

**CITY OF MESA
LEASE AGREEMENT
5135 E. EVERGREEN STREET, UNIT #1209, MESA, ARIZONA**

This Lease Agreement ("Lease") is between the City of Mesa, an Arizona municipal corporation ("City"), and The A.R.M. of the Save the Family Foundation of Arizona, an Arizona non-profit corporation ("Lessee"), and is effective as of the date signed by both City and Lessee. City and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS

A. City owns certain real property and improvements, including a single-family residence, located at 5135 E. Evergreen Street, Unit #1209, Mesa, Arizona, Assessor Parcel Number 140-01-162 as legally described on Exhibit "A" and depicted on Exhibit "B."

B. On July 24, 1995, Save the Family Foundation of Arizona, Inc. entered into a lease with City for 5135 E. Evergreen Street, Unit #1209 ("Prior Lease"). The initial term of the Prior Lease was twenty (20) years with an option to extend for two additional five (5) year terms; both options were exercised, and the termination date for the Prior Lease is July 30, 2025.

C. Lessee is a non-profit corporation that provides services to low-income families in Mesa.

D. At 5135 E. Evergreen Street, Unit #1209, Lessee provides housing for homeless families with children.

E. City, based on the services provided by Lessee, is willing to continue to lease to Lessee for the purpose of Lessee providing services to benefit City of Mesa residents, and Lessee desires to continue leasing 5135 E. Evergreen Street, Unit #1209, subject to all terms and conditions of this Lease.

F. The Leased Premises is subject to the Government Property Lease Excise Tax as provided under A.R.S. § 42-6201, et seq. unless an exemption applies. It is Lessee's sole responsibility to determine the applicability of the Government Property Lease Excise Tax and whether an exemption applies. Lessee represents that an exemption applies because Lessee is an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code.

LEASE AGREEMENT

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

SECTION 1 LEASED PREMISES

1.01 Definition of Leased Premises. The term “Leased Premises” means, collectively, the real property and improvements, including the single-family residence, located at 5135 E. Evergreen Street, Unit #1209, Mesa, Arizona, Assessor Parcel Number 140-01-162 as legally described on Exhibit “A” and depicted on Exhibit “B.”

1.02 Grant of Lease. City hereby leases the Leased Premises to Lessee subject to all matters of record, including liens, encumbrances, easements, assessments, and restrictions; and further subject to all operational and use restrictions and other terms, limitations, and conditions set forth in this Lease. Additionally, the Leased Premises is subject to: (A) all applicable present and future laws, regulations, ordinances, resolutions, building restrictions and regulations, and zoning laws, of the City of Mesa, and all county, state, and federal bodies having jurisdiction (“Applicable Laws”); (B) the condition and state of repair of the Leased Premises as of the effective date; and (C) the right of access by City to utility lines, telecommunication lines, cable lines, and other similar improvements when needed by the City of Mesa for repair or replacement.

1.03 Condition of Leased Premises. Lessee specifically acknowledges that Lessee, as of the effective date, agrees to accept the Leased Premises in an “AS IS, WHERE IS” condition without any warranty or representation from City, either express or implied, of any kind or nature whatsoever with respect to the Leased Premises, including any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed.

1.04 Covenant of Quiet Enjoyment. As of the effective date and subject to compliance with Applicable Laws and this Lease, Lessee will peaceably have and enjoy the use of the Leased Premises without hindrance from City or anyone claiming by or through City. Subject to the terms of this Lease, Lessee will have the exclusive right to occupy and use the Leased Premises while in compliance with Applicable Laws and this Lease. All other rights granted to Lessee under this Lease are nonexclusive.

SECTION 2 USE OF LEASED PREMISES

2.01 Permitted Uses. Lessee agrees to continue to use and operate the Leased Premises in a manner that serves a public purpose (i.e. provides a benefit to the public), as more specifically described in this Section. Specifically, Lessee must operate the Leased Premises as housing for homeless families with children. Such use of the Leased Premises must support the U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) program national objective of benefiting low and moderate-income persons. The persons benefited by the use of the Leased Premise must be low to moderate income individuals, as that term is defined by CDBG regulations. Lessee may not use the Leased Premises for any other purpose unless such other purpose has express prior approval written from City and is

allowed by City of Mesa Zoning Regulations and federal CDBG regulations. Lessee agrees to provide, during the entire Term, housing and support services as described in this Section 2.01, including other support services to prevent homelessness, and further self-sufficiency and long-term independence (“Services”).

2.02 Conduct of Activities. Lessee must use the Leased Premises and conduct its activities in a manner that will in no way materially interfere or detract from the value or appearance of the Leased Premises. If Lessee causes damage to the Leased Premises or fails to secure the Leased Premises in such a manner that damage results to the Leased Premises, City may repair the damage and invoice Lessee for the expenses incurred to repair the damage, whether repaired by City or an independent contractor at City’s direction.

2.03 Compliance with Laws. Lessee, its employees, agents, contractors, customers, and invitees must comply with all provisions of this Lease, Applicable Laws, and City policies applicable to the Leased Premises.

2.04. Compliance with CDBG Requirements. Lessee agrees to adhere to all federal requirements for use of the Leased Premises as governed by the CDBG regulations described in 24 CFR Part 570. To ensure compliance with this Section and reporting requirements of the CDBG program, Lessee must report to City annually the demographic information on clients assisted and activities undertaken (“Annual Report”). The Annual Report is due on or before the 15th day of each July throughout the Term, on the form provided by City.

2.05 Records and Reporting. Pursuant to reporting and records requirements established by HUD in 24 C.F.R. §§ 570.502, 570.503, 570.506, 570.507, and 570.606, Lessee must maintain records and reports that enable City to determine whether Lessee is performing the Services under this Lease in accordance with Applicable Laws.

2.05.1 Records. Records kept by Lessee must, at a minimum, meet the requirements of 24 C.F.R. § 570.506 and 2 C.F.R. Part 200. All records must be retained for six (6) years after the completion of the Services. Lessee is required to maintain financial records required by applicable federal regulation or directive, including, where applicable, 24 C.F.R. § 570.506(h). Lessee’s financial records must be sufficient to enable City to determine whether funds provided under this Lease are being spent in accordance with Applicable Laws governing the Services and this Lease. Lessee’s financial records must also document the receipt and use of Program Income (as defined in 24 C.F.R. § 570.500). Lessee’s records must meet all the following requirements:

A. The records must demonstrate Lessee is and remains a qualified Lessee for CDBG funds under Applicable Laws, including HUD regulations.

B. The records must demonstrate participating citizens served by the Services meet the income and other criteria required by this Lease and Applicable Laws and that no unlawful discrimination occurs in the solicitation or selection process of lower income persons or groups.

C. The records must demonstrate the Services remain an eligible activity in accordance with 24 C.F.R. Part 570.

2.06 Inspections and Audits. To determine compliance with this Lease, Lessee agrees to allow City and its employees and representatives, as well as employees or representatives of HUD, to perform random inspections and audits upon reasonable notice to Lessee, including inspections of the Leased Premises. Inspections and audits performed under this Lease require Lessee to make its offices, program, and related records available to City and HUD, as applicable, during normal business hours. City may inspect any records related to the performance of this Lease unless precluded from doing so by law, including the records outlined in Section 2.05, as well as payroll and billing records. Lessee agrees it will cooperate with City during any inspection or audit. City will reasonably determine the location where the audit will take place.

2.07 Program Income (24 C.F.R. § 570.504). Any Program Income (as defined in 24 C.F.R. § 570.500) must be recorded, disposed of, transferred, and maintained in accordance with 24 C.F.R. § 570.504. All Program Income received will be used in accordance with the CDBG program requirements. At the end of the program year, City may require the remittance of all or a part of Program Income balances (including investments thereof) held by Lessee.

2.08 Default. Lessee's failure or inability for any reason to do any of the following will constitute an Event of Default (as further described in Section 16) within the meaning of the Lease: (A) use the Leased Premises for the purpose set forth in Section 2.01; or (B) use the Leased Premises for a period of thirty (30) consecutive calendar days.

2.09 No Sale of the Leased Premises. Lessee may not sell or convey all or any part of the Leased Premises.

2.10 Personal Property. The personal property of Lessee set forth in Exhibit "C" attached hereto and incorporated herein by reference, as well as other personal property placed in the 5135 East Evergreen, Unit #1209 facility during the Term by Lessee will remain the personal property of Lessee and may be removed from the Leased Premises at any time during the Term or upon the expiration or earlier termination of this Lease, provided Lessee must repair any damage caused to the Leased Premises by such removal. City may not use such personal property of Lessee unless City obtains prior permission of Lessee, which may be given or withheld at Lessee's sole discretion. City will be responsible for repairing or replacing any personal property of Lessee that is damaged or destroyed while it is being used by City. City retains ownership of all personal property, appurtenances, and equipment attached to or contained in the 5135 East Evergreen, Unit #1209 facility, excepting those items outlined in Exhibit "C." Lessee may use said personal property, appurtenances, and equipment, but may not remove them from the 5135 East Evergreen, Unit #1209 facility without prior written permission from City. Lessee will be responsible for repairing or replacing any of the personal property, appurtenances, and equipment of City that is damaged or destroyed while being used by Lessee and must return the premises to City in the same condition it was in at the effective date, normal wear and tear excepted.

SECTION 3

TERM

3.01 Initial Term. The initial term of the lease of the Leased Premises is two (2) years beginning on August 1, 2025 at midnight ("Commencement Date") and ending on July 30, 2027 at 11:59 P.M., unless otherwise canceled, renewed, extended, or terminated as provided herein ("Initial Term").

3.02 Renewal Terms. Provided Lessee is not then in default, the Parties, each at their sole discretion, may renew this Lease for up to three (3) additional, successive terms of one (1) year each (each, a "Renewal Term") as set forth in this Section. To renew this Lease for a Renewal Term, the Parties must agree in writing to renew prior to the expiration of the current Initial Term or Renewal Term, as applicable. Each Renewal Term will be on the same terms, covenants, and conditions and subject to the same restrictions and exceptions contained in this Lease. If Lessee is in default on the date a Renewal Term is to commence, the Renewal Term will not commence, and this Lease will be deemed expired at the end of the current Initial Term or Renewal Term, as applicable. The Initial Term and all Renewal Terms will be collectively referred to herein as the "Term."

SECTION 4

RENT; PAYMENT; TAXES

4.01 Rent Owed. Beginning on the Commencement Date and on or before August 1 of each year during the Term, Lessee covenants and agrees to pay to City an annual rental fee of five dollars (\$5.00) ("Rent"), plus all taxes levied upon Lessee's occupancy of the Leased Premises.

4.02 Homeowners Association. Lessee is responsible for the payment of all dues, fees, and charges incurred as directed by the Homeowners Association applicable to the Leased Premises during the Term. Lessee must submit evidence of such payment to City no later than five (5) days following the date such payment is due.

4.03 Obligations Unconditional. Lessee agrees, regardless of any event, occurrence, or situation, whether foreseen or unforeseen, and however extraordinary, that it: (A) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Lease; (B) will perform and observe all of its other agreements contained in this Lease; and (C) will not suspend the performance of its obligations hereunder for any cause, including any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction or damage to the Leased Premises, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Arizona or any political subdivision of either.

4.04 Government Property Lease Excise Tax. As required under A.R.S. § 42-6206, Lessee is hereby notified of its potential tax liability under the Government Leased Premises Lease Excise Tax ("GPLET Tax") provisions of A.R.S. § 42-6201, et seq. Lessee is responsible for any

and all applicable Leased Premises taxes and all applicable GPLET Tax for the Leased Premises described in A.R.S. § 42-6201 et seq., or similar laws in force from time to time that may be imposed on the Leased Premises or on any interest of Lessee in the Leased Premises under this Lease, including any GPLET Tax required to be paid by Lessee. Lessee represents and warrants that the GPLET Tax does not apply because the Leased Premises will be used by Lessee and Lessee is an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. If at any time during the Term the Lessee's tax status changes or Lessee or its use is no longer exempt from GPLET Tax then Lessee will, in addition to paying the GPLET Tax, provide notice to City and City may terminate this Lease. It is Lessee's sole responsibility to determine the applicability of the GPLET Tax and whether Lessee's use falls within an exemption. Lessee acknowledges that, pursuant to A.R.S. § 42-6206, failure of Lessee to pay such taxes after any applicable notice and opportunity to cure provided in this Lease, is an Event of Default (defined below) that could result in the termination of Lessee's interest in this Lease and of its right to occupy the Leased Premises.

4.05 Payment. The Rent and any other fees or payments due under this Lease must be paid in lawful currency of the United States, either by check or electronic transfer and, if by check, remitted to City at the address provided in Section 24.01.

SECTION 5 IMPROVEMENTS

5.01 Definition. The term "Improvements," as used in this Section 5, means any and all additions, alterations, changes, fixtures, or other improvements to the Leased Premises.

5.02 Improvements. Lessee may not make any Improvement, whether temporary or permanent, to the Leased Premises that cost more than five thousand dollars (\$5,000.00) without City's prior written consent, which consent will not be unreasonably withheld. For all proposed Improvements that cost more than five thousand dollars (\$5,000.00), Lessee must submit to City complete architectural, electrical, and mechanical plans and specifications covering all work for the Improvements. Such plans and specifications must be prepared to the standards and specifications determined by City and Lessee may not commence any work on the proposed Improvements until City has approved the plans and specifications. Any changes in the plans or specifications must also be approved by City prior to Lessee commencing work according to the proposed changes in the plans or specifications. Notwithstanding the foregoing, Lessee is responsible for complying with Applicable Laws in performing work for all Improvements, regardless of the cost of the Improvements, including all applicable building and construction codes and permit requirements. Lessee may not commence any work on any Improvements until Lessee obtains all required permits from the City of Mesa. Additionally, Lessee must perform all work on all Improvements in a safe, sanitary, neat and clean manner, and must promptly remove from the Leased Premises all trash and debris caused by the work and must take reasonable care to limit the dust and disturbance caused by the work. All Improvements must be constructed and maintained in a good and workmanlike manner and in compliance with Applicable Laws. Improvements may be subject to inspection by the City of Mesa, as determined at the sole discretion of the City of Mesa.

5.03 Title to Improvements. Title to all Improvements will immediately, upon completion or installation, become part of the Leased Premises of City without payment therefore by City, and will be surrendered to City upon expiration or other termination of this Lease. Lessee agrees to execute and deliver to City, within fifteen (15) calendar days after City's request therefore, a quitclaim deed confirming title to such Improvements is vested in City.

SECTION 6 MECHANICS LIENS

6.01 Mechanics Liens. Lessee agrees to keep the Leased Premises free of any mechanics' or materialman's liens or other liens of any kind or nature for work done, labor performed, or material furnished thereon at the instance or occasion of Lessee.

6.02 No Agency. Lessee is not an agent of City, nor an employee of City, nor is Lessee or its agents or employees authorized to act for or on behalf of City as its agent, employee, representative, or otherwise, for the purpose of constructing any Improvements at the Leased Premises, or for any other purpose, and neither City nor City's interest in the Leased Premises will be subject to any obligations incurred by Lessee.

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

SECTION 7 UTILITIES

7.01 Utilities. In addition to the Rent, Lessee is responsible for and must pay for all utilities supplied to, used, or consumed in or upon the Leased Premises, including all sewage, water, gas, electric, irrigation, and trash collections charges as and when the charges therefore become due and payable. Additionally, Lessee is responsible for and must pay for any technology (IT) needs or other services, including telephone service, WI-FI access, and internet connectivity/access necessary or desirable to serve the Leased Premises.

7.02 City's Use of Utility Lines/Service. City retains the right to the continued use for any utility lines and utility improvements and services (including all uses allowed in a Public Utilities Facilities Easement under the Mesa City Code) as are presently on, under, over, or through the Leased Premises and the right to repair, maintain, and replace the same when necessary in City's sole discretion, including any utility easements on the Leased Premises. City will conduct such repairs in such a manner and at such times as to not unreasonably interfere with Lessee's activities at the Leased Premises.

SECTION 8 MAINTENANCE AND REPAIRS

8.01 Maintenance and Repairs. Lessee, at Lessee's sole expense, must maintain and repair the Leased Premises as set forth in this Section 8. Lessee must at all times maintain the Leased Premises in a neat, clean, safe, sanitary, and orderly condition, including to perform all necessary repairs and maintenance, and periodic replacement, restoration, and painting as needed to maintain the Leased Premises in a neat, clean, safe, sanitary, and orderly condition. Lessee must prevent the accumulation of any refuse or waste materials which might constitute a health or fire hazard or public nuisance, and Lessee is responsible for all trash and recycling removal from the Leased Premises. Additionally, Lessee is responsible for maintaining the outdoor space and landscaping on the Leased Premises in good order, condition, and repair, including to perform or cause to be performed at least monthly landscaping services and regularly removing weeds.

8.02 City's Right to Conduct Maintenance. In the event Lessee fails to maintain or repair the Leased Premises in accordance with this Section 8, City may, but is not obligated to, perform all such maintenance or repair and Lessee must reimburse City for City's cost in performing the maintenance or repair. Lessee's reimbursement payment to City will be due and payable as additional Rent no later than thirty (30) days after the date of the invoice in which City bills Lessee for the reimbursement.

8.03 Damage to Leased Premises. Any damage to the Leased Premises or to real or personal property of City at the Leased Premises caused by or related to Lessee's use or occupancy of the Leased Premises, ordinary wear and tear excepted, must be promptly repaired or replaced by Lessee, at Lessee's sole expense and to the reasonable satisfaction of City. At City's sole discretion, City may require Lessee, in lieu of such repair or replacement, to pay City an amount sufficient to compensate City for the damage, which amount will be a commercially reasonable repair or replacement cost.

8.04 Emergency Repairs. Within fifteen (15) calendar days of the effective date, each Party must provide to the other Party a list of names and telephone numbers for 24-hour emergency contact for the Leased Premises.

SECTION 9 SECURITY

9.01 No Security Provided by City. Lessee acknowledges and understands that City provides no security at or for the Leased Premises. Lessee agrees that City has no obligation to provide security and that the City is not responsible for any damage or theft that may occur in, on, or around the Leased Premises.

9.02 Lessee's Obligation to Secure Leased Premises. It is Lessee's sole responsibility to secure the Leased Premises during the Term. Should Lessee fail to secure the Leased Premises and damage by third-parties to the Leased Premises occurs, City may give Lessee written notice specifying such damage to the Leased Premises, and if such damage is not repaired for a period of

thirty (30) days after Lessee receives the written notice, City may repair the damage and invoice Lessee for the expenses incurred to repair the damage, whether repaired by City or an independent contractor at City's direction. Said expense will be due and payable, as additional rent, within thirty (30) days after the date of the invoice in which City bills Lessee for such expense. Notwithstanding the foregoing, prior notice given by City and a cure period given to Lessee pursuant to this Section are not required to be given in the event of an emergency or when City determines emergency maintenance or repair is reasonably necessary.

SECTION 10 INSURANCE

10.01 Insurance Coverage Required. As a condition precedent to the effectiveness of this Lease, Lessee must procure and at all times maintain the following types and amounts of insurance for its operations at, and use of, the Leased Premises:

A. General Liability Insurance. General Liability insurance with minimum coverage of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. City, its agents, officials, volunteers, officers, elected officials and employees must be named as additional insureds. The policy must include coverage for bodily injury, Leased Premises damage, personal injury, products/completed operations, and blanket contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Lease.

B. Workers' Compensation Insurance. Lessee must maintain workers' compensation insurance to cover obligations imposed against Lessee by federal and state statute.

10.02 Evidence and Requirements for All Insurance Coverages. Upon the effective date, Lessee must provide City with a Certificate(s) of Insurance (using the appropriate ACORD certificate) signed by the Issuer with applicable endorsements. City may request additional copies of any or all of the policies, endorsements, or notices relating to the policies, and Lessee must provide such additional copies upon request of City.

A. Lessee's insurance will be primary of all other sources available. No policy will expire, be cancelled or materially changed to affect the coverage available without advance written notice to City.

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

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

10.03 No Limits on Indemnification. The procuring of such policy of insurance cannot be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this Lease. City must be named as additional insured on all insurance policies issued pursuant to this clause during the Term.

10.04 Failure to Procure Insurance. If Lessee fails to procure insurance as required by this Section, City may procure such insurance at the sole expense of Lessee. Said expense will be due and payable, as additional rent, within thirty (30) calendar days after the date of the invoice in which City bills Lessee for such expense.

10.05 City's Right to Adjust Insurance. City may adjust the amount and type of insurance Lessee is required to obtain and maintain under this Lease as follows: At least ninety (90) days before the annual anniversary of the effective date, City will notify Lessee of the adjusted insurance requirement in accordance with Section 24. City's determination will reasonably reflect the risks associated with Lessee's operations on the Leased Premises.

10.06 Waiver of Subrogation. All insurance policies (whether or not required by this Lease) must contain a waiver of subrogation in favor of City, its agents, officials, volunteers, officers, elected officials and employees. However, such waiver will not apply to the event of claims caused by City's gross negligence or willful misconduct.

10.07 Lessee's Obligations to Restore. If the Leased Premises are damaged or destroyed by fire or other casualty, Lessee at its sole expense must proceed with reasonable diligence to repair, restore, or rebuild the same as nearly as possible to its value, condition, and character immediately prior to such damage or destruction; provided however that Lessee's foregoing obligations will be limited to the amount of insurance proceeds available for such repair, restoration, or rebuild and any deductible thereto (if Lessee fails to maintain the insurance required by this Lease, Lessee will be responsible for the amount that insurance would have provided in such circumstances). Unless otherwise agreed to by Parties in writing, Lessee must use all insurance proceeds plus the amount of any deductible for such insurance to repair, restore, or rebuild the Leased Premises. Lessee's obligation to pay Rent and any other amounts owing under this Lease will continue regardless of any partial, substantial, or total destruction of the Leased Premises; provided, however, if the insurance proceeds and any deductible amount (and any amounts City is willing to pay to restore even though it has no obligation to pay any such amounts) are not sufficient to restore the Leased Premises to a condition that would allow Lessee to use the Leased Premises as reasonably intended or if the Parties agree in writing to not use such proceeds to restore the Leased Premises, then Lessee may terminate this Lease through the following: (A) payment by Lessee to City of all insurance proceeds for the Leased Premises (except proceeds to cover loss for Lessee's personal property) plus any deductible amount (or if Lessee fails to maintain the insurance required by this Lease, Lessee will be responsible for the amount that insurance would have provided in such circumstances); and (B) thirty (30) calendar days' written notice to City. Such a termination will be deemed to be the end of the Term. City will have no responsibility or liability for any damage or destruction by fire or other casualty and will have no obligation to repair, restore, or rebuild the Leased Premises in such event.

10.08 City Insurance. No insurance held by City will be deemed to cover any Leased Premises of the Lessee, or any other person/business, kept or stored at the Leased Premises.

SECTION 11

INDEMNIFICATION

11.01 Indemnification. Lessee must pay, defend, indemnify, and hold harmless individually and collectively City and its officials, elected officials, employees, volunteers, and agents (collectively, “City Indemnified Parties”), for, from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees and costs), causes of action (whether in contract, tort, or otherwise), suits, claims, demands, and judgments of every kind, character and nature whatsoever (collectively, “Claims”) which, in whole or part, arise from or relate in any way to (A) Lessee’s performance under this Lease; (B) Lessee’s, or its officers’, directors’, employees’, agents’, contractors’ or invitees’ or its sub-lessees’ occupancy of, or activities or operations at, the Leased Premises; (C) the use, non-use, condition, or occupancy of the Leased Premises or any part thereof, or any accident, injury to or death of any person, or damage to property in or upon the Leased Premises; (D) any failure to maintain or repair the Leased Premises as required by this Lease; (E) any work or labor, materials furnished, construction, alteration, or repair at the Leased Premises or from the non-observance of any Applicable Law for such work or labor, materials furnished, construction, alteration, or repair; (F) any third-party claim relating to or arising out of security (including lack of security, and types of security installed) for the Leased Premises and any employee, invitee, or person on the Leased Premises; (F) any breach or violation by Lessee of any agreement, covenant, warranty, representation, or condition of this Lease, any other documents executed in connection with this Lease; (G) any violation due to Lessee, or its officers, directors, employees, agents, contractors or invitees or its sublessees of any contract, agreement or restriction relating to the Leased Premises; and (H) any violation due to Lessee, or its officers, directors, employees, agents, contractors or invitees or its sublessees of any law, ordinance, or regulation affecting the Leased Premises or any part thereof or the ownership, occupancy or use thereof during the Term; except any Claim solely and exclusively arising from or caused by the gross negligence or intentional misconduct of a City Indemnified Party.

11.02 No Limits on Indemnification. Lessee’s procuring of policies of insurance will not be construed to be a limitation upon Lessee’s liability or as a release of any of Lessee’s indemnification obligations in this Lease.

SECTION 12 ENVIRONMENTAL INDEMNIFICATION

12.01 Use of Hazardous Material. Lessee must not cause or permit any hazardous material, as defined in Section 12.05 to be generated, brought onto, used, stored, or disposed of in, on, or about the Leased Premises. Lessee must comply with all the following:

A. Use, store, and dispose of all such hazardous material in strict compliance with all applicable statutes, ordinances, and regulations in effect during the Term that relate to public health and safety and protection of the environment (environmental laws).

B. Comply with all environmental laws at all times during the Term.

12.02 Notice of Release or Investigation. If, during the Term, either City or Lessee becomes aware of: (A) any actual or threatened release of any hazardous material on, under, or about the Leased Premises; or (B) any inquiry, investigation, proceeding, or claim by any government, agency, or other person regarding the presence of hazardous material on, under, or about the Leased Premises, that Party must give the other Party written notice of the release or investigation within five (5) days after learning of it and must simultaneously furnish to the other Party copies of any claims, notices of violation, reports, or other writings received by the Party providing notice that concern the release or investigation.

12.03 Environmental Indemnification. Lessee must, at Lessee's sole expense, pay, indemnify, defend, and hold harmless City Indemnified Parties with respect to all losses arising out of or resulting from the release of any hazardous material or the violation of any environmental law in or about the Leased Premises, except any Claim solely and exclusively arising from or caused by the gross negligence or intentional misconduct of a City Indemnified Party. This indemnification will survive the expiration or termination of this Lease and includes all the following:

- A. Losses attributable to diminution in the value of the Leased Premises.
- B. Loss or restriction of use of rentable space at the Leased Premises.
- C. Adverse effect on the marketing of any part of the Leased Premises.
- D. All other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation.

12.04 Remediation Obligations.

A. If the presence of any hazardous material brought onto the Leased Premises, unless brought solely by City, results in contamination of the Leased Premises, Lessee must promptly take all necessary actions, at Lessee's sole expense, to return the Leased Premises to the condition that existed before the introduction of such hazardous material. Lessee must first obtain City's written approval of the proposed remedial action. This provision does not limit the indemnification obligation set forth in other Sections of this Lease.

B. In the event Lessee fails to meet its remediation obligations under paragraph (A) above, City may, but is not obligated to, perform any such remediation at Lessee's sole expense. Said expense will be due and payable, as additional rent, within thirty (30) days after the date of the invoice in which City bills Lessee for such expense.

12.05 Definition of Hazardous Material. As used in this Section 12, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste that is or becomes regulated

by the United States, the State of Arizona, or any local government authority having jurisdiction over the Leased Premises. Hazardous material includes all the following:

A. Any “hazardous substance” as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code §§ 9601-9675) including all amendments thereto or successor statutes.

B. “Hazardous waste” as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code §§ 6901-6992K) including all amendments thereto or successor statutes.

C. Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, within the meaning of any other applicable Federal, State, or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders imposing liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or material, now or hereafter in effect).

D. Petroleum products.

E. Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 United States Code §§ 2011-229764 including all amendments thereto or successor -statutes.

F. Asbestos in any form or condition.

G. Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

SECTION 13 ENTRY BY CITY

13.01 Entry by City. City reserves the right, without abatement of Rent or other charges due hereunder from Lessee, to enter upon or have its employees, agents, contractors, and assignees enter upon the Leased Premises at any reasonable time upon reasonable notice for any reasonable purpose, including the inspection of the Leased Premises to determine if the provisions of this Lease are being complied with, to conduct environmental assessments and audits, to perform repairs or maintenance in accordance with Section 8, including any actions necessary to remediate, abate, or cleanup any hazardous substances or environmental conditions at the Leased Premises in accordance with Section 12.

13.02 Waiver of Claims. Lessee hereby waives any claim for damage for any injury or inconvenience to or interference with Lessee’s operations, any loss of occupancy or quiet enjoyment of the Leased Premises, and any other loss occasioned by City’s entry unless the claim is a direct result from City’s gross negligence or intentional misconduct. City may use any and all means which City deems necessary to gain access to the Leased Premises and Lessee’s personal

property in the event of an emergency. “Emergency” means any existing condition of disaster or of extreme peril to the safety of persons or property within the area of the Leased Premises caused by air pollution, fire, flood, storm, epidemic, riot, earthquake, or natural disaster. Such entry by City will not, under any circumstances, be construed or deemed to be a forcible, unlawful, negligent entry into, and will not be construed or deemed as conduct intended to cause damage or injury, or a detainer of, Lessee’s personal property or the Leased Premises or an eviction of Lessee from the Leased Premises or any portion thereof.

SECTION 14 NON-DISCRIMINATION; EQUAL EMPLOYMENT

14.01 Non-Discrimination; Equal Employment. Lessee understands and acknowledges that it is the policy of the City of Mesa to promote nondiscrimination. As such, Lessee represents and warrants that it does not discriminate against any person on the basis of race, color, ethnicity, national origin, age, disability, religion, sex, sexual orientation, gender identity, veteran’s status, marital status, familial status, or genetic information (collectively, “protected status”) in employment, housing, or facilities, establishments, accommodations, services, commodities, or use offered to or enjoyed by the general public. Lessee further represents and warrants that it does not, on the basis of protected status, refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges of employment. Lessee must comply with all applicable federal, state, and local laws and executive orders regarding non-discrimination, including the following (as amended): Titles VI and VII of the U.S. Civil Rights Act of 1964; Section 504 of the Federal Rehabilitation Act; Age Discrimination Act of 1967; Equal Pay Act of 1963; Americans with Disabilities Act of 1990; Section 109 of Title I of the Housing and Community Development Act of 1974; and Architectural Barriers Act of 1968.

SECTION 15 ASSIGNMENT; SUBLETTING; ENCUMBERING

15.01 No Assignment. Lessee may not sublet, transfer, assign, mortgage, pledge, hypothecate, allow use of, or encumber the Leased Premises or any part thereof, without City’s prior written approval, which may be granted or denied in City’s sole discretion. Any such transfer without said approval, whether voluntary or involuntary, will be void and will confer no right of occupancy upon said assignee or purchaser. Lessee will be entitled to retain any rents or fees collected from any sublessee or user of the Leased Premises provided such rents or fees are attributed to Lessee’s recovery of its operational costs and are not used for profit.

15.02 Assumption of Obligations. Any transfer or assignment of this Lease that is approved by City must include the agreement to perform all of the obligations of the Lessee under this Lease and must retain the Lessee as a guarantor of the original obligation.

15.03 Non-Subordination. City’s interest in the Leased Premises and this Lease, as the same may be modified, amended or renewed, will not be subject or subordinate to: (i) any mortgage

now or hereafter placed upon Lessee's interest in this Lease; or (ii) any other liens, encumbrances, or other matters hereafter affecting Lessee's interest in this Lease.

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

SECTION 16 UNLAWFUL USE

16.01 No Unlawful Use. Lessee agrees no improvements may be erected, placed upon, operated or maintained on the Leased Premises, nor will business be conducted or operated thereon, in violation of the terms of this Lease, or any regulations, order or laws, statutes, bylaws or ordinances of any governmental body having jurisdiction there over.

16.02 Compliance with Applicable Zoning. Lessee agrees to meet all applicable zoning required to use the Leased Premises for the purposes stated in this Lease.

SECTION 17 DEFAULT; ABANDONMENT

17.01 Event of Default. The occurrence of any of the following constitutes an event of default ("Event of Default") hereunder:

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

B. Abandonment of the Leased Premises, as provided in Section 17.02.

C. Operation or maintenance of the Leased Premises in violation of law or any misuse of the Leased Premises.

D. The failure of Lessee to pay any installment of Rent or any other amount due from Lessee under this Lease, provided that Lessee does not cure such failure within fifteen (15) calendar days after delivery by City of a written notice of such failure.

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

F. The failure of Lessee to maintain all insurance coverage required by Section 9 (and any cure must cover any lapsed or uncovered period of time).

G. The failure of Lessee to perform any of its other obligations under this Lease, whether or not that failure is specifically identified as creating default in the language of this Lease, including the failure of Lessee to use the Leased Premises in accordance with this Lease, provided that Lessee does not cure such failure within thirty (30) calendar days after delivery by City of a written notice of such default; provided, however, if a cure of the default reasonably requires more than thirty (30) calendar days to complete and City agrees, then the time to cure will be extended so long as the cure is being diligently pursued.

17.02 Abandonment. If Lessee, prior to the expiration or other termination of this Lease, relinquishes possession of the Leased Premises without City's prior written consent, or fails to operate for a period of sixty (60) days, such occurrence will be deemed to be an abandonment of the Leased Premises and an event of default under this Lease.

17.03 Waiver. There will be no implied waivers. No express waiver by City of any breach or default by Lessee in the performance of its obligations under this Lease will be deemed to be a waiver of any subsequent default by Lessee in the performance of any such obligations, and no express waiver will affect an Event of Default (Section 17.01) in a manner other than as specified in the waiver. The consent or approval by City to or of any act by Lessee requiring City's consent or approval will not be deemed to waive or render unnecessary City's consent or approval to or for any subsequent similar acts by Lessee.

17.04 Remedies Not Exclusive. The specific remedies set forth in this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which City may be entitled to resort, either in law or in equity, in case of any breach of threatened breach of any provisions of this Lease.

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

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

SECTION 18 TERMINATION

18.01 Termination for Default. If an Event of Default occurs as defined in Section 17, City may at its election, without prejudice to any other rights and remedies available to City at law or in equity, terminate this Lease and the tenancy created thereby effective immediately following any required notice and cure period (as applicable). In such case, Lessee must surrender the Leased Premises to City pursuant to Section 20.

18.02 Transfer for Public Use. If during the Term, the Leased Premises, or any part thereof, is sold or exchanged for public, quasi-public or private purposes, Lessee will have no claim to, nor will Lessee be entitled to any portion of any sale proceeds, for damages or otherwise, with such rights and proceeds assigned to City. If all or part of the Leased Premises is sold or exchanged, City may terminate this Lease by providing a written notice to Lessee at least sixty (60) calendar days prior to the termination date.

18.03 Termination for Convenience. City may terminate this Lease for any reason or for no reason whatsoever upon not less than ninety (90) calendar days prior written notice to the Lessee; and such termination will be deemed to be the end of the Term. If so terminated, Lessee will not receive any compensation or other consideration from City.

18.04 City's Damages Relating to Termination. City will be entitled to recover from Lessee all damages incurred by City by reason of an Event of Default, which will include all of City's expenses in connection with any repossession or re-letting including, repossession costs, repairs, redecorating, refurbishments or improvements to the Leased Premises, brokerage commissions, attorneys' fees, and legal expenses, which must be paid within ten (10) calendar days of invoice to Lessee for such costs. All amounts collected by City from sublessees in the Leased Premises during the Term will be credited against City's damages.

SECTION 19 REMEDIES

19.01 City's Remedies. In addition to any and all remedies available to City as a matter of law and those set forth in other provisions of this Lease, City will, subject to the cure period set forth in Section 17.01 (as applicable), have the immediate right upon Lessee's default in any term or condition of this Lease, to resort to any and all legal remedies or combination of remedies which City may desire to assert, including one or more of the following: (A) lock access to the Leased Premises and exclude Lessee there from; (B) retain or take possession of any property at the Leased Premises pursuant to City's statutory lien; (C) enter the Leased Premises and remove all persons and property there from; (D) declare this Lease at an end and terminated; (E) sue for the rent due and to become due under this Lease, and for any damages sustained by City; (F) collect, directly from any sublessee or assignee under Lessee all subrents and other charges payable by such sublessee or assignees, Lessee hereby assigning to City such subrents and other charges in the event that City declares a default by Lessee under this Lease; and (G) continue this Lease in effect and relet the Leased Premises on such terms and conditions as City may deem advisable with

Lessee remaining liable for the monthly rent plus the reasonable cost of obtaining possession of the Leased Premises and of any repairs and alterations necessary to prepare the Leased Premises for reletting, less the rentals received from such reletting, if any.

19.02 Vacating of the Leased Premises. Lessee must peaceably quit the Leased Premises upon written notification to Lessee of City's intent to reenter the Leased Premises and improvements placed thereon by Lessee. The various rights, elections, and remedies of City and Lessee contained in this Lease are cumulative, and no one of them will be construed as exclusive of any other or of any right, priority or remedy allowed or provided by law.

19.03 Election to Terminate. No action of City may be construed as an election to terminate this Lease unless written notice of such intention is given to Lessee. Lessee agrees to pay as additional rent all attorney's fees and other costs and expenses incurred by City in enforcing any of Lessee's obligations under this Lease. Any amount due from Lessee to City under this Lease which is not paid when due will bear interest at the highest rate allowed by Arizona law and is in effect on the date such amount is due, accruing from such date until paid.

19.04 Lessee Remedies. Lessee's sole and exclusive remedy for an uncured City Default will consist of and will be limited to a special action or other similar relief (whether characterized as mandamus, injunction, specific performance, or otherwise), requiring City to undertake and to fully and timely perform its obligations under this Lease, and Lessee hereby waives any and all right to recover actual, punitive, consequential, special, and any other type of damages whatsoever.

SECTION 20 SURRENDER OF LEASED PREMISES

20.01 Surrender of Premises; Normal Wear and Tear. Upon expiration, Event of Default by Lessee, or termination of this Lease by Lessee or City, Lessee's right to occupy the Leased Premises and exercise the privileges and rights granted under this Lease will cease, and Lessee must surrender the Leased Premises and leave the Leased Premises free of trash and debris, broom cleaned and in good condition, except for normal wear and tear except as otherwise provided for in this Lease. Should City so demand, within thirty (30) calendar days after receiving written notice from City, Lessee must commence the removal of all personal and permanent improvements from the Leased Premises and must complete said removal within thirty (30) calendar days. All trade fixtures, equipment, and other personal property installed or placed by Lessee in the Leased Premises which is not permanently affixed thereto will remain the property of Lessee, and Lessee may at any time during the Term, remove the same from the Leased Premises, provided that Lessee must repair, at its sole expense, any damage caused by such removal. Any property not removed by Lessee within thirty (30) calendar days after the expiration or termination of this Lease will become a part of the Leased Premises, and ownership thereof will vest in City. Lessee will, however, remain financially liable to City for the costs of repairs to the Leased Premises incurred as a result of City's removal or relocation of property formerly belonging to Lessee and not otherwise removed from the Leased Premises as provided herein, and must remit to City payment for such costs within thirty (30) calendar days of Lessee's receipt of City's invoice therefor.

20.02 Voluntary Surrender. Lessee must, on the last day of the Term, or upon any termination of this Lease, truly surrender and deliver the Leased Premises along with any fixtures (other than trade fixtures) and permanent improvements then located on the Leased Premises into the possession and use of City, without fraud or delay and in good order, condition, and repair, free and clear of all Lessee or other occupants, free and clear of all liens and encumbrances other than those existing on the effective date of this Lease, if any, and without any payment or allowance whatsoever by City.

SECTION 21 PARTIAL INVALIDITY

21.01 Partial Invalidity. If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof will remain in full force and effect and will in no way be affected, impaired, or invalidated thereby.

SECTION 21 SALE OF LEASED PREMISES AND ESTOPPEL CERTIFICATE

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

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

SECTION 22 HOLDING OVER

22.01 Holdover. In the event Lessee lawfully holds possession of the Leased Premises after the term herein created, then such holding over will be considered a tenancy from month to month and governed by the same conditions and covenants as contained in this Lease except that the amount of consideration outlined in Section 4.01 that Lessee must pay to City will be increased such that Lessee will pay City by the first of each month during the hold over tenancy a monthly rent of \$500.00. In the event Lessee holds over, Lessee will be liable for all of City's direct and consequential damages, which will include costs, fees, expenses, damages and attorneys' fees incurred by City as a result of Lessee's holding over, and damages and expenses incurred by City for its inability to deliver possession of the Leased Premises to a new lessee.

SECTION 23 CONDEMNATION

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

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

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

23.04 Notice of Condemnation. In the event any action is filed to condemn the Leased Premises or Lessee's leasehold estate or any part thereof by any public or quasi-public authority

under the power of eminent domain, either City or Lessee must give prompt notice thereof to the other Party. Each Party will have the right, at its own cost and expense, to represent its respective interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking and to make full proof of its claims. No agreement, settlement, conveyance, or transfer to or with the condemning authority affecting Lessee's leasehold interest may be made without the consent of Lessee, which will not be unreasonably withheld.

SECTION 24 GENERAL PROVISIONS

24.01 Notices. All notices given, or to be given, by either Party to the other, must be given in writing and must be addressed to the Parties at the addresses hereinafter set forth or at such other address as the Parties may hereafter designate. Notices and payments to City, and notices to Lessee will be deemed properly served when sent by certified or registered mail or hand delivered to the addresses stated below. Any notice will be deemed to have been received four (4) calendar days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered.

To "City":

City of Mesa
20 E. Main Street
P.O. Box 1466
Mesa, AZ 85211-1466
Attn: Real Estate
(480) 644-2577
LeasedPremisesManagement@mesaaz.gov

A copy of all notices to "City" must also be sent or delivered to:

City of Mesa Community Services
P.O. Box 1466
Mesa, AZ 85211-1466
Attn: Michelle Albanese,
Housing and Community Development Director
michelle.albanese@mesaaz.gov
(480) 644-4546

To "Lessee":

The A.R.M. of the Save the Family Foundation of Arizona
125 E University Drive
Mesa, AZ 85201
Attention: Robyn Julien
Email: Robyn.Julien@savethefamily.org
Phone number: 480-898-0228

24.02 Amendments. This Lease sets forth all of the agreements and understandings of the Parties and is not subject to modification except in writing, signed by the Parties.

24.03 Successors; Joint Liability. The covenants herein contained will, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all the Parties hereto; and all of the Parties hereto will be jointly and severally liable hereunder.

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

24.05 Independent Legal Relationship. Nothing contained in this Lease will create any partnership, joint venture, or other arrangement between City and Lessee. Except as expressly provided herein, no term or provision of this Lease is intended to or will be for the benefit of any person not a party hereto, and no such other person will have any right or cause of action hereunder.

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

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

24.08 Termination under A.R.S. § 38-511. This Lease is subject to termination under A.R.S. §38-511.

24.09 Binding Agreement. This Lease is the only agreement between the Parties hereto pertaining to the Leased Premises. It is understood that there are no oral agreements between the Parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the Parties hereto with respect to the subject matter hereof, and none will be used to interpret or construe this Lease.

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

24.11 Execution of Lease Documents. Lessee has full power and authority to execute, deliver and perform this Lease and the other documents to which it is a party and to enter into and

carry out the transactions contemplated by those documents. The execution, delivery and performance of this Lease and the other documents related to the Leased Premises do not, and will not, violate any provision of law applicable to Lessee or its organizational documents, and do not, and will not, conflict with or result in a default under any agreement or instrument to which Lessee is a party or by which it is bound.

24.12 Litigation. Lessee must notify City within fifteen (15) calendar days after the commencement of any action, suit, proceeding or arbitration against Lessee, or any material development in any action, suit, proceeding or arbitration pending against Lessee if such action, suit, proceeding or arbitration would materially and adversely affect the Leased Premises, the validity of this Lease, or the performance of Lessee's obligations under this Lease.

24.13 Authorizations and Approvals. Lessee must promptly obtain, from time to time at its own expense, and maintain all such governmental licenses, rights, authorizations, consents, permits and approvals as may be required to enable it to comply with its obligations hereunder, including all such approvals necessary to provide the services provided by Lessee outlined in Section 2.01.

24.14 Corporate Authorization. Lessee must provide a certified copy of a resolution of its corporate Directors authorizing Lessee to enter into this Lease to City within thirty (30) calendar days of execution of the effective date.

24.15 Governmental Capacity. Any approvals Lessee is required to obtain from City under this Lease are in addition to and separate from approvals Lessee must obtain from the City of Mesa in its governmental capacity, including applicable approvals required under City of Mesa Building Code or Zoning Ordinance. Notwithstanding anything in this Lease to the contrary, this Lease does not affect City of Mesa in its governmental capacity.

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

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

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

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

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

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

24.22 Memorandum of Lease. City and Lessee agree that at the request of either, each will execute a "Memorandum of Lease" in the form attached hereto as Exhibit "D" for recording in the Office of the County Recorder, Maricopa County, Arizona.

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

24.24 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, City and Lessee 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(8)(1), this Lease will automatically terminate at midnight on the thirtieth day after receiving such notice from the Attorney General, and upon such termination, the Parties will 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(8)(2), City may terminate this Lease, except if Lessee timely posts such bond, if required; and provided further, that if the Arizona Supreme Court determines

that this Lease violates any provision of state law or the Constitution of Arizona, City may terminate this Lease; and the Parties will have no further obligations hereunder.

24.25 Incorporation of Recitals & Exhibits. The recitals set forth herein are acknowledged by the Parties to be true and correct and incorporated herein by this reference, and the exhibits attached to this Lease are incorporated herein by this reference. The following exhibits are attached to this Lease:

Exhibit "A": Legal Description of the Leased Premises

Exhibit "B": Depiction of the Leased Premises

Exhibit "C": Personal Property of Lessee

Exhibit "D": Memorandum of Lease

24.26 Construction; Definitions. The terms and provisions of this Lease will be interpreted and construed in accordance with their usual and customary meanings. The Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Lease that ambiguous or conflicting terms or provisions contained in this Lease will be interpreted or construed against the Party who prepared or whose attorney prepared the executed Lease or any earlier draft of the same. The terms of this Lease have the meanings ascribed in this Lease, whether or not the term is capitalized, unless the context requires otherwise. Words in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The term "including" means "including but not limited to" or "including without limitation." The term "must" means a requirement or mandate. All references to laws or regulations mean such laws and regulations as amended or replaced.

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

24.28 Headings. The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only and will not be considered a part hereof.

Signatures appear on the following two (2) pages.

EXHIBIT "A" to Lease
Legal Description of Leased Premises

LEGAL DESCRIPTION: Lot 1209, NORTHPOINTE I, according to Book 268 of Maps, page 5 and Amendment to Plat Dedication recorded in Document No. 84-418905, records of Maricopa County, Arizona.

EXHIBIT "B" to Lease
Depiction of Leased Premises



The City of Mesa makes no claims concerning the accuracy of the data on this product nor assumes any liability from the use of the information herein. Copyright 1988, 2025 City of Mesa, Arizona.
NAD_1983_HARN_StatePlane_Arizona_Central_FIPS_0202_Feet_Int

EXHIBIT “C” to Lease
Personal Property of Lessee

The personal property owned by The A.R.M. of Save the Family Foundation of Arizona, Inc. includes a washing machine, a dryer, a refrigerator, and other major kitchen appliances that may be present such as an oven and stovetop. Other furnishings, kitchen supplies (such as dishes, cookware, and utensils), and small electronics are the ownership of the unit occupants.

EXHIBIT "D" to Lease
Memorandum of Lease

WHEN RECORDED RETURN TO:

City of Mesa
Real Estate Services
P. O. Box 1466
Mesa, Arizona 85211-1466

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MEMORANDUM OF LEASE

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This memorandum of lease constitutes constructive notice of record that there is in existence a government property improvements lease as generally described in this memorandum (the "Lease"). This memorandum is executed by the Landlord and the Tenant for recording purposes only as to the Lease, and it is not intended and shall not modify, amend, supersede, or otherwise effect the terms and provisions of said Lease. In the event of a conflict or ambiguity between anything contained in the Lease, and anything contained in this memorandum, the Lease will control and prevail. Capitalized terms in this memorandum of lease not defined herein have the meanings ascribed to them in the Lease.

1. Name of Document: City of Mesa Lease Agreement
2. Name of Landlord: City of Mesa, Arizona, an Arizona municipal corporation
(the "Landlord")
3. Name of Tenant: The A.R.M. of the Save the Family Foundation of Arizona,
an Arizona non-profit corporation (the "Tenant")
4. Address of Landlord: City of Mesa
20 E. Main Street
P.O. Box 1466
Mesa, AZ 85211-1466
Attn: Real Estate
5. Address of Tenant: _____

6. Date of Lease: _____
7. Lease Term: Commencing on the Commencement Date

and expiring two (2) years thereafter, at 11:59 P.M. on July 30, 2027, unless renewed as provided in the Lease.

8. Commencement Date: August 1, 2025
9. Title Transfer: Landlord will convey title to the Leased Premises at the end of the Term of the Lease, on the conditions set forth in the Lease.
10. Leased Premises: The real property legally described in Exhibit "A" attached hereto and made a part hereof, together with the government property improvements, and all other improvements, related rights, and appurtenances thereto.

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

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease on _____, 202__.

Signatures and acknowledgments are on the following two pages.

LANDLORD'S SIGNATURE PAGE

Landlord:

City of Mesa, Arizona, an Arizona municipal
corporation

By: _____

Name: _____

Its: _____

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

The foregoing was acknowledged before me this ____ day of _____, 20__, by
_____ the _____ of the CITY OF MESA, ARIZONA, an Arizona
municipal corporation, on behalf of the City.

Notary Public

My commission expires: _____

TENANT'S SIGNATURE PAGE

Tenant:

The A.R.M. of the Save the Family
Foundation of Arizona, an Arizona
non-profit corporation

By: _____

Name: _____

Its: _____

STATE OF _____)

) SS

COUNTY OF _____)

The foregoing was acknowledged before me this _____ day of _____, 20____, by
_____ the _____ of [TENANT COMPANY NAME] a [PROPERTY
ENTITY TYPE], on behalf of the Company.

Notary Public

My commission expires: _____

Exhibit "A" to Form of Memorandum of Lease
Legal Description of the Leased Premises

LEGAL DESCRIPTION: Lot 1209, NORTHPOINTE I, according to Book 268 of Maps, page 5 and Amendment to Plat Dedication recorded in Document No. 84-418905, records of Maricopa County, Arizona.