WHEN RECORDED RETURN TO:

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

DRAFT

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DEVELOPMENT AGREEMENT

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CITY OF MESA, ARIZONA,
an Arizona municipal corporation

AND

PRIDE VENTURES LLC II,
an Arizona Limited Liability Company

==

______________, 2026

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made as of the ____ day of ______, 2026, by and between the CITY OF MESA, ARIZONA, an Arizona municipal corporation (the "**City**"); and PRIDE VENTURES LLC II, an Arizona limited liability company ("**Developer**"). City and Developer are sometimes referred to herein collectively as the "**Parties**," or individually as a "**Party**."

RECITALS

A. Developer is the owner of the certain real property located at 1830 West Main Street near the intersection of North Dobson Road and West Main Street within the city limits of City, totaling approximately 4.05 acres (Assessor Parcel Number: 135-48-042), as legally described in Exhibit A, referred to in this Agreement as the "**Property**".

B. Developer, in Zoning case Z16-046, rezoned the Property on November 21, 2016, to T5MSF and T5MS and the adoption of a Smart Growth Community Plan amended on August 30, 2021, with ZON19-00832, Parcel Nos. A 1A and A2A including a preliminary development plan in connection with the development of market-rate rental Apartments ("**Zoning**").

C. Developer intends to develop the **Property**, consistent with the Zoning, a mixed-use development consisting of one building with:(i) a minimum of 5,684sq ft of commercial space on the first floor along Main Street; (ii) a minimum of 5 stories of market rate apartments, with a maximum height of 68 feet, and a minimum of 191 apartments: 15 studios (597 sq. ft), 102 one bedrooms (717 – 861 sq. ft.), 63 two bedrooms (1015-1107 sq. ft., 11 three bedrooms (1433 – 1751 sq. ft.), and single-level podium and; (iii) a wrapped parking structure with site and unit amenities as stated in Exhibits B and C (the "**Project**").

D. The Property is located in the West Redevelopment Area within City's single Central Business District initially adopted by City Council in 1999 and expanded to include the Property on April 6, 2020. City Council found a substantial number of blight factors still existed within the Central Business District and on April 6, 2020, by Resolution No. 11471, redesignated and renewed the Central Business District and West Redevelopment Area. As such, the Project will promote the redevelopment and revitalization of the immediate area.

E. Additionally, the Project will benefit the public through the dedication various easements for public use and certain Developer-constructed improvements for use by the public, as shown on Exhibits K and L. Developer will maintain, in perpetuity, at its sole cost and expense, a portion of those improvements, as set forth in this Agreement.

F. City believes the development of the Property will generate substantial monetary and non-monetary benefits for City, including, without limitation, by: (i) providing for the planned and orderly development of the Property consistent with the General Plan, West Main Street Area Plan, West Redevelopment Area Plan, Smart Growth Community Plan, Zoning, and Central Business District; (ii) increasing tax revenues to City arising from or relating to the improvements to be constructed on the Property; (iii) increasing utility revenues to City; (iv) creating new jobs and otherwise enhancing the economic welfare of the residents of City; (v) providing the valuable easement access for the public; (vi) the collection of permit fees and transaction privilege tax in the construction of the Project including the collection of the Construction Tax described in Section 3.15; and (vii) otherwise advancing the goals of the redevelopment and revitalization of Main Street.

G. Upon completion of the Private Improvements, it is the intention of the Developer to convey the Private Improvements to City, and thereafter lease the Improvements from City pursuant to the Government Property Lease, attached hereto as Exhibit D, and A.R.S. §§42-6201 *et seq*. The Parties understand and acknowledge that this Agreement is a "Development Agreement" within the meaning of A.R.S. § 9-500.05, and that the terms of this Agreement shall constitute covenants running with the land.

H. The Parties also understand and acknowledge that this Agreement is authorized by A.R.S. §9-500.11. The actions taken by City pursuant to this Agreement are for economic development activities as that term is used in A.R.S. §9-500.11, will assist in the creation and retention of jobs, and will improve and enhance the economic welfare of the residents of City.

AGREEMENTS

Now, therefore, in consideration of the foregoing recitals and representations and the mutual promises contained in this Agreement, the Parties agree as follows:

1. **DEFINITIONS**.

In this Agreement, unless a different meaning clearly appears from the context:

(a) "**Affiliate**", as applied to any person, means any person directly or indirectly controlling, controlled by, or under common control with, that person or a blood relative or spouse of such person, if such person is a natural person. For the purposes of this definition, (i) "control" (including with correlative meaning, the terms "controlling," "controlled by" and "under common control"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise, and (ii) "person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures associations, limited liability companies, limited liability partnerships, trusts, land trusts, business trusts or other organizations, whether or not legal entities.

(b) "**Agreement**" means this Agreement, as amended and restated or supplemented in writing from time to time and includes all exhibits and schedules hereto. References to Sections or Exhibits are to this Agreement unless otherwise qualified.

(c) "**Applicable Laws**" means all federal, state, county and local laws (statutory common law) ordinances, rules, regulations, permanent requirements, and other requirements and official policies of the City, as it may be amended from time-to-time, which apply to the development of the Project as of the date of any application or submission.

(d) "**A.R.S.**" means the Arizona Revised Statutes as now or hereafter enacted or amended.

(e) "**Building**" means as defined in Section 3.2.2.

(f) "**Certificate of Occupancy**" means a certificate of occupancy for any buildings or improvements constructed on the Developer's Property issued by the City.

(g) "**City Code**" means the Code of the City of Mesa, Arizona, as amended from time to time.

(h) "**City Council**" means the City Council of the City of Mesa.

(i) "**City Representative**" means as defined in Section 10.

(j) **"City Undertakings"** means as defined in Section 4.

(k) "**Commencement of Construction**" or "**Commence Construction**" means both (i) the obtaining of permits by Developer that are required to begin the construction of vertical improvements on the Property, and (ii) the actual commencement of vertical construction operations or installation or relocation of utility infrastructure on the Property in a manner necessary to achieve Completion of Construction.

(l) "**Commercial Element**" means as stated in Section 3.2.1.

(m) "**Completion of Construction**" or "**Complete Construction**" means the date on which one or more final certificates of occupancy have been issued by City for the Private Improvements and means the date on which a letter of acceptance has been issued by City for the Public Benefit Improvements.

(n) "**Compliance Date**" means as defined in Section 3.8.

(o) "**Construction Tax**" means as defined in Section 3.15.

(p) "**Customized Review Schedule**" means as defined in Section 4.6.

(q) "**Default**" or "**Event of Default"** means one or more of the events described in Sections 8.1 or 8.2; provided, however, that such events shall not give rise to any remedy until effect has been given to all grace periods, cure periods and/or periods of Force Majeure provided for in this Agreement and that in any event the available remedies shall be limited to those set forth in Section 8.

(r) "**Designated Lenders**" means as set forth in Section 10.22.

(s) "**Developer**" means the Party designated as Developer on the first page of this Agreement, together with its Affiliates and their respective successors and assigns that conform with the requirements of this Agreement.

(t) **"Developer Undertakings"** means as defined in Section 3.

(u) "**Effective Date**" means the date on which all of the following has occurred: this Agreement has been adopted and approved by the City Council, executed by duly authorized representatives of City and Developer, and recorded in the office of the Recorder of Maricopa County, Arizona.

(v) "**Force Majeure**" means as defined in Section 8.6.

(w) "**General Plan**" means "Moving Forward Together: Tomorrow's Mesa 2050 General Plan", as adopted by the City of Mesa.

(x) **Government Property Lease**" means the proposed Land and Improvements Lease to be entered into by and between the City and the Developer with respect to the Project pursuant to the provisions of Section 4.1 below and in the form attached hereto as Exhibit D.

(y) "**Hazardous Materials**" means any substance: (i) that now or in the future is regulated or governed by, requires investigation or remediation under, or is defined as a hazardous waste, hazardous substance, pollutant or contaminant under any governmental statute, code, ordinance, regulation, rule or order, and any amendment thereto, including (by way of illustration and not of limitation) the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., as amended; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., as amended; the Clean Air Act, 42 U.S.C. § 7401 et seq., as amended; the Arizona Hazardous Waste Management Act, A.RS. § 49-921 et seq., as amended; the Arizona Environmental Quality Act, A.R.S. § 49-101 et seq., as amended; and any other laws, rules, regulations, acts and decisions that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water and land use, including sub-strata land (collectively, "Hazardous Materials Laws"); or (ii) that is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, dangerous or otherwise hazardous, including gasoline, diesel fuel, petroleum hydrocarbons, any other petroleum products or by-products, polychlorinated biphenyls, asbestos, lead, radon and urea formaldehyde form insulation; or (iii) medical and biohazard wastes regulated by federal, state or local laws or authorities which includes any solid waste which is generated in the diagnosis, treatment or immunization of a human being or animal or in any research relating to that diagnosis, treatment or immunization, or in the production or testing of biologicals.

(z) "**Improvements**" means the buildings and other improvements to be constructed by Developer within the Project as described in Section 3.3 below.

(aa) "**Lender**" or "**Lenders**" means as defined in Section 10.22.

(bb) "**Private Improvements**" means as defined in Section 3.2.

(cc) "**Public Health Event**" means any one or more of the following but only if and as declared by an applicable governmental authority (or its designee): epidemics; pandemics; plagues; viral, bacterial or infectious disease outbreaks; public health crises; national health or medical emergencies; governmental restrictions on the provision of goods or services or on citizen liberties, including travel, movement, gathering or other activities, in each case arising in connection with any of the foregoing, and including governmentally-mandated closure, quarantine, "stay-at-home," "shelter-in-place" or similar orders or restrictions; or workforce shortages or disruptions of material or supply chains resulting from any of the foregoing.

(dd) **"Public Benefit Improvements"** means as defined in Section 3.4.

(ee) **"Residential Element"** means as stated in Section 3.2.2.

(ff) **"Sycamore Design Standards"** means the Sycamore Station Design Guidelines Booklet reviewed and approved at the April 11, 2017, Design Review Board meeting on file in the Planning Division, as may be amended over time. Amended on August 30, 2021, with ZON19-00832.

(gg) "**Term**" means the period commencing on the Effective Date and terminating ten (10) years after the Effective Date or on the date on which the Parties have performed all of their obligations hereunder, whichever occurs first.

(hh) "**Third Party**" means any person other than a Party, or an Affiliate of any Party.

(ii) "**TPSS Property**" means as defined in Section 3.4.2.

(jj) "**West Main Street Area Plan**" means as defined in Recital F.

(kk) "**Zoning**" or "**Zoning Ordinance**" means as defined in Recital B.

2. PURPOSE OF THIS AGREEMENT.

The purpose of this Agreement is to set forth the Developer Undertakings and the City Undertakings that the Parties will satisfy to provide for the development of the Project in accordance with the Zoning, which may be amended over time, the Sycamore Design Standards, the General Plan, the West Redevelopment Area Plan, and the West Main Street Area Plan. The Project shall meet or exceed the scope as described herein.

3. DEVELOPER UNDERTAKINGS.

In consideration of the timely performance by City of the City Undertakings, and in compliance with all Applicable Laws, Developer shall perform the obligations contained in this Section 3 as follows:

3.1 Demolition, Removal and/or Relocation of Existing Improvements. Developer, at Developer's sole cost and expense, shall demolish and remove all existing improvements and other materials required in connection for the construction of the Project, including but not limited to the abatement of any asbestos, lead, or other Hazardous Materials on the Project.

3.2 Minimum Private Improvements. As a part of the Project and an element of the consideration for City entering into this Agreement and performing the City Undertakings, Developer will construct on or above the Property, at its sole cost and expense the improvements described in this Section 3.2 (the "**Private Improvements**") in compliance with the final approved plans. Developer intends for the Project to be an urban market-rate, mixed-use development consisting of at least:

3.2.1 A minimum of approximately 5,684 square feet of ground floor commercial space (the "Commercial Element"). The Commercial Element is anticipated to be occupied by restaurant/food uses, general retail, service retail, and/or other active commercial or public uses that are permitted by Zoning and are not a Prohibited Use.

3.2.2 One building ("Building") on the Property that will be a minimum of five (5) stories totaling approximately 285,897 square feet and consisting of at least 191 market rate apartments: 15 studio (597 sq. ft); 102 one bedroom (717 – 861 sq. ft.); 63 two bedroom (1015 - 1107 sq. ft.); and 11 three bedroom (1433 – 1751 sq. ft.). The Building shall also include a single-level podium and a wrapped parking structure with site and unit amenities (the "Residential Element").

3.2.3 Developer will cause the Project to include the on-site amenities set forth and described on Exhibit B. Additionally, all individual rental units within the Residential Element shall include the unit amenities set forth and described on Exhibit C. The Parties agree and acknowledge that the City Manager (or designee) will have the right and ability, without need for City Council approval, to make minor adjustments to Exhibits B and C that are agreed to by the Parties and are consistent with the intent of the Parties and this Agreement and further agree that the City Manager (or designee) may approve any substitutions reasonably requested by Developer so long as such substituted amenities are of comparable quality or value.

3.2.4 Exterior Quality Standards. In the construction of the Private Improvements, Developer will comply in all material respects with those exterior quality standards described on Exhibit E. The Parties agree and acknowledge that the City Manager will have the authority, without need for City Council approval, to make minor adjustments to Exhibit E that are agreed by the Parties and are consistent with the intent of the Parties and this Agreement.

3.2.5 Sidewalk and Sidewalk Easement. Developer will construct a sidewalk facilitating pedestrian ingress and egress along the west and north property lines in the area identified and depicted in Exhibits G and H ("**Sidewalk Easement**"). The total area of the Sidewalk Easement will include approximately 5,000 square feet over which Developer shall construct the following minimum improvements: (i) a north-south sidewalk of approximately 3,500 square feet connecting the sidewalk from Main Street to the northwest corner of the site and an east-west sidewalk of approximately 1,500 square feet connecting to the City-owned property to the north east of the Project (the "Transit Center"), facilitating pedestrian access from the northwest corner of the site to the northeast corner of the site at all times; and (ii) landscape improvements along the sidewalk. Developer must dedicate an easement to the City across the sidewalk for public access in the form attached hereto as Exhibit G prior to the issuance of a certificate of occupancy for any improvement constructed on the Property.

3.2.6 Drive Aisle and Vehicular Ingress and Egress Easement. Developer will construct on the area identified and depicted in Exhibist I and J a drive aisle facilitating vehicular ingress and egress along the west and north property lines ("**Vehicular Ingress and Egress Area**"). The total area of the Vehicular Ingress and Egress Area will span approximately 39,322 square feet over which Developer shall construct or restore the following minimum improvements: (i) a north-south drive aisle of approximately 29,849 square feet connecting the drive aisle from Main Street to the southern end of the Park N Ride property; (ii) an east-west drive of approximately 9,473 square feet aisle connecting the north-south drive aisle to the Transit Center, facilitating vehicular access from the northwest corner of the site to the northeast corner of the site; and (iii) landscape improvements along the drive aisle. Developer must dedicate an easement to the City over the Vehicular Ingress and Egress Area for public access in the form attached hereto as Exhibit I prior to the issuance of a certificate of occupancy for any improvement constructed on the Property.

3.2.7 Improvements to Ironwood Drive. Developer will make improvements to areas of Ironwood Drive depicted in Exhibit L. Developer will demolish pavement including three (3) medians, install approximately 29,849 sf of new asphalt drives, approximately 3,233 sf of new sidewalks, approximately 863 linear feet of new curbs and gutters, eight (8) ADA transitions, new light heads on existing light poles, and enhanced landscaping. All improvements on Ironwood Drive, shall be maintained in perpetuity by the Developer.

3.3 Repairs, Operation and Maintenance of Private Improvements. Developer is solely responsible for the cost and expense of all operation and maintenance of the Private Improvements in perpetuity. Except where set forth in the Sidewalk Easement and the Vehicular Ingress and Egress Easement, nothing in this Agreement shall require Developer to restore or repair the Private Improvements after Completion of Construction of the Private Improvements due to casualty, condemnation, or otherwise; provided, however, during the term of the Lease, Developer maintains all responsibilities for maintenance, operation, repair, and replacement of the Private Improvements required under the Lease.

3.4 Public Benefit Improvements. Developer shall, prior to the issuance of a certificate of occupancy for any improvement constructed on the Property, construct all improvements for the public benefit set forth in Exhibits K and L ("**Public Benefit Improvements**"), including the following:

3.4.1 Enhanced landscaping along the west, north, and south side of the Property in the right-of-way of West Main Street, including the installation of additional trees, shrubs, groundcovers and hardscape surfaces as well as related irrigation lines, controllers, and lighting.

3.4.2 TPSS Improvements. A traction power substation (TPSS) powering Valley Metro light rail is located adjacent to the Project ("TPSS Property"). Developer shall modify the existing drive aisle to prevent cross access from the multi-family development to the drive aisle on the TPSS Property or adjacent bus transit center. Modifications shall allow TPSS drive aisle egress into the bus transit center for Valley Metro vehicles only. Additional modifications will be required to the bus transit center platform and pedestrian crossings to modify bus transit center pedestrian access to allow for the drive aisle modifications, as depicted on Exhibits L.

3.4.3 Transit Center Improvements. A bus transfer facility is located on City-owned property adjacent to the Developer's Property (the "Transit Center"). Developer shall construct improvements within the Transit Center consisting of sidewalk replacement, curb replacement, irrigation facilities, demolition of a restroom facility, and concrete footings at middle bus island pedestrian crossing and restoration of earthwork, removal of a crosswalk in bus aisle, removal of pedestrian ramp on center bus island, and landscape installation along the western border of the Transit Center, as depicted on Exhibit L.

3.5 Administrative Adjustments to Public Benefit Improvements and Private Improvements. Notwithstanding the foregoing in Sections 3.2 and 3.4, the City Manager has the authority (without further act or approval required by City Council) to make administrative adjustments in accordance with Applicable Law in the amount of improvements, types of improvements, and areas involving improvements described in Sections 3.2 and 3.4 in order to accommodate reasonable changes necessitated by design and construction matters discovered or determined subsequent to the Effective Date.

3.6 Dedication of Certain Public Benefit Improvements. Prior to the Completion of Construction and the issuance of a certificate of occupancy for any portion or segment of the Private Improvements, Developer will dedicate and grant to City the Public Benefit Improvements and any real property or real property interests which (i) are reasonably necessary for right-of-way purposes or otherwise required for the construction, maintenance, or operation of the Public Benefit Improvements on or within the Property; and (ii) do not materially interfere with the development of the Building as planned (collectively, including the Public Benefit Improvements, the "Dedicated Property"). All such dedications must be made upon such terms and conditions required by City in connection with such dedications, using City's standard forms, without payment of additional consideration from City, and free and clear of all monetary liens, except current taxes and assessments and improvement district liens.

(a) For all Dedicated Property, Developer will demonstrate to City's reasonable satisfaction that all contractors and suppliers of materials have been paid for their work and will provide a two (2) year warranty (which may be by assignment of a contractor's warranty) of materials and workmanship.

(b) Upon acceptance by City (which acceptance shall not be unreasonably conditioned), the Dedicated Property will become public facilities and property of City. Developer will bear all risk of, and will indemnify the City for, from and against any and all Claims arising prior to City's acceptance of the Dedicated Property arising from the condition, loss, damage to or failure of any of the Dedicated Property, except to the extent such Claims are caused solely and directly by the gross negligence or willful acts or omissions of the City.

3.7 Maintenance Obligations of Public Benefit Improvements.

(a) Obligation. Developer, at its sole cost and expense, will be responsible, in perpetuity, for the maintenance of the landscaping fronting the Property along Main Street (the "Main Street Trees") , as described in Exhibit L. The obligation of maintenance by Developer set forth in this Section 3.7 survives the termination or expiration of this Agreement.

(b) Maintenance Standard. All maintenance of the Main Street Trees by Developer must, at a minimum: (i) comply with the requirements of Applicable Laws then in effect for work done in, on or about a right of way, including all applicable procedures regarding safety and minimizing any inconvenience to the public; (ii) be performed in a sound, clean, safe and attractive manner that at all times maintains the safety of the public; and (iii) be performed within a commercially reasonable period of time.

(c) Failure of Developer to Maintain. In the event that Developer fails to provide maintenance for the Main Street Trees, after written notice from City to Developer and a reasonable period of time to remedy such failure, City may (but is not obligated to) provide such maintenance at Developer's expense, in which event Developer, promptly upon receipt of an invoice from City for City's costs and expenses, will pay and reimburse City for all such costs incurred by City.

(d) City Maintenance Authority. In addition to the authority of City to provide maintenance of the Main Street Trees set forth in Section 3.7(c) above, City reserves its existing authority as the local government owner of the right of way in which any Public Benefit Improvements are located, to undertake any maintenance, including, without limitation, that which: (1) are required, in the reasonable opinion of the City Manager or his/her designee, to address an emergency or threat to public safety; (2) are otherwise appropriate under applicable City standards; or (3) are necessary for the City exercise its right to maintain tree canopies that negatively impact street lighting.

3.8 Compliance Dates. Developer will perform or complete each of the following on or before the date set forth below for the applicable act (each, a "**Compliance Date**"):

(a) On or before December 31, 2027 , Developer will have Completed Construction of the TPSS, and Transit Center Improvements.

(b) On or before December 31, 2027, Developer will have Completed Construction of all of the Private Improvements and the Public Benefit Improvements

The City Manager, in his sole discretion, may extend any of the foregoing dates for a period of time not to exceed forty-five (45) days per extension, with a maximum of three (3) extensions (each, an "**Extended Compliance Date**"). Such dates shall also be extended due to any Force Majeure delay as provided for in Section 8.6 below. In the event of any such extension, each subsequent Compliance Date will automatically be adjusted in conformity.

3.9 Program Compliance. Developer, at Developer's sole cost and expense, will comply with those programs and policies described on Exhibit F. The Parties agree that City Manager will have the authority, without need for City Council approval, to make minor adjustments to Exhibit F that are agreed by the Parties and are consistent with the intent of this Agreement.

3.10 City Services. Developer will use all available City of Mesa utility services as permitted by Applicable Law for the Project, including City's water, sewer, solid waste and natural gas, which the City shall provide in accordance with City's standard terms and conditions for the provision of such City services. Developer shall be responsible, at its sole cost and expense, for all utility costs for the Project, including installing, extending, connecting or upgrading the infrastructure to connect the Project to the City's utility systems, as necessary, for the provision of utility services which may require Developer to enter into a separate utility agreement with City. All utility services to the Property shall be subject to the City's Terms and Conditions for the Sale of Utilities, the City Code, and all other Applicable Laws. Utility service will be provided subject to payment of the then-applicable rates, fees and charges.

3.11 Prohibited Uses. Notwithstanding anything in Applicable Laws (including the Zoning), the uses described on Exhibit M will at all times be prohibited on the Property (the "**Prohibited Uses**"). Developer shall include a disclosure of the Prohibited Uses in all non-residential leases on the Property to provide notice to all potential tenants.

3.12 Payments In-Lieu to Districts. As set forth more fully in the Lease, and as permitted by this Agreement and Applicable Law, the Parties intend to abate the government property lease excise taxes for the Property under A.R.S. Title 42, Chapter 6, Article 5. In order to mitigate any reduced tax revenue for the Mesa Public School District (also referred to herein as "Mesa Public Schools"), Maricopa Community College District, and the East Valley Institute of Technology District (individually, a "**District**" or collectively, the "**Districts**"), Developer agrees that it shall deliver to the City a one-time, lump sum payment in an amount based on the taxes assessed against Property as of the Effective Date, and which the Districts would have otherwise received had the tax not been abated. The Parties acknowledge and agree that the amount payable to the Mesa Public School District shall be $63,014.00; the amount payable to the Maricopa Community College District shall be $490.00; and the amount payable to the East Valley Institute of Technology District shall be $11,025.00. The in-lieu payments must be received by the City no less than seven (7) calendar days and no more than fourteen (14) days prior to the execution of the Lease by the Parties, shall be addressed to the individual Districts, shall be non-refundable, and shall not be off-set against any payments owed to City or that Developer may otherwise owe to the Districts. As set forth more fully in the Lease, the failure to make the in-lieu payment to any of the Districts as required under this Section 3.12 shall be grounds for City to terminate the Lease. The termination of the Lease at any time prior to the expiration of the Rental Period (as defined in the Lease) will not entitle Developer to a refund of any portion of any in-lieu payment to a District.

3.13 Payment for Revitalization Efforts. Developer shall pay the City a one-time cash payment of $500,000.00, which will be used to fund revitalization efforts within the City. Developer agrees that the City shall have sole and absolute discretion to select the timing, scope, location, and nature of projects on which it expends these funds.

3.14 Economic Analysis Costs. City obtained a professional analysis of the economic impact of the proposed development of the Project to ensure compliance with §§42-6201 *et seq.* Developer shall reimburse the City $5,400.00 for the cost of the analysis prior to the effective date of the Lease.

3.15 Minimum Construction Sales Tax. In the development and construction of the Project, including the Public and Private Improvements, Developer has pledged to City that a minimum of $520,000.00 in construction transaction privilege tax (commonly referred to as sales tax) will be generated and paid to City pursuant to the Mesa City Code Section 5, Chapter 10 ("**Construction Tax**"). The amount of the Construction Tax is a material consideration to City's decision to enter into this Agreement. Should the development and construction of the Project fail to generate for City at least $520,000.00 in Construction Tax on or before Completion of Construction, Developer shall be obligated, as a condition precedent to City entering into the Lease to pay to City the difference in the amount of the construction transaction privilege tax generated by the Project and received by City, and the minimum amount of Construction Tax set forth in this Section.

3.16 Further Assurances. Developer will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

4. **CITY UNDERTAKINGS**. In consideration of the timely performance by Developer of the Developer Undertakings, City shall perform the obligations contained in this Section 4 ("**City Undertakings**") as follows:

4.1 Lease and Conditions Precedent to Entering into Lease. Upon the Completion of Construction of all Public and Private Improvements by the required Compliance Date, City will accept conveyance of the Property by the form of special warranty deed attached as Exhibit N and City will lease the Property to Developer by means of the Lease attached as Exhibit D. The term of the Lease and the abatement period for all property tax or excise tax abatements as a result thereof shall be for a period of eight (8) years from the date of issuance of a Certificate of Occupancy for the Improvements constructed on the Developer's Property. The City will accept conveyance of the Property and execute the Lease only upon evidence that Developer has satisfied each of the following conditions precedent:

(i) Developer is not in Default under this Agreement;

(ii) the fee title interest in the Property and Improvements are free and clear of all financial liens and encumbrances, except current property taxes and assessments;

(iii) the lien of any deed of trust or mortgage recorded for the benefit of any lender must be removed from the Property and Improvements and converted to a leasehold deed of trust or leasehold mortgage concurrently with the conveyance of fee title to the Property and Improvements by Developer to City;

(iv) Developer obtains an ALTA title insurance policy for the benefit of City in the amount of $1,000,000.00 (the premium for which will have been paid by Developer) in a form reasonably satisfactory to City in its sole discretion and reflecting the condition of title as approved (the condition of title is subject to approval by City in its sole discretion);

(v) Developer has signed and delivered to City in the agreed-upon form for the Sidewalk Easement and the Vehicular Ingress and Egress Easement;

(vi) Developer has made the required in-lieu payments to the Districts pursuant to Section 3.12;

(vii) Developer has and made the required payment to the City for revitalization efforts pursuant to Section 3.13; and

(viii) Developer has paid to City the required minimum amount of Construction Tax pursuant to Section 3.15.

4.2 Acceptance of Certain Public Benefit Improvements. City will accept title to the Dedicated Property in accordance with Section 3.6.

4.3 Municipal Services. City, in accordance with its standard terms and conditions for the provision of utilities, will provide the Project the following municipal services: water, sewer, solid waste, and natural gas, if applicable. Developer may be required to enter into a normal and customary utility agreement with City. All utility services to the Property shall be subject to the City's Terms and Conditions for the Sale of Utilities, the City Code, and all other Applicable Laws. Utility service will also be provided subject to payment by Developer of the then applicable rates, fees and charges.

4.4 Further Assurances. City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

4.5 Timely Review of Applications and Submittals. The City shall promptly respond to all submittals and applications made by the Developer in connection with the performance of the Developer Undertakings, including promptly responding to all requests for approvals of plans and specifications, construction permits and the like and shall not impose any unusual or undue stipulations, requirements or conditions as part of its approval of such matters.

4.6 Customized Review Schedule. Customized Review Schedule. Review and approval of all plans, applications and other submissions by or on behalf of Developer will be in accordance with a customized review schedule to be mutually agreed upon between Developer and City ("**Customized Review Schedule**"). The Parties agree to work in good faith to modify the Customized Review Schedule, if necessary, to add more details or specifications. The Parties further agree the Customized Review Schedule may need to be amended from time to time to accommodate reasonable changes necessitated by design and construction matters. The City's Downtown Transformation Manager or designee in conjunction with the City's Development Services Department is authorized to administratively approve amendments to the Customized Review Schedule that are agreed to by the Parties. Additionally, the Customized Review Schedule will not result in or require the payment of an additional Fee by Developer for expediting the processing and approval of Developer's submittals.

5. INDEMNITY; RISK OF LOSS.

5.1 Indemnity of City by Developer. Developer shall pay, defend, indemnify and hold harmless City and its City Council members, officers and employees from and against all claims, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits (including attorneys' fees, experts' fees and court costs associated) which arise from or relate in any way, in whole or in part, to any act or omission by Developer, or its employees, contractors, subcontractors, agents or representatives, undertaken in fulfillment of Developer's obligations under this Agreement. The provisions of this Section 5.1, however, shall not apply to loss or damage or claims therefore which are attributable to the negligent acts or omissions of City, its agents, employees, contractors, subcontractors or representatives.

5.2 Risk of Loss. Developer assumes the risk of any and all loss, damage or claims to the Private Improvements.

6. **CITY REPRESENTATIONS**. City represents and warrants to Developer that:

6.1 City has the full right, power and authorization to enter into and perform this Agreement and each of City's obligations and undertakings under this Agreement, and City's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of the City Code.

6.2 All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

6.3 City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

6.4 City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of City or its officials with respect to this Agreement that has not been disclosed in writing to Developer.

6.5 The execution, delivery and performance of this Agreement by City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which City is a party or is otherwise subject.

7. **DEVELOPER REPRESENTATIONS**. Developer represents and warrants to City that:

7.1 Developer has the full right, power and authorization to enter into and perform this Agreement and of the obligations and undertakings of Developer under this Agreement, and the execution, delivery and performance of this Agreement by Developer has been duly authorized and agreed to in compliance with the organizational documents of Developer.

7.2 All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

7.3 Developer will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

7.4 As of the date of this Agreement, Developer knows of no litigation, proceeding or investigation pending or threatened against or affecting Developer, which could have a material adverse effect on Developer's performance under this Agreement that has not been disclosed in writing to City.

7.5 This Agreement (and each undertaking of Developer contained herein) constitutes a valid, binding and enforceable obligation of Developer, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

7.6 The execution, delivery and performance of this Agreement by Developer is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which Developer is a party or to which Developer is otherwise subject.

7.7 Developer has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers and attorneys.

7.8 Developer has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

8. **EVENTS OF DEFAULT; REMEDIES**.

8.1 Events of Default by Developer. "**Default**" or an "**Event of Default**" by Developer under this Agreement shall mean one or more of the following:

(a) Any representation or warranty made in this Agreement by Developer was materially inaccurate when made or shall prove to be materially inaccurate during the Term;

(b) Developer transfers or attempts to transfer or assign this Agreement in violation of Section 10.2; or

(c) Developer fails to observe or perform any covenant, obligation or agreement required of it under this Agreement.

8.2 Events of Default by City. Default or an Event of Default by City under this Agreement shall mean one or more of the following:

(a) Any representation or warranty made in this Agreement by City was materially inaccurate when made or shall prove to be materially inaccurate during the Term; or

(b) City fails to observe or perform any other covenant, obligation or agreement required of it under this Agreement.

8.3 Grace Periods; Notice and Cure. Upon the occurrence of an Event of Default by any Party, such Party shall, upon written notice from the other Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days after receipt of such notice; or, if such Default is of a nature not capable of being cured within thirty (30) days, the cure shall be commenced within such period and diligently pursued to completion, but not to exceed ninety (90) days.

8.4 Remedies for Default. Whenever any Event of Default occurs and is not cured (or cure undertaken) by the defaulting Party in accordance with Section 8.1 of this Agreement, the other Party may take any of one or more of the following actions:

(a) Remedies of City. City's remedies for an Event of Default by Developer shall consist of the following:

(i) City may terminate this Agreement

(ii) Any and all other remedies allowed at law.

(b) Remedies of Developer. Developer’s exclusive remedies for an Event of Default by City shall be limited to specific performance (whether characterized as mandamus, injunction or otherwise), requiring City to undertake and to fully and timely perform its obligations under this Agreement.

8.5 Delays; Waivers. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any Default by the other Party shall not be considered as a waiver of rights with respect to any other Default by the performing Party or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.

8.6 Force Majeure in Performance for Causes Beyond Control of Party. Neither City nor Developer, as the case may be, shall be considered not to have performed its obligations under this Agreement in the event of force majeure (“**Force Majeure**”) due to causes beyond its control and without its fault, negligence or failure to comply with Applicable Laws, including, but not restricted to, acts of God, acts of public enemy, litigation concerning the validity and enforceability of this Agreement or relating to transactions contemplated hereby (including the effect of petitions for initiative or referendum), fires, floods, epidemics, pandemics, quarantine, restrictions, strikes, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, act of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, declaration of national emergency or national alert, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain, condemnation, or other taking by the action of any governmental body on behalf of any public, quasi-public, or private entity, or declaration of moratorium or similar hiatus directly affecting the Project (whether permanent or temporary) by any public, quasi-public or private entity. In the event of the occurrence of any such Force Majeure, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Force Majeure; provided that the Party seeking the benefit of the provisions of this Section 8.6, within thirty (30) days after such event, shall notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Force Majeure.

8.7 Rights and Remedies Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy for any other Default by the other Party.

9. **COOPERATION AND ALTERNATIVE DISPUTE RESOLUTION**. To further the cooperation of the Parties in implementing this Agreement, City and Developer each shall designate and appoint a representative to act as a liaison between City and its various departments and Developer. The initial representative for City shall be City's Downtown Transformation Manager (the "**City Representative**"), and the initial representative for Developer shall be its Project Manager, as identified by Developer from time to time (the "**Developer Representative**"). City's and Developer's Representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this Agreement and the development of the Project.

10. **MISCELLANEOUS PROVISIONS**.

10.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa (or, as may be appropriate, in the Justice Courts of Maricopa County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 10.1.

10.2 Restrictions on Assignment and Transfer. The assignment by Developer of its rights under the terms and provisions of this Agreement shall not relieve Developer personally of any obligations, unless City shall expressly agree to such relief in writing, and any assignment that does not comply in all respects with this Section 10.2 will be void, and not voidable. After Commencement of Construction no assignment or similar transfer of Developer's interest in this Agreement, or in the current management, ownership or control of Developer may occur without the prior written consent of City, which consent may be given or withheld in City's sole unfettered discretion. The restrictions set forth in this Section 10.2 will terminate automatically, and without further Notice or action, upon Completion of Construction of the TPSS Improvements, the Private Improvements, and the Public Benefit Improvements. No assignment under this Section 10.2 will release or discharge Developer from any of its obligations arising in or under this Agreement, including but not limited to the obligations of Indemnity set forth in Section 5; and further provided that, upon an assignment, the assignee (without further act or writing required) is deemed fully, automatically and unconditionally to have assumed all obligations of Developer arising in or under this Agreement, including but not limited to all obligations of Indemnity set forth in Section 5. In addition to any assignment described in the foregoing, Developer shall have the right to collaterally assign its rights under this Agreement as security for one or more Lenders in conjunction with Project financing without first obtaining the City's prior consent thereto.

10.2.1 No voluntary or involuntary successor in interest to Developer shall acquire any rights or powers under this Agreement, except as expressly set forth herein, and any Transfer in violation of this Agreement shall be void, and not voidable.

10.3 Limited Severability. City and Developer each believes that the execution, delivery and performance of this Agreement are in compliance with all Applicable Laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any Applicable Laws, constitutional provision, law, regulation, City code or City charter), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

10.4 Construction. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and 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 Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

10.5 Notices.

(a) Addresses. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given by (i) personal delivery, (ii) deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this Section, or (iii) any nationally recognized express or overnight delivery service (e.g., Federal Express or UPS), delivery charges prepaid:

If to City:

City of Mesa
Attn: City Manager
20 East Main Street
Mesa, Arizona 85211
Telephone: 480-644-2066
Email: chris.brady@mesaaz.gov

If by United States Postal Service:
Post Office Box 1466
Mesa, Arizona 85211-1466

And

City of Mesa
Attn: Downtown Transformation Manager
20 East Main Street
Mesa, Arizona 85211
Telephone: 480-644-5379
Email: jeff.mcvay@mesaaz.gov

If by United States Postal Service:
Post Office Box 1466
Mesa, Arizona 85211-1466

With a required copy to:	City of Mesa Attn: City Attorney 20 East Main Street Mesa, Arizona 85211 Telephone: 480-644-3497 Email: jim.smith@mesaaz.gov *If by United States Postal Service*: Post Office Box 1466 Mesa, Arizona 85211-1466
If to Developer:	Pride Ventures LLC II 500 North 56th Street #18 Chandler AZ 85226 Attn: JJ Kahlon
If to Lender:	First Interstate Bank 3002 N. Campbell Ave., Suite 100 Tucson, Arizona 85719 Attn: Justin Walenta
With a required copy to:	Rusing Lopez & Lizardi, P.L.L.C. 6363 N. Swan Rd., Suite 151 Tucson, Arizona 85718 Attn: Jonathan M. Saffer, Esq. Facsimile: (520) 529 4262

(b) Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one

(1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt (or refusal to accept receipt) by the addressee. Any Party may designate a different person or entity or change the place to which any notice shall be given as herein provided.

10.6 Time of Essence. Time is of the essence of this Agreement and each provision hereof.

10.7 Section Headings. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.

10.8 Attorneys' Fees and Costs. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute shall be entitled to reimbursement of its reasonable attorney's fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute.

10.9 Proposition 207 Waiver. Developer hereby waives and releases City ("Waiver") from any and all claims under A.R.S. § 12-1134, et seq., including any right to compensation for reduction to the fair market value of all or any part of the Property, as a result of City's approval of this Agreement, any and all restrictions and requirements imposed on Developer, the Project and the Property by this Agreement or the Zoning, City's approval of Developer's plans and specifications for the Project, the issuance of any permits, and any other actions permitted to be taken by City pursuant to this Agreement. The terms of this Waiver shall run with all land that is the subject of this Agreement and shall be binding upon all subsequent landowners, assignees, lessees and other successors, and shall survive the expiration or earlier termination of this Agreement.

10.10 Waiver. Without limiting the provisions of Section 8.5 of this Agreement, the Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

10.11 Third Party Beneficiaries. No person or entity shall be a third-party beneficiary to this Agreement, except for permitted transferees, assignees, or lenders under Section 10.22 to the extent that they assume or succeed to the rights and/or obligations of Developer under this Agreement, and except that the indemnified Parties referred to in the indemnification provisions of Section 5.1 (or elsewhere in this Agreement) shall be third party beneficiaries of such indemnification provisions.

10.12 Exhibits. Without limiting the provisions of Section 1 of this Agreement, the Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.

10.13 Integration. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.

10.14 Further Assurances. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of (a) this Agreement as in full force and effect and (b) the performance of the obligations hereunder at any time during its Term.

10.15 Business Days. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

10.16 Consents and Approvals. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.

10.17 Covenants Running with Land; Inurement. The covenants, conditions, terms and provisions of this Agreement shall run with the land and shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns with respect to this Agreement. Wherever the term "Party" or the name of any Party is used in this Agreement such term shall include any such Party's permitted successors and assigns.

10.18 Recordation. Within ten (10) days after this Agreement has been approved by City and executed by the Parties, City shall cause this Agreement to be recorded in the Official Records of Maricopa County, Arizona.

10.19 Amendment. No change or addition is to be made to this Agreement except by written amendment executed by City and Developer. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Maricopa County, Arizona. Upon amendment of this Agreement as established herein, references to "Agreement" or "Development Agreement" shall mean the Agreement as amended. If, after the effective date of any amendment(s), the parties find it necessary to refer to this Agreement in its original, unamended form, they shall refer to it as the "Original Development Agreement." When the Parties mean to refer to any specific amendment to the Agreement which amendment is unmodified by any subsequent amendments, the Parties shall refer to it by the number of the amendment as well as its effective date.

10.20 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.

10.21 Survival. All indemnifications contained in Section 5.1 of this Agreement shall survive the execution and delivery of this Agreement, the closing of any transaction contemplated herein, and the rescission, cancellation, expiration or termination of this Agreement upon the terms and for the period set forth in each respective Section.

10.22 Rights of Lenders. City is aware that Developer has obtained financing and may obtain refinancing for acquisition, development and/or construction of the real property and Private Improvements to be constructed on Developer's Property owned in fee, as part of the Project, in whole or in part, from time to time, by one or more Third Parties (individually a "**Lender**", and collectively the "**Lenders**"). Under no circumstances shall the Lender encumber any property owned by City in fee at the time of financing or intended to be owned by the City in fee following the execution of the Lease. In the event of an Event of Default by Developer, City shall provide notice of such Event of Default, at the same time notice is provided to Developer, to not more than two (2) of such Lenders as previously designated by Developer to receive such notice (the "**Designated Lenders**") whose names and addresses were provided by written notice to City in accordance with Section 10.5. City shall give Developer copies of any such notice provided to such Designated Lenders and, unless Developer notifies City that the Designated Lenders names or addresses are incorrect (and provides City with the correct information) within three (3) business days after Developer receives its copies of such notice from City, City will be deemed to have given such notice to the Designated Lenders even if their names or addresses are incorrect. Developer may provide notices to other Lenders. If a Lender is permitted, under the terms of its non-disturbance agreement with City to cure the Event of Default and/or to assume Developer's position with respect to this Agreement, City agrees to recognize such rights of the Lender and to otherwise permit the Lender to assume all of the rights and obligations of Developer under this Agreement, including by appointing a receiver, pursuant to A.R.S. §33-2605 *et seq*., to assess and have the option to assume Developer's position. City shall, at any time upon reasonable request by Developer, provide to any Lender an estoppel certificate or other document evidencing that (i) this Agreement is in full force and effect and (ii) no Event of Default by Developer exists hereunder (or, if appropriate, specifying the nature and duration of any existing Event of Default). Upon request by a Lender, City will enter into a separate non-disturbance agreement with such Lender, in the form attached to this Agreement as Exhibit P, or in such other form requested by Lender that is acceptable to City in its sole discretion.

10.23 Nonliability of City Officials, Etc., and of Employees, Members and Partners, Etc. of Developer. No City Council member, official, representative, agent, attorney or employee of City shall be personally liable to any of the other Parties hereto, or to any successor in interest to any of the other Parties, in the event of any Default or breach by City or for any amount which may become due to any of the other Parties or their successors, or with respect to any obligation of City under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Developer under this Agreement shall be limited solely to the assets of Developer and shall not extend to or be enforceable against: (i) the individual assets of any of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of Developer; (ii) the shareholders, members or managers or constituent partners of Developer; or (iii) officers of Developer.

10.24 Preserve State Shared Revenue. Notwithstanding any other provision of, or limitation in, this Agreement to the contrary, if pursuant to A.R.S. § 41-194.01 the Attorney General determines that this Agreement violates any provision of state law or the Constitution of Arizona, then City and the Developer, in good faith, will attempt to modify this Agreement 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). If by day 29 of the date of the notice from the Attorney General, the Parties, after good faith efforts, are not successful in modifying this Agreement to the satisfaction of the Attorney General, this Agreement 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 Agreement. Additionally, if the Attorney General determines that this Agreement may violate a provision of state law or the Constitution of Arizona under A.R.S. § 41-194.01(B)(2), and requires the posting of a bond under A.R.S. § 41-194.01(B)(2), City shall be entitled to terminate this Agreement, except if Developer post such bond; and provided further, that if the Arizona Supreme Court, determines that this Agreement violates any provision of state law or the Constitution of Arizona, City may terminate this Agreement and the Parties shall have no further obligations hereunder.

10.25 Conflict of Interest Statute. This Agreement is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. §38-511.

10.26 No Boycott of Israel. Developer certifies pursuant to A.R.S. §35-393.01 that it is not currently engaged in, and for the duration of this Agreement will not engage in, a boycott of Israel.

10.27 Forced Ethnic Uyghur Labor Prohibition. In accordance with the requirements of A.R.S. § 35-394, Developer certifies that it does not currently, and agrees for the duration of the contract that it will not, use (i) the forced labor of ethnic Uyghurs in the People's Republic of China; (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

10.28 Termination for Violation of Forced Ethnic Uyghur Labor Prohibition. If, after providing the certification described in Section 10.27, Developer becomes aware that it is not in compliance with the certification, it shall notify the City within five (5) business days of becoming aware of the noncompliance. Developer acknowledges that it must remedy the noncompliance and provide written certification of that within 180 days after notifying the City of its noncompliance. If Developer fails to remedy the noncompliance and provide the written certification within 180 days, the contract shall terminate immediately.

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

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

DEVELOPER

PRIDE VENTURES LLC II, an Arizona limited liability company

By: ______________________________
Its: ______________________________

CITY

CITY OF MESA, ARIZONA, an Arizona municipal corporation

By: ________________________________
Its: City Manager

ATTEST:

By: ____________________________
City Clerk

APPROVED AS TO FORM:

By: ____________________________
City Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of ________, 2026, by ___________________________________ the ___________________ of the City of Mesa, Arizona, an Arizona municipal corporation, who acknowledged that he/she signed the foregoing instrument on behalf of City.

____
Notary Public

My commission expires:

____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of ______, 2026, by ____ of Sycamore Station, LLC, an Arizona limited liability company, who acknowledged that he/she signed the foregoing instrument on behalf of Developer.

____
Notary Public

My commission expires:

____

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That part of the Northwest Quarter of Section 20, Township 1 North, Range 5 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the calculated position of the West Quarter Corner of said Section 20, as depicted in Book 1101 of Maps, Page 48, Records of Maricopa County, Arizona, from which the Brass Cap in hand hole marking the Northwest Comer of said Section 20 bears North 00°00'02" East, a distance of 2,652.39 feet;

Thence North 89°06'00" East, along the South line of the Northwest Quarter of said Section 20, a distance of 485.29 feet;

Thence North 00°54'00" West, a distance of 398.00 feet to a point on a line which is parallel with and 398.00 feet Northerly, as measured at right angles, from the South line of the Northwest Quarter of said Section 20;

Thence North 89°06'00" East, along Said parallel line, a distance of 204.34 feet; Thence North 00°01'50" East, a distance of 169.50 feet;

Thence North 89°23'04" East, a distance of 111.12 feet to the True Point of Beginning;

Thence continuing North 89°23'04" East, a distance of 79.88 feet to the beginning of a tangent curve of 500.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of 21°35'37", a distance of 188.44 feet;

Thence North 67°47'27" East, a distance of 67.41 feet to the beginning of a tangent curve of 500.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 05°04'46", a distance of 44.33 feet;

Thence South 00°36'56" East, a distance of 414.32 feet; Thence South 55°05'24" West, a distance of 64.15 feet;

Thence South 00°36'56" East, a distance of 112.48 feet to a point on the Northerly right-of-way line of Main Street, as depicted in Book 1101 of Maps, Page 48, Records of Maricopa County, Arizona;

Thence along said Northerly right-of-way line the following courses:

Thence North 86°18'33" West, a distance of 118.19 feet;

Thence South 89°06'54” West, a distance of 111.34 feet;
Thence North 00°36'56” West, a distance of2.00 feet;
Thence South 89°06'54” West, a distance of 17.61 feet;
Thence North 47°53'45” West, a distance of32.67 feet;
Thence South 76°12'48” West, a distance of 44.31 feet;

Thence North 00°01'53” East, departing said Northerly right-of-way line, a distance of 235.50 feet;

Thence North 02°11'58” West, a distance of 67.52 feet;
Thence North 01°39'14” West, a distance of 126.90 feet;

Thence North 00°36'56” West, a distance of 36.39 feet to the True Point of Beginning.

EXHIBIT B

APARTMENT ON-SITE AMENITIES

1. Covered/shaded parking for a minimum of fifty percent (50%) of resident parking will be provided within project, using a variety of elements including shade structures and garages.
2. Refuse enclosure gates will be architecturally designed to be complementary to the building architecture.
3. Fiber-optic (FTTP) served Wi-Fi and a minimum of two (2) ports for direct network access will be provided within all resident common areas, excluding hallways and exterior amenities.
4. Seven (7) electric car charging stations will be provided in the parking field which will serve twenty (12) vehicles at project opening and allows expansion to fourteen (14) electric car charging stations to serve twenty four (24) vehicles in the future.
5. The project will incorporate water conservation features such as low flow faucets and shower heads, drip irrigation, drought tolerant plant material, water usage monitoring, and leak detections systems.
6. Secure building entries and controlled access to On-Site Amenities.
7. Secure indoor/outdoor bicycle storage and a minimum of one (1) bicycle storage space for every ten (10 vehicular spaces with a maximum of twenty (20) bicycle spaces. Forty (40) indoor and eight (8) outdoor bicycle storage spaces will be provided.
8. Multimodal room for e-bike and scooter storage
9. Pet-friendly policies and amenities.
10. A 1,000 square foot dog run/park with separate dog wash room.
11. Fitness, yoga and cardio center.
12. BBQ areas
13. Indoor/outdoor lounge space.
14. Two (2) second floor courtyards
15. Game court.
16. Pool and Pool Deck with pool cabanas, lounge chairs and seating
17. Clubhouse/community room/party room. The clubhouse/community room/party room will be available for use by the City two (2) times per year at no charge to the City. The terms, notice provisions, and hours for the clubhouse/community room/party room will be consistent with the operational procedures and industry standards for similar buildings/uses.
18. Centralized resident package delivery and receiving, including storage for oversized packages and packages requiring cold storage.
19. Refuse management with two (2) dual trash and recycle chutes.
20. All pedestrian connections to the public right of way will consist of upgraded materials (stamped colored asphalt, pavers, or a similar upgraded material.
21. The project design will incorporate features of the City of Mesa Low Impact Development standards including various Green Street techniques, disconnected downspouts where possible, stabilized aggregate, and vegetated swales.

EXHIBIT C

APARTMENT UNIT AMENITIES

The following components and/or amenities shall be required:

- Fiberoptic cabling will be run to the communications panel in each residential unit to supply high speed internet, data, and communications capabilities.
- Fiberoptic cabling will be run to the amenity areas and leasing offices and building Wi-Fi will be available for resident subscription.
- Walk-in closet(s) within the one, two and three bedroom units.
- Full sized stackable washer and dryer in each residential unit. Stackable or side-by-side configuration depends on ADA criteria and apartment size. High quality appliances with energy star rating (refrigerator, stove/oven, dishwasher, microwave).
- High efficiency Water Sense or equivalent rated plumbing fixtures with sensitivity for sustainable water usage.
- High efficiency energy star rated heating and air-conditioning with a minimum SEER rating of 16 (or equivalent) for each residential unit.
- Smart thermostat for each residential unit.
- Tile, hardwood, vinyl plank or similar flooring in, at a minimum, all living areas, bathrooms, and kitchens.
- Ceiling fans will be included in the residential unit living rooms and J-Boxes for tenant options will be installed in the master and secondary bedrooms.
- At least one (1) port for direct internet access in each unit.
- LED lighting throughout each residential unit.
- Mid-grade or higher cabinetry.
- All exterior building vents, such as furnace and dryer, are integrated into the building architecture
- Energy star rated exterior windows (or equivalent standard)
- Hard, natural kitchen countertop materials for each residential unit (e.g., stone, engineered stone, polished concrete)

EXHIBIT D

LEASE

When recorded, return to:

City of Mesa
Office of the City Clerk
20 East Main Street

P. O. Box 1466
Mesa, Arizona 85211-1466

===

GOVERNMENT PROPERTY IMPROVEMENTS LEASE

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1. **Date**. The date of this Government Property Improvements Lease (the "Lease") is ___________, 202__ (the "Effective Date").

2. **Parties**. The parties to this lease are as follows:

A. City of Mesa, Arizona, an Arizona municipal corporation ("Landlord")

20 East Main Street, Suite 750
P. O. Box 1466
Mesa, Arizona 85211-1466
Attn: Manager of Downtown Transformation___________________

Landlord may also be referred to in this Lease as the "City."

B. PRIDE VENTURES LLC II, AN ARIZONA LIMITED LIABILITY COMPANY ("Tenant")
____
____
____

C. Parties. Landlord and Tenant may be referred to in this Lease individually as a "Party" or collectively as the "Parties."

3. **Recitals**. As background to this Lease, the Parties agree, acknowledge and recite as follows, each of which shall be deemed a material term and provision of this Lease:

A. This Lease is made with respect to certain real property (the "Land") located in a redevelopment area within the single central business district of the City of Mesa.

B. Landlord, as "City," and Tenant, as "Developer" executed and delivered a "Development Agreement" dated ______________________, 20__, and which was recorded on ________________ as Recording no. 20__-_____________ in the Official Records of Maricopa County, Arizona ("Development Agreement"), in which Tenant agreed to construct certain improvements and to conduct redevelopment activities on the Land (collectively, the "Project").

C. In consideration of Tenant's completion of the undertakings in the Development Agreement, and in further recognition of the direct, tangible benefits to be received by the Landlord as a result of Tenant's performance under the Development Agreement (including, but not limited to, the construction of the Project), and the conveyance of the Land and the Improvements to Landlord by Tenant, Landlord has agreed to lease the Land and Improvements to Tenant, and Tenant has agreed to lease the Land and Improvements from Landlord, on the terms and conditions set forth in this Lease.

D. Tenant, as Developer under the Development Agreement, and in compliance with the terms and conditions of the Development Agreement, has conveyed the Land and Improvements to Landlord, so that title to the Land and the Improvements has vested in Landlord.

E. It is intended by Landlord and Tenant that this Lease be subject to the provisions of A.R.S. § 42-6201 et seq.

F. It is intended by Landlord and Tenant that Landlord is a "Government Lessor" as defined in A.R.S. § 42-6201.

G. It is intended by Landlord and Tenant that the Improvements on the Land, whether presently existing or to be constructed in accordance with the Development Agreement, are intended to be Government Property Improvements for all purposes as defined in A.R.S. § 42-6201.

4. **Lease of the Premises**.

A. 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, (i) the Land with all rights in connection with the surface and subsurface on and above the Land, all as more particularly described in Exhibit A attached hereto and incorporated into this Lease, and (ii) all Improvements presently situated on the Land, or which may be constructed on the Land hereafter by Tenant (collectively, "Premises"); subject, however, to:

(1) All covenants, restrictions, easements, agreements, and reservations of record.

(2) Present and future building restrictions and regulations, entitlements, permits, zoning laws at the time the permit is applied for, ordinances, resolutions and regulations of the municipality in which the land lies and all 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.

(3) The condition and state of repair of the Premises as the same may be on the Commencement Date.

(4) Any public easements granted to the City.

(5) The Development Agreement

B. Condition of Premises. Subject to Section 4(A), the Premises are being leased to Tenant in its as-is, where-is condition, with no representation or warranty of any nature from the Landlord, and specifically as to (but in no event limited to) any hazardous conditions or Hazardous Materials in, on, at or under the Premises. Tenant acknowledges that it has designed and constructed the Improvements, and owned the Land and Improvements prior to the conveyance to Landlord; and by executing this Lease and entering onto the Premises, accepts the Premises in its as-is, where-is condition and unconditionally releases Landlord from any liability with respect to the condition of the Premises.

C. Term. Notwithstanding the actual date of conveyance of the Land and Improvements by Tenant to Landlord, the term of this Lease ("Term") shall commence on the date of the first certificate of occupancy issued for any Improvements constructed on the Land ("Commencement Date"), and shall expire at 12:00 midnight on the last day of the Rental Period, unless this Lease is sooner terminated as hereinafter provided. Concurrently with their execution of this Lease, Landlord and Tenant shall execute a Certificate of Commencement Date in form attached hereto as Exhibit D. Notwithstanding the foregoing, Tenant may terminate this Lease at any time during the Term by written notice to Landlord, subject to Tenant's obligations of Indemnity that survive the termination of this Lease, in which event the Land and Improvements will be conveyed to Tenant by Landlord pursuant to the terms of Section 34. Upon termination or expiration of this Lease or for any other reason whatsoever, and notwithstanding the conveyance of fee title to the Land and Improvements to Tenant, all public easements in favor of the City of Mesa, including but not limited to the Easement Agreement, shall survive pursuant to the terms of Section 34.

5. **Definitions**.

For the purposes of this Lease, the following words shall have the definition and meaning set forth in this agreement:

(a) "Additional Payments" means as defined in Section 7(A).

(b) "Administrative Fee" means as defined in Section 11(D).

(c) "Affiliate" means, with respect to Tenant (including all entities that have an ownership interest in Tenant), any person or legal entity that is controlled by Tenant, that controls Tenant or that is under common control with Tenant, whether direct or indirect, and whether through ownership of voting securities, by control or otherwise. For purposes of this definition, "control" shall be conclusively presumed in the case of direct or indirect ownership of fifty percent (50%) or more of outstanding interests in terms of value or voting power of Tenant.

(d) "Applicable Laws" means as defined in Section 12(A).

(e) "Commencement Date" means as defined in Section 4(C).

(f) [Reserved]

(g) "Default Rate" means a rate of interest equal to four percent (4%) per annum in excess of the so-called "prime interest rate" then in effect as published in the Wall Street Journal (or comparable publication reasonably selected by Landlord, if the Wall Street Journal is not then being published, or does not regularly publish "prime rate" information) compounded monthly from the date of the act, event, omission or default giving rise to Landlord's right to receive such interest payment.

(h) "Depository" means a financial institution in the United States that is legally allowed to accept monetary deposits from consumers and is regulated by the Federal Deposit Insurance Corporation.

(i) "Development Agreement" means as defined in Section 3(B).

(j) "Environmental Laws" means as defined in Section 33(A)(1).

(k) "Event of Default" means as defined in Section 21(A).

(l) "Force Majeure" means as defined in Section 31.

(m) "Impositions" means as defined in Section 7(A).

(n) "Improvements" means all of the Improvements constructed on the Land.

(o) "Institutional Lender" means any savings bank, bank or trust company, savings and loan association, insurance company, mortgage banker, mortgage broker, finance company, college or university, governmental pension or retirement funds or systems, any pension retirement funds or systems of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any State thereof, or a Real Estate Investment Trust as defined in Section 856 of the Internal Revenue Code of 1986 as amended.

(p) "Land" means as defined in Recital A, and as legally described in Exhibit A.

(q) "Landlord" means the City of Mesa, Arizona, a municipal corporation.

(r) "Lease" means this Government Property Improvements Lease.

(s) "Mortgagee" means the holder, trustee, or beneficiary of any Permitted Mortgage.

(t) "Permitted Mortgage" means any mortgage or deed of trust that constitutes a lien upon this Lease, the leasehold estate hereby created, or all (or any portion of) Tenant's interest in the Project, and which complies with the requirements of Section 20.

(u) "Permitted Mortgagee" means the beneficiary, secured party or mortgagee under any Permitted Mortgage, and its successors and assigns and purchasers at any foreclosure sale.

(v) "Premises" means as defined in Section 4(A) and described in Exhibit A.

(w) "Project" means the Land and the Improvements, and other construction and redevelopment activities on the Land conducted by Tenant, in accordance with the Development Agreement, as defined in Recital B.

(x) "Purchase Price" means as defined in Section 34(C).

(y) "Regulated Substances" means as defined in Section 33(A)(2).

(z) "Release" means as defined in Section 33(A)(3).

(aa) "Rental Period" means the period beginning on the date of the first certificate of occupancy issued for any Improvements constructed on the Land, and terminating eight (8) years after such date; provided, however, that in accordance with A.R.S. §42-6209(G), the Rental Period may not exceed eight (8) years, including any abatement period.

(bb) "Tenant" means the Tenant named herein and its permitted successors and assigns.

(cc) "Term" means as defined in Section 4(C).

(dd) "Transfer" means as defined in Section 20(B).

(ee) "Unavoidable Delays" means as defined in Section 32.

(ff) "Work" means as defined in Section 17(A).

6. **Rent**.

A. Net Rent.

(1) Net Annual Rental. Tenant will pay to Landlord, in collected funds and at the addresses specified or furnished pursuant to Section 24, during the Term of this Lease net annual rent ("Net Rent") in the amount of $10,000.00. The amount of Net Rent reflects the fact that Tenant owned the Land and Improvements prior to the conveyance of the Land and Improvements to Landlord at no cost to Landlord and is intended to compensate Landlord for Landlord's administrative and other expenses in maintaining this Lease, rather than to reflect fair market rental value.

(2) Annual Installments. All payments of Net Rent will be made in annual installments, in advance, without notice, commencing on the Commencement Date, and on each anniversary of the Commencement Date, during the Term.

(3) Other Payments and Obligations. Net Rent will be in addition to all of the other payments to be made by Tenant and other obligations to be performed by Tenant, as hereinafter provided.

B. Rent Absolutely Net. It is the purpose and intent of the Landlord and Tenant that Net Rent payable hereunder will be absolutely net to Landlord so that this Lease will yield to Landlord the Net Rent herein specified, 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 herein expressly set forth, and that all costs expenses, and obligations of any kind relating to the maintenance and operation of the Premises, including all construction, alterations, repairs, reconstruction, and replacements as hereinafter provided, which may arise or become due during the term hereof will be paid by Tenant; and Tenant will indemnify, defend, pay and hold harmless Landlord for, from and against any and all such costs, expenses, and obligations in accordance with Section 16.

C. Non-Subordination. Landlord's interest in this Lease, as the same may be modified, amended or renewed, will not be subject or subordinate to (a) any mortgage now or hereafter placed upon Tenant's interest in this Lease or the Premises, or (b) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease or the Premises.

D. No Release of Obligations. Except for either a mutual release and waiver of rights and liabilities arising under this Lease or to the extent expressly provided in this Lease, no happening, event, occurrence, or situation during the Rental Period, whether foreseen or unforeseen, and however extraordinary (including, without limitation, Tenant's failure, refusal, or inability for any reason to construct, operate, and maintain the Project) shall permit the Tenant to quit or surrender the Premises or this Lease nor shall it relieve the Tenant of its liability to pay the Net Rent and Additional Payments and other charges under this Lease, nor shall it relieve the Tenant of any of its other obligations under this Lease (including, but not limited to, Tenant's obligation to indemnify Landlord).

7. **Additional Payments**. Tenant shall pay ("Additional Payments") during the Term hereof, without notice 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, the following:

A. Impositions. Tenant shall pay to Landlord, with and in addition to its payment of Net Rent, all sums, impositions, costs, expenses and other payments and all taxes (including personal property taxes and taxes on rents, leases or occupancy, if any, and government property improvement lease excise tax), assessments, special assessments, enhanced municipal services district assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, licenses, and permit fees, any expenses incurred by Landlord on behalf of Tenant pursuant to this Lease (including the Administrative Fee provided for herein), and other governmental or quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which, at any time during the Term hereof 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, the Premises or any part thereof, or any appurtenances thereto, any use or occupation of the Premises, or such franchises as may be appurtenant to the use of the Premises (all of which are sometimes herein referred to collectively as "Impositions" and individually as an "Imposition") provided, however, that:

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

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

Tenant as of the expiration of the Term hereof, so that Tenant shall pay that portion of such Imposition attributable to the tenancy period and Landlord shall pay the remainder thereof.

B. Payments. Tenant shall pay to Landlord, with and in addition to the monthly rental payments, all taxes imposed by any governmental unit on Net Rent and Additional Payments received by Landlord. Tenant shall pay all other impositions directly to the taxing authority or authorities.

C. Payments In-Lieu. Because of the applicability to this Lease of GPLET as defined in Section 7(G), Tenant recognizes and acknowledges that the removal of the Land and Improvements from the ad valorem tax rolls may reduce revenue to local school districts. Accordingly, and in order to address such reduction in revenue, Tenant, in-lieu of payment of such ad valorem taxes, will make a one-time, lump sum payment directly to the Maricopa Community College District, Mesa Public School District, and East Valley Institute of Technology District (collectively, the "School Districts") as follows:

Maricopa Community College District	$490.00
Mesa Public School District	$63,014.00
East Valley Institute of Technology District	$11,025
Total	$74,529

The in-lieu payment must be paid within fourteen days of Tenant's execution of this Lease, shall be non-refundable, and shall not be off-set against any Payments due under this Lease. Tenant, concurrently with its in-lieu payment must provide evidence of the payment to Landlord. The termination of this Lease at any time prior to the expiration of the Rental Period will not entitle Tenant to a refund of any portion of the in-lieu payment.

D. Contest. Tenant, if it shall so desire, and at its sole cost and expense, may contest the validity or amount of any Imposition, in which event, Tenant may defer the payment of the Imposition thereof during the pendency of such contest; provided, that upon request by Landlord at any time after the same shall have become due, Tenant shall deposit with the Landlord any amount sufficient to pay such contested imposition together with the interest and penalties thereon (as reasonably estimated by Landlord), which amount shall be applied to the payment of such contested Imposition when the amount thereof shall be finally fixed and determined. Alternatively, Tenant may furnish to Landlord a surety bond in an amount equal to such contested Imposition indemnifying Landlord against liability for the same. Nothing herein contained, however, shall be so construed as to allow the Imposition to remain unpaid for a length of time that permits the Premises or any part thereof, or the lien thereon created by such Imposition to be sold for the nonpayment of the same. If the amount so deposited shall exceed the amount of the payment, the excess shall be paid to Tenant or, in case there shall be any deficiency, the amount of such deficiency shall be promptly paid by Tenant to Landlord together with all interest, penalties or other charges accruing thereon. At any time that the Tenant hereunder is an Institutional Lender, the requirements for deposits set forth in this Section shall be waived by Landlord.

E. Assessment Reduction. Tenant, its sole cost and expense, may seek at any time to obtain a lowering of an imposition or assessment upon the Premises for the purpose of reducing the amount thereof. However, in such event, Landlord will not be required to cooperate with Tenant and may in fact oppose such endeavor. Tenant shall be authorized to collect any refund payable as a result of any proceeding Tenant may institute for that purpose and any such refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

F. Hold Harmless. Landlord shall not be required to join in any action or proceeding referred to in Section 7(D) (unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event any such action or proceeding may be taken by Tenant in the name of the Landlord only with Landlord's prior written consent). Tenant hereby agrees to indemnify, defend, pay and hold Landlord harmless for, from and against any and all costs, expenses, claims, loss or damage by reason of, in connection with, on account of, growing out of or resulting from, any such action or proceeding.

G. 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 provisions of A.R.S. §42-6201, *et seq* ("GPLET").

(1) Failure of Tenant to pay the tax if and when due and after an opportunity to cure is an Event of Default that could result in the termination of Tenant's interest in this Lease and of its right to occupy the Premises.

(2) In accordance with A.R.S. §42-6209(B), Tenant will notify the Maricopa County Treasurer and Landlord and apply for any abatement before taxes under A.R.S. §42-6201 *et seq*. are due and payable in the first year after the certificate of occupancy is issued.

(3) Notwithstanding the foregoing, or any other term of this Lease (including, but not limited to, the Recitals to this Lease), Landlord does not represent, warrant or guarantee that the benefits provided by GPLET, including but not limited to any abatement of GPLET during any portion of the Term, will be available or in effect at any time during the Term. The benefits provided by GPLET are not a condition to the effectiveness of this Lease or Tenant's obligations under this Lease; and the nonexistence or failure of GPLET to be maintained, or any changes in or amendments to, GPLET, will not be a default by Landlord. In the event that GPLET is no longer available, or the provisions of GPLET are modified to the extent that Tenant believes that this Lease no longer provides the benefits intended by Tenant, then either Landlord or Tenant may

terminate this Lease by delivering not less than thirty (30) days written notice to the other, subject to Tenant's obligations of indemnity that survive the termination of this Lease, in which event the Land and Improvements will be conveyed to Tenant by Landlord as though Tenant had exercised the reconveyance set forth in Section 34. In the event of a termination hereunder, Landlord shall execute and record a Special Warranty Deed to Tenant in the form attached hereto as Exhibit E.

8. **Insurance**.

A. Tenant Obligation to Insure. Tenant shall procure and maintain for the duration of this Lease, at Tenant's own 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, its agents, subtenants, employees, contractors, licensees or invitees in accordance with the insurance requirements set forth in Exhibit B attached hereto. Additionally, Tenant shall be responsible for carrying fire and extended risk insurance coverage for the full replacement value of the Improvements. The Landlord shall 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 Land or the Improvements. Notwithstanding the foregoing, in the event of casualty to the Project (whether or not such casualty is insured or fully insured with respect to the cost of restoration), Tenant must promptly repair, restore or rebuild the Project to its pre-casualty condition pursuant to Section 17.

B. 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 shall have the right, at Landlord's election, and without notice, to procure and maintain such insurance. The premiums paid by Landlord shall be due and payable from Tenant to Landlord on the first day of the month following the date on which the premiums were paid. Landlord shall give Tenant 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 policy of insurance required herein, in whole or in part for the benefit of Landlord, shall be an event of default. No cure of such 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.

C. Relationship to Obligations to Indemnify Landlord. Tenant's obligation to maintain insurance is in addition to, and not in lieu of, Tenant's obligation of indemnity set forth in Section 11(C), Section 16, Section 33, and elsewhere in this Lease.

9. **Waste**. Tenant shall not commit or suffer to be committed any waste or impairment of the Premises.

10. **Landlord's Performance For Tenant**. If Tenant shall fail to pay any Imposition or fail to make any other payment required to be made under this Lease or shall default in the performance of any other covenant, agreement, term, provision, limitation, or condition herein contained, following any applicable Notice required by Section 24, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account and at the expense of Tenant, immediately and without notice. Bills for any expense required by Landlord in connection therewith, and bills for all such expenses and disbursements of every kind and nature whatsoever, including reasonable attorney's or administrative fees, involved in collection or endeavoring to collect the rent or Additional Payments or any part thereof, or enforcing or endeavoring to enforce any right against Tenant, under or in connection with this Lease, or pursuant to law, including (without being limited to) any such cost, expense, and disbursements involved in instituting and prosecuting summary proceedings, as well as bills for any property, material, labor, or services provided furnished, or rendered, or caused to be furnished or rendered, by Landlord to Tenant, with respect to the Premises and other equipment and construction work done for the account of the Tenant together with interest at the Default Rate, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills and if not paid when due the amount thereof shall immediately become due and payable as Additional Payments.

11. **Uses and Maintenance**.

A. Absence of Warranties. Tenant has leased the Premises after a full and complete examination thereof, as well as the title thereto and knowledge of its present uses and all restrictions on use. Tenant accepts the same in the condition or state in which they exist as of the Commencement Date without any representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord, as to the title thereto, the nature, condition, or usability thereof or the use or uses to which the Premises or any part thereof may be put. Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises or to provide any off-site improvements, such as utilities or paving, or other forms of access to the Premises, other than what may already exist on the Commencement Date, or that Landlord has agreed to provide in the Development Agreement, throughout the Term hereof. Tenant hereby assumes the full and sole responsibility for the condition, construction, operation, repair, demolition, replacement, maintenance, and management of the Premises, including but not limited to the performance of all burdens running with the Land.

B. Permitted Uses. Tenant agrees that it shall use the Premises only for those purposes and uses set forth in the Development Agreement. In no event shall the Premises or any part thereof be used for any purpose (i) prohibited by any Applicable Laws or (ii) prohibited by this Lease. Regardless of the uses which would otherwise be allowed pursuant to the zoning classification or other ordinances which may be applicable to the Premises at any time during the

Rental Period, the uses set forth in Exhibit C are expressly prohibited. Additionally, during the Rental Period use of the Premises by Tenant or related subtenants is hereby restricted to the maintenance and operation of the Project and its reasonably related activities; and the Premises may not be used for any other purpose without the prior written consent of Landlord, which may be given or withheld at Landlord's sole and absolute discretion. Moreover, any permitted use which involves the handling, production and/or storage of Hazardous Materials on the Premises shall be subject to all applicable federal, state and local laws rules and regulations.

C. Maintenance, Repairs, and Indemnity. Tenant shall, at its own cost and expense, take good care of the Premises, make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Premises and the sidewalks, curbs, and landscaping in commercially acceptable order, repair, and condition in accordance with City of Mesa standards and this Lease, whichever is more stringent. It is the intent of Landlord and Tenant that this Lease be an “absolute net lease” to Landlord, with Landlord having no obligation during the Term for the maintenance, repair or replacement of the Project (or any part of the Project). Tenant shall also keep the sidewalks and gutters in front of the Premises free and clear from rubbish and shall not obstruct the same or allow the same to be obstructed in any manner. Tenant shall indemnify, defend, pay and hold Landlord harmless for, from and against any and all claims or demands, upon or arising out of any accident, injury, or damage to any person or property occurring in or upon the Premises or any part thereof, or upon the sidewalks about the Premises, however caused, or any act (whether intentional or negligent) of any employee, agent, director, officer, contractor or invitee of Tenant, and shall keep the Premises free and clear of any and all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Premises.

D. Performance by Landlord. In the event Tenant fails to maintain and repair the Premises in the condition required by Section 11(C) of this Lease, Landlord, upon thirty (30) days written notice to Tenant, without being under any obligation to do so and without thereby waiving any default, may perform or have performed any and all such work as Landlord, in its reasonable discretion, deems necessary to maintain or restore the Premises to its required condition. Notwithstanding the foregoing, if an emergency situation arises affecting the health or safety of the Project or its residents, the Landlord may take action to maintain or repair any such emergency condition if Tenant does not respond after reasonable efforts by Landlord to notify Tenant. Any and all work performed by or on behalf of Landlord pursuant to this Section 11(D), shall be deemed to have been undertaken for and at the expense of Tenant. All cost incurred by Landlord in undertaking such work shall, along with an administrative fee equaling ten percent (10%) of such costs and expenses (“Administrative Fee”), be subject to the provisions of Section 7(A) of this Lease.

E. Alterations. Except as may be set forth in the Development Agreement, Tenant shall not, absent compliance with all Applicable Laws, erect any structures, make any improvements, or do any other construction work on the Premises or alter, modify, or make additions, improvements, or repairs to or replacements of any structure, now existing or built at any time during the Term hereof, or install any fixtures (other than trade fixtures removable without injury to the Premises) which would (i) affect the structural integrity of the Project or (ii) materially affect or modify the exterior or design of the Project or (iii) interfere with or adversely affect utility systems on the Premises (other than heating, ventilating, and air conditioning systems installed by Tenant) or (iv) require filing of plans with, or other approval by, the City of Mesa. In the event any such construction, improvement, alteration, modification, addition, repair, or replacement is made without such approval, then, upon reasonable notice so to do, the Tenant will remove the same, or, at the option of the Landlord, cause the same to be changed to the satisfaction of the Landlord. In case of any failure on the part of Tenant to comply with such notice, the Landlord may effect the removal or change, and the Tenant shall pay the costs thereof to the Landlord on demand and such costs and expenses shall be subject to the provisions of Section 7(A) of this Lease.

12. **Compliance with Applicable Laws**.

A. Tenant Obligations. Tenant shall timely assume and perform any and all obligations of Landlord under any covenants, easements, and agreements affecting the title to the Premises and shall diligently comply with, at its own expense during the Term hereof, all present and future laws, acts, rules, requirements, orders, directions, ordinances, and/or regulations, ordinary or extraordinary, foreseen or unforeseen, concerning the Premises or any part thereof, or the use thereof, or the streets adjacent thereto, of any federal, state, municipal, or other public department, bureau, officer, or authority, or other body having similar functions ("Applicable Laws"), or of any liability, fire, or other insurance company having policies outstanding with respect to the Premises, whether or not such laws, acts, rules, requirements, orders, directions, ordinances and/or regulations require the making of structural alterations or the use or application of portions of the Premises for compliance therewith or interfere with the use and enjoyment of the Premises, the intention of the parties being with respect thereto that Tenant, during the Term hereby granted, shall discharge and perform all the obligations of Landlord, as well as all obligations of Tenant, arising as aforesaid, and indemnify, defend, pay and hold Landlord harmless for, from and against all such matters, so that at all times the rental of the Premises shall absolutely be net to the Landlord without deduction or expenses on account of any such law, act, rule, requirement, order direction, ordinance and/or regulation whatever it may be; provided, however, that Tenant may, in good faith (and wherever necessary, in the name of, but without expense to and with the prior written permission of, Landlord), contest the validity of any such law, act, rule, requirement, order, direction, ordinance and/or regulation that does not require the payment of money and, pending the determination of such contest, may postpone compliance therewith, except that Tenant shall not so postpone compliance therewith, as to subject Landlord to the risk of any fine or penalty or to prosecute for a crime, or to cause the Premises or any part thereof to be condemned, vacated, untenantable or uninsured.

B. Certificate of Occupancy. Tenant, at its sole cost and expense, shall obtain any certificate of occupancy with respect to the Premises which may at any time be required by any governmental agency having jurisdiction thereof.

13. **Ownership and Operation Of Project**.

A. Ownership of Improvements.

(1) During Term. During the Term, title to all Improvements on the Premises is vested in Landlord free and clear of all liens, claims, encumbrances and conditions.

(2) Ownership at Termination. Subject to Section 34(D) of this Lease, on the expiration or sooner termination of this Lease, title to all Improvements will automatically, and without further act required, be vested in Tenant.

B. Tenant's Management and Operating Covenant. During the Term, Tenant shall prudently manage and operate (or cause to be managed and operated) the Project, and will properly maintain, at Tenant's sole cost and expense, all improvements and the Premises in good condition and repair, reasonable wear and tear excepted.

14. **Impairment of Landlord's Title**.

A. No Liens. Tenant shall not create, or suffer to be created or to remain, and shall promptly discharge any mechanic's, laborer's, or materialman's lien which might be or become a lien, encumbrance, or charge upon the Premises or any part thereof or the income therefrom and Tenant will not suffer any other matter or thing arising out of Tenant's use and occupancy of the Premises whereby the estate, rights, and interests of Landlord in the Premises or any part thereof might be impaired.

B. Discharge. If any mechanic's, laborer's, or materialman's lien shall at any time be filed against the Premises or any part thereof, Tenant, within thirty (30) days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. Tenant shall notify Landlord in writing 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 shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be 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, shall constitute an Additional Payment payable by Tenant and shall be paid by Tenant to Landlord on demand.

C. 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 contractor, subcontractor, laborer or materialman, architect, or consultant, for the construction or demolition of any improvement, the performance of any labor or services or the furnishing of any materials for any improvements, alterations to or repair of the Premises or any part thereof.

D. No Agency Intended. The parties acknowledge that Tenant is entitled to construct the Project. In connection therewith, the parties agree that Tenant is not the agent of Landlord for the construction, alteration or repair of any improvement Tenant may construct upon the Premises, the same being done at the sole expense of Tenant.

15. **Inspection**. Landlord has and retains the right to enter upon the Premises, or any part thereof, for the purpose of confirming that Tenant is observing and performing the obligations assumed by it under this Lease, all without hindrance or molestation from Tenant; provided that (absent an emergency) such entry does not interfere with Tenant’s business operations; and provided further that Landlord shall give Tenant at least twenty-four (24) hours’ Notice prior to any inspection of any building interior. This twenty-four (24) hour Notice provision shall not be construed to prohibit or delay any entry by Landlord (i) in the event of an emergency; (ii) in its capacity as a municipality exercising its police power or in its criminal law enforcement capacity; (iii) authorized by any writ or warrant issued by any Court; or (iv) authorized by any health or welfare statute, code, ordinance, rule or regulation.

16. **Indemnification of Landlord**.

A. Indemnification. Tenant shall indemnify, defend, pay and hold Landlord, its successors and assigns, its elected and appointed officials, employees, agents, boards, commissions, representatives, and attorneys (collectively, “Landlord Indemnified Parties”) harmless for, from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including property damage, personal injury and wrongful death and further including, without limitation, architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against Landlord Indemnified Parties by reason of any of the following occurring during the Term unless caused soley by the gross negligence of Landlord Indemnified Parties.

(1) Tenant’s construction of any Improvements constituting the Project or any other work done therein, on or about the Premises or any part thereof by Tenant or its agents;

(2) any use, nonuse, possession, occupancy, alteration, repair, condition, operation, maintenance or management of the Premises;

(3) any nuisance made or suffered on the Premises;

(4) any failure by Tenant to keep the Premises or Improvements or any part thereof, in a safe condition;

(5) any acts or omissions of the Tenant or any subtenant or any of its or their respective agents, contractors, employees, licensees or invitees;

(6) any fire, accident, injury (including death) or damage to any person or property occurring in, on or about the Premises or improvements or any part thereof;

(7) any failure on the part of Tenant to pay rent 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;

(8) any lien or claim which has arisen against or on the Premises or improvements or any part thereof or any of the assets of, or funds appropriated to, Landlord or any liability which may be asserted against Landlord with respect thereto to the extent arising, in each such case, out of the acts of Tenant, its contractors, agents, subtenants;

(9) any failure on the part of Tenant to keep, observe, comply with and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the subleases or other contracts and agreements affecting the Premises or improvements or any part thereof, on Tenant's part to be kept, observed or performed;

(10) any transaction relating to or arising out of the execution of this Lease or other contracts and agreements affecting the Premises or improvements, the Project or any part thereof or any activities performed by any party, person or entity which are required by the terms of this Lease or such other contracts and agreements;

(11) 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; and

(12) any loss of or reduction in state shared monies arising in connection with a claim 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 30(O) of this Lease.

Any or all of the foregoing obligations may be referred to as an “Indemnification” or “Indemnity”; and the obligation of Tenant to provide Indemnification or Landlord may be referred to as an obligation to “Indemnify”.

B. Tenant will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Premises and improvements at the sole risk of Tenant and indemnify, defend, pay and hold Landlord harmless for, from and against any and all loss or damage thereto by any cause whatsoever.

C. The obligations of Tenant under this Section shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part to be performed under insurance policies affecting the Premises.

D. If any claim, action or proceeding is made or brought against Landlord by reason of any event to which reference is made in this Section, then, upon demand by Landlord, Tenant, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys as Landlord shall approve, which approval shall not be unreasonably withheld or delayed.

E. The provisions of this Section 16 shall survive the expiration or earlier termination of this Lease.

17. **Damage or Destruction**.

A. Tenant's Obligation to Repair and Restore. If, at any time during the Term, the Premises or any part thereof shall be damaged or destroyed by fire or other occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant, at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, to repair, alter, restore, replace, or rebuild the same as nearly as possible to its value, and equal to or better than the condition, and character immediately prior to such damage or destruction. Alternatively, if Tenant elects not to repair any such damage or destruction, then Tenant within sixty (60) days of such casualty, must exercise its option to repurchase the Premises pursuant to Section 34. Such repair, alteration, restoration, replacement, or rebuilding, including such changes and alterations as aforementioned and including temporary repairs for the protection of other property pending the completion of any thereof, are sometimes referred to in this Section as the "Work." Anything herein to the contrary notwithstanding, Tenant shall immediately secure the Premises and undertake temporary repairs and work necessary to protect the public and to protect the Premises from further damage.

B. Payment of Insurance Proceeds. All insurance proceeds on account of such damage or destruction under the policies of insurance provided for in Section 8, less the cost, if any, incurred in connection with the adjustment of the loss and the collection thereof (herein sometimes referred to as the "Insurance Proceeds") shall be paid into and held by a Depository in an interest-bearing account. All Insurance Proceeds shall be applied by the Depository to the payment of the cost of the Work to the extent such Insurance Proceeds shall be sufficient for the purpose, and shall be paid out to or for the account of Tenant from time to time as such Work progresses. The Depository shall make such payments or disbursements upon the written request by Tenant when accompanied by the following:

(1) Certificate of Costs. A certificate dated not more than fifteen (15) days prior to such request, signed by or on behalf of Tenant and by an architect in charge of the Work who shall be selected by Tenant setting forth that:

(a) The sum then requested either has been paid by Tenant or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the Work, giving a brief description of the services and materials and the several amounts so paid or due and stating that no part thereof has been made the basis of any previous or then pending request or has been paid out of any insurance proceeds received by Tenant, and that the sum requested does not exceed the value of the services and materials described in the certificate. If sums are sought by way of reimbursement the request shall be accompanied by a lien release; if sums are sought for payment in the first instance a lien release shall be submitted to the Depository within seven (7) days of disbursement by the Depository; and,

(b) Except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the persons signing such certificate after due inquiry which might become the basis of a vendor, mechanic, or materialman or similar lien upon such Work, the Premises or Tenant's leasehold interest, or any part thereof, and

(2) Sums Paid to Tenant. Upon compliance with the foregoing provisions of this Section, the Depository, out of the insurance proceeds, shall pay or cause to be paid to Tenant or to the persons named in the certificate the respective amounts stated therein to have been paid by Tenant or to be due to them, as the case may be. Upon receipt by the Depository of a lien release from every contractor and subcontractor working on the Project and such other evidence satisfactory to it of the character required by Section 17(B)(1) that the Work is complete and paid for in full and that there are no liens of the character referred to therein, and if Tenant is not then in default, the Depository shall pay to Tenant any remaining balance of said insurance proceeds.

(3) Deficiency. If the insurance proceeds received by the Depository shall not be sufficient to pay the entire cost of the Work, Tenant shall supply the amount of any such deficiency. Under no circumstances shall Landlord be obligated to make any payment, reimbursement, or contribution towards the cost of the Work.

C. Failure to Commence Repairs. If the Work shall not have been commenced within one hundred and eighty (180) days after the date of the damage or destruction, or if such Work after commencement shall not proceed expeditiously or is not completed within twenty four (24) months after commencement, Landlord may terminate this Lease pursuant to Section 21(G).

D. Cure by Mortgagee. If, within thirty (30) days from receipt by a Permitted Mortgagee of Landlord's notice of any default of Tenant, the holder of the Permitted Mortgage moves, either itself or through a receiver, to take possession of the Premises and begins or continues the Work, and if, with respect to any default by Tenant under this Lease, the right of Landlord to terminate this Lease shall not have accrued, then the Depository shall pay over to the holder of such Permitted Mortgage, or to the receiver, as the case may be, the proceeds of insurance pursuant to Section 17(B) upon receipt from the holder of such Permitted Mortgage or such receiver of the certificates of the character required from Tenant under Section 17(B)(1), provided that such proceeds be used to complete the Work promptly and expeditiously.

E. Lease Obligations Continue. Tenant shall not be entitled to any abatement, allowance, reduction, or suspension of rent because part or all of the Premises shall be untenantable owing to the partial or total destruction thereof. No such damage or destruction shall affect in any way the obligation of Tenant to pay the rent, Additional Payments, and other charges required to be paid, nor release Tenant from any non-monetary obligations imposed upon Tenant under this Lease.

18. **Condemnation**.

A. Total Taking. If at any time during the term of this Lease, title to the whole or substantially all of the Premises shall be taken in condemnation proceedings or by any right of eminent domain or by agreement in lieu of such proceedings, this Lease shall terminate and expire on the date possession is transferred to the condemning authority and the Net Rent and Additional Payments reserved shall be apportioned and paid to the date of such taking. All compensation paid by the condemning authority in the case of any condemnation (total or partial) shall be the sole property of Tenant free and clear of any right, title, claim or interest of Landlord.

B. Partial Taking. In the event of any taking of less than the whole or substantially all of the Premises, neither Rental Period of this Lease shall not be reduced or affected in any way. In such a case, the Net Rent payable for that part of the balance of the Term hereof occurring prior to the termination or expiration of the Lease, shall be based on the ratio of the remaining square footage of leased Land to the square footage of the land prior to the condemnation.

C. Rights of Participation. Tenant shall have the sole right, at its own expense, to appear in and defend any condemnation proceeding and participate in any and all hearings, trials, and appeals therein. Landlord shall, at the request of Tenant, shall execute a Disclaimer of Interest in the condemnation action evidencing the fact that Landlord has no interest in the proceeds of the condemnation.

D. Notice of Proceeding. In the event Landlord or Tenant shall receive notice of any proposed or pending condemnation proceedings affecting the Premises, the party receiving such notice shall promptly notify the other party of the receipt and contents thereof.

E. Relocation Benefits. Tenant shall also retain any federal, state or local relocation benefits or assistance provided in connection with any condemnation or prospective condemnation action.

19. **[Reserved]**

20. **Encumbrances and Assignments**.

A. Tenant may encumber its leasehold interests to obtain permanent financing or refinancing for the Project (a "Permitted Mortgage"), subject to the following:

(1) Tenant may encumber its interest in this Lease and the Premises only if Tenant is not then in default of any of its obligations under this Lease. There may be only one Permitted Mortgage in existence with respect to this Lease at any time, and junior liens or encumbrances of any kind are prohibited. The holder of a Permitted Mortgage shall be a "Permitted Mortgagee."

(2) With respect to such leasehold financing, Landlord will agree to a form of commercially reasonable non-disturbance and recognition agreement with Tenant's Lender as well as other reasonable, non-material or administrative modifications to this Lease requested by a recognized institutional lender. In no event will Landlord subordinate its interest in the Premises to such leasehold financing.

(3) A Permitted Mortgage cannot secure obligations other than costs, obligations and expenses in connection with the Project or obligations of any person other than Tenant.

(4) A Permitted Mortgage shall cover no interest in the Land and Improvements other than Tenant's interest in this Lease.

(5) Tenant or the holder of a Permitted Mortgage shall promptly deliver to Landlord in the manner herein provided for the giving of notice to Landlord, a true copy of the Permitted Mortgage(s), of any assignment thereof, and of the satisfaction thereof; and

(6) For the purpose of this Section 20, the making of a Permitted Mortgage shall not be deemed to constitute an assignment or transfer of this Lease, nor shall any holder of a Permitted Mortgage, as such, be deemed an assignee or transferee of this Lease or of the leasehold estate hereby created so as to require such holder of a Permitted Mortgage, as such, to assume the performance of any of the terms, covenants, or conditions on the part of Tenant to be performed hereunder; but the purchaser at any sale of this Lease in any proceedings for the foreclosure of any Permitted Mortgage, or the assignee or transferee of this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Mortgage, shall be deemed to be an assignee or transferee within the meaning of this Section and shall be deemed to have assumed the performance of all the terms, covenants, and conditions on the part of Tenant to be performed hereunder from and after the date of such purchase and assignment.

B. No assignment, subletting or other transfer of this Lease, or any rights granted by this Lease to Tenant (each, a "Transfer"), will be permitted without the prior written consent of Landlord, which will not be unreasonably withheld. Any Transfer will require the express assumption in writing by the transferee of all of the obligations of Tenant under this Lease, including all obligations of Indemnification of Landlord and the Landlord Indemnified Parties. Any assignment, subletting or transfer in violation of this Lease will be void, and not voidable, and shall confer no rights or the proposed assignee, subtenant or transferee. In addition, this Lease may not be assigned apart from the Development Agreement, and any assignee or transferee of Tenant must assume all of the obligations (including obligations of Indemnity) of the Developer in the Development Agreement. Notwithstanding the foregoing, nothing herein shall be deemed to limit or impact Tenant's right and ability to lease residential or commercial space within the Project to residential and commercial tenants in the ordinary course of its business.

C. A Transfer is not deemed to include the rental of individual units within the Project to residential or commercial tenants. Landlord recognizes and agrees that Tenant may enter into subleases with subtenants for commercial or residential premises within the Project. All such subleases shall be on terms that are commercially reasonable, and no sublease shall have a term that extends beyond the Term of this Lease.

21. **Default By Tenant**.

A. Events of Default. The happening of any one of the following events (each, an "Event of Default") shall be considered a material breach and default by Tenant under this Lease:

(1) Monetary Default. If default shall be made in the due and punctual payment of any Net Rent or Additional Payments (a "Monetary Default") within twenty (20) days after written notice thereof to Tenant; or

(2) Non-Monetary Default. If default shall be made by Tenant in the performance of or compliance with any of the covenants, agreements, terms, limitations, or conditions of this Lease other than a Monetary Default, and such default shall continue for a period of thirty (30) days after written Notice thereof from Landlord to Tenant; provided, that if Tenant proceeds with due diligence during such thirty (30) day period to substantially cure such default and is unable by reason of the nature of the work involved, to cure the same within the required thirty (30) days, its time to do so shall be extended by the time reasonably necessary to cure the same, but in no event more than ninety (90) days; or

(3) Bankruptcy -- Voluntary. If Tenant shall file a voluntary petition in bankruptcy or take the benefit of any relevant legislation that may be in force for bankrupt or insolvent debtors or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state, or other statute, law or regulation, or if Tenant shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall make any general assignment for the benefit of creditors; or

(4) Bankruptcy -- Involuntary. If a petition shall be filed against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statue, law or regulation, and shall remain undismissed or unstayed for ninety (90) days, or if any trustee, receiver or liquidator of Tenant, or of all or substantial part of its properties, shall be appointed without the consent or acquiescence of Tenant and such appointment shall remain unvacated and unstayed for ninety (90) days; or

(5) Insurance. The lapse, termination, or cancellation of any policy of insurance required herein, in whole or in part for the benefit of Landlord, shall be an event of default absent being cured within twenty (20) days of such lapse. No cure of such 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; or

(6) Development Agreement. Any Event of Default of Developer under the Development Agreement, subject to all grace periods, cure periods and periods of Force Majeure provided in the Development Agreement.

B. Tenant Liability Continues. No such expiration or termination of this Lease shall relieve Tenant of its indemnity obligations under this Lease, and such indemnity obligations shall survive any such expiration or termination.

C. 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, shall constitute 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, shall be waived, altered or modified, except by a written instrument executed by the party to be charged therewith. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term, limitation and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach hereof.

D. Remedies Cumulative. In the event of any breach by Tenant of any of the covenants, agreements, terms or conditions hereof, Landlord, in addition to any and all other rights, shall be entitled to enjoin such breach and shall have the right to invoke any right and remedy allowed at law or in equity, by statute or by this Lease for such breach. In the event of Tenant's failure to pay Net Rent or Additional Payments on the date when due, Tenant shall pay Landlord interest on any such overdue payments and associated late charges at the Default Rate, but in no event an amount greater than permitted by law, but this shall in no way limit any claim for damages for Landlord for any breach or default by Tenant.

E. Late Charge. In the event that any payment required to be made by Tenant to Landlord under the terms of this Lease is not received within ten (10) days after the due date thereof, a late charge shall become immediately due and payable as an Additional Payment in an amount equal to two and one-half percent (2.5%) of the late payment.

F. Specific Performance. If a default is not cured within any applicable time period after service of Notice of the default, Landlord may, at its option, thereafter (but not before) commence an action for specific performance of the non-monetary terms of this Lease pertaining to such default.

G. Termination of Lease. If a default is not cured within any applicable time period after service of Notice of the default, Landlord, may, at its option and with no further act or Notice required, terminate this Lease and quitclaim the Land and all Improvements to Tenant; provided however that the termination of this Lease and the conveyance of the Land and Improvements to Tenant will not terminate or otherwise restrict Tenant's obligations of indemnification of Landlord required in this Lease.

22. **Default By Landlord**. In the event of any breach by Landlord of any of the covenants, agreements, terms, or conditions hereof, Tenant, as its sole and exclusive remedy, may enjoin such breach through petition for specific performance, and Tenant will have no right to seek or recover

(and hereby expressly waives such right to seek or recover) any and all damages incurred by Tenant, including actual, special, consequential, multiple, punitive, or any other type of damages.

23. **<u>Unenforceable Terms</u>**. If any term or provision hereof or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof shall be valid and be enforced to the fullest extent permitted by law.

24. **<u>Notices</u>**. Any notice, request, demand, statement, or consent herein required or permitted to be given by either Party to the other in this Lease (each, a "<u>Notice</u>"), shall be in writing signed by or on behalf of the Party giving the notice and addressed to the other at the address as set forth below:

If to Landlord:

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

If by United States Postal Service:
Post Office Box 1466
Mesa, Arizona 85211-1466

and

City of Mesa
Attn: Manager of Downtown Transformation
20 East Main Street, Suite 750
Mesa, Arizona 85211

If by United States Postal Service:
Post Office Box 1466
Mesa, Arizona 85211-1466

With a required copy to:

City of Mesa
Attn: City Attorney
20 East Main Street, Suite 850
Mesa, Arizona 85201

If by United States Postal Service:
Post Office Box 1466
Mesa, Arizona 85211-1466

If to Tenant: ____________________________
____
____
____

With a required copy to: ____________________________
____
____
____

Each party may by notice in writing change its address for the purpose of this Lease, which address shall thereafter be used in place of the former address. Each notice, demand, request, or communication which shall be mailed to any of the aforesaid shall be deemed sufficiently given, served, or sent for all purposes hereunder (i) two business days after it shall be mailed by United States registered or certified mail, postage prepaid and return receipt requested, in any post office or branch post office regularly maintained by the United States Postal Service, (ii) upon personal delivery, or (iii) one business day after deposit with any recognized commercial air courier or express service for next business day delivery.

25. **Condition of Premises**. Tenant represents that the Premises, the title to the Premises, parking, drive and walk areas adjoining the Premises, the environmental condition of the Premises any subsurface conditions thereof, and the present uses and non-uses thereof, have been examined by Tenant and that Tenant accepts the same in the condition or state in which they or any of them may be on the date of the execution of this Lease, without representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord, as to the nature, condition, or usability thereof or the use or uses to which the Premises or any part thereof may be put.

26. **Quiet Enjoyment**. Subject to all of the conditions, terms, and provisions contained in this Lease, Landlord covenants that Tenant, upon paying the Net Rent, and Additional Payments and observing and keeping all terms, covenants, agreements, limitations, and conditions hereof on its part to be kept, shall quietly have and enjoy the Premises during the term hereof, without hindrance or molestation by Landlord.

27. **Estoppel Certificates**. 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 hereunder;

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.

Such certificate shall 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 Landlord subordinate its interest in the Premises to any Party.

28. **Consents**.

A. Parties and Notice. Whenever the consent or approval of a Party to this Lease is required or reasonably requested under this Lease, if the Party whose consent or approval is required fails to notify the other Party in writing within thirty (30) days (except where a different period is otherwise specified herein for the giving of such consent or approval) after the giving of a written request therefor in the manner specified herein for the giving of notice, it shall be concluded that such consent or approval has been given. Except as otherwise provided in Applicable Laws, Landlord's City Manager may execute and deliver any consent required by this Lease.

B. No Unreasonable Withholding. Wherever in this Lease the consent or approval of either party is required, such consent or approval shall not be unreasonably withheld nor delayed, except and unless where otherwise specifically provided. The remedy of the party requesting such consent or approval, in the event such party should claim or establish that the other party has unreasonably withheld or delayed such consent or approval, shall be limited to injunction or declaratory judgment and in no event shall such other party be liable for a money judgment (provided, however, that the prevailing party shall be entitled to an award of attorneys' fees and court costs and expenses).

29. **Limitation of Landlord's Liability**. Landlord shall not be responsible or liable for any damage or injury to any property, fixtures, merchandise, or decorations or to any person or persons at any time on the Premises from steam, gas, electricity, water, rain, or any other source whether the same may leak into, issue or flow from any part of the Building or from pipes or plumbing work of the same, or from any other place or quarter; nor shall Landlord be in any way responsible or liable in case of any accident or injury including death to any of Tenant's employees, agents, subtenants, or to any person or persons in or about the Premises or the streets, sidewalks or vaults adjacent thereto; and Tenant agrees that it will not hold Landlord in any way responsible or liable therefor and will indemnify Landlord pursuant to Section 16. Landlord shall not be liable for interference with light or incorporeal hereditaments caused by anybody or the operation of or for any governmental authority in the construction of any public or quasi-public work and Landlord shall not be liable for any latent or any other defects in the Premises.

30. **Miscellaneous**.

A. Landlord's Right of Cancellation. All Parties hereto acknowledge that this agreement is subject to cancellation by the City of Mesa for a conflict of interest pursuant to the provisions of A.R.S. § 38-511.

B. Choice of Law. This Lease shall be construed and enforced in accordance with the laws of the State of Arizona, without regard to the principles of conflicts of laws.

C. Memorandum. Landlord and Tenant agree that at the request of either, each will execute a "Memorandum of Lease" in a form satisfactory for recording in the Office of the County Recorder, Maricopa County, Arizona.

D. Entire Agreement. This Lease with its schedules and annexes contains the entire agreement between Landlord and Tenant and any executory agreement hereafter made between Landlord and Tenant shall be ineffective to change, modify, waive, release, discharge, terminate, or effect an abandonment of this Lease, in whole or in part, unless such executory agreement is in writing and signed by the Party against whom enforcement of the change, modification, waiver, release, discharge, termination, or the effect of the abandonment is sought.

E. Corrections and Minor Amendments. The 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 that correct typographical or similar errors, revise or update legal descriptions or other exhibits, that do not materially revise any business or policy provision of this Lease, that otherwise are ministerial in nature.

F. Amendments. Subject to subsection 30E above no amendment to this Lease will be effective unless it is in writing and has been approved by the Parties (including, but not limited to, approval by the City Council of the City of Mesa). In addition, in compliance with A.R.S. §42-6209(C)(3), Landlord may not approve an amendment to change the use of the Premises during the period that any statutory abatement of GPLET applies unless:

"(a) The government lessor notifies the governing bodies of the county and any city, town and school district in which the government property improvement is located at least sixty days before the approval. The notice must include the name and address of the prime lessee, the location and proposed use of the government property improvement and the remaining term of the lease or development agreement.

"(b) The government lessor determines that, within the remaining term of the lease or development agreement, the economic and fiscal benefit to this state and the county, city or town in which the government property improvement is located will exceed the benefits received by the prime lessee as a result of the change in the lease or development agreement on the basis of an estimate of those benefits prepared by an independent third party in a manner and method acceptable to the governing body of the government lessor. The estimate must be provided to the

government lessor and the governing bodies of the county and any city, town and school district in which the government property improvement is located at least thirty days before the vote of the governing body. A change in use under a lease or development agreement between a prime lessee and a government lessor to residential rental housing is exempt from the economic estimate analysis requirements of this subdivision."

G. Captions. The captions of Sections in this Lease and its Table of Contents are inserted only as a convenience and for reference and they in no way define, limit, or describe the scope of this Lease or the intent of any provision thereof. References to Section numbers are to those in this Lease unless otherwise noted.

H. Execution and Delivery. This Lease shall bind Tenant upon its execution thereof. Landlord shall 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 discretion.

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

J. 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" shall 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.

K. Multiple Parties. If at any time Landlord, Tenant, or any Permitted Mortgagee (Landlord, Tenant or any such mortgagee being in this Section referred to as a "Party") is other than one individual, partnership, firm, corporation, or other entity, the act of, or notice, demand, request, or other communication from or to, or payment of refund from or to, or signature of, or any one of the individuals, partnerships, firms, corporations, or other entities then constituting such Party with respect to such Party's estate or interest in the Premises or this Lease shall bind all of them as if all of them so had acted, or so had given or received such notice, demand, request, or other communication, or so had given or received such payment or refund, or so had signed, unless all of them theretofore have executed and acknowledged in recordable form and given a notice (which has not previously been revoked by notice given by all of them) designating not more than three individuals, partnerships, firms, corporations, or other entities as the agent or agents for all of them. If such a notice of designation has previously been given, then, until it is revoked by notice given by all of them, the act of, or notice, demand, request or other communication from or to, or payment or refund from or to, or signature of, the agent or agents so designated with respect to such Party's estate or interest in the Premises or this Lease shall bind all of the individuals, partnerships, firms, corporations, or other entities then constituting such Party as if all of them so had acted, or so had given or received such notice, demand, request, or other communication, or so had given or received such payment or refund, or so had signed.

L. Exhibits and Incorporation. The following exhibits, which are attached hereto or are in the possession of the Landlord and Tenant, are incorporated herein by reference as though fully set forth:

Exhibit A	Legal Description
Exhibit B	Required Insurance
Exhibit C	Prohibited Uses
Exhibit D	Certificate of Commencement
Exhibit E	Special Warranty Deed

M. Immigration Reform and Control Act of 1986 (IRCA). Tenant understands and acknowledges the applicability of the IRCA to it and agrees to comply with the IRCA for all activities undertaken under this Lease and agrees to permit Landlord to inspect its personnel records to verify such compliance.

N. 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.

O. 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, and 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), then this Lease shall automatically terminate at midnight on the thirtieth day after receiving such notice from the Attorney General, the Landlord shall convey the Land and Improvements to Tenant pursuant to Section 34D,and thereafter 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), and requires the posting of a bond under A.R.S. § 41-194.01(B)(2), City shall be entitled to terminate this Lease, except if Tenant posts such bond; 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 convey the Land and Improvements to Tenant pursuant to Section 34D; and the Parties shall have no further obligations hereunder.

31. **Equal Employment Opportunity**. Tenant shall comply with all ordinances and other requirements of the City of Mesa relating to nondiscrimination and equal employment opportunity. In performing under this Lease, Tenant shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, age, sexual orientation or disability, 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 race, color, religion, gender, national origin, age, sexual orientation or disability. Such actions shall 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 subcontracts entered into with suppliers of materials or services, and all labor organizations furnishing skilled, unskilled and union labor, or who may perform such labor or services in connection with this Lease.

32. **Unavoidable Delay; Extension of Time of Performance**. In addition to specific provisions of this Lease, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes, lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability (when either Party is faultless) of any contractor, subcontractor or supplier; acts of the other Party(each, an "Unavoidable Delay"). A lack of funds or inability to obtain funds shall not be included in this definition of Unavoidable Delays. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the Party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Lease may also be extended in writing by the parties hereto.

33. **Compliance With Environmental Laws**.

A. Definitions.

(1) "Environmental Laws" means those laws promulgated for the protection of human health or the environment, including (but not limited to) the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Arizona Environmental Quality Act, A.R.S. §§ 49-101 et seq.; the Occupational Safety and Health Act of 1970, as amended, 84 Stat. 1590, 29 U.S.C. §§ 651-678; Maricopa County Air Pollution Control Regulations; Archaeological Discoveries, A.R.S. §§ 41-841 et seq.; regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, county, state or federal government) now in effect or hereinafter enacted that deal with Regulated Substances and the regulation or protection of human

health and the environment, including but not limited to the ambient air, ground water, surface water, and land use, including substrata soils.

(2) "Regulated Substances" means:

(a) Any substance identified or listed as a hazardous substance, pollutant, hazardous material, or petroleum in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., and in the regulations promulgated thereto; and Underground Storage Tanks, U.S.C. §§ 6991 to 6991i.

(b) Any substance identified or listed as a hazardous substance, pollutant, toxic pollutant, petroleum, or as a special or solid waste in the Arizona Environmental Quality Act, A.R.S. §§ 49-201 et seq.; including, but not limited to, the Water Quality Assurance Revolving Fund Act, A.R.S. §§49-281 et seq.; the Solid Waste Management Act, A.R.S. §§ 49-701 et seq.; the Underground Storage Tank Regulation Act, A.R.S. §§ 49-1001 et seq.; and Management of Special Waste, A.R.S. §§ 49-851 to 49-868.

(c) All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any Environmental Law during the term of this Agreement.

(3) "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

B. Compliance. Tenant shall, at Tenant's own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Tenant's operation on the Premises. Tenant shall not cause or permit any Regulated Substance to be used, generated, manufactured, produced, stored, brought upon, or released on, or under the Premises, or transported to or from the Premises, by Tenant, its agents, employees, contractors, invitees or a third Party in a manner that would constitute or result in a violation of any Environmental Law or that would give rise to liability under an Environmental Law.

C. Indemnification.

(1) Tenant shall indemnify, defend, pay and hold harmless, on demand, Landlord, its successors and assigns, its elected and appointed officials, employees, agents, boards, commissions, representatives, and attorneys, for, from and against any and all liabilities, obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons, property, the environment or the Premises and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, human health, property or the

environment pursuant to any Environmental Law, the common law, or other statute, ordinance, rule, regulation, judgment or order of any governmental agency or judicial entity, which are incurred or assessed as a result, whether in part or in whole, of any use of the Premises during the term of this Lease or any previous lease or uses of the Premises by Tenant or its owners or affiliated entities, agents, employees, invitees, contractors, visitors or licensees. Regardless of the date of termination of this Lease, Tenant's obligations and liabilities under this Section 33 shall continue so long as the Landlord bears any liability or responsibility under the Environmental Laws for any use of the Premises during the Term of this Lease. This Indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work required or conducted by any federal, state or local governmental agency or political subdivision because of Regulated Substances located on the Premises or present in the soil or ground water on, or under the Premises. The parties agree that Landlord's right to enforce this covenant to Indemnify is not an adequate remedy at law for Tenant's violation of any provision of this Section and that Landlord shall also have the rights set forth in this Section in addition to all other rights and remedies provided by law or otherwise provided for in this Lease.

(2) Without limiting the foregoing, if the presence of any Regulated Substance on, or under the Premises results in any contamination of the demised Premises or any adjacent real property during the Term of this Lease, Tenant shall promptly take all actions at its sole cost and expense as are necessary to mitigate any immediate threat to human health or the environment. Tenant shall then undertake any further action necessary to return the Premises or other property to the condition existing prior to the introduction of any Regulated Substance to the Premises; provided that Landlord's written approval of such actions shall first be obtained. Tenant shall undertake such actions without regard to the potential legal liability of any other person, however, any remedial activities by Tenant shall not be construed as to impair Tenant's rights, if any, to seek contribution or indemnity from another person.

(3) Tenant shall, at Tenant's own cost and expense, make all tests, reports, studies and provide all information to any appropriate governmental agency as may be required pursuant to the Environmental Laws pertaining to Tenant's use of the Premises. This obligation includes but is not limited to any requirements for a site characterization, site assessment and/or a cleanup plan that may be necessary due to any actual or potential spills or discharges of Regulated Substances on, or under the Premises, during the term of this Lease. At no cost or expense to Landlord, Tenant shall promptly provide all information requested by Landlord pertaining to the applicability of the Environmental Laws to the Premises, to respond to any governmental investigation, or to respond to any claim of liability by third parties which is related to environmental contamination.

In addition, Landlord shall have the right to access, within ten (10) days of Tenant's receipt of written request, and copy any and all records, test results, studies and/or other documentation, other than trade secrets, regarding environmental conditions relating to the use, storage, or treatment of Regulated Substances by the Tenant on, or under the Premises.

(4) Tenant shall immediately notify Landlord of any of the following: (a) any correspondence or communication from any governmental agency regarding the application of Environmental Laws to the Premises or Tenant's use of the Premises, (b) any change in Tenant's use of the Premises that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under Environmental Laws, and (c) any assertion of a claim or other occurrence for which Tenant may incur an obligation under this Section 33.

(5) Tenant shall insert the provisions of this Section 33 in any retail or commercial sublease agreement or contract by which it grants a right or privilege to any person, firm or corporation under this Lease.

(6) Tenant shall, at its own expense, obtain and comply with any permits or approvals that are required or may become required as a result of any use of the Premises by the Tenant, its agents, employees, contractors, invitees and assigns.

(7) Tenant shall obtain and maintain compliance with any applicable financial responsibility requirements of federal and/or state law regarding the ownership or operation of any underground storage tank(s) or any device used for the treatment or storage of a Regulated Substance and present evidence thereof to Landlord, as may be applicable.

D. Noncompliance.

(1) Tenant's failure or the failure of its agents, employees, contractors, invitees or of a third Party to comply with any of the requirements and obligations of this Section 33 or applicable Environmental Law shall constitute a material default of this Lease. Notwithstanding any other provision in this Lease to the contrary, Landlord shall have the right of “self-help” or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Law on, or under the Premises, without waiving any of its rights under this Lease. The exercise by Landlord of any of its rights under this Section 33 shall not release Tenant from any obligation it would otherwise have hereunder.

(2) The covenants in this Section 33 shall survive the expiration or earlier termination of this Lease.

34. **Reconveyance Upon Termination of Expiration of Lease**. The Parties acknowledge the requirement of A.R.S. §42-6209(G) that the Term of this Lease cannot extend beyond eight (8) years from the issuance of a certificate of occupancy for the Project. In recognition of this limitation and requirement, Tenant agrees to re-acquire its fee interest in the Premises at the end

of the Term (or earlier termination of this Lease). Landlord and Tenant hereby confirm Tenant's obligation to purchase the Premises according to the terms and conditions hereinafter set forth.

A. Requirement of Exercise. Notwithstanding anything in this Lease to the contrary, Tenant is obligated to purchase the Premises at the expiration of the Term (or earlier termination of this Lease). In the event that Tenant fails to complete the purchase of the Premises within six (6) months following the expiration of the Term (or earlier termination of this Lease), Landlord will quitclaim its interest in the Premises to Tenant (subject to all existing easements in favor of or benefiting the City of Mesa), but will retain all rights of Indemnification granted in this Lease, including (but not limited to) Section 16 and Section 33.

B. Exercise of Obligation. Tenant's obligation to purchase the Premises is effective, and Tenant has the right to execute the purchase of the Premises, at any time after the execution of this Lease; provided that Tenant's right to purchase is conditioned upon Tenant curing any monetary default then existing under this Lease; and further provided that Landlord may waive this requirement in Landlord's sole discretion. Tenant may purchase the Premises at any time during the Rental Period by delivering Notice of its intent to purchase the Premises to Landlord (the "Reacquisition Notice"); and the purchase of the Premises by Tenant must be completed no later than the earlier of (i) ninety (90) days following the delivery of the Reacquisition Notice to Landlord, or (ii) on the last day of the Term (or earlier termination of this Lease).

C. Purchase Price. The Purchase Price for the Premises ("Purchase Price") is Five Thousand and no/100 Dollars ($5,000.00). The Purchase Price reflects that fact that Tenant initially owned the Land and constructed all of the Improvements at Tenant's sole cost and expense and is intended to cover Landlord's administrative, legal and related expenses in connection with the transfer of the Premises to Tenant.

D. Conveyance of Title and Delivery of Possession. Landlord and Tenant agree to perform all acts necessary to complete the conveyance of the Premises to Tenant within ninety (90) days after delivery to Landlord of Tenant's Reacquisition Notice, or on the last day of the Rental Period, whichever first occurs. Landlord's entire interest in the Premises shall be conveyed by Special Warranty Deed in the form of Exhibit E. The condition of title of the Premises will be as reflected in a commitment to issue title insurance (or similar report) obtained by Tenant at its sole cost and expense at the time of Tenant's delivery of the Reacquisition Notice or the last day of the Rental Period (or date of earlier termination of this Lease), as applicable, and Landlord has no responsibility to eliminate, cure or "endorse over" any exceptions to title or other matters shown in such commitment except for matters directly attributable to the acts of Landlord. Landlord's then acting City Manager (or such City Manager's designee) is authorized to execute and deliver the Deed on behalf of Landlord. All expenses in connection with conveyance of the Premises to Tenant including, but not limited to, title insurance (if requested by Tenant), recordation and notary fees and all other closing costs (including escrow fees if use of an escrow is requested by Tenant), shall be paid by Tenant. Although Tenant will have been in actual possession of the Premises throughout the Term, (i) legal possession of the Premises will be deemed to have been delivered to Tenant concurrently with the conveyance of title pursuant to the Deed, and (ii) Landlord will retain all rights of Indemnification granted in this Lease, including (but not limited to) Section 16 and Section 33. The terms of this Section 34 will survive the termination of this Lease and the recordation of any deed from Landlord to Tenant.

35. **Signatures**. The Parties have executed this Lease to be effective as of the Effective Date.

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

LANDLORD:

CITY OF MESA, ARIZONA,
a municipal corporation

By:_________________________________

Its:_________________________________

ATTEST:

____
City Clerk

APPROVED AS TO FORM:

____
City Attorney

TENANT:

SYCAMORE STATION, LLC,
an Arizona limited liability company

By:___________________________________
Its: ___________________________________

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _________________, 202__, by ____________________________, the ____________________ of ______________________________, an Arizona limited liability company, on behalf of the corporation.

____
Notary Public

My commission expires:

____

Exhibit A to Government Property Improvements Lease

Legal Description of the Land

Exhibit B to Government Property Improvements Lease

Insurance Requirements

Tenant shall 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 and/or in the performance of work or construction of the Premises by Tenant, its agents, representatives, employees, contractors, or subcontractors.

The insurance requirements herein are minimum requirements for the Lease, of which this Exhibit is a part (the "Lease"), 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 shall provide coverage during the Coverage Period and with limits of liability not less than those stated below.

Type	Amount	Coverage Period
General Liability (which shall include 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.	Coverage shall be in effect upon or prior to and remain in effect for the Term of the Lease.
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 structure and all fixtures.	Coverage shall be in effect upon or prior to the earlier of when the Builder's Risk policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage shall thereafter remain in effect for the remainder of the Term of the Lease.
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.	Coverage shall be in effect upon or prior to and remain in effect for the Term of the Lease.
Business Interruption Coverage (can be endorsed to the Property policy)	Minimum 12 months' rent and ongoing operating expenses	Coverage shall be in effect upon or prior to the earlier of when the Builder's Risk

		policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage shall thereafter remain in effect for the remainder of the Term of the Lease.
Workers' Compensation Employers' Liability	Statutory Limits $500,000 each accident, each employee	Coverage shall be in effect upon or prior to and remain in effect for the Term of the Lease.
Liquor Liability	$5,000,000	Coverage shall be in effect upon or prior to and remain in effect for the Term of the Lease, provided Tenant sells and/or serves alcohol
Professional Liability	$2,000,000	Coverage shall be in effect upon or prior to any construction activities and maintained until the substantial completion of construction and a temporary or final certificate of occupancy is obtained.
Blanket Crime Policy	$5,000,000	Coverage shall be in effect upon or prior to and remain in effect for the Term of the Lease.
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)	Coverage shall be in effect upon or prior to the earlier of when the Builder's Risk policy is no longer in effect or when substantial completion of construction and a temporary or final certificate of occupancy is obtained, and coverage shall thereafter remain in effect for the remainder of the Term of the Lease.

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

1. 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.

2. On insurance policies where the Landlord is to be named as an additional insured, the Landlord shall 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 shall be primary and non-contributory with respect to all other Landlord insurance sources.

4. All policies shall include a waiver of subrogation rights in favor of the Landlord, its agents, officials, volunteers, officers, elected officials, and employees. Tenant shall 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, agents, contractors and subcontractors. Tenant agrees to obtain any endorsement that may be necessary to comply with this waiver of subrogation requirement.

5. All general liability policies shall include coverage for explosion, collapse, underground work, and contractual liability coverage, which shall include (but is not limited to) coverage for Tenant's indemnification obligations under the Lease.

6. Landlord shall be named as Loss Payee on all property insurance policies. Proceeds of any property damage insurance shall be applied as required by Section 17 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: Each insurance policy shall include provisions to the effect that it shall not be suspended, voided, cancelled, or reduced in coverage except after thirty (30) days' prior written notice has been given to Landlord. Such notice shall 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 shall 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 shall 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 shall be 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 shall 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 shall 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 hereunder, Landlord may, but is not required to, procure and maintain any or all of the insurance required of Tenant under this Lease. In such event, all costs of such insurance procured and maintained by Landlord shall be the responsibility of Tenant and shall be fully reimbursed to Landlord within ten (10) business days after Landlord's request payment thereof.

Exhibit C to Government Property Improvements Lease

Prohibited Uses

Project will develop with land uses consistent with Chapter 64 of the Mesa Zoning Ordinance. In addition, the below uses are specifically prohibited from the Project.

- Group Residential, as defined by Chapter 64 of the Mesa Zoning Ordinance
- Non-chartered Financial Institution, as defined by Chapter 64 of the Mesa Zoning Ordinance
- Pawn Shops, as defined by Chapter 64 of the Mesa Zoning Ordinance
- Social Service Facilities, as defined by Chapter 64 of the Mesa Zoning Ordinance
- Tattoo and Body Piercing Parlors, as defined by Chapter 64 of the Mesa Zoning Ordinance
- Group Residential, as defined by Chapter 86 of the Mesa Zoning Ordinance
- Off-Track Betting Establishment, as defined by Chapter 86 of the Mesa Zoning Ordinance
- Medical Marijuana Dispensary, as defined by Chapter 86 of the Mesa Zoning Ordinance
- Package liquor stores
- Kennels

Exhibit D to Government Property Improvements Lease

==

CERTIFICATE OF COMMENCEMENT DATE

==

Landlord and Tenant under that certain Government Property Improvements Lease dated with an Execution Date of _________________, and to which this Exhibit "D" is attached (the "Lease"), hereby certify and confirm that the "Commencement Date" of the Lease (as defined in Section 4(C) of the Lease) is ______________ (notwithstanding a different Execution Date or date of execution of this Certificate), and that the Lease expires at the end of the eighth (8th) year following the Commencement Date.

DATED: _________, 202__.

TENANT:	**LANDLORD:**
____________________________, a ________________________	City of Mesa, Arizona, an Arizona municipal corporation
By: ___________________________________ Printed Name: __________________________ Its: ___________________________________	By: ____________________________________ Printed Name: _____________________________ Its: ______________________________________

Exhibit E to Government Property Improvements Lease

Special Warranty Deed

When Recorded, Mail to:

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars ($10.00) and other valuable consideration received, the City of Mesa, Arizona, an Arizona municipal corporation ("**Grantor**"), hereby conveys to **_______________________________**, a **____________** ("**Grantee**"), all of Grantor's right, title and interest in and to the following described real property (the "**Property**") situated in Maricopa County, Arizona, together with all improvements thereon and all of Grantor's interest in any rights and privileges appurtenant thereto:

SEE EXHIBIT "A" ATTACHED TO THIS SPECIAL WARRANTY DEED AND BY THIS REFERENCE MADE A PART HEREOF

BUT EXCLUDING all rights granted (by plat or separate instrument) to or for the benefit of the City of Mesa, an Arizona municipal corporation, or any department or agency of the City of Mesa, for rights-of-way, public utility and facility easements, drainage and storm water easements, and such other easements for the benefit of the public (collectively, "**Public Rights**"), which Public Rights shall not merge with this deed and shall remain as granted to or held by the City of Mesa, and its departments and agencies;

SUBJECT ONLY TO matters of record; and to any and all conditions, easements, encroachments, rights-of-way, or restrictions which a physical inspection, or accurate ALTA survey, of the Property would reveal; and all applicable municipal, county, state or federal zoning and use regulations.

AND GRANTOR hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters set forth above.

IN WITNESS WHEREOF, Grantor has caused this Special Warranty Deed to be executed as of this ___ day of __________, 20___.

GRANTOR:

City of Mesa, Arizona, an Arizona municipal corporation

By:_____________________________
Its City Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the ____ day of __________, 20___ before me, the undersigned Notary Public, personally appeared _______________, who acknowledged himself to be the City Manager of the City of Mesa, Arizona, the Grantor named herein, and that, being authorized so to do, he or she executed the foregoing instrument for the purposes herein contained on behalf of the said Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____
Notary Public

My Commission Expires:

____

EXHIBIT E

EXTERIOR QUALITY STANDARDS

1. All exterior elevations will incorporate high quality design (i.e. four-sided architecture).
2. Minimum of three (3) high quality and durable exterior building materials.
3. All building mounted equipment screened from public view, except solar array.
4. All exterior building vents, such as furnace and dryer, to be compatible with building exterior architectural treatment(s).
5. Minimum 1” Low-E insulated glazing to be provided at all windows.
6. Highly reflective white-painted roof, green roof, or another solution that results in a cool roof.
7. Shade elements integrated into building façade for exterior windows of south, west and east facing residential units. Elements may include but are not limited to louvers, fins, inset windows, roof and balcony projections and other massing elements.
8. Pedestrian shade elements integrated into building façade, streetscape and landscaping treatments including roof overhangs, building canopies, canopy trees and other elements.
9. Incorporation of one (1) attached LED or neon project identification sign.
10. Pedestrian areas shall incorporate pavers, stamped, treated, scored, or colored concrete, or similar specialty paving materials/techniques including porous pavement or similar water quality/treatment features.
11. Minimum of fifty percent (50%) of the trees on Main Street will be forty-eight-inch (48”) box and remaining trees along perimeter of site will be minimum thirty-six (36”) box. All trees along perimeter of project will have integrated grates and be planted per City of Mesa Tree Planting detail M-103.03
12. All on-site landscape will be native, or desert adapted species as included in *Landscape Plants for the Arizona Desert* http://www.amwua.org/plants/

EXHIBIT F

PROGRAM COMPLIANCE

1. All construction by Developer will be designed and constructed to comply with green/sustainable building rating method, such as WELL Building (https://www.wellcertified.com/), Fitwel (fitwel.org), LEED (usgbc.org), or Green Globes (greenglobes.com) agreed upon with City. Developer may, at its election and sole cost, have the building certified by the chosen rating agency. In the event Developer chooses to self-certify compliance with the chosen rating method, Developer will promptly provide City, through the building permitting and inspection process, certification of compliance with the rating standards, but in no event later than Completion of Construction.

   Developer will implement a waste recycling program during construction, with a goal of recycling seventy-five (75%) of construction waste, which program will include, without limitation, diverting construction and land-clearing debris from disposal in landfills and incinerators, redirecting recyclable recovered resources back to the manufacturing process, and redirecting reusable materials to appropriate sites. Soil may not be counted towards diversion totals. Developer will engage the Mesa Solid Waste to haul diverted materials.

2. Developer agrees to contract for and use the City of Mesa Solid Waste Services ("**Solid Waste Services**") for the Commercial and Residential Elements of the Project. Additionally, Developer is to obtain from City and provide to residential units solid waste containers for their use for Solid Waste Services.

3. Developer will design to Crime Prevention Through Environmental Design (CPTED) principles and will participate in the Tri-Star Program of the Mesa Police Department as a Level Three Property.

EXHIBIT G

SIDEWALK EASEMENT AGREEMENT

When Recorded Return To:

City of Mesa
Real Estate Services
PO Box 1466
Mesa, Arizona 85211-1466

SPACE ABOVE THIS LINE
FOR RECORDER'S USE

SIDEWALK EASEMENT

This Sidewalk Easement Agreement (this "**Agreement**") is made and entered into as of ___________, 2026 (the "**Effective Date**") between PRIDE VENTURES LLC II, an Arizona limited liability company ("**Grantor**"), and the City of Mesa, an Arizona municipal corporation ("**City**"). Grantor and City may be referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS:

A. Grantor is the owner of the certain real property located at 1830 West Main Street near the intersection of North Dobson Road and West Main Street within the city limits of City, totaling approximately 4.05 acres (Assessor Parcel Number: 135-48-042), referred to in this Agreement as the "**Property**"**.**

B. The Property is located within City's downtown area, specifically the West Redevelopment area within City's single Central Business District. To further the redevelopment of City's downtown, City and Grantor (designated as "**Developer**") entered into a Development Agreement pertaining to the Property dated ____ , 2026 **("Development Agreement")**, and recorded in the Official Records of the Maricopa County Recorder at ______________________. The Development Agreement directs the construction of a market-rate rental apartment project with first floor commercial space (the **"Project"** as defined in the Development Agreement).

C. The Development Agreement, among other matters, require the Project to include sidewalks to facilitate pedestrian access from both Main Street and the Transit Center to the northwest corner of the Property (the "**Sidewalk Easement Area**"). Additionally, the Development Agreement requires that the Developer (Grantor) dedicate an easement to the City across and over the Sidewalk Easement Area for use by the general public. The Sidewalk Easement Area is legally described in <u>Exhibit A</u>.

D. The Parties desire to enter into this Agreement to provide that the Sidewalk Easement will be open for public use to allow for ingress and egress in, on, over, across and through the Sidewalk Easement Area on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above Recitals and the conditions, covenants and promises contained in this Agreement and other valuable consideration, the receipt, sufficiency and validity of which are hereby acknowledged, Grantor and City, on behalf of themselves and their respective successors and assigns, covenant and agree as follows:

1. Grant of Easement; Sidewalk Easement. Subject to any express conditions, limitations or reservations contained in this Agreement, Grantor grants to City, for the benefit of the public, a non-exclusive, perpetual easement over, upon and across the Sidewalk Easement Area for the sole purpose of ingress and egress in, on, over, across and through the Sidewalk Easement Area in accordance with and for the purposes set forth in, and subject to the limitations of, this Agreement (the "**Sidewalk Easement**").

2. Term. The Access Easement granted in Section 1 above shall become effective upon the recording of this Agreement in the official records of the Maricopa County Recorder. This Agreement shall remain in full force and effect for as long as the Transit Center shall be used for transit-related services; provided that the term may be modified if the City, through its City Manager, and the Grantor both agree (each in their sole and absolute discretion) to modify the term of this Agreement in a written amendment recorded in the official records of the Maricopa County Recorder. With respect to termination of this Agreement, Parties agree that, within 60 days of such termination, Parties in interest will record a termination of this Agreement in the official records of the Maricopa County Recorder.

3. Use by City and the Public. Upon recordation of this Agreement, City and the public shall have free, open, and continuous access to the Sidewalk Easement Area for pedestrian ingress and egress in, on, over, across and through the Sidewalk Easement Area.

4. No Rights to Individual Member of the Public. Nothing in this Agreement confers any right or interest in the Sidewalk Easement to an individual member of the public, it being expressly agreed by Grantor and City that the Sidewalk Easement is given for the use and benefit of the public, but only the City and the Grantor may enforce the provisions of this Agreement. The public shall not have any right to enforce the terms and conditions herein.

5. Grantor's Use of Access Easement Area. Grantor reserves the right to the use and enjoyment of the Sidewalk Easement Area for any purpose that does not unreasonably interfere with City's rights as provided in this Agreement. Grantor's use must, however, comply with all applicable City of Mesa codes, ordinances and regulations and Grantor must obtain all necessary permits before making any improvements in the Sidewalk Easement Area; and, further, Grantor understands and agrees that this Agreement does not modify or affect the applicability of City of Mesa's codes, ordinances and regulations.

6. Control of Access Easement Area and Enforcement of Easement. The Sidewalk Easement shall not: (i) materially impair the rights of Grantor as a private property owner, including the rights of Grantor to control or restrict trespass, signage, and camping; (ii) create

an interest in the Sidewalk Easement Area for City or the public that would deem the Sidewalk Easement Area to be the real property of City or the public (other than City's and the public's express easement rights set forth herein), including, by way of example but not limitation, the creation of a right of way or other public forum. Grantor may, but shall not be obligated to, at its sole cost and expense and in accordance with applicable laws: (i) trespass and remove individuals from the Sidewalk Easement Area that are creating a public or private nuisance, that are intoxicated, that are violating any applicable law, or that Grantor determines are otherwise interfering with the public's quiet use and enjoyment of the Sidewalk Easement Area; (ii) place signage in the Access Easement Area;; and (iii) impost or construct traffic calming and other safety-related control measures.

7. Security. This Agreement does not impose any security obligations on Grantor. Grantor may, but shall not be obligated to, at its sole cost and expense, provide security to the Sidewalk Easement Area, including, without limitation, determining the type and extent of security. To that end, Grantor may, but shall not be obligated to, at its sole cost and expense, provide security or install security improvements in the Sidewalk Easement Area including, but not limited to, bollards, fences, security cameras, and Grantor shall be responsible for any permits or fees required in connection therewith by applicable law; provided, however, that no security measures installed by Grantor may obstruct, restrict, or prohibit public access to or use of the Sidewalk Easement Area in violation of this Agreement. City has no security obligations under this Agreement for the Sidewalk Easement Area.

8. Maintenance and Repair by Grantor. Grantor, at its sole cost and expense and at all times, shall maintain the Sidewalk Easement Area, and all of Grantor's improvements therein, in good condition and appearance. Grantor shall repair any damage to the improvements within the Sidewalk Easement Area.

9. Alteration of Access Easement Area. Any desired alteration to the Sidewalk Easement Area by Grantor that modifies the path of travel outside of the area described in Exhibit A shall require written consent of the City.

10. No Obligation on City. City shall have no maintenance, repair, or ownership obligations for the Sidewalk Easement Area, including, but not limited to, Grantor's improvements within the Sidewalk Easement Area. Notwithstanding the foregoing, City shall repair damage caused to the Grantor's improvements in the Sidewalk Easement Area if, and to the extent, caused by City, its employees, or agents.

11. Not a Public Dedication. Nothing contained in this Agreement shall be deemed to be a conveyance or dedication of any portion of the Sidewalk Easement Area to or for the general public, or for any public purpose other than ingress and egress.

12. Binding Effect – Runs With the Land; Assignment. This Agreement and the covenants and agreements herein contained shall run with the land and shall be binding on, and inure to the benefit of, the Parties hereto and their respective successors and assigns. Grantor may from time to time assign all or a portion of its rights and obligations under this Agreement to a homeowner's or property owner's association formed with respect to the Project (the "**Association**"); provided, however, that any such assignee must also accept the assignment and

assume all the obligations of Grantor under this Agreement. Grantor shall remain obligated under this Agreement until such time as Association has accepted such assignment, after which Grantor will have no further obligations hereunder with respect to the obligations assigned and assumed.

13. Limitation on City's Liability. Grantor, as the fee owner of the Sidewalk Easement Area, on behalf of itself and its successors and assigns, hereby waives and releases any and all claims, demands, suits, or rights of action against City, its officers, officials, employees or volunteers, resulting or arising, in whole or in part, from the public's use of the Sidewalk Easement Area. City its officers, officials, employees or volunteers shall have no liability whatsoever to Grantor, in any form or for any purpose, whether for public liability, property damage or injury to persons related to the public's use of the Sidewalk Easement Area.

14. Representation, Warranty, Waiver, and Indemnity. Grantor and City warrant and represent, each to the other, that (i) it has full power and authority to enter into this Agreement and (ii) its execution, delivery, and performance of this Agreement have been duly authorized and agreed to in compliance with such Party's organizational documents and applicable law. Grantor further warrants and represents to City that it has the authority to grant the Sidewalk Easement set forth in Section 1 above and to enter into this Agreement. Grantor hereby agrees to indemnify, defend and hold City and its respective officials, officers, and employees harmless from any Claims that arise from or are related to, in whole or in part, any of the following: any allegation or assertion that Grantor does not have the authority to grant the Sidewalk Easement or enter into this Agreement.

15. Notices. All notices, consents, requests, approvals and other communication required or permitted herein shall be in writing and shall be deemed to have been duly given (i) upon personal delivery, (ii) seventy-two hours after deposit in the United States mail, registered or certified with return receipt requested, or (iii) the next succeeding business day after deposit with a responsible overnight delivery service similar to UPS and/or Federal Express to the intended party at the addresses set forth below (or at such party's last known address):

To Grantor:
Pride Ventures LLC II
500 North 56th Street #18
Chandler AZ 85226
Attn: JJ Kahlon

With a copy to:
Rusing Lopez & Lizardi, P.L.L.C.
6363 N. Swan Rd., Suite 151
Tucson, Arizona 85718
Attn: Jonathan M. Saffer, Esq.
Facsimile: (520) 529 4262

To City: The City of Mesa

City of Mesa
PO Box 1466
Mesa. AZ 85211
Attention: Real Estate Services Administrator

16. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect the terms and provisions hereof.

17. Events of Default. Grantor shall be in default of this Agreement if Grantor breaches any of the terms, covenants, restrictions or conditions under this Agreement or fails to fully and timely perform any of Grantor's obligations under this Agreement and such failure continues for thirty (30) days after receipt of written notice from City; or, if such default is of a nature that it is not capable of being cured within thirty (30) days, then Grantor must commence to cure such default within such thirty (30) day period and diligently pursue such cure ("**Event of Default**"). Provided further, if Grantor is working diligently and in good faith to cure a non-monetary Event of Default, the City Manager, in the City Manager's sole and absolute discretion, may extend the period of time the Grantor has to cure the non-monetary Event of Default for another sixty (60) days; however, in no event shall the overall period of time for completion exceed one hundred eighty (180) days. Any lender that has a lien on the Development Site or Sidewalk Easement Area may effect a cure of any Event of Default by Grantor and City will accept such cure as if made by Grantor. No Event of Default shall terminate the Sidewalk Easement or this Agreement or render the Sidewalk Easement or provisions of this Agreement invalid or unenforceable, nor shall any such Event of Default entitle Grantor to cancel, rescind, or otherwise terminate the Sidewalk Easement or this Agreement. A written notice of an Event of Default must specify the nature of the Event of Default and the manner in which the Event of Default may be satisfactorily cured, if possible.

18. Remedies and Attorneys' Fees. The Parties agree if a Default occurs, monetary damages would not be an adequate remedy and City will be entitled to equitable relief, including a temporary restraining order, an injunction, and specific performance of this Agreement, in addition to any other remedy available (including costs and damages), without any requirement to post a bond or other security or to prove actual damages or that monetary damages would not afford an adequate remedy. Grantor agrees not to oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Agreement. All reasonable costs and expenses incurred by the prevailing party in a suit resulting from the breach of this Agreement, together with the prevailing party's reasonable attorneys' fees, expert witness fees, costs of tests and analyses, deposition and trial transcript costs and costs of court shall be assessed against, and paid by, the non-prevailing party. Attorneys' fees shall include, without limitation, reasonable fees incurred in discovery, contempt proceedings, and bankruptcy litigation. The non-prevailing party(ies) shall also pay the reasonable attorney's fees and costs incurred by the prevailing party in any post judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement.

19. No Waiver. Any waiver with respect to any provision of this Agreement shall not be effective unless in writing and signed by the Party against whom it is asserted. The waiver of any provision of this Agreement by a Party shall not be construed as a waiver of a subsequent breach or failure of the same term or condition or as a waiver of any other provision of this Agreement.

20. Limitation of Third-Party Beneficiaries. The provisions of this Agreement are for the exclusive benefit of the Parties and their successors and assigns and shall not be deemed to confer any rights upon any person, except such Parties and their successors and assigns, subject to the limitations on assignment set forth in this Agreement.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto. The parties do not rely upon any statement, promise or representation not herein expressed, and this Agreement once executed and delivered shall not be modified or altered in any respect except by a writing executed and delivered in the same manner as required by this document.

22. Priority of Agreement. In the event of a conflict or ambiguity between this Agreement and the Purchase and Option Agreement or Development Agreement, or between this Agreement and any other document, agreement or instrument previously given concerning the subject matter of this Agreement, the terms of this Agreement will prevail.

23. Termination of Easement. If the Parties or their successors and assigns agree that the Sidewalk Easement Area is no longer needed for the use intended hereunder, the parties may terminate this Agreement by executing a recordable termination document, and upon recordation all rights herein granted shall cease.

24. Amendments. This Agreement may not be modified or amended in any respect, or cancelled, terminated or rescinded, in whole or in part, except by written instrument acknowledged and signed by both Parties or their successors and assigns, and fully recorded in the Official Records of Maricopa County, Arizona.

25. Severability. In the event that any provision of this Agreement shall be held to be invalid, inoperative or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

26. Choice of Law. This Agreement is governed by the laws of the State of Arizona.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which in the aggregate shall constitute one and the same instrument.

28. A.R.S § 38-511 Notice. This Agreement may be subject to cancellation pursuant to A.R.S. § 38-511.

29. Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Sidewalk Easement Agreement the day and year first written above.

GRANTOR:

PRIDE VENTURES LLC II, an Arizona limited liability company

By: ____________________________
Name:
Title:

CITY:

CITY OF MESA,
an Arizona municipal corporation

By: ____________________________
Name:
Title:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

My commission expires:

The foregoing Sidewalk Easement Agreement was acknowledged before me this ____ day of ________________, 202_, by ____________________, its __________________of ______________________________.

____
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

My commission expires:

The foregoing Sidewalk Easement Agreement was acknowledged before me this ____ day of ______________, 202_, by ____________________as___________of the City of Mesa.

____
Notary Public

EXHIBIT A

Legal Description of Sidewalk Easement Area

EXHIBIT "A"

DESCRIPTION OF SIDEWALK EASEMENT

A PORTION OF LOT 1 OF "SYCAMORE STATION LOT SPLIT" RECORDED IN BOOK 117 OF MAPS, PAGE 43, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3–INCH CITY OF MESA BRASS CAP IN HANDHOLE MARKING THE NORTH QUARTER CORNER OF SAID SECTION 20 FROM WHICH A 3–INCH ARIZONA HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 20 BEARS SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 5289.21 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS OF THIS DESCRIPTION;
THENCE SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 2642.00 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20 TO THE CENTER OF SAID SECTION 20 ALSO BEING THE CENTERLINE OF MAIN STREET;
THENCE SOUTH 89 DEGREES 06 MINUTES 00 SECONDS WEST 1932.10 FEET ALONG SAID CENTERLINE TO THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID LOT 1;
THENCE NORTH 00 DEGREES 01 MINUTES 53 SECONDS EAST 100.71 FEET ALONG SAID SOUTHERLY PROLONGATION TO THE SOUTHWEST CORNER OF SAID LOT 1;
THENCE NORTH 76 DEGREES 12 MINUTES 48 SECONDS EAST 36.30 FEET ALONG THE SOUTH LINE OF SAID LOT 1 TO THE POINT OF BEGINNING;
THENCE NORTH 00 DEGREES 10 MINUTES 53 SECONDS WEST 75.94 FEET TO THE BEGINNING OF A NON–TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 37 DEGREES 51 MINUTES 59 SECONDS EAST 24.64 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 76 DEGREES 02 MINUTES 41 SECONDS, AN ARC LENGTH OF 26.54 FEET;
THENCE NORTH 07 DEGREES 17 MINUTES 06 SECONDS WEST 24.80 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 03 SECONDS WEST 48.50 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 17.50 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 13 SECONDS EAST 47.50 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 17.50 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 204.00 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 27 SECONDS WEST 17.99 FEET;
THENCE NORTH 00 DEGREES 07 MINUTES 23 SECONDS WEST 6.11 FEET TO THE BEGINNING OF A NON–TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 19.00 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 32 DEGREES 30 MINUTES 02 SECONDS EAST 15.34 FEET;

DESCRIPTION CONTINUES ON PAGE NO. 2 . . . .

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
42137
DAVID S.
KLEIN
Date Signed 7/14/26
ARIZONA, U.S.A.

SUPERIOR
SURVEYING SERVICES, INC.

2122 W. Lone Cactus Dr.
Ste. 11, Phoenix, AZ 85027
623–869–0223 (office)
623–869–0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 7/14/2026	JOB NO.: 202607023-EX

EXHIBIT "A"

DESCRIPTION OF SIDEWALK EASEMENT

DESCRIPTION CONTINUED FROM PAGE NO. 1 . . . .

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47 DEGREES 36 MINUTES 43 SECONDS, AN ARC LENGTH OF 15.79 FEET;
THENCE NORTH 56 DEGREES 18 MINUTES 24 SECONDS EAST 2.02 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 20.58 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 68 DEGREES 23 MINUTES 20 SECONDS EAST 8.33 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23 DEGREES 21 MINUTES 15 SECONDS, AN ARC LENGTH OF 8.39 FEET;
THENCE NORTH 89 DEGREES 19 MINUTES 17 SECONDS EAST 5.33 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 7.96 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 24.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 535.00 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 79 DEGREES 31 MINUTES 41 SECONDS EAST 173.85 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18 DEGREES 42 MINUTES 06 SECONDS, AN ARC LENGTH OF 174.63 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 8.00 FEET;
THENCE NORTH 70 DEGREES 23 MINUTES 05 SECONDS EAST 3.67 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 4.50 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 55 DEGREES 01 MINUTES 43 SECONDS EAST 7.37 FEET;
THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 110 DEGREES 03 MINUTES 27 SECONDS, AN ARC LENGTH OF 8.64 FEET;
THENCE NORTH 75 DEGREES 07 MINUTES 36 SECONDS EAST 19.14 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 6.10 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 4.50 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 33 DEGREES 48 MINUTES 29 SECONDS EAST 5.01 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 67 DEGREES 35 MINUTES 59 SECONDS, AN ARC LENGTH OF 5.31 FEET;
THENCE NORTH 65 DEGREES 14 MINUTES 40 SECONDS EAST 90.18 FEET;
THENCE SOUTH 53 DEGREES 53 MINUTES 29 SECONDS WEST 68.67 FEET;
THENCE SOUTH 67 DEGREES 46 MINUTES 07 SECONDS WEST 21.28 FEET;
THENCE SOUTH 20 DEGREES 31 MINUTES 57 SECONDS WEST 14.26 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 27.50 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 10.00 FEET;

DESCRIPTION CONTINUES ON PAGE NO. 3 . . . .

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
42137
DAVID S.
KLEIN
Date Signed 7/14/26
ARIZONA, U.S.A.

SUPERIOR SURVEYING SERVICES, INC.

2122 W. Lone Cactus Dr.
Ste. 11, Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 7/14/2026

JOB NO.: 202607023-EX

{00573850.5}

EXHIBIT "A"

DESCRIPTION OF SIDEWALK EASEMENT

DESCRIPTION CONTINUED FROM PAGE NO. 2 . . . .

THENCE SOUTH 84 DEGREES 57 MINUTES 07 SECONDS WEST 40.13 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 176.00 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 78 DEGREES 18 MINUTES 25 SECONDS WEST 18.04 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 52 MINUTES 27 SECONDS, AN ARC LENGTH OF 18.04 FEET TO THE BEGINNING OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 540.00 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 82 DEGREES 32 MINUTES 35 SECONDS WEST 119.28 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12 DEGREES 40 MINUTES 55 SECONDS, AN ARC LENGTH OF 119.53 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 24.26 FEET;
THENCE SOUTH 00 DEGREES 13 MINUTES 53 SECONDS EAST 40.50 FEET;
THENCE SOUTH 89 DEGREES 20 MINUTES 20 SECONDS EAST 10.83 FEET;
THENCE SOUTH 00 DEGREES 02 MINUTES 42 SECONDS WEST 101.21 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 23 SECONDS WEST 10.75 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 24.00 FEET;
THENCE NORTH 89 DEGREES 57 MINUTES 52 SECONDS EAST 5.00 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 32 SECONDS WEST 144.50 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 4.98 FEET;
THENCE SOUTH 07 DEGREES 28 MINUTES 08 SECONDS EAST 24.21 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 31.55 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 54 SECONDS EAST 20.00 FEET;
THENCE NORTH 87 DEGREES 06 MINUTES 40 SECONDS WEST 0.61 FEET;
THENCE SOUTH 03 DEGREES 09 MINUTES 16 SECONDS WEST 15.45 FEET;
THENCE NORTH 87 DEGREES 00 MINUTES 00 SECONDS WEST 30.71 FEET;
THENCE SOUTH 02 DEGREES 52 MINUTES 54 SECONDS WEST 30.30 FEET;
THENCE SOUTH 87 DEGREES 00 MINUTES 00 SECONDS EAST 0.52 FEET;
THENCE SOUTH 03 DEGREES 00 MINUTES 00 SECONDS WEST 0.52 FEET;
THENCE SOUTH 87 DEGREES 00 MINUTES 00 SECONDS EAST 29.81 FEET;
THENCE SOUTH 02 DEGREES 58 MINUTES 33 SECONDS WEST 49.70 FEET TO THE SOUTH LINE OF SAID LOT 1;
THENCE SOUTH 89 DEGREES 06 MINUTES 53 SECONDS WEST 13.46 FEET ALONG SAID SOUTH LINE TO A HALF-INCH REBAR WITH ORANGE PLASTIC CAP STAMPED "AJW 37936";
THENCE NORTH 47 DEGREES 53 MINUTES 45 SECONDS WEST 32.67 FEET CONTINUING ALONG SAID SOUTH LINE TO A HALF-INCH REBAR WITH ORANGE PLASTIC CAP STAMPED "AJW 37936";
THENCE SOUTH 76 DEGREES 12 MINUTES 48 SECONDS WEST 8.01 FEET CONTINUING ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.

COMPRISING 11,360 SQUARE FEET MORE OR LESS.

REGISTERED LAND SURVEYOR
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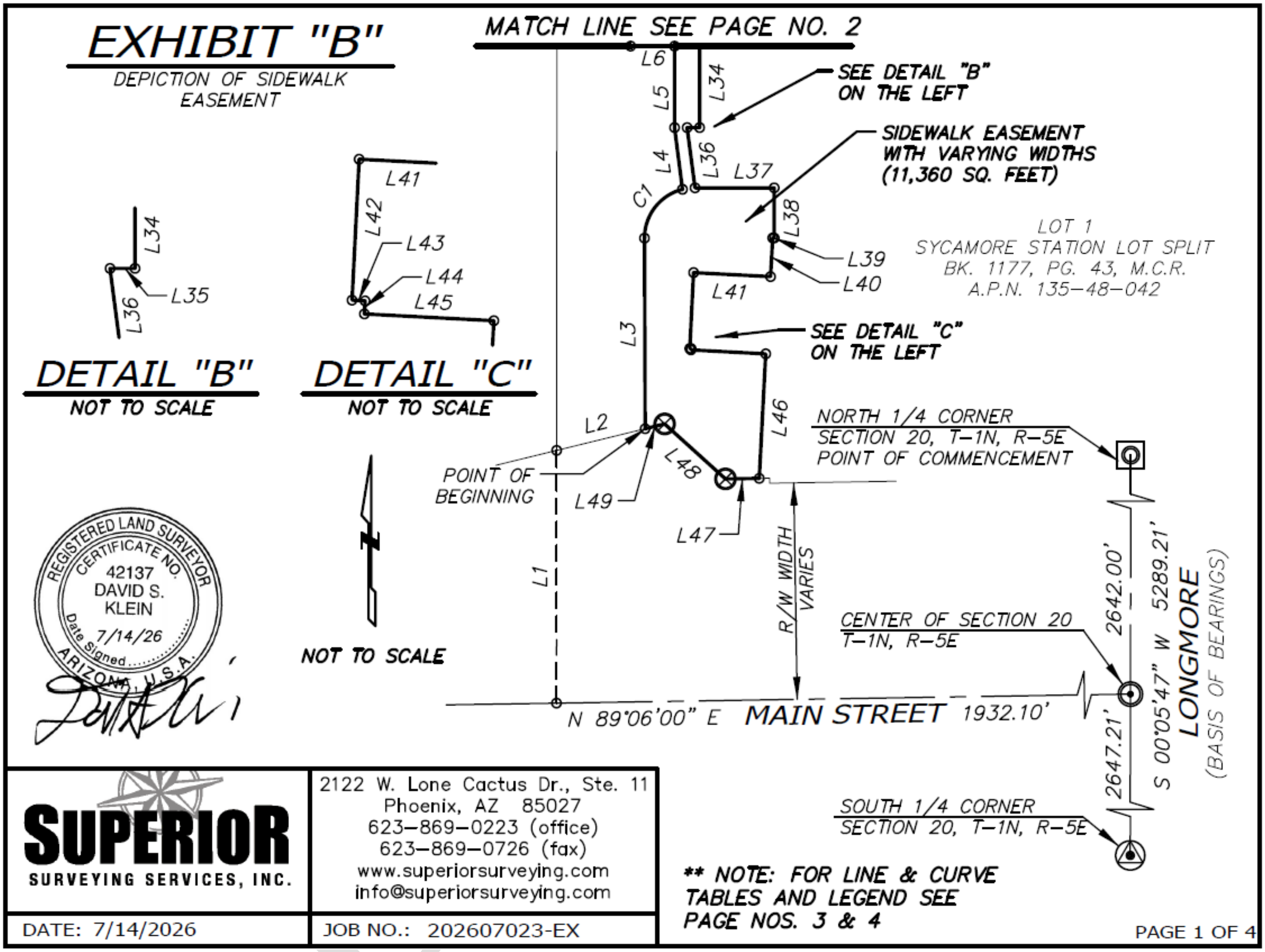
JOB NO.: 202607023-EX

Legal Description of Sidewalk Easement Area



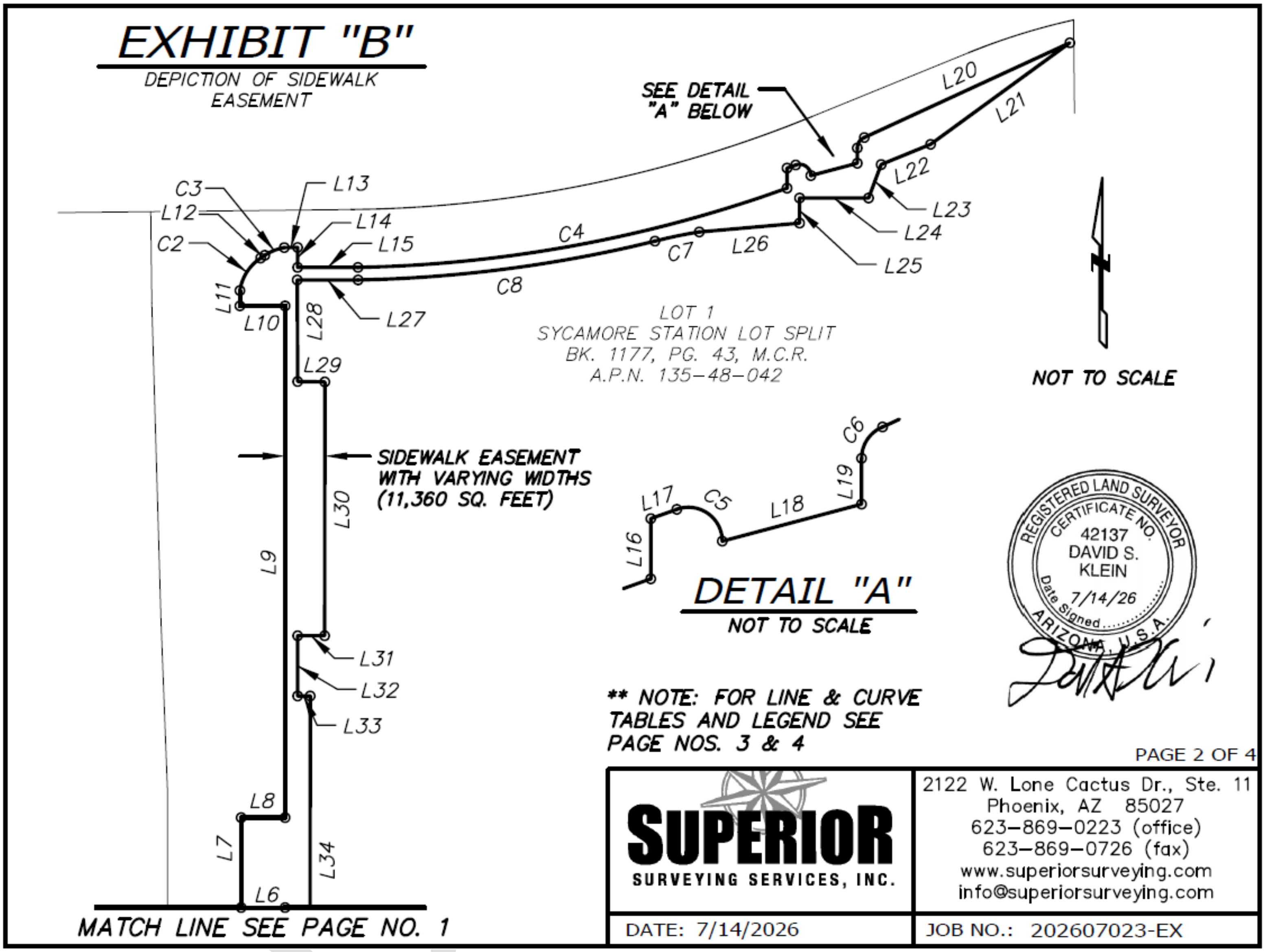


EXHIBIT "B"
DEPICTION OF SIDEWALK EASEMENT
SEE DETAIL "A" BELOW
L20
L21
L22
L23
L24
L25
L26
C7
C4
C8
C3
L13
L12
L14
C2
L15
L11
L10
L28
L27
L29
LOT 1
SYCAMORE STATION LOT SPLIT
BK. 1177, PG. 43, M.C.R.
A.P.N. 135-48-042
NOT TO SCALE
SIDEWALK EASEMENT WITH VARYING WIDTHS (11,360 SQ. FEET)
L30
L9
C6
L19
L17
C5
L18
L16
DETAIL "A"
NOT TO SCALE
REGISTERED LAND SURVEYOR
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Date Signed
7/14/26
ARIZONA, U.S.A.
L31
L32
L33
** NOTE: FOR LINE & CURVE TABLES AND LEGEND SEE PAGE NOS. 3 & 4
PAGE 2 OF 4
L8
L7
L34
L6
MATCH LINE SEE PAGE NO. 1
SUPERIOR
SURVEYING SERVICES, INC.
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{00573850.5}

EXHIBIT "B"

DEPICTION OF SIDEWALK
EASEMENT

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 00°01'53" E	100.71'
L2	N 76°12'48" E	36.30'
L3	N 00°10'53" W	75.94'
L4	N 07°17'06" W	24.80'
L5	N 00°00'03" W	48.50'
L6	N 90°00'00" W	17.50'
L7	N 00°00'13" E	47.50'
L8	N 90°00'00" E	17.50'
L9	N 00°00'00" E	204.00'
L10	N 89°59'27" W	17.99'
L11	N 00°07'23" W	6.11'
L12	N 56°18'24" E	2.02'
L13	N 89°19'17" E	5.33'
L14	S 00°00'00" E	7.96'
L15	N 90°00'00" E	24.04'
L16	N 00°00'00" W	8.00'
L17	N 70°23'05" E	3.67'
L18	N 75°07'36" E	19.14'
L19	N 00°00'00" W	6.10'
L20	N 65°14'40" E	90.18'
L21	S 53°53'29" W	68.67'
L22	S 67°46'07" W	21.28'
L23	S 20°31'57" W	14.26'
L24	N 90°00'00" W	27.50'
L25	S 00°00'00" E	10.00'

LINE TABLE		
LINE	BEARING	DISTANCE
L26	S 84°57'07" W	40.13'
L27	N 90°00'00" W	24.26'
L28	S 00°13'53" E	40.50'
L29	S 89°20'20" E	10.83'
L30	S 00°02'42" W	101.21'
L31	N 89°59'23" W	10.75'
L32	S 00°00'00" E	24.00'
L33	N 89°57'52" E	5.00'
L34	S 00°00'32" W	144.50'
L35	N 90°00'00" W	4.98'
L36	S 07°28'08" E	24.21'
L37	N 90°00'00" E	31.55'
L38	S 00°00'54" E	20.00'
L39	N 87°06'40" W	0.61'
L40	S 03°09'16" W	15.45'
L41	N 87°00'00" W	30.71'
L42	S 02°52'54" W	30.30'
L43	S 87°00'00" E	0.52'
L44	S 03°00'00" W	0.52'
L45	S 87°00'00" E	29.81'
L46	S 02°58'33" W	49.70'
L47	S 89°06'53" W	13.46'
L48	N 47°53'45" W	32.67'
L49	S 76°12'48" W	8.01'

REGISTERED LAND SURVEYOR
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EXHIBIT "B"

DEPICTION OF SIDEWALK
EASEMENT

CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEAR.	CHORD DIST.
C1	20.00'	26.54'	76°02'41"	N 37°51'59" E	24.64'
C2	19.00'	15.79'	47°36'43"	N 32°30'02" E	15.34'
C3	20.58'	8.39'	23°21'15"	N 68°23'20" E	8.33'
C4	535.00'	174.63'	18°42'06"	N 79°31'41" E	173.85'
C5	4.50'	8.64'	110°03'27"	S 55°01'43" E	7.37'
C6	4.50'	5.31'	67°35'59"	N 33°48'29" E	5.01'
C7	176.00'	18.04'	5°52'27"	S 78°18'25" W	18.04'
C8	540.00'	119.53'	12°40'55"	S 82°32'35" W	119.28'

LEGEND

BOUNDARY LINE

CENTER LINE OR MONUMENT LINE

FOUND 1/2" REBAR WITH CAP
STAMPED "AJW 37936"

FOUND 3" CITY OF MESA
BRASS CAP IN HANDHOLE

FOUND 3" ARIZONA HIGHWAY DEPARTMENT
BRASS CAP IN HANDHOLE

CALCULATED POSITION
NO MONUMENT FOUND OR SET
(UNLESS OTHERWISE NOTED)

A.P.N.	ASSESSORS PARCEL NUMBER
M.C.R.	MARICOPA COUNTY RECORDS
R/W	RIGHT OF WAY
BK.	BOOK
PG.	PAGE

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JOB NO.: 202607023-EX

EXHIBIT H

SIDEWALK EASEMENT DEPICTION

EXHIBIT I

VEHICULAR INGRESS AND EGRESS EASEMENT AGREEMENT

When Recorded Return To:

City of Mesa
Real Estate Services
PO Box 1466
Mesa, Arizona 85211-1466

SPACE ABOVE THIS LINE
FOR RECORDER'S USE

VEHICULAR INGRESS AND EGRESS EASEMENT

This Vehicular Ingress and Egress Easement Agreement (this "**Agreement**") is made and entered into as of **____________**, 2026 (the "**Effective Date**") between PRIDE VENTURES LLC II, an Arizona limited liability company ("**Grantor**"), and the City of Mesa, an Arizona municipal corporation ("**City**"). Grantor and City may be referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS:

A. Grantor is the owner of the certain real property located at 1830 West Main Street near the intersection of North Dobson Road and West Main Street within the city limits of City, totaling approximately 4.05 acres (Assessor Parcel Number: 135-48-042), referred to in this Agreement as the "**Property**"**.**

B. The Property is located within City's downtown area, specifically the West Redevelopment area within City's single Central Business District. To further the redevelopment of City's downtown, City and Grantor (designated as "**Developer**") entered into a Development Agreement pertaining to the Property dated **____** , 2026 **("Development Agreement")**, and recorded in the Official Records of the Maricopa County Recorder at **________________________**. The Development Agreement directs the construction of a market-rate rental apartment project with first floor commercial space (the **"Project"** as defined in the Development Agreement).

C. The Development Agreement, among other matters, require the Project to include improvements to a drive aisle that facilitates vehicular access along the west and north property lines (the "**Vehicular Ingress and Egress Easement Area**"). Additionally, the Development Agreement requires that the Developer (Grantor) dedicate an easement to the City across and over the Vehicular Ingress and Egress Easement Area for use by the general public. The Vehicular Ingress and Egress Easement Area is legally described in Exhibits A and B.

D. The Parties desire to enter into this Agreement to provide that the Vehicular Ingress and Egress Easement will be open for public use to allow for ingress and egress in, on, over, across and through the Vehicular Ingress and Egress Easement Area on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above Recitals and the conditions, covenants and promises contained in this Agreement and other valuable consideration, the receipt, sufficiency and validity of which are hereby acknowledged, Grantor and City, on behalf of themselves and their respective successors and assigns, covenant and agree as follows:

1. Grant of Easement; Vehicular Ingress and Egress Easement. Subject to any express conditions, limitations or reservations contained in this Agreement, Grantor grants to City, for the benefit of the public, a non-exclusive, perpetual easement over, upon and across the Vehicular Ingress and Egress Easement Area for the sole purpose of ingress and egress in, on, over, across and through the Vehicular Ingress and Egress Easement Area in accordance with and for the purposes set forth in, and subject to the limitations of, this Agreement (the "**Vehicular Ingress and Egress Easement**").

2. Term. The Access Easement granted in Section 1 above shall become effective upon the recording of this Agreement in the official records of the Maricopa County Recorder. This Agreement shall remain in full force and effect for as long as the Transit Center shall be used for transit-related services; provided that the term may be modified if the City, through its City Manager, and the Grantor both agree (each in their sole and absolute discretion) to modify the term of this Agreement in a written amendment recorded in the official records of the Maricopa County Recorder. With respect to termination of this Agreement, Parties agree that, within 60 days of such termination, Parties in interest will record a termination of this Agreement in the official records of the Maricopa County Recorder.

3. Use by City and the Public. Upon recordation of this Agreement, City and the public shall have free, open, and continuous access to the Vehicular Ingress and Egress Easement Area for ingress and egress in, on, over, across and through the Vehicular Ingress and Egress Easement Area.

4. No Rights to Individual Member of the Public. Nothing in this Agreement confers any right or interest in the Vehicular Ingress and Egress Easement to an individual member of the public, it being expressly agreed by Grantor and City that the Vehicular Ingress and Egress Easement is given for the use and benefit of the public, but only the City and the Grantor may enforce the provisions of this Agreement. The public shall not have any right to enforce the terms and conditions herein.

5. Grantor's Use of Access Easement Area. Grantor reserves the right to the use and enjoyment of the Vehicular Ingress and Egress Easement Area for any purpose that does not unreasonably interfere with City's rights as provided in this Agreement. Grantor's use must, however, comply with all applicable City of Mesa codes, ordinances and regulations and Grantor must obtain all necessary permits before making any improvements in the Vehicular Ingress and Egress Easement Area; and, further, Grantor understands and agrees that this Agreement does not modify or affect the applicability of City of Mesa's codes, ordinances and regulations.

6. Control of Access Easement Area and Enforcement of Easement. The Vehicular Ingress and Egress Easement shall not: (i) materially impair the rights of Grantor as a private property owner, including the rights of Grantor to control or restrict trespass, signage, and camping; (ii) create an interest in the Vehicular Ingress and Egress Easement Area for City or the public that would deem the Vehicular Ingress and Egress Easement Area to be the real property of City or the public (other than City's and the public's express easement rights set forth herein), including, by way of example but not limitation, the creation of a right of way or other public forum. Grantor may, but shall not be obligated to, at its sole cost and expense and in accordance with applicable laws: (i) trespass and remove individuals from the Vehicular Ingress and Egress Easement Area that are creating a public or private nuisance, that are intoxicated, that are violating any applicable law, or that Grantor determines are otherwise interfering with the public's quiet use and enjoyment of the Vehicular Ingress and Egress Easement Area; (ii) place signage in the Access Easement Area;; and (iii) impost or construct traffic calming and other safety-related control measures.

7. Security. This Agreement does not impose any security obligations on Grantor. Grantor may, but shall not be obligated to, at its sole cost and expense, provide security to the Vehicular Ingress and Egress Easement Area, including, without limitation, determining the type and extent of security. To that end, Grantor may, but shall not be obligated to, at its sole cost and expense, provide security or install security improvements in the Vehicular Ingress and Egress Easement Area including, but not limited to, bollards, fences, security cameras, and Grantor shall be responsible for any permits or fees required in connection therewith by applicable law; provided, however, that no security measures installed by Grantor may obstruct, restrict, or prohibit public access to or use of the Vehicular Ingress and Egress Easement Area in violation of this Agreement. City has no security obligations under this Agreement for the Vehicular Ingress and Egress Easement Area.

8. Maintenance and Repair by Grantor. Grantor, at its sole cost and expense and at all times, shall maintain the Vehicular Ingress and Egress Easement Area, and all of Grantor's improvements therein, in good condition and appearance. Grantor shall repair any damage to the improvements within the Vehicular Ingress and Egress Easement Area.

9. Alteration of Access Easement Area. Any desired alteration to the Vehicular Ingress and Egress Easement Area by Grantor that modifies the path of travel outside of the area described in Exhibit A shall require written consent of the City.

10. No Obligation on City. City shall have no maintenance, repair, or ownership obligations for the Vehicular Ingress and Egress Easement Area, including, but not limited to, Grantor's improvements within the Vehicular Ingress and Egress Easement Area. Notwithstanding the foregoing, City shall repair damage caused to the Grantor's improvements in the Vehicular Ingress and Egress Easement Area if, and to the extent, caused by City, its employees, or agents.

11. Not a Public Dedication. Nothing contained in this Agreement shall be deemed to be a conveyance or dedication of any portion of the Vehicular Ingress and Egress Easement Area to or for the general public, or for any public purpose other than ingress and egress.

12. Binding Effect – Runs With the Land; Assignment. This Agreement and the covenants and agreements herein contained shall run with the land and shall be binding on, and inure to the benefit of, the Parties hereto and their respective successors and assigns. Grantor may from time to time assign all or a portion of its rights and obligations under this Agreement to a homeowner's or property owner's association formed with respect to the Project (the "**Association**"); provided, however, that any such assignee must also accept the assignment and assume all the obligations of Grantor under this Agreement. Grantor shall remain obligated under this Agreement until such time as Association has accepted such assignment, after which Grantor will have no further obligations hereunder with respect to the obligations assigned and assumed.

13. Limitation on City's Liability. Grantor, as the fee owner of the Vehicular Ingress and Egress Easement Area, on behalf of itself and its successors and assigns, hereby waives and releases any and all claims, demands, suits, or rights of action against City, its officers, officials, employees or volunteers, resulting or arising, in whole or in part, from the public's use of the Vehicular Ingress and Egress Easement Area. City its officers, officials, employees or volunteers shall have no liability whatsoever to Grantor, in any form or for any purpose, whether for public liability, property damage or injury to persons related to the public's use of the Vehicular Ingress and Egress Easement Area.

14. Representation, Warranty, Waiver, and Indemnity. Grantor and City warrant and represent, each to the other, that (i) it has full power and authority to enter into this Agreement and (ii) its execution, delivery, and performance of this Agreement have been duly authorized and agreed to in compliance with such Party's organizational documents and applicable law. Grantor further warrants and represents to City that it has the authority to grant the Vehicular Ingress and Egress Easement set forth in Section 1 above and to enter into this Agreement. Grantor hereby agrees to indemnify, defend and hold City and its respective officials, officers, and employees harmless from any Claims that arise from or are related to, in whole or in part, any of the following: any allegation or assertion that Grantor does not have the authority to grant the Vehicular Ingress and Egress Easement or enter into this Agreement.

15. Notices. All notices, consents, requests, approvals and other communication required or permitted herein shall be in writing and shall be deemed to have been duly given (i) upon personal delivery, (ii) seventy-two hours after deposit in the United States mail, registered or certified with return receipt requested, or (iii) the next succeeding business day after deposit with a responsible overnight delivery service similar to UPS and/or Federal Express to the intended party at the addresses set forth below (or at such party's last known address):

To Grantor:

Pride Ventures LLC II
500 North 56th Street #18
Chandler AZ 85226
Attn: JJ Kahlon

With a copy to:

Rusing Lopez & Lizardi, P.L.L.C.
6363 N. Swan Rd., Suite 151

Tucson, Arizona 85718
Attn: Jonathan M. Saffer, Esq.
Facsimile: (520) 529 4262

To City: The City of Mesa
City of Mesa
PO Box 1466
Mesa. AZ 85211
Attention: Real Estate Services Administrator

16. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect the terms and provisions hereof.

17. Events of Default. Grantor shall be in default of this Agreement if Grantor breaches any of the terms, covenants, restrictions or conditions under this Agreement or fails to fully and timely perform any of Grantor's obligations under this Agreement and such failure continues for thirty (30) days after receipt of written notice from City; or, if such default is of a nature that it is not capable of being cured within thirty (30) days, then Grantor must commence to cure such default within such thirty (30) day period and diligently pursue such cure ("**Event of Default**"). Provided further, if Grantor is working diligently and in good faith to cure a non-monetary Event of Default, the City Manager, in the City Manager's sole and absolute discretion, may extend the period of time the Grantor has to cure the non-monetary Event of Default for another sixty (60) days; however, in no event shall the overall period of time for completion exceed one hundred eighty (180) days. Any lender that has a lien on the Development Site or Vehicular Ingress and Egress Easement Area may effect a cure of any Event of Default by Grantor and City will accept such cure as if made by Grantor. No Event of Default shall terminate the Vehicular Ingress and Egress Easement or this Agreement or render the Vehicular Ingress and Egress Easement or provisions of this Agreement invalid or unenforceable, nor shall any such Event of Default entitle Grantor to cancel, rescind, or otherwise terminate the Vehicular Ingress and Egress Easement or this Agreement. A written notice of an Event of Default must specify the nature of the Event of Default and the manner in which the Event of Default may be satisfactorily cured, if possible.

18. Remedies and Attorneys' Fees. The Parties agree if a Default occurs, monetary damages would not be an adequate remedy and City will be entitled to equitable relief, including a temporary restraining order, an injunction, and specific performance of this Agreement, in addition to any other remedy available (including costs and damages), without any requirement to post a bond or other security or to prove actual damages or that monetary damages would not afford an adequate remedy. Grantor agrees not to oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Agreement. All reasonable costs and expenses incurred by the prevailing party in a suit resulting from the breach of this Agreement, together with the prevailing party's reasonable attorneys' fees, expert witness fees, costs of tests and analyses, deposition and trial transcript costs and costs of court shall be assessed against, and paid by, the non-prevailing party. Attorneys' fees shall include, without limitation, reasonable fees incurred in discovery, contempt proceedings, and bankruptcy litigation. The non-

prevailing party(ies) shall also pay the reasonable attorney's fees and costs incurred by the prevailing party in any post judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement.

19. No Waiver. Any waiver with respect to any provision of this Agreement shall not be effective unless in writing and signed by the Party against whom it is asserted. The waiver of any provision of this Agreement by a Party shall not be construed as a waiver of a subsequent breach or failure of the same term or condition or as a waiver of any other provision of this Agreement.

20. Limitation of Third-Party Beneficiaries. The provisions of this Agreement are for the exclusive benefit of the Parties and their successors and assigns and shall not be deemed to confer any rights upon any person, except such Parties and their successors and assigns, subject to the limitations on assignment set forth in this Agreement.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto. The parties do not rely upon any statement, promise or representation not herein expressed, and this Agreement once executed and delivered shall not be modified or altered in any respect except by a writing executed and delivered in the same manner as required by this document.

22. Priority of Agreement. In the event of a conflict or ambiguity between this Agreement and the Purchase and Option Agreement or Development Agreement, or between this Agreement and any other document, agreement or instrument previously given concerning the subject matter of this Agreement, the terms of this Agreement will prevail.

23. Termination of Easement. If the Parties or their successors and assigns agree that the Vehicular Ingress and Egress Easement Area is no longer needed for the use intended hereunder, the parties may terminate this Agreement by executing a recordable termination document, and upon recordation all rights herein granted shall cease.

24. Amendments. This Agreement may not be modified or amended in any respect, or cancelled, terminated or rescinded, in whole or in part, except by written instrument acknowledged and signed by both Parties or their successors and assigns, and fully recorded in the Official Records of Maricopa County, Arizona.

25. Severability. In the event that any provision of this Agreement shall be held to be invalid, inoperative or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

26. Choice of Law. This Agreement is governed by the laws of the State of Arizona.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which in the aggregate shall constitute one and the same instrument.

28. A.R.S § 38-511 Notice. This Agreement may be subject to cancellation pursuant to A.R.S. § 38-511.

29. Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Vehicular Ingress and Egress Easement Agreement the day and year first written above.

GRANTOR:

PRIDE VENTURES LLC II, an Arizona limited liability company

By: ____________________________
Name:
Title:

CITY:

CITY OF MESA,
an Arizona municipal corporation

By: ____________________________
Name:
Title:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

My commission expires:

The foregoing Vehicular Ingress and Egress Easement Agreement was acknowledged before me this ____ day of ________________, 202_, by ___________________, its __________________of ________________________________.

____
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

My commission expires:

The foregoing Vehicular Ingress and Egress Easement Agreement was acknowledged before me this ____ day of ______________, 202_, by _____________________as___________of the City of Mesa.

____
Notary Public

EXHIBIT A

Legal Description of Vehicular Ingress and Egress Easement Area (Part 1)

EXHIBIT "A"

DESCRIPTION OF VEHICULAR INGRESS & EGRESS EASEMENT

A PORTION OF LOT 1 OF "SYCAMORE STATION LOT SPLIT" RECORDED IN BOOK 117 OF MAPS, PAGE 43, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3-INCH CITY OF MESA BRASS CAP IN HANDHOLE MARKING THE NORTH QUARTER CORNER OF SAID SECTION 20 FROM WHICH A 3-INCH ARIZONA HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 20 BEARS SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 5289.21 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS OF THIS DESCRIPTION;

THENCE SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 2642.00 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20 TO THE CENTER OF SAID SECTION 20 ALSO BEING THE CENTERLINE OF MAIN STREET;

THENCE SOUTH 89 DEGREES 06 MINUTES 00 SECONDS WEST 1932.10 FEET ALONG SAID CENTERLINE TO THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID LOT 1;

THENCE NORTH 00 DEGREES 01 MINUTES 53 SECONDS EAST 100.71 FEET ALONG SAID SOUTHERLY PROLONGATION TO THE SOUTHWEST CORNER OF SAID LOT 1 AND TO THE POINT OF BEGINNING;

THENCE ALONG THE WEST LINE OF SAID LOT 1 THE FOLLOWING FOUR COURSES AND DISTANCES;

THENCE NORTH 00 DEGREES 01 MINUTES 53 SECONDS EAST 235.50 FEET;

THENCE NORTH 02 DEGREES 11 MINUTES 58 SECONDS WEST 67.52 FEET;

THENCE NORTH 01 DEGREES 39 MINUTES 14 SECONDS WEST 126.90 FEET;

THENCE NORTH 00 DEGREES 36 MINUTES 56 SECONDS WEST 36.39 FEET TO THE NORTHWEST CORNER OF SAID LOT 1;

THENCE NORTH 89 DEGREES 23 MINUTES 04 SECONDS EAST 58.51 FEET ALONG SAID NORTH LINE;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 15.39 FEET;

THENCE SOUTH 89 DEGREES 19 MINUTES 17 SECONDS WEST 5.28 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 20.08 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 68 DEGREES 20 MINUTES 11 SECONDS WEST 8.09 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 23 DEGREES 13 MINUTES 46 SECONDS, AN ARC LENGTH OF 8.14 FEET;

THENCE SOUTH 56 DEGREES 18 MINUTES 25 SECONDS WEST 2.02 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 18.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 32 DEGREES 33 MINUTES 34 SECONDS WEST 14.90 FEET;

DESCRIPTION CONTINUES ON PAGE NO. 2 . . . .

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
42137
DAVID S.
KLEIN
Date Signed 8/5/26
ARIZONA, U.S.A.

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info@superiorsurveying.com

DATE: 7/22/2026

JOB NO.: 202607023-EX2

EXHIBIT "A"

DESCRIPTION OF VEHICULAR INGRESS & EGRESS EASEMENT

DESCRIPTION CONTINUED FROM PAGE NO. 1 . . . .

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47 DEGREES 29 MINUTES 38 SECONDS, AN ARC LENGTH OF 15.34 FEET;
THENCE SOUTH 00 DEGREES 05 MINUTES 09 SECONDS EAST 11.88 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2.51 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 48 DEGREES 17 MINUTES 38 SECONDS EAST 3.29 FEET;
THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 82 DEGREES 02 MINUTES 33 SECONDS, AN ARC LENGTH OF 3.59 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 15.53 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 02 SECONDS WEST 81.00 FEET;
THENCE SOUTH 89 DEGREES 59 MINUTES 26 SECONDS WEST 15.55 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2.45 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 44 DEGREES 24 MINUTES 12 SECONDS WEST 3.50 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 91 DEGREES 10 MINUTES 30 SECONDS, AN ARC LENGTH OF 3.89 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 20.00 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 19.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 27.58 FEET
THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC LENGTH OF 30.63 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 3.00 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 25.00 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 18.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 4.53 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 42 DEGREES 04 MINUTES 56 SECONDS WEST 6.71 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 95 DEGREES 31 MINUTES 12 SECONDS, AN ARC LENGTH OF 7.56 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 01 SECONDS EAST 5.02 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 3.54 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 59 MINUTES 59 SECONDS, AN ARC LENGTH OF 3.93 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 15.50 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 28.00 FEET;

DESCRIPTION CONTINUES ON PAGE NO. 3 . . . .

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EXHIBIT "A"

DESCRIPTION OF VEHICULAR INGRESS & EGRESS EASEMENT

DESCRIPTION CONTINUED FROM PAGE NO. 2 . . . .

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 15.50 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 3.54 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC LENGTH OF 3.93 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 57.50 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 3.54 FEET;
THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC LENGTH OF 3.93 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST 15.50 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 28.00 FEET;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST 15.50 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 2.52 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 41 DEGREES 44 MINUTES 30 SECONDS WEST 3.76 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 96 DEGREES 31 MINUTES 00 SECONDS, AN ARC LENGTH OF 4.24 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 5.20 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 4.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 6.36 FEET;
THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC LENGTH OF 7.07 FEET;
THENCE NORTH 89 DEGREES 59 MINUTES 59 SECONDS EAST 13.00 FEET;
THENCE SOUTH 00 DEGREES 00 MINUTES 03 SECONDS EAST 0.50 FEET;
THENCE SOUTH 07 DEGREES 17 MINUTES 06 SECONDS EAST 25.31 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 19.50 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 38 DEGREES 25 MINUTES 22 SECONDS WEST 23.63 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 74 DEGREES 34 MINUTES 49 SECONDS, AN ARC LENGTH OF 25.38 FEET;
THENCE SOUTH 00 DEGREES 11 MINUTES 14 SECONDS EAST 76.26 FEET;
THENCE SOUTH 76 DEGREES 12 MINUTES 48 SECONDS WEST 36.83 FEET TO THE POINT OF BEGINNING.

COMPRISING 19,188 SQUARE FEET MORE OR LESS.

REGISTERED LAND SURVEYOR
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DATE: 7/22/2026 | JOB NO.: 202607023-EX2

EXHIBIT "B"

DEPICTION OF VEHICULAR INGRESS
& EGRESS EASEMENT

** NOTE: FOR LINE & CURVE TABLES AND LEGEND SEE PAGE NOS. 3 & 4

MATCH LINE SEE PAGE NO. 2

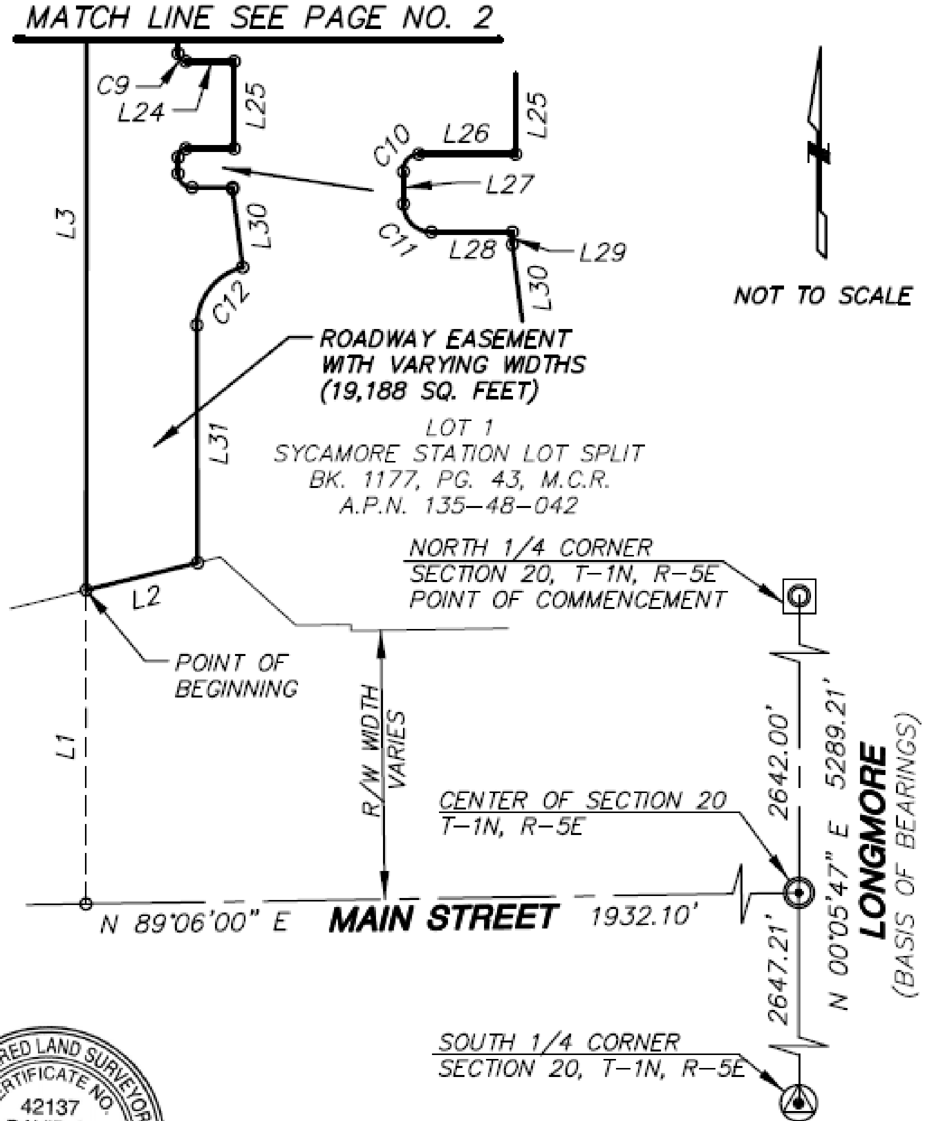

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EXHIBIT "B"

DEPICTION OF VEHICULAR INGRESS
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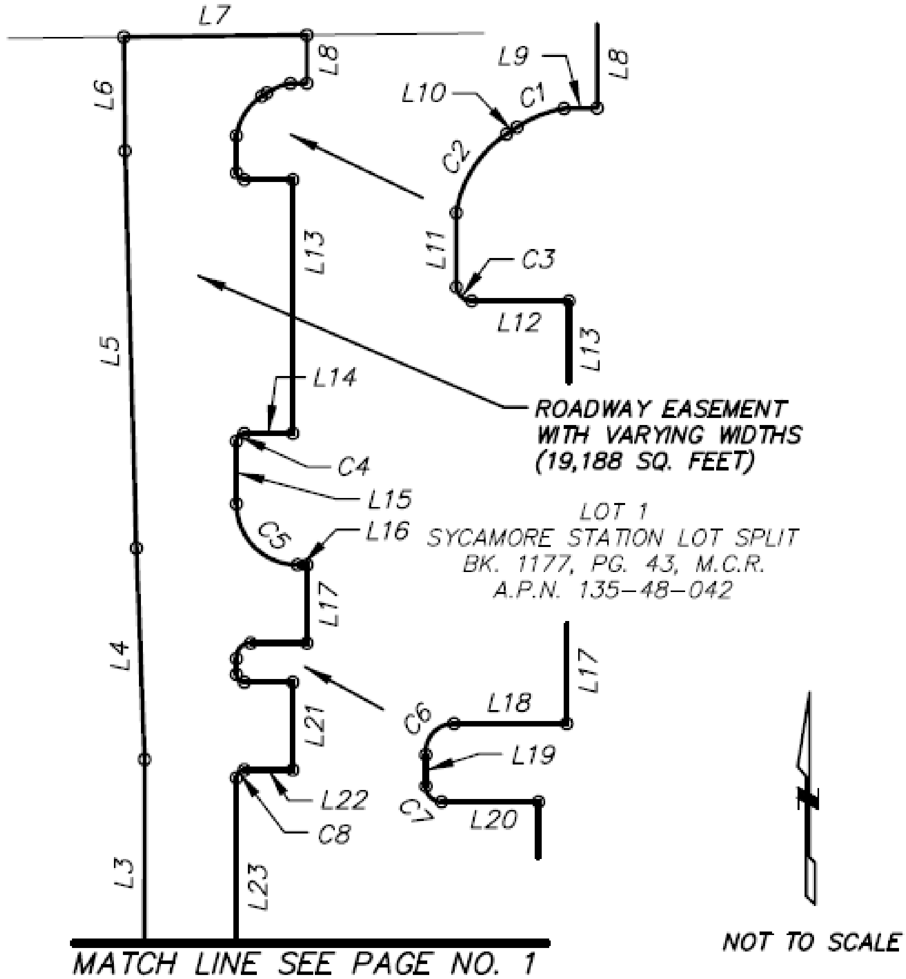

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** NOTE: FOR LINE & CURVE TABLES AND LEGEND SEE PAGE NOS. 3 & 4

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EXHIBIT "B"

DEPICTION OF VEHICULAR INGRESS
& EGRESS EASEMENT

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 00°01'53" E	100.71'
L2	N 76°12'48" E	36.83'
L3	N 00°01'53" E	235.50'
L4	N 02°11'58" W	67.52'
L5	N 01°39'14" W	126.90'
L6	N 00°36'56" W	36.39'
L7	N 89°23'04" E	58.51'
L8	S 00°00'00" E	15.39'
L9	S 89°19'17" W	5.28'
L10	S 56°18'25" W	2.02'
L11	S 00°05'09" E	11.88'
L12	N 90°00'00" E	15.53'
L13	S 00°00'02" W	81.00'
L14	S 89°59'26" W	15.55'
L15	S 00°00'00" E	20.00'
L16	N 90°00'00" E	3.00'

LINE TABLE		
LINE	BEARING	DISTANCE
L17	S 00°00'00" E	25.00'
L18	N 90°00'00" W	18.00'
L19	S 00°00'01" E	5.02'
L20	N 90°00'00" E	15.50'
L21	S 00°00'00" E	28.00'
L22	N 90°00'00" W	15.50'
L23	S 00°00'00" E	57.50'
L24	N 90°00'00" E	15.50'
L25	S 00°00'00" E	28.00'
L26	N 90°00'00" W	15.50'
L27	S 00°00'00" E	5.20'
L28	N 89°59'59" E	13.00'
L29	S 00°00'03" E	0.50'
L30	S 07°17'06" E	25.31'
L31	S 00°11'14" E	76.26'

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EXHIBIT "B"

DEPICTION OF VEHICULAR INGRESS
& EGRESS EASEMENT

CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEAR.	CHORD DIST.
C1	20.08'	8.14'	23°13'46"	S 68°20'11" W	8.09'
C2	18.50'	15.34'	47°29'38"	S 32°33'34" W	14.90'
C3	2.51'	3.59'	82°02'33"	S 48°17'38" E	3.29'
C4	2.45'	3.89'	91°10'30"	S 44°24'12" W	3.50'
C5	19.50'	30.63'	90°00'00"	S 45°00'00" E	27.58'
C6	4.53'	7.56'	95°31'12"	S 42°04'56" W	6.71'
C7	2.50'	3.93'	89°59'59"	S 45°00'00" E	3.54'
C8	2.50'	3.93'	90°00'00"	S 45°00'00" W	3.54'
C9	2.50'	3.93'	90°00'00"	S 45°00'00" E	3.54'
C10	2.52'	4.24'	96°31'00"	S 41°44'30" W	3.76'
C11	4.50'	7.07'	90°00'00"	S 45°00'00" E	6.36'
C12	19.50'	25.38'	74°34'49"	S 38°25'22" W	23.63'

LEGEND

	BOUNDARY LINE
	CENTER LINE OR MONUMENT LINE
	FOUND 3" CITY OF MESA BRASS CAP IN HANDHOLE
	FOUND 3" ARIZONA HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE
	CALCULATED POSITION NO MONUMENT FOUND OR SET (UNLESS OTHERWISE NOTED)
A.P.N.	ASSESSORS PARCEL NUMBER
M.C.R.	MARICOPA COUNTY RECORDS
R/W	RIGHT OF WAY
BK.	BOOK
PG.	PAGE

REGISTERED LAND SURVEYOR
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EXHIBIT B

Legal Description of Vehicular Ingress and Egress Easement Area (Part 2)

EXHIBIT "A"

DESCRIPTION OF VEHICULAR INGRESS & EGRESS EASEMENT

A PORTION OF LOT 1 OF "SYCAMORE STATION LOT SPLIT" RECORDED IN BOOK 117 OF MAPS, PAGE 43, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3-INCH CITY OF MESA BRASS CAP IN HANDHOLE MARKING THE NORTH QUARTER CORNER OF SAID SECTION 20 FROM WHICH A 3-INCH ARIZONA HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 20 BEARS SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 5289.21 FEET, SAID DESCRIBED LINE BEING THE BASIS OF BEARINGS OF THIS DESCRIPTION;
THENCE SOUTH 00 DEGREES 05 MINUTES 47 SECONDS WEST 2642.00 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20 TO THE CENTER OF SAID SECTION 20 ALSO BEING THE CENTERLINE OF MAIN STREET;
THENCE SOUTH 89 DEGREES 06 MINUTES 00 SECONDS WEST 1932.10 FEET ALONG SAID CENTERLINE TO THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID LOT 1;
THENCE NORTH 00 DEGREES 01 MINUTES 53 SECONDS EAST 100.71 FEET ALONG SAID SOUTHERLY PROLONGATION TO THE SOUTHWEST CORNER OF SAID LOT 1 AND TO THE POINT OF BEGINNING;
THENCE ALONG THE WEST LINE OF SAID LOT 1 THE FOLLOWING FOUR COURSES AND DISTANCES;
THENCE NORTH 00 DEGREES 01 MINUTES 53 SECONDS EAST 235.50 FEET;
THENCE NORTH 02 DEGREES 11 MINUTES 58 SECONDS WEST 67.52 FEET;
THENCE NORTH 01 DEGREES 39 MINUTES 14 SECONDS WEST 126.90 FEET;
THENCE NORTH 00 DEGREES 36 MINUTES 56 SECONDS WEST 36.39 FEET TO THE NORTHWEST CORNER OF SAID LOT 1;
THENCE NORTH 89 DEGREES 23 MINUTES 04 SECONDS EAST 58.51 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING;
THENCE ALONG THE NORTH LINE OF SAID LOT 1 THE FOLLOWING FIVE COURSES AND DISTANCES;

THENCE CONTINUING NORTH 89 DEGREES 23 MINUTES 04 SECONDS EAST 21.37 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET, WITH A CHORD BEARING AND DISTANCE OF NORTH 78 DEGREES 35 MINUTES 15 SECONDS EAST 187.33 FEET;
THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21 DEGREES 35 MINUTES 37 SECONDS, AN ARC LENGTH OF 188.44 FEET;

DESCRIPTION CONTINUES ON PAGE 2 . . .

REGISTERED LAND SURVEYOR
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Ste. 11, Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 8/3/2026

JOB NO.: 202607023-EX3

EXHIBIT "A"

DESCRIPTION OF VEHICULAR INGRESS & EGRESS EASEMENT

DESCRIPTION CONTINUED FROM PAGE 1 . . .

THENCE NORTH 67 DEGREES 47 MINUTES 27 SECONDS EAST 67.41 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET, WITH A CHORD BEARING AND DISTANCE OF NORTH 70 DEGREES 19 MINUTES 50 SECONDS EAST 44.31 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 04 MINUTES 46 SECONDS, AN ARC LENGTH OF 44.33 FEET TO THE NORTHEAST CORNER OF SAID LOT 1;
THENCE SOUTH 00 DEGREES 36 MINUTES 56 SECONDS EAST 15.69 FEET ALONG THE EAST LINE OF SAID LOT 1;
THENCE SOUTH 68 DEGREES 39 MINUTES 32 SECONDS WEST 97.22 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 514.05 FEET, WITH A CHORD BEARING AND DISTANCE OF SOUTH 78 DEGREES 16 MINUTES 02 SECONDS WEST 200.66 FEET;
THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES 30 MINUTES 38 SECONDS, AN ARC LENGTH OF 201.96 FEET;
THENCE SOUTH 89 DEGREES 16 MINUTES 49 SECONDS WEST 22.27 FEET;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 14.47 FEET TO THE POINT OF BEGINNING.

COMPRISING 4,831 SQUARE FEET MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
42137
DAVID S.
KLEIN
Date Signed 8/5/26
ARIZONA, U.S.A.

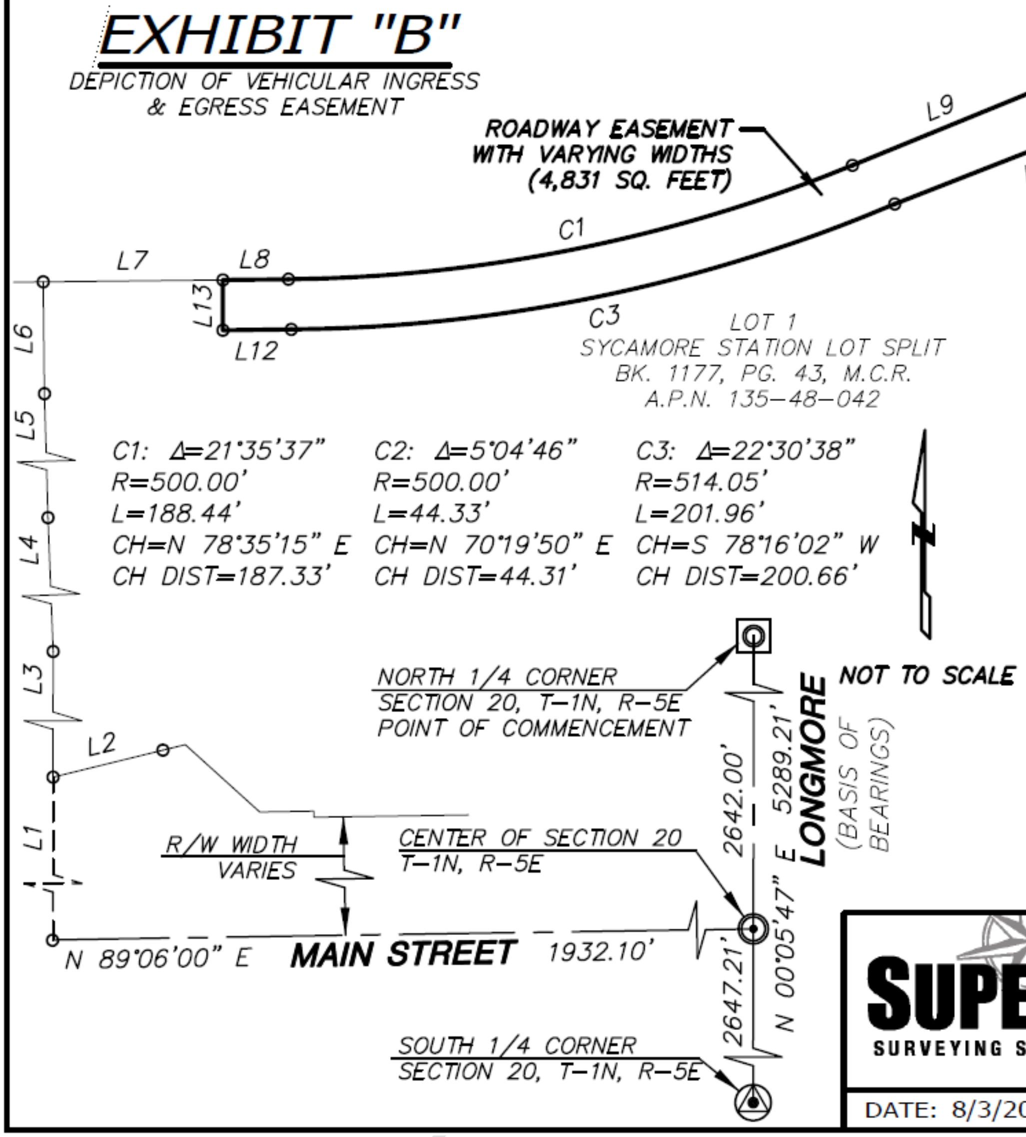
SUPERIOR
SURVEYING SERVICES, INC.

2122 W. Lone Cactus Dr.
Ste. 11, Phoenix, AZ 85027
623-869-0223 (office)
623-869-0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 8/3/2026	JOB NO.: 202607023-EX3

EXHIBIT "B"

DEPICTION OF VEHICULAR INGRESS & EGRESS EASEMENT



REGISTERED LAND SURVEYOR
CERTIFICATE NO.
42137
DAVID S.
KLEIN
Date Signed 8/5/26
ARIZONA, U.S.A.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 00°01'53" E	100.71'
L2	N 76°12'48" E	36.83'
L3	N 00°01'53" E	235.50'
L4	N 02°11'58" W	67.52'
L5	N 01°39'14" W	126.90'
L6	N 00°36'56" W	36.39'
L7	N 89°23'04" E	58.51'
L8	N 89°23'04" E	21.37'
L9	N 67°47'27" E	67.41'
L10	S 00°36'56" E	15.69'
L11	S 68°39'32" W	97.22'
L12	S 89°16'49" W	22.27'
L13	N 00°00'00" E	14.47'

SUPERIOR
SURVEYING SERVICES, INC.

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Ste. 11
Phoenix, AZ 85027
623–869–0223 (office)
623–869–0726 (fax)
www.superiorsurveying.com
info@superiorsurveying.com

DATE: 8/3/2026

JOB NO.:202607023-EX3

EXHIBIT J

VEHICULAR INGRESS AND EGRESS EASEMENT DEPICTION

EXHIBIT K

PUBLIC BENEFIT IMPROVEMENTS DESCRIPTION

1. Access easement benefiting public access.
2. Installation and maintenance of new landscaping in the Main Street public right of way and along Ironwood private drive (along the west property line).
3. Landscape and improvements in the Public Access Easement and Ironwood private drive (along the west property line).
4. Vehicular access to the Valley Metro park-and-ride and to the Sycamore Station train and bus transit station.
5. City of Mesa use of the project community room for meetings two times per calendar year.

EXHIBIT L

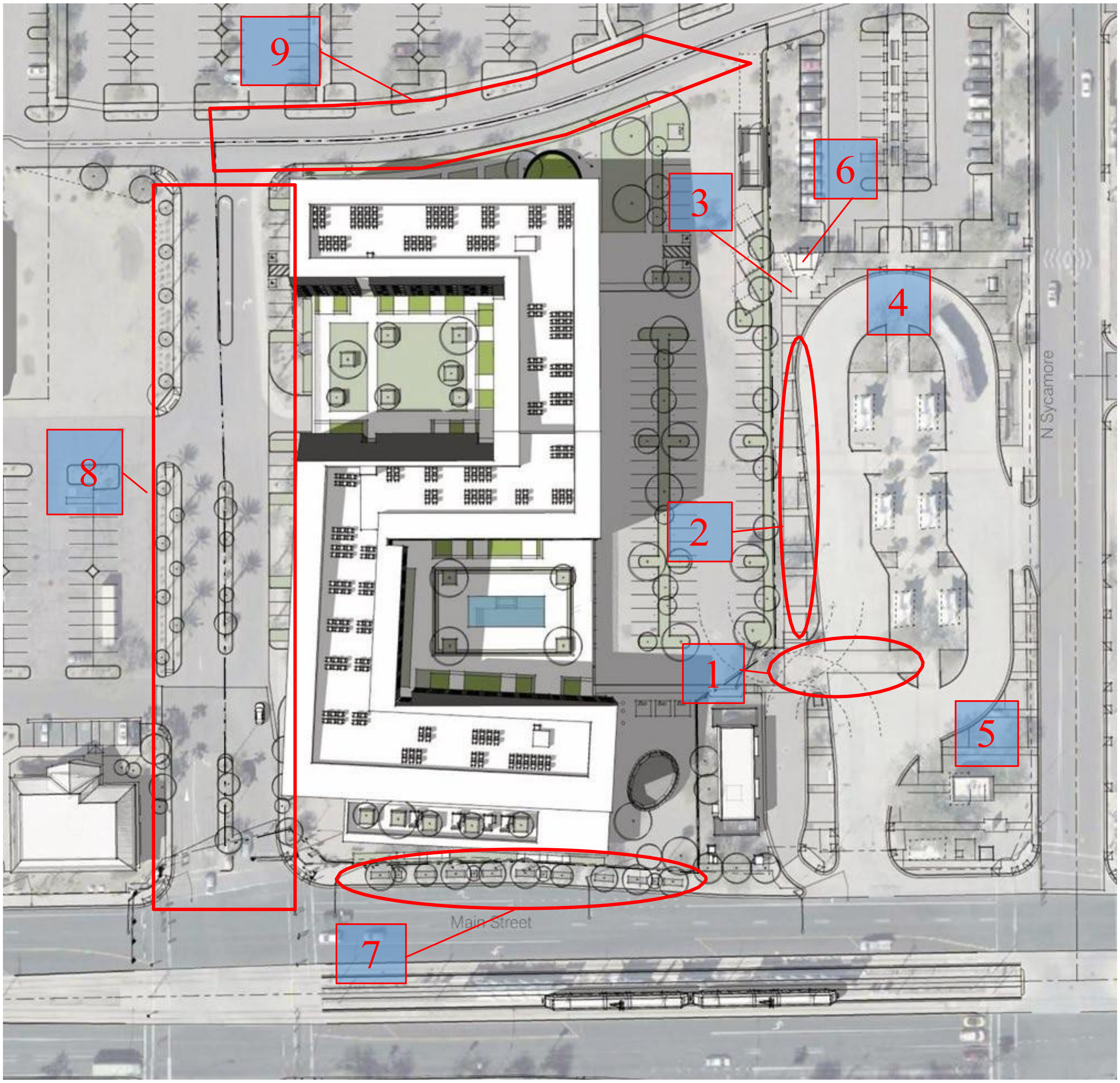
PUBLIC BENEFIT IMPROVEMENTS DESCRIPTION & DEPICTION

OVIO at Sycamore Station

Outline of Public Benefit Improvements

Map of Public Benefit Improvements

Site Plan with Public Benefit Improvements



#1 – New Vehicle Passage to former Kiss-and-Ride

Ovio will construct a new vehicle passage to Valley Metro's former "kiss-and-ride" driveway. See below for specific improvements:

a. Recut and reconstruct curbing and gutters to direct traffic to the east

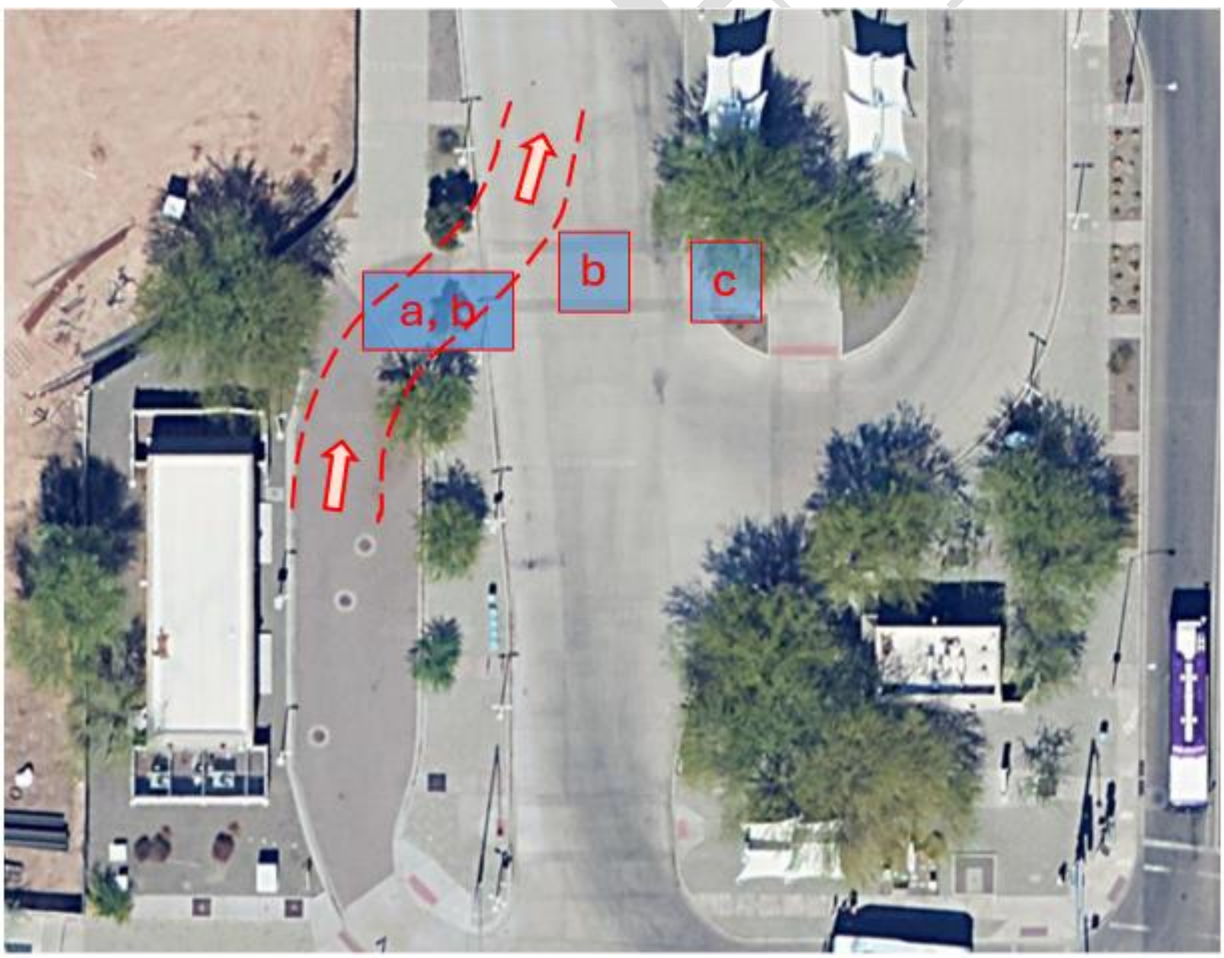
b. Create a new vehicle drive passage between the former Kiss-and-Ride driveway and the Sycamore Transit Center bus drive aisle by cutting back the existing traffic island and constructing a new vehicle drive aisle

   i. Provide pedestrian ramps and a crosswalk across the new vehicle passage

   ii. Prevent ingress and egress to the Ovio property parking lot via a crash gate for fire access

c. Remove east/west crosswalk in bus aisle

d. Remove existing pedestrian ramp on center bus island



#2 – Landscaping Adjacent to Sycamore Transit Center

In the area directly to the West of Sycamore Transit center, in between the Ovio development and the Transit Center (depicted below), Ovio will restore the existing landscaped area with the following:

a) Plant new trees within existing landscape areas (estimated to be 15 trees)

b) Remove and replace dead existing landscaping

c) Refresh decomposed granite (estimated to be 400 square feet)

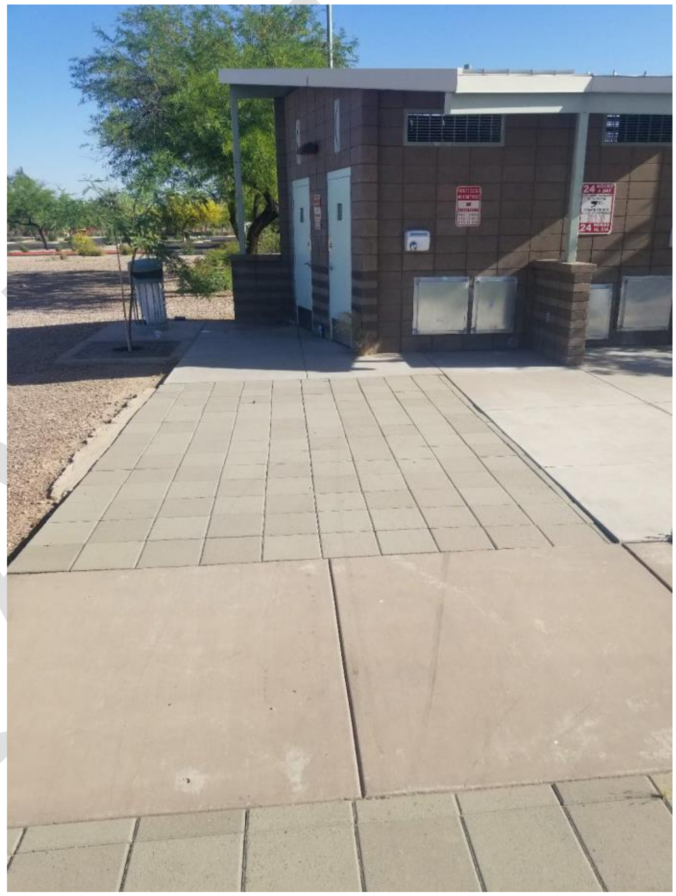
d) Restore irrigation (estimated to be 590 linear feet)

{00573850.5}

#3 – Sidewalk and Paver Repair

Ovio will provide improvements as follows:

a) Replace damaged areas of sidewalk and pavers in the area adjacent to the to-be-removed restroom structure, marked below in red. Total repair area estimated to be 2,333 square feet.

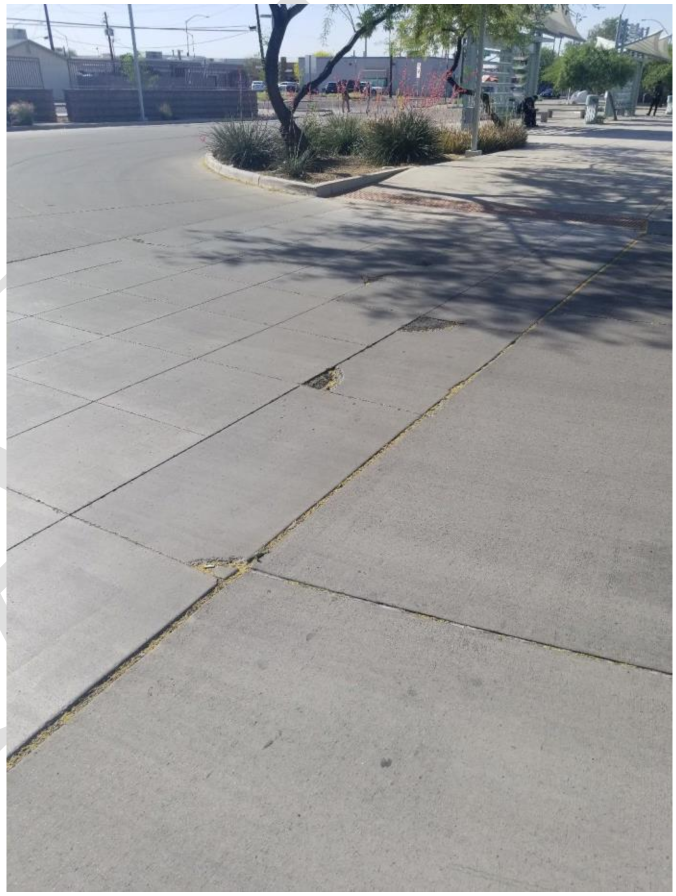


#4 – Replace damaged PCCP sections in bus drive aisle

Ovio will provide improvements as follows:

a) Replace damaged PCCP surface of the North-South walkway at the northern end of the bus drive aisle (depicted below in red), where the surface is currently cracked. Total repair area estimated to be 906 square feet.

b)



#5 – Replace the cracked and damaged curb and gutter in Sycamore Transit Center

Ovio will provide improvements as follows:

a) Replace the curb and gutter where it is currently cracked in the location depicted below in red

#6 – Public Restroom Removal

Ovio will provide improvements as follows:

a) Demolish public restroom building and adjacent concrete sidewalk area, as well as tree planter to West of public restroom

b) Construct MAG 230 sidewalk to cover the foundation area (estimated to be 400 square feet)

#7 – Replace Missing and Damaged Trees

Ovio will provide improvements as follows:

a) Replace 7 trees in total along Main Street (depicted below in red)

b) Trees will be maintained in perpetuity by the developer

#8 – Improvements to Ironwood Drive

Ovio will provide improvements as follows:

a) Demolish existing sidewalks, pavement and three (3) existing landscape medians (estimated to be 57,000 square feet of pavement)

b) Install new asphalt drive isles, including curbs and gutters (estimated to be 57,000 square feet)

c) Install eight (8) ADA Transitions

d) Install new sidewalk/hardscape

e) Install four (4) new asphalt crosswalks

f) Install new light heads on existing street lighting poles

g) Install new landscape and irrigation (trees, shrubs, ground cover)

#9 – Restore Park and Ride Lot Surface

Ovio will provide improvements as follows:

a) Restore parking lot surface, hardscape, and landscaping in the specific area that was used as a laydown yard by Ovio during construction (depicted below in red)

b) Restoration will be subject to the Maricopa Association of Governments (MAG) Standard Specifications and Details for Public Works Construction

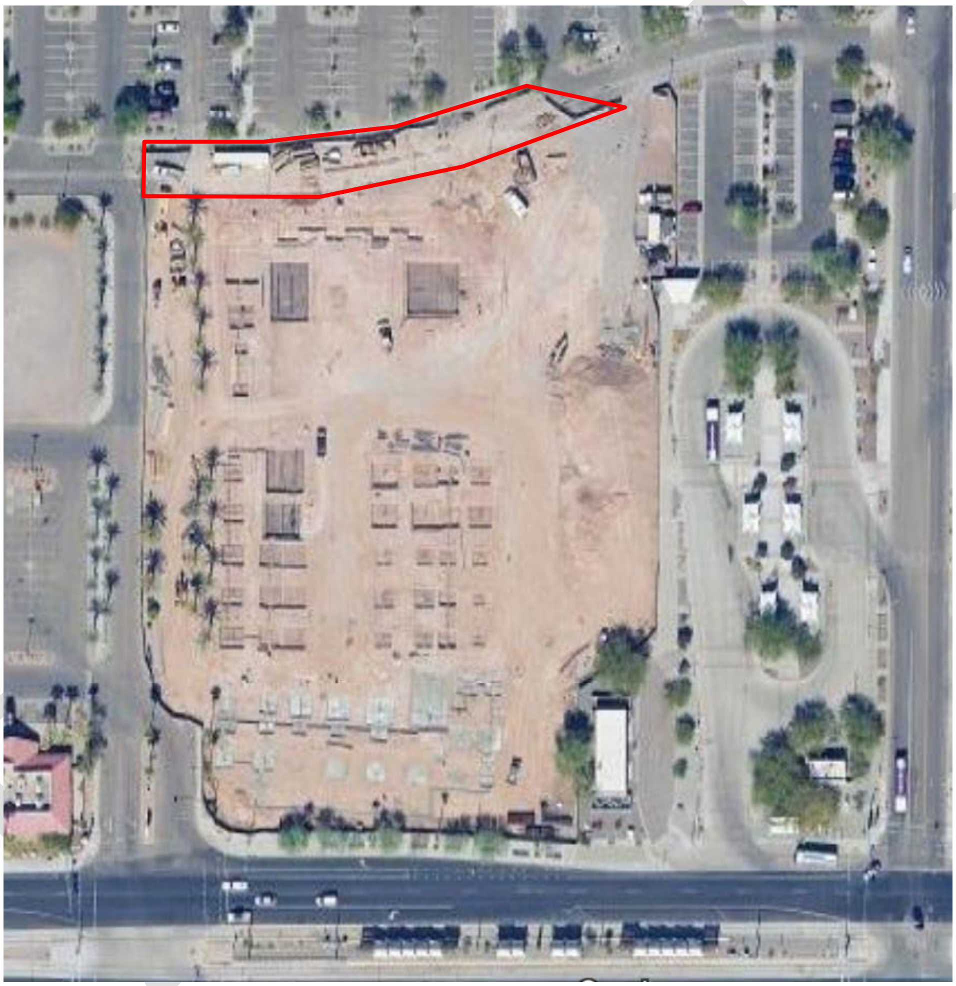


EXHIBIT M

PROHIBITED USES

Project will develop with land uses consistent with Chapter 64 of the Mesa Zoning Ordinance. In addition, the below uses are expressly prohibited from the Project:

1. Group Residential, as defined by Chapter 64 of the Mesa Zoning Ordinance.
2. Non-chartered Financial Institution, as defined by Chapter 64 of the Mesa Zoning Ordinance.
3. Pawn Shops, as defined by Chapter 64 of the Mesa Zoning Ordinance.
4. Social Service Facilities, as defined by Chapter 64 of the Mesa Zoning Ordinance.
5. Tattoo and Body Piercing Parlors, as defined by Chapter 64 of the Mesa Zoning Ordinance.
6. Group Residential such as Boarding House, Correctional Transitional Housing Facility, and Group Home for the Handicapped, as each term is defined by Chapter 86 of the Mesa Zoning Ordinance.
7. Off-Track Betting Establishment, as defined by Chapter 86 of the Mesa Zoning Ordinance.
8. Medical Marijuana Dispensary, as defined by Chapter 86 of the Mesa Zoning Ordinance.
9. Package liquor stores, except for stores selling beer and/or wine.
10. Kennels.

EXHIBIT N

FORM OF SPECIAL WARRANTY DEED

When Recorded, Mail to:
City of Mesa
Attn: Real Estate
20 Ease Main Street
Mesa, Arizona 85211

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars ($10.00) and other valuable consideration received, **____** ("**Grantor**"), hereby conveys to the City of Mesa, Arizona, an Arizona municipal corporation ("**Grantee**"), all of Grantor's right, title and interest in and to the following described real property (the "**Property**") situated in Maricopa County, Arizona, together with all improvements thereon and all of Grantor's interest in any rights and privileges appurtenant thereto:

SEE EXHIBIT "A" ATTACHED TO THIS SPECIAL WARRANTY DEED AND BY THIS REFERENCE MADE A PART HEREOF

BUT EXCLUDING all rights granted (by plat or separate instrument) to or for the benefit of the City of Mesa, an Arizona municipal corporation, or any department or agency of the City of Mesa, for rights-of-way, public utility and facility easements, drainage and storm water easements, and such other easements for the benefit of the public (collectively, "**Public Rights**"), which Public Rights shall not merge with this deed and shall remain as granted to or held by the City of Mesa, and its departments and agencies;

SUBJECT ONLY TO matters of record; and to any and all conditions, easements, encroachments, rights-of-way, or restrictions which a physical inspection, or accurate ALTA survey, of the Property would reveal; and all applicable municipal, county, state or federal zoning and use regulations;

AND FURTHER SUBJECT TO all easements and similar rights in favor of the City of Mesa (collectively, "Easements"), all of which Easements are retained fully by the City of Mesa;

IN WITNESS WHEREOF, Grantor has caused this Special Warranty Deed to be executed as of this ___ day of __________, 202_.

GRANTOR:

By:______________________________

Its: ______________________________

STATE OF ARIZONA)

) ss.

County of Maricopa)

On this the ____ day of __________, 202_ before me, the undersigned Notary Public, personally appeared ________________, who acknowledged himself to be the City Manager of the City of Mesa, Arizona, the Grantor named herein, and that, being authorized so to do, he or she executed the foregoing instrument for the purposes herein contained on behalf of the said Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____

Notary Public

My Commission Expires:

____

EXHIBIT O

INSURANCE REQUIREMENTS

CITY OF MESA INSURANCE REQUIREMENTS

Developer, at its sole cost and expense, will maintain insurance coverage as follows:

A. Property. During the period of any construction involving the Public Benefit Improvements, builder's risk insurance on an all-risk, replacement cost basis for the Public Benefit Improvements.

B. Liability. During the period of any construction involving the Public Benefit Improvements, insurance covering the Developer and (endorsing as an additional insured) City against liability imposed by law or assumed in any written contract, and/or arising from personal injury, bodily injury or property damage, with a limit of liability of $5,000,000.00 per occurrence with a $5,000,000.00 products/completed operations limit and a $10,000,000.00 general aggregate limit. Such policy must be primary and written to provide blanket contractual liability, broad form property damage, premises liability and products and completed operations.

C. Contractor. During the period of any construction involving the Public Benefit Improvements, each of the general or other contractors with which the Developer contracts for any such construction will be required to carry liability insurance of the type and providing the minimum limits set forth below:

(1) Workman's Compensation insurance and Employer's Liability with limits of $1,000,000.00 per accident, $1,000,000.00 per disease and $1,000,000.00 policy limit disease.

(2) Commercial general liability insurance on a $5,000,000.00 per occurrence basis providing coverage for (and endorsing the City as additional insured for):

Products and Completed Operations
Blanket Contractual Liability
Personal Injury Liability
Broad Form Property Damage
X.C.U.

(3) Business automobile liability including all owned, non-owned and hired autos with a limit of liability of not less than $1,000,000.00 combined single limit for personal injury, including bodily injury or death, and property damage.

D. Architect. In connection with any construction involving the Public Benefit Improvements, the Developer's architect will be required to provide architect's or engineer's professional liability insurance with a limit of $1,000,000.00 per claim. This policy, or other policies, will cover claims for a period of not less than three (3) years after the completion of construction involving the Property and the Public Benefit Improvements.

E. Engineer. In connection with any construction involving the Public Benefit

Improvements, the Developer's soils engineer or environmental contractor will be required to provide engineer's professional liability insurance with a limit of $1,000,000.00 per claim. This policy, or other policies, will cover claims for a period of not less than three (3) years after the completion of the construction involving the Property and the Public Benefit Improvements.

F. CPI Adjustments. The minimum coverage limits set forth above will be adjusted every five (5) years by rounding each limit up to the million dollar amount which is nearest the percentage of change in the Consumer Price Index (the "**CPI**") determined in accordance with this paragraph. In determining the percentage of change in the CPI for the adjustment of the insurance limits for any year, the CPI for the month October in the preceding year, as shown in the column for "All Items" in the table entitled "All Urban Consumers" under the "United States City Averages" as published by the Bureau of Labor Statistics of the United States Department of Labor, will be compared with the corresponding index number for the month of October one (1) year earlier.

G. Primary Coverage. Developer's insurance coverage will be primary insurance with respect to City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by City, its officers, officials, agents, and employees will be in excess of the coverage provided by Developer and will not contribute to it.

H. Indemnities. Coverage provided by the Developer will not be limited to the liability assumed under the indemnification provisions of the Agreement.

I. Waiver of Subrogation. All policies will contain a waiver of subrogation against City, its officers, officials, agents, and employees.

J. Notice of Cancellation**:** Each insurance policy will include provisions to the effect that it may not be suspended, voided, cancelled, or reduced in coverage except after thirty (30) days' prior written notice has been given to City. Such notice must be provided directly to City in accordance with the provisions of Section 11.5 of the Agreement.

K. Acceptability of Insurers**:** Insurance is to be placed with insurers duly licensed of approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. City in no way warrants that the above-required minimum insurer rating is sufficient to protect Developer from potential insurer insolvency.

L**.** Endorsements and Verification of Coverage**:** Developer will furnish City with endorsements naming the City, its officers, officials, agents, and employees as additional insureds. The endorsements will be original certificates of insurance on ACCORD forms approved by City. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict of limit coverage will be clearly noted on the certificate of insurance.

(1) All certificates are to be received and approved by City before the Commencement of Construction. Each insurance policy must be in effect at or prior to the Commencement of Construction and must remain in effect for the duration of the Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide timely evidence of renewal will be considered a material breach of the Agreement.

(2) All certificates required by this Agreement will be sent directly to City of Mesa, Attn: Lisa Lorts, Risk Manager, 20 E. Main Street, P.O. Box 1466, Mesa, Arizona 85211-1466. City reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Exhibit H at any time.

M. Approval**:** Any modification or variation from the insurance requirements in this Exhibit H must have prior approval from the City Manager (or designee), whose decision will be final. Such action will not require formal contract amendment, but may be made by administrative action.

N. Miscellaneous. References to "Developer" in this Exhibit H will mean Developer and include its general contractor(s). References to "the Agreement" will mean the Development Agreement of which this Exhibit H is a part. Capitalized terms not otherwise defined in this Exhibit H will have the meanings set forth in the Agreement. City in no way warrants that the minimum limits contained herein are sufficient to protect Developer from liabilities that might arise, and Developer may purchase such additional insurance as Developer determines necessary.

EXHIBIT P

NON-DISTURBANCE AND RECOGNITION AGREEMENT

(see attached)

When recorded, return to:

____
____
____

==

NON-DISTURBANCE AND RECOGNITION AGREEMENT

==

THIS NON-DISTURBANCE AND RECOGNITION AGREEMENT (this "**NDRA**") is made as of the ___ day of ________, 20___, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by and among: (a) ________________________ ("**Developer**"); (b) __________________ ("**Lender**"); and (c) City of Mesa, Arizona, an Arizona municipal corporation ("**City**").

1. <u>Recitals</u>.

1.1 Developer is the present developer under a Development Agreement entered into with City, dated __________________, 20___, and recorded in the Official Records of Maricopa County, Arizona, at ________________ (the "**Agreement**"), which Agreement sets forth certain rights and responsibilities of Developer with respect to the development of that certain real property referred to in the Agreement (and herein) as the "**Property**," and more particularly described in <u>Exhibit "A"</u> attached hereto.

1.2 Developer's obligations arising under the Agreement include but are not limited to the acquisition and/or development of the Property, and/or the construction of improvements upon the Property, and the construction of certain "**Private Improvements**" (as defined in the Agreement) in and around the Property (collectively, the "**Obligations**").

1.3 Lender has agreed to lend money to Developer, and Developer has executed certain loan documents (the "**Loan Documents**") including but not limited to an *Amended and Restated Deed of Trust and Fixture Filing with Assignment of Rents and Security Agreement and Financing Statement* for the use and benefit of Lender (the "**Deed of Trust**") and an *Assignment of Plans and Specifications and Rights under Contracts and Agreements* (the "**Assignment**") to secure the loan from Lender to Developer (the "**Loan**"). The Deed of Trust and the Assignment is or will be recorded in the Official Records of Maricopa County, Arizona, and does encumber or will encumber the Property.

1.4 Lender has certain rights under the Loan Documents in the event of a Default by Developer of its obligations either under the Loan Documents or the Agreement, including but not limited to the right of Lender to be substituted for Developer under the Agreement and to assume Developer's position with respect to the Agreement or to appoint a receiver, pursuant to A.R.S. §33-2605 *et. seq.*, to assess and have the option to assume Developer's position with respect to the Agreement; and the Agreement states in Section 10.22 thereof that a Lender may be allowed to assume Developer's rights and obligations with respect to the Agreement (collectively, "**Developer's Position**").

1.5 Accordingly the parties have executed this NDRA to be effective as of the date set forth above.

2. No Subordination. Subject only to the specific provisions of (i) Section 3 of this NDRA regarding the right of Lender to assume Developer's Position with respect to the Agreement and (ii) Section 4 of this NDRA regarding non-disturbance and recognition, all rights of Developer and Lender under the Deed of Trust are and shall continue to be junior, inferior, subject and subordinate to the Agreement, as it may hereafter be modified, amended, restated or replaced.

3. Notice of Developer Default.

3.1 If Lender is a "Designated Lender" as defined in Section 10.22 of the Agreement, City shall give Lender written notice of any claimed Event of Default by Developer (the "**Notice**") under the Agreement and 30 days following the expiration of Developer's cure period under the Agreement to cure such claimed Event of Default (as the Agreement exists as of the date of this NDRA), prior to terminating the Agreement or invoking such other remedies as may be available to City under the Agreement.

3.2 Lender shall have the option, following Lender's receipt of the Notice, and within the time period set forth herein for curing an Event of Default of Developer, in its sole election either: (a) to cure the Default of Developer, in which event Developer shall retain its position with respect to the Agreement; or (b) in addition to any other remedies available to Lender under law, equity or contract (including but not limited to the Deed of Trust and the Assignment) to assume Developer's Position, or to appoint a receiver, pursuant to A.R.S. §33-2605 *et. seq*., to assess and have the option to assume Developer's Position, with respect to the Agreement (to "**Assume**" or an "**Assumption**"). Lender shall give written notice to City of its intention to Assume on or before the expiration of any applicable cure period available to Lender.

3.3 If Lender agrees to Assume Developer's Position, or to appoint a receiver, pursuant to A.R.S. §33-2605 *et. seq*., to assess and have the option to assume Developer's Position, with respect to the Agreement, Lender and City shall execute an amendment to the Agreement (an "**Amendment**") and shall cause the Amendment to be recorded in the Official Records of Maricopa County, Arizona. The Amendment shall state that Lender or a court appointed receiver, as the case may be, has fully assumed Developer's Position with respect to the Agreement, and that Lender or a court appointed receiver is thereafter substituted for Developer with respect to all Obligations, payment and performance rights and responsibilities arising under or in connection with the Agreement. The execution or approval by Developer of the Amendment shall not be necessary or required, and upon execution and recordation of the Amendment, City shall (i) look to Lender and/or Developer for performance of the Obligations under the Agreement and (ii) make to Lender all payments, and render all performance required to be made by the City, required to be made to Developer under the Agreement.

3.4 In connection with (i) any foreclosure by Lender (whether by notice or judicially) of the Deed of Trust, or any other acquisition by Lender of the Property in lieu of such foreclosure (collectively, a "**Foreclosure**") and (ii) the transfer of the Property to a third-party purchaser or purchasers (by way of illustration and not in limitation, a purchaser or purchasers at a trustee's sale conducted pursuant to A.R.S. §33-810) concurrently with such Foreclosure or thereafter (a "**Purchaser**"), the Developer's Position under the Agreement shall accompany and be deemed covenants running with the Property, and the Purchaser shall be deemed to have assumed Developer's Position with respect to the Agreement. Upon the acquisition of the Property by a Purchaser, City shall (i) look to Purchaser and/or Developer for performance of the Obligations under the Agreement and (ii) make to Purchaser all payments, and render all performance required to be made by the City, required to be made to Developer under the Agreement.

3.5 Until an Assumption as defined herein, nothing in this NDRA shall constitute an assumption by Lender of any Obligation. Developer shall continue to be liable for all of the Obligations thereunder and shall perform all such Obligations, shall comply with all terms and conditions of the Agreement applicable to Developer, and shall take such steps as may be necessary or appropriate to secure performance by City under the Agreement.

3.6 Whether before or after an Assumption as defined herein, nothing in this NDRA shall constitute a release of Developer of any Obligation.

4. Nondisturbance and Recognition.

4.1 In the event that City institutes any proceedings to enforce the Agreement, City agrees that, so long as Lender is not in default (beyond any applicable cure period provided to Lender under this NDRA) under the Agreement:

4.1.1 City shall not interfere with or disturb Lender's rights under the Agreement and this NDRA; and

4.1.2 Lender shall not be made a party to any proceeding commenced pursuant to the Agreement, unless Lender is determined to be a necessary party for purposes of maintaining the action or securing other necessary relief not involving the termination of Lender's interest under the Deed of Trust or the Assignment, provided that nothing herein shall prevent City from giving any required notice to Lender.

4.2 Upon and following an Assumption, Lender shall recognize the City's rights under the Agreement for the balance of the Term thereof. The recognition described in this Section 4.2 shall automatically become effective upon an Assumption by Lender.

5. Estoppel

5.1 City and Developer hereby confirm to Lender that as of the date of this NDRA and to the best of their respective actual knowledge:

a) Neither City nor Developer has acted or failed to act in a manner giving rise to an Event of Default under the Agreement;

b) The Agreement has not been assigned, modified or amended in any way except as set forth in Recital 1.1;

c) The Agreement is in full force and effect; and

d) [IF APPROPRIATE] "Completion of Construction", as defined in the Agreement occurred on ____________________.

6. Miscellaneous.

6.1 This NDRA shall be binding upon and inure to the benefit of City, Developer and Lender and their respective successors and assigns, including, without limitation, any successful bidder at any judicial foreclosure or trustee's sale.

6.2 Except as otherwise required by law, any notice required or permitted under this NDRA shall be in writing and shall be given by (i) personal delivery, (ii) deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the parties at their respective addresses set forth below, or at such other address as such party may designate in writing pursuant to the terms of this Section, or (iii) any nationally recognized express or overnight delivery service (*e.g.*, Federal Express or UPS), delivery charges prepaid:

If to City:	City of Mesa Attn: City Manager 20 East Main Street Mesa, Arizona 85211
With required copy to:	City of Mesa Attn: City Attorney 20 East Main Street Mesa, Arizona 85211
If to Developer:	______________________ ______________________ ______________________
With required copy to:	______________________ ______________________ ______________________
If to Lender:	First Interstate Bank 3002 N. Campbell Ave., Suite 100 Tucson, Arizona 85719 Attn: Justin Walenta
With required copy to:	Rusing Lopez & Lizardi, P.L.L.C. 6363 N. Swan Rd., Suite 151 Tucson, Arizona 85718

Attn: Jonathan M. Saffer, Esq.
Facsimile: (520) 529 4262

Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt or refusal to accept receipt by the addressee. Any party may designate a different person or entity or change the place to which any notice shall be given as herein provided, by giving notice to the other parties as provided in this Section 6.2.

6.3 This NDRA is delivered in and relates to property located in Maricopa County, Arizona, and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the substantive laws and judicial decisions of the State of Arizona (regardless of Arizona conflict of laws principles or the residence, location, domicile or place of business of the parties and their constituent principals) and applicable federal laws, rules and regulations, subject to Section 10.1 of the Agreement.

6.4 This NDRA integrates all of the terms and conditions of the parties' agreement regarding the subordination of the Deed of Trust and Lender's interest thereunder to the Agreement, and supersedes all prior oral or written agreements with respect to such subordination (only to the extent, however, as would affect the priority between the Agreement and the Deed of Trust). This NDRA may not be modified or amended except by a written agreement signed by the parties or their respective successors in interest.

6.5 This NDRA may be executed and acknowledged in one or more counterparts, each of which may be executed by one or more of the signatory parties. Signature and notary pages may be detached from the counterparts and attached to a single copy of this NDRA physically to form one legally effective document.

6.6 This NDRA is subject to, and may be terminated by the City in accordance with, the provisions of A.R.S. §38-511.

6.7 Each party to this NDRA represents and warrants to the others that all necessary company, corporate and/or governmental approvals, consents and authorizations have been obtained prior to the execution of this NRDA by such party, and that the person executing this NRDA on behalf of such party is duly authorized to do so to bind such party.

6.8 Capitalized terms not defined herein shall have the definitions set forth in the Agreement.

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IN WITNESS WHEREOF, the parties hereto have each caused this NDRA to be executed on or as of the day and year first above written.

"CITY"	CITY OF MESA, an Arizona municipal corporation By: ______________________________ Its:______________________________
"DEVELOPER"	PRIDE VENTURES LLC II______ By: ______________________________ Name:______________________________ Its:______________________________
"LENDER"	______________________________, a(n) Arizona ____________________ By: ______________________________ Name:______________________________ Its: ______________________________

Acknowledgment by City

==

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing was acknowledged before me this day of _______, 2022, by ____________________, the City ____________________ of the City of Mesa, Arizona, on behalf of the City.

____
Notary Public

My Commission Expires:

____

Acknowledgment by Developer

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STATE OF ARIZONA)
) ss.
County of ___________)

The foregoing was acknowledged before me this day of ______, 2022, by _________________, the ____________ of _______________________________, on behalf of the ____________.

____
Notary Public

My Commission Expires:

____

Acknowledgment by Lender

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STATE OF ARIZONA)
) ss.
County of ___________)

The foregoing was acknowledged before me this day of ______, 2022, by _________, the ___________of _______________, a ___________, on behalf of the _______.

____
Notary Public

My Commission Expires:

____

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