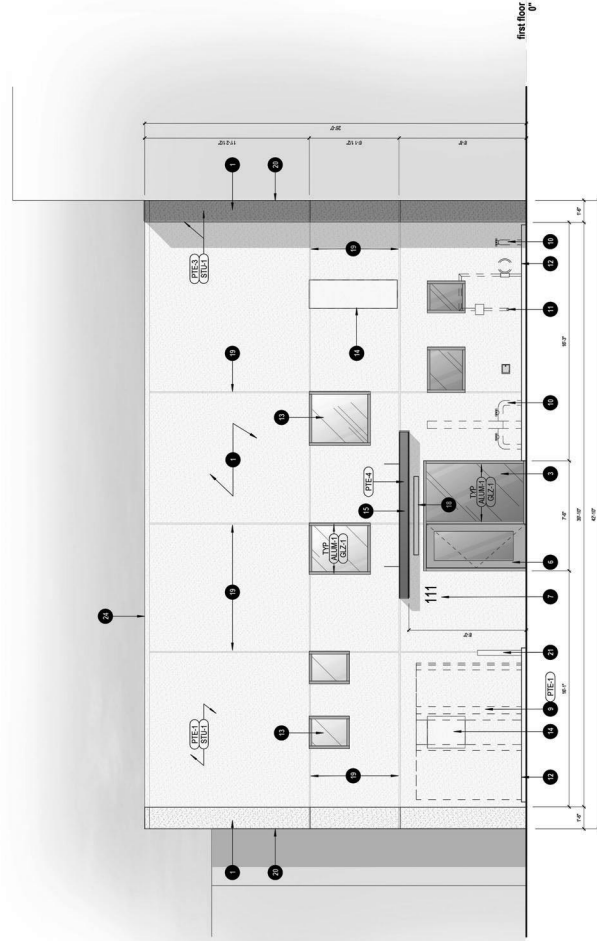
REFER TO VIEWS FOR SCALE	NORTH	BENCHMARK
		ELEVATION = (C.O.M. DATUM)

finish materials

- 022 ALUMINUM EXTERIOR
- 023 ALUMINUM EXTERIOR
- 024 ALUMINUM EXTERIOR
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- 098 ALUMINUM EXTERIOR
- 099 ALUMINUM EXTERIOR
- 100 ALUMINUM EXTERIOR



2 north elevation DRB
1/4" = 1'-0"



1 south elevation DRB
1/4" = 1'-0"

keynotes - elevations

- 1 SMOOTH STUCCO FINISH OVER EXISTING BRICK. PATCH AS REQUIRED.
- 2 BRICK, PAINTED. SURFACE TO BE CLEANED FROM DIRT AND LOOSE MATERIAL.
- 3 INSULATED GLAZING.
- 4 SCHEDULED DOOR.
- 5 SCHEDULED WINDOW.
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- 25 SCHEDULED WINDOW.
- 26 SCHEDULED WINDOW.

30 July 2025
DRB Submittal



180°
ELEVATION

COM PROJECT NO. CP1102	Construction Documents
CITY OF MESA ENGINEERING DEPARTMENT City of Mesa Restaurant Incubator 111 W. Main St. Mesa, AZ 85210	
DRAWN BY: APPROVED BY:	DRAWING DR-3.0
SHEET - OF -	CATALOG NUMBER: A-

REFER TO VIEWS FOR SCALE

BENCHMARK: (C.O.M. DATUM)

NORTH



Exterior Rendering - Front



Exterior Rendering - Rear

30 July 2025
DRB Submittal



CONSTRUCTION DOCUMENTS CITY OF MESA ENGINEERING DEPARTMENT City of Mesa Restaurant Incubator 111 W. Main St. Mesa, AZ 85210		DRAWINGS DR-4.0
COM PROJECT NO. CP-1102	SHEET OF	CATALOG NUMBER A-
DRAWN BY: APPROVED BY:		EXTERIOR RENDERINGS DR-4.0
PROJ. NO. CE1102		SHEET OF

EXHIBIT C TO LEASE

LANDLORD'S MAINTENANCE, REPAIR, & REPLACEMENT OBLIGATIONS

City shall be responsible for the maintenance, repair, and replacement of all the following:

1. Roof, flooring, walls, and structural components
 - a. Roofing material, caulking/leaks, flashing, beams, slabs and trusses, structural integrity maintenance, load bearing walls, drywall damage excluding general wear and tear.
 - b. System and structure of Windows, Front Door, Ceiling, and Stairway
 - c. Replacement of Exterior Door Locks
 - d. Electrical distribution systems
 - e. Main panel, breakers, raceways, switches and wiring 12 gauge and lower, replacement of light fixtures not to include bulbs or general care and maintenance
 - f. Fenestration
 - g. Windows and exterior door maintenance resulting from normal wear and tear
2. HVAC
 - a. Heating, ventilating, air conditioning and heating system operations with the exception of regular air filter replacement
3. Automated energy management systems
4. Lift
 - a. Inspections and repairs
5. Plumbing system
 - a. Water lines, valves, and fixture hangers
 - b. Water Heater
6. Building exterior
 - a. Paint, caulking and lights fixtures, excluding bulbs
 - b. Awning
7. Grounds
 - a. Parking lot poles, fixtures and ground boxes
 - b. Irrigation valves, boxes and components, controllers, control wire, main distribution line irrigation tubing and couplings

EXHIBIT C-1 TO LEASE

TENANT'S MAINTENANCE, REPAIR, & REPLACEMENT OBLIGATIONS

LOCAL FIRST ARIZONA FOUNDATION ("TENANT") MAINTENANCE RESPONSIBILITIES

Tenant shall be responsible for the maintenance, repair, and replacement of all the following:

1. Cleaning
 - a. Wash, wax, vacuum, dust floors, walls, interior and exterior window cleaning, fixtures, restrooms, grease trap, furniture and equipment.
2. Supplies
 - a. All office, janitorial or non-durable goods including but not limited to restroom stock, cleaning products, commodities, copy papers, writing utensils, etc.
3. Repairs
 - a. A/V projectors, screens, furniture, window coverings, sink/plumbing drains including clogs within the space, interior doors, building security system, incidental damages to walls, and interior plumbing fixtures, valves, and faucets,
 - b. Maintenance of windows, front door, ceiling, stairway, flooring, water heater, as well as the Program Improvements (on and after the Rent Commencement Date)
4. Janitorial
 - a. Building interior trash (and recycle) collection and all general janitorial supplies and services
5. Fixtures, Furniture, Appurtenances
 - a. Maintenance and periodic service of interior painted surfaces, equipment (including but not limited to venting hoods, refrigerators, fryers, stove tops, ovens), wall coverings, HVAC filters, interior and exterior light bulbs. Quarterly grease trap maintenance and cleaning also required.
 - b. Lift- Perform and manage all preventative maintenance for the lift system. Tenant to provide City with maintenance schedule.
6. Building Security
 - a. Repair, maintenance, and replacement of locks, video doorbell, and private building security equipment
7. Grounds and Landscaping
 - a. Leaf and debris removal.
8. Pest Control - interior and exterior
9. Tenant Personal Property -including signage

Any additional maintenance, repair or replacement obligations not specifically included in Section 11.01 of the Lease.

EXHIBIT D TO LEASE

INSURANCE REQUIREMENTS

Tenant will procure and maintain insurance during the applicable “Coverage Period,” as shown on the below chart, against claims for injury to persons or damage to property which may arise from or in connection with the Premises, or in the performance of work or construction of the Premises, or both, by Tenant, its agents, representatives, employees, contractors, or subcontractors.

The insurance requirements herein are minimum requirements for the Lease, of which this Exhibit D is a part, and in no way limits the indemnity covenants contained in the Lease. Landlord in no way warrants that the minimum limits contained herein are sufficient to protect Tenant from liabilities that might arise from or in connection with the Premises, and Tenant is free to purchase additional insurance as Tenant may determine.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Tenant will provide coverage during from and after the Commencement Date and remain in effect for the Term of the Lease (the “Coverage Period”) and with limits of liability not less than those stated below.

<u>Type</u>	<u>Amount</u>
General Liability (which includes operations, products, completed operations, and contractual liability coverage)	With limits not less than \$3,000,000 combined single limit per occurrence and not less than \$5,000,000 general aggregate.
Property (all risks of loss including risks covered by fire and extended coverage, terrorism, vandalism and malicious mischief)	In an amount not less than full replacement cost of the Premises, and all Improvements and fixtures (including but not limited to Build-Out Improvements and Landlord FF&E).
Commercial Automobile Liability	With limits not less than \$1,000,000 each occurrence, combined single limit for bodily injury and property damage covering owned, non-owned and hired auto coverage as applicable.
Workers’ Compensation Employers’ Liability	Statutory Limits \$500,000 each accident, each employee
Liquor Liability	\$5,000,000, provided Tenant sells and/or serves alcohol on the Premises.
Equipment Breakdown Coverage	\$5,000,000 (or such other amount as agreed to in writing between the Parties that is sufficient to cover all such risks)

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies must include, or be endorsed to include provisions with the following effect:

1. Landlord, and its agents, officials, officers, officers, elected and appointed officials, employees, and volunteers named as additional insureds and added by endorsements on all general liability insurance policies and commercial automotive liability policies.

2. On insurance policies where the Landlord is to be named as an additional insured, the Landlord will be named as additional insured to the full limits and to the same extent of coverage as the insurance purchased by Tenant, even if those limits of coverage are in excess of those required by the Lease.

3. The Tenant's insurance coverage is primary and non-contributory with respect to all other Landlord insurance sources.

4. A waiver of subrogation rights in favor of the Landlord, its agents, officials, officers, officers, elected and appointed officials, employees, and volunteers (all policies). Tenant will obtain a workers' compensation policy that is endorsed with a waiver of subrogation in favor of Landlord for all work performed by Tenant, its employees, Program Participants, agents, contractors, and subcontractors. Tenant agrees to obtain any endorsement that may be necessary to comply with this waiver of subrogation requirement.

5. Landlord will be named as Loss Payee on all property insurance policies. Proceeds of any property damage insurance will be applied as required by Article 13 of this Lease.

C. EXCESS OR UMBRELLA POLICY: In addition to a primary policy, an excess or umbrella policy may be used to meet the minimum requirements if the excess or umbrella coverage is written on a "following form" basis.

D. NOTICE OF CANCELLATION: Tenant will use good faith efforts to obtain from each insurance company a provision in each insurance policy to the effect that it will not be suspended, voided, cancelled, or reduced in coverage except after thirty (30) days' prior written notice has been given to Landlord. Such notice must be sent directly to Risk Management, City Attorney's Office, City of Mesa, 20 E. Main Street, P.O. Box 1466, MS-1077, Mesa, Arizona 85211-1466.

E. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. Landlord in no way warrants that the above-required minimum insurer rating is sufficient to protect the Tenant from potential insurer insolvency.

F. ENDORSEMENTS AND VERIFICATION OF COVERAGE: Tenant will provide Landlord with Certificates of Insurance signed by the Issuer with applicable endorsements for all policies as required herein. All Certificates of Insurance and any required endorsements are to be received and approved by the Landlord before the applicable Coverage Period. Each applicable insurance policy required by the Lease must be in effect at or prior to and remain in effect for the Coverage Period. All Certificates of Insurance and endorsements must be sent directly to the City Attorney, City Attorney's Office, City of Mesa, 20 E. Main Street, P.O. Box 1466, MS-1077, Mesa, Arizona 85211-1466. Landlord reserves the right to require complete copies of all insurance

policies required by the Lease at any time, but not more than once each twelve consecutive months during the Term of the Lease.

G. TENANT'S DEDUCTIBLES AND SELF-INSURED RETENTIONS: Any deductibles or self-insured retention in excess of \$250,000 shall be declared to and be subject to approval by Landlord. Tenant is solely responsible for the payment of any deductible or self-insured amounts and waives any rights it may have to seek recovery of such amounts from Landlord and its agents, officials, volunteers, officers, elected officials, and employees.

H. TENANT'S CONTRACTORS AND DESIGN PROFESSIONALS: Tenant will require and verify that the general contractor and all subcontractors maintain reasonable and adequate insurance with respect to any work on or at the Premises, all such policies must include: (i) a waiver of subrogation rights in favor of the Landlord, its agents, officials, volunteers, officers, elected officials, and employees, (ii) a waiver of liability in favor of the Landlord, its agents, officials, volunteers, officers, elected officials, and employees releasing and holding harmless the same from any and all liability for any and all bodily injury, including death, and loss of or damage to property, and (iii) Landlord, and its agents, officials, volunteers, officers, elected officials, and employees, shall be named as additional insureds and added by endorsements on all general liability insurance policies and commercial automotive liability policies. Tenant shall require all design professionals (e.g., architects, engineers) to obtain Professional Liability Insurance with limits of liability not less than those stated in the above chart.

I. LANDLORD'S RIGHT TO ADJUST. With written notice to Tenant of not less than 60 days, Landlord may reasonably adjust the amount and type of insurance Tenant is required to obtain and maintain under this Lease as reasonably required by Landlord from time-to-time.

J. FAILURE TO PROCURE. If Tenant fails to procure or maintain any insurance required in the Lease and this Exhibit C, Landlord may, but is not required to, procure and maintain any or all the insurance required of Tenant under this Lease and this Exhibit C. In such event, all costs of such insurance procured and maintained by Landlord is the responsibility of Tenant and Tenant must fully reimburse the Landlord within thirty (30) business days after Landlord's request for payment.

EXHIBIT E TO LEASE

USER AGREEMENT PROVISIONS

The user agreement, between Tenant and each Permitted Licensee and any license or sublease (or other agreement) between Tenant and Permitted Sublessee, to use the Premises must include, at a minimum, the provisions in this Exhibit E. Where the term Permitted Licensee is used herein, that term is to be replaced with the term Permitted Sublessee in any license or sublease (or other agreement) between Tenant and Permitted Sublessee. The capitalized terms used in this Exhibit E are as defined in this Lease.

- The User Agreement is not a lease or sublease, it is a non-exclusive temporary revocable license where the Tenant gives the Permitted Licensee permission to occupy a portion the Premises for a specific limited amount of time for Program purposes (as described in the Lease) and that at all times the Tenant remains the party with the leasehold interest in the Premises as set forth in the Lease. Permitted Licensee may not transfer or assign its privileges to a third-party or allow any third-party access to, or use or operation of, the Shared Kitchen or Food Court Area, or any other area of the Premises.
- Termination. At any time, if a Permitted Licensee ceases to participate as a Program Participant in Tenant's Incubator Program, then Permitted Licensee's use and occupancy of the Premises shall immediately terminate, and Permitted Licensee must promptly remove any personal property on the Premises. Further, either Tenant or Landlord, with or without cause, can terminate Permitted Licensee's use and occupancy of the Premises at any time, with or without notice, and that upon termination the Permitted Licensee's use of the Premises will immediately cease, and such Permitted Licensee must promptly remove any personal property on the Premises.
- Permitted uses and Conduct of Activities. Permitted Licensee and its employees will use the Premises as permitted in Article 3 of the Lease and will conduct its activities in accordance the Lease including but not limited to scheduling and operational hours. No other uses or users are permitted. Further, Permitted Licensee and its employees will use the Premises and conduct its activities, in a manner that: (i) will not cause or be likely to cause material damage to the Improvements or any part of the Improvements; (ii) will not materially interfere and detract from the value or appearance of the Premises; (iii) will not create or cause to be created nuisances or hazards to the public health or safety; or (iv) is not illegal, unlawful, or immoral.
- Use of the Shared Kitchen. When using the Shared Kitchen, Permitted Licensee and its employees will operate and maintain it in a sanitary and orderly condition and comply with applicable health and safety standards.

- Permits and Authorizations. Before using the Premises or conducting activities Permitted Licensee must provide to Tenant current valid copies of the following:
 1. Food Safety Manager Certificate, such as ServSafe certification
 2. City of Mesa Business Tax License, if required by Mesa City Code
 3. Food Establishment Permit, as required by Maricopa County Environmental Service.
 4. Any other approvals and permits required by Applicable Laws

- Compliance with Applicable Laws. Permitted Licensee and its employees shall at all times comply with all Applicable Laws and will use the Premises and conduct its activities, in accordance all Applicable Laws (including but not limited to Maricopa County and State of Arizona laws and regulations related to food handling and health safety).

- Neat Condition. Permitted Licensee and its employees will keep the Premises and the Improvements neat, clean, safe, sanitary, and in an orderly condition at all times, including the prevention of the accumulation of any refuse or waste materials that might constitute a health or fire hazard or public nuisance.

- Parking. Permitted Licensee and its employees must comply with the applicable parking provisions of the Mesa City Code and Mesa’s parking requirements.

- Environmental and Safety Protections. Permitted Licensee and its employees shall not bring onto, generate, use, store or dispose of in, on, or about the Premises or the Property any Hazardous Materials.

- Alterations and Improvements. Permitted Licensee and its employees are not permitted and will not make any physical improvements, alterations, additions, enhancements, or modifications to the Premises.

- City’s Program Improvements. All Program Improvements purchased or leased by City shall not be removed or altered by Permitted Licensee or its employees.

- Indemnification. To the fullest extent permitted by law, Permitted Licensee and Permitted Licensee’s employees, agents, invitees, guests, and customers shall indemnify, defend, and hold harmless the City of Mesa and its elected and appointed officials, officers, employees, agents, boards, commissions, representatives, and volunteers (collectively, the “City indemnified persons”) from any and all liabilities, claims, damages, losses, obligations, penalties, fines, costs, charges, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, demands, proceedings, judgments, disbursements, charges, assessments, and expenses including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding for bodily injury, illness, death, or for property damage, directly or indirectly arising from or relating to, in whole or in part, Permitted Licensee’s or Permitted Licensee’s employees, agents, invitees, guests, and customers: (i) use, activities, operation, occupancy on, at, or of the Premises, or (ii) the sale or distribution of

any product manufactured in, on, or at the Shared Kitchen or Food Court; except to the extent arising solely from the negligence or willful misconduct of the City of Mesa or City indemnified persons. Any insurance requirements of the User Agreement will not be construed as limiting the scope of this indemnification.

- GPLET Notice. The Premises are subject to the Government Property Lease Excise Tax as provided under A.R.S. § 42-6201, *et seq.* (the “GPLET Tax”) unless an exemption applies. Tenant has represented to Landlord that the GPLET Tax does not apply because the Premises will be used by Tenant and Tenant is an organization that is exempt from taxation under section 501(c)(6) of the internal revenue code. It is the Tenant and Permitted Licensees sole and absolute responsibility to determine the applicability of the GPLET Tax and whether Permitted Licensee is exempt or falls within the Tenant’s exemption. Landlord makes not representation whether Tenant or Permitted Licensees are exempt from the GPLET Tax. If a Permitted Licensee receives notice that their use of the Premises is subject to the GPLET Tax, Permitted Licensee will inform Tenant within four days of receiving notice and Permitted Licensee will be required to pay the GPLET Tax if it is not paid by Tenant and Permitted Licensee’s license may be terminated.

- Insurance. Any insurance policy Permitted Licensee obtains for the Premises and any insurance policy that Tenant requires of Permitted Licensee must include, or be endorsed to include, provisions with the following effect:
 - Landlord, and its agents, officials, officers, elected and appointed officials, employees and volunteers named as additional insureds and added by endorsements on all general liability insurance policies and commercial automotive liability policies.
 - City of Mesa is to be named as an additional insured to the full limits and to the same extent of coverage as the insurance purchased by Permitted Licensee.
 - A waiver of subrogation rights in favor of the City of Mesa and its agents, officials, officers, elected and appointed officials, employees, and volunteers (all policies). Permitted Licensee agrees to obtain any endorsement that may be necessary to comply with this waiver of subrogation requirement.
 - Landlord will be named as Loss Payee on all property insurance policies.
 - Provided further Permitted Licensee will provide Landlord and Tenant with copies of the insurance policies and Certificates of Insurance signed by the issuer with applicable endorsements for all policies. Any insurance policies that Permitted Licensee is required to obtain must be in effect at or prior to the effective date of the User Agreement and remain in effect for the term of the User Agreement. All Certificates of Insurance and endorsements must be sent to the Tenant with a copy to the City of Mesa City Attorney, City Attorney’s Office, City of Mesa, 20 E. Main Street, P.O. Box 1466, MS-1077, Mesa, Arizona 85211-1466.

- General Provisions. Permitted Licensee and its employees must comply with drug free workplace, E-Verify, nondiscrimination and equal employment opportunity, and no boycott of Israel, provisions in Article 24 of the Lease and any other provisions of the Lease that reasonably should apply to Permitted Licensee.

In addition to the required provisions above, Tenant may want to include in the User Agreement provisions that address Permitted Licensees responsibility for security, damage to the Premises, condition of the Premises at Termination and risk of loss for the Premises.

EXHIBIT F TO LEASE

MEMORANDUM OF LEASE

WHEN RECORDED RETURN TO:

City of Mesa
20 East Main Street, #750
Mesa, Arizona 85211
Attn: Real Estate

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MEMORANDUM OF LEASE

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THIS MEMORANDUM OF LEASE (“Memorandum”) provides constructive notice to all persons that there is in existence a Lease as generally described in this Memorandum. This Memorandum is executed by the Landlord and the Tenant for recording purposes only as to the Lease hereinafter described, and it is not intended and shall not modify, amend, supersede, or otherwise effect the terms and provisions of the Lease. In the event of a conflict or ambiguity between anything contained in the Lease, and anything contained in this Memorandum, the Lease will control and prevail.

1. Name of Document: Government Property Improvements Lease Agreement
(the “Lease”)
2. Name of Landlord: City of Mesa, Arizona, an Arizona municipal corporation
(the “Landlord”)
3. Name of Tenant: Local First for Business an Arizona nonprofit corporation
(the “Tenant”)
4. Address of Landlord: 20 East Main Street, Suite 200
Mesa, Arizona 85201-7425
5. Address of Tenant: 1505 E. Missouri Avenue
Phoenix, Arizona 85014
6. Date of Lease: _____, 2026
7. Lease Term: Commencing on the Effective Date
and expiring _____ (____) years thereafter.

8. Leased Premises: 111 West Main Street, Mesa, Maricopa County, Arizona, legally described on Exhibit "A" attached hereto and made a part hereof, together with the Government Property Improvements (i.e., the Building as that term is defined in the Lease), and any and all other improvements, related rights and appurtenances thereto.
9. Rent: Tenant shall pay to Landlord rents and other amounts, as more particularly set forth in the Lease.
10. Incorporation: All the covenants, conditions, defined terms and provisions of the Lease are, by this reference to the Memorandum, incorporated herein and made a part hereof, the same as though expressly set forth herein. If a conflict arises between the provisions of this Memorandum and the provisions of the Lease, the provisions of the Lease shall prevail.

A copy of the Lease is maintained at the offices of Landlord and Tenant at their respective addresses set forth above.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease on _____, 2026.

Signatures and acknowledgments are on the following two pages.

LANDLORD'S SIGNATURE PAGE

Landlord:

City of Mesa, Arizona, an Arizona municipal corporation

By: _____

Name: _____

Its: _____

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

The foregoing was acknowledged before me this _____ day of _____, 202__ by _____, the _____ of the City of Mesa, an Arizona municipal corporation, on behalf of the City of Mesa.

Notary Public

My commission expires: _____

TENANT'S SIGNATURE PAGE

Tenant:

Local First for Business, an Arizona
nonprofit corporation

By: _____

Name: _____

Its: _____

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

The foregoing was acknowledged before me this ____ day of _____, 202__ by
_____, the _____ of Local
First for Business, an Arizona nonprofit corporation.

Notary Public

My commission expires: _____