

LEASE

between

CITY OF PEORIA,
a municipal corporation,

as Landlord

AND

Jefferson House, LLC,
an Arizona limited liability company,

as Tenant

Date: _____, 20_____

LEASE

THIS LEASE (the “**Lease**”) is made and entered into as of this _____ day of _____, 20____ (the “**Effective Date**”), by and between CITY OF PEORIA, an Arizona municipal corporation (“**Landlord**”), and Jefferson House, LLC, an Arizona limited liability company (“**Tenant**”), collectively referred to as the “**Parties**” and individually as “**Party**.” The Parties agree as follows:

RECITALS:

- A. Landlord is the owner of certain real property located at 8308 and 8312 W. Jefferson Street, and 10440 North 83rd Avenue, in Peoria, Arizona 85345 (Assessor Parcel Numbers: APN 142-41-037, APN 142-41-035, and APN 142-41-036); and legally described on Exhibit “A” attached hereto, upon which are located certain improvements, (the “**Demised Premises**”).
- B. Landlord desires to lease the Demised Premises to Tenant and Tenant desires to lease the Demised Premises from Landlord on the terms set forth herein.
- C. Prior to the execution of this Lease, Tenant and Landlord entered into that certain Development Agreement dated _____, 2024 governing the Project, (together with any modifications, amendments, restatements, and supplements thereto, herein referred to as the “**Development Agreement**”), for the construction and operation of a sub-rental space for restaurant, retail, and event rental, and no other use on the Demised Premises (the “**Project**”).
- D. Tenant acknowledges that Landlord would not agree to lease the Demised Premises to Tenant but for Tenant’s expertise in restaurant concept development and Tenant’s commitment to be the sublessor of the Project pursuant to the terms of the Development Agreement and this Lease.
- E. Landlord, in accordance with Article I, Section 3(1) of the Peoria City Charter, is authorized to lease real property, and Landlord’s City Council has considered the lease terms authorized by this Lease, and the direct consideration Landlord will receive.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and representations contained herein, the Parties agree that Landlord leases to Tenant and Tenant leases from Landlord the Demised Premises according to the terms as follows:

1. BASIC LEASE TERMS.

(a)	Demised Premises	Approximately <u>12,500</u> sq. ft. improved space and 21,000 sq. ft. total area. City: Peoria County: Maricopa State: Arizona
(b)	Initial Lease Term	5 years (See <u>Section 3</u>)
(c)	Rent	(See <u>Section 4</u>)
(d)	Landlord's Notice Address: Rent Payments: Correspondence:	See <u>Section 22</u> <u>City of Peoria</u> <u>8401 West Monroe Street</u> <u>Peoria, AZ 85345</u> Attn: <u>City Manager</u> See <u>Section 22</u>
(e)	Tenant's Notice Address	See <u>Section 22</u>

2. DEFINITIONS. All capitalized terms not defined herein have the meaning given them in the in the Development Agreement. In the event of any conflict between the language in the body of this Lease and the Development Agreement, the Development Agreement will govern. In the event any term is not defined in the Development Agreement but is defined in this Lease, the term should have the meaning as defined in this Lease.

Permitted Use: The sole Permitted Use is as described in Recital C of Development Agreement.

Building: All structures currently existing on the Demised Premises or such future structures as may be constructed on the Demised Premises.

Improvements: The Building and all other improvements at any time hereafter erected or situated upon the Demised Premises during the Lease Term, and any and all renewals, replacements, additions and substitutions thereto.

Development Agreement: That certain Development Agreement executed by and between the Landlord and Tenant governing the Project, together with

any modifications, amendments, restatements, and supplements thereto.

3. LEASE TERM. This Lease shall commence (the “**Commencement Date**”) on the earlier of either (a) six (6) months after the date of the issuance of a certificate of occupancy for any portion of the Demised Premises or (b) the date that any portion of the Project opens for business to the public and shall continue until the 5th anniversary of the Commencement Date (the “**Expiration Date**”). The period between the Commencement Date and the Expiration Date shall be the “**Lease Term**”. At least six (6) months prior to the Expiration Date, Tenant must provide Landlord Notice of Tenant’s intent to either purchase the Demised Premises pursuant to Section 26 of this Lease, or to extend the Lease for an additional five (5) year term (the “**Second Term**”).

4. RENT.

4.1 Base Rent. From and after the Commencement Date, Tenant shall pay Landlord monthly rent (“**Base Rent**”) and the applicable taxes as follows:

- (a) Year 1: \$2,500.00 per month
- (b) Year 2: \$2,750.00 per month
- (c) Year 3: \$3,250.00 per month
- (d) Year 4: \$4,000.00 per month
- (e) Year 5: \$5,000.00 per month
- (f) If the Parties agree to extend the Lease for a Second Term, the Base Rent will be the market rate then existing as determined by an appraisal to be conducted prior to the Expiration Date of the First Term by an appraiser selected by the City in its sole discretion.

4.2 Net Lease; Additional Charges. This is an absolute net lease. Notwithstanding any language to the contract in this Lease or in the Development Agreement, as long as the City of Peoria shall remain the Landlord, it is the intention of the parties hereto that that Landlord shall receive the rents herein reserved and all sums which shall or may become payable hereunder by Tenant free from all taxes, charges, expenses, damages, and deductions of every kind or sort whatsoever and that Tenant shall and will and hereby expressly agrees to pay all such sums which, except for the execution and delivery of this Lease, would have been chargeable against the Demised Premises and payable by Landlord. Accordingly, all costs associated with the Demised Premises will pass to the Tenant including, but not limited to the cost of utilities, insurance, operating expenses, GPLET, maintenance and repairs, and all other sums owed by Tenant to Landlord or to any third parties by Tenant or Landlord on behalf of Tenant, together with every fine, penalty, interest and cost which may be added, and amounts that Tenant is required to pay or discharge pursuant to this Lease (the “**Additional Charges**”). All Additional Charges are in addition to the Base Rent, Base Rent and all Additional Charges shall collectively be referred to herein as “**Rent**”. All Rent due to Landlord shall be paid at the

address set forth in the Basic Lease Terms Section 1(d). Acceptance of any Rent by Landlord shall not be deemed a waiver of any default by Tenant of any term or condition of this Lease nor of any right or remedy available to Landlord under this Lease, at law or in equity. Nothing provided in this Section 4.2 shall be inconsistent with or alter Tenant's obligations as otherwise provided in this Lease with regard to any increase in taxes from those that would be owed as long as the City of Peoria remains the Landlord to those which would otherwise be owed if the City of Peoria transfers ownership of the real property included within the Demised Premises.

4.3 Taxes, Demised Premises Subject to GPLET. Tenant shall pay all taxes and assessments due on Tenant's personal property used or kept on the Demised Premises, and Tenant shall pay any taxes imposed by the governmental authority on rental payments. As required under A.R.S. §42- 6206, Tenant is hereby notified of its potential tax liability under the Government Property Lease Excise Tax ("GPLET") provisions of A.R.S. §§42-6201 through 42-6209, as now or hereafter amended. Tenant shall pay the GPLET pursuant to the rates specified in A.R.S. §§42-6203. Failure of Tenant to pay the GPLET after Notice and an opportunity to cure is a Default that could result in the termination of Tenant's interest in this Lease, the Purchase Option (defined below), and its right to occupy the Demised Premises. The Landlord will execute and record a memorandum of GPLET Lease for the Demised Premises in a form substantially similar to Exhibit "C", timely file an annual GPLET tax return form with the County Treasurer, and provide a copy of the return to Tenant.

4.4 Interest and Late Charges. If any payment of Rent is not received by Landlord by the tenth (10th) calendar day after the due date, or if any check from Tenant is dishonored, Tenant shall pay Landlord a late charge equal to five percent (5%) of the past due amount. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease, at law or in equity.

4.5 Utilities. Tenant shall pay before delinquency all charges and assessments for utility services provided to the Demised Premises, including, without limitation, electricity, gas, water, telephone, fiber, and television/cable/satellite service. If Landlord pays the cost of any utility service to the Demised Premises, Tenant shall reimburse Landlord such amount within thirty (30) days after the date of a notice or invoice from Landlord demanding the same. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service being provided to the Demised Premises and Tenant waives any and all claims Tenant may otherwise have against Landlord as a result of such failure or interruption. No such failure or interruption shall be deemed an eviction of Tenant, nor entitle Tenant to terminate this Lease, or discontinue or abate the payment of any Rent due hereunder.

5. USE, NUISANCE AND RESTRICTIONS.

5.1 Use and Possession of Demised Premises. During the Lease Term, Tenant shall continuously use and maintain the Demised Premises in good condition, free and clear of liens, subject to the terms and conditions of this Lease. Tenant's use of the Demised Premises shall be limited to the Permitted Use. Under no circumstances shall Tenant be permitted to develop any improvement including a building or similar structure on the Demised Premises without the prior written approval of Landlord.

5.2 Restricted Uses. Without enlarging or modifying the permitted use as set forth in Section 5.1, Tenant shall not commit, suffer nor allow any of the following to be done or conditions to exist on the Demised Premises, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole and absolute discretion: (i) any waste, loss, or damage to the Demised Premises; (ii) any public or private nuisance; (iii) placement of any debris, refuse, or trash on the Demised Premises; (iv) any subletting; or (v) any conduct or condition which, in Landlord's reasonable opinion, is illegal, obscene, or morally offensive but not otherwise expressly mentioned above.

6. OPERATING COVENANT. Tenant covenants and agrees that during the term of this Lease, it will continuously and without interruption, operate and conduct within the Demised Premises, the business which it is permitted to operate and conduct under the provisions of this Lease and the Development Agreement except on holidays, or while the Demised Premises are untenable by reason of fire or other casualty, other Force Majeure Event, or by any act of Landlord (the "**Operating Covenant**"). Tenant shall fully utilize the Demised Premises for its business and shall at all times during normal business hours keep and maintain upon the Demised Premises competent personnel and trade fixtures to service and supply the ordinary demands and requirements of its customers. If Tenant fails to comply with the Operating Covenant for more than thirty (30) continuous days, or any sixty (60) days total, within any period of twelve (12) consecutive months, such failure within said period shall be deemed to be a non-curable default and Landlord shall be entitled to immediate possession of the Demised Premises and the Purchase Option (defined below) shall terminate.

7. MAINTENANCE AND REPAIRS. Tenant shall, at its sole cost and expense, keep, maintain, repair, and replace the Demised Premises, and every part thereof, in good condition to a standard consistent with similar upscale restaurant developments in the City of Peoria and in compliance with all Applicable Laws. To the fullest extent allowed by law, Tenant shall be liable for and indemnify and hold harmless Landlord from all loss, damage, or injury to the Demised Premises and any property located on the Demised Premises resulting from Tenant's acts or omissions, including Tenant's negligence in making, or failure to make, any repairs or replacements required to be made by Tenant. Tenant expressly waives the right to make repairs at the expense of Landlord provided for in any laws now in effect or hereafter enacted.

8. CAPITAL IMPROVEMENTS. Should any improvement on the Demised Premises be damaged to such an extent that it cannot be repaired and therefore must be replaced, such replacement will be deemed a "**Capital Improvement**." In the event that Tenant fails to make any Capital Improvement as required under this Lease, Landlord may but shall not be obligated to make said replacement and the cost of same shall be amortized over the useful life of such Capital Improvement. The annual amortized amount applicable to each remaining year of the Lease Term shall be charged to Tenant as Additional Charges and paid together with annual Base Rent.

9. COMPLIANCE WITH LAWS. Tenant shall comply with any and all Laws. "**Laws**" means all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including, without limitation, Environmental Laws (as defined below), which now or at

any time hereafter may be applicable to the Demised Premises or any part thereof. Tenant shall promptly submit to Landlord copies of all documents and correspondence made by Tenant to any governmental authority, or given by any governmental authority or person to Tenant pursuant to any Laws.

10. CONDITION OF THE DEMISED PREMISES. Tenant represents to Landlord that Tenant has inspected the Demised Premises prior to the execution and delivery of this Lease and has found the same to be satisfactory for all purposes hereunder and **TENANT ACCEPTS THEM IN THEIR “AS IS,” “WHERE IS” CONDITION AND “WITH ALL FAULTS.” TENANT HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITION, USE, QUALITY, FITNESS, OR ADEQUACY OF THE DEMISED PREMISES AND THE PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

11. HAZARDOUS MATERIALS.

11.1 Tenant Covenant. Tenant covenants that Tenant and anyone acting by, through, or under Tenant, will not, through its acts or omissions, cause or permit any Hazardous Materials (as defined below) to be placed, held, located, Released (as defined below), or disposed of on, under or at the Demised Premises in violation of Environmental Laws (as defined below). Tenant shall indemnify, defend and hold Landlord harmless for, from, and against any and all claims, judgments, damages, penalties, fines, liabilities, losses, obligations, suits, costs, taxes, charges, and disbursements which arise during or after the Lease Term as a result of the presence, generation, Release (as defined below), use, storage, or discharge of any Hazardous Materials on the Demised Premises in violation of this Section. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, State, or local governmental agency or political subdivision because of Hazardous Materials caused or permitted by Tenant to be present in the soil or groundwater on, in, or under the Demised Premises. The indemnity, hold harmless and other obligations of Tenant under this Section shall survive the termination or expiration of this Lease and the Development Agreement. The term “**Hazardous Materials**” shall mean any substance or material that is defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “acutely hazardous wastes,” “restricted hazardous waste,” “toxic substances,” or “known to cause cancer or reproductive toxicity” (or words of similar import), petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, State or local law, ordinance, regulation, order, permit, license, decree, common law, or treaty now or hereafter in force regulating, relating to, or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment or natural resources (“**Environmental Laws**”). “**Release**” means any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, presence, dumping, migrating on or from the Demised Premises or adjacent property, or disposing of Hazardous Materials or Poisons into the environment.

11.2 Release of Hazardous Materials. In the event of a Release of Hazardous Materials in violation of any Environmental Law, **Tenant must immediately Notice Landlord of any such discovery.** If a Release of Hazardous Materials results from the actions or omissions of Tenant, Tenant shall, at its sole cost and expense, comply with all Environmental Laws to remedy the situation, including, without limitation, promptly conducting a site assessment, taking immediate action required for containment of the Release, and preparing and implementing a plan for the clean-up of the Release. Tenant shall properly dispose of any Hazardous Materials by licensed haulers to licensed facilities in accordance with Environmental Laws. Tenant's obligations under this Section shall survive the expiration or termination of this Lease and the Development Agreement.

12. ALTERATIONS. Tenant shall not make any additions, alterations, or improvements, or erect any structures, buildings, fences, or other improvements, permanent or temporary, to the Demised Premises without first obtaining the prior written approval of Landlord.

13. LIENS. Tenant shall not do any act or make any contract so as to encumber or affect in any manner the title or rights of Landlord in the Demised Premises. Tenant shall have no authority to do any act or make any contract which may create or be the basis for any lien, mortgage, or other encumbrance upon any interest of Landlord in the Demised Premises. Should Tenant cause any construction, alterations, rebuilding, restorations, replacements, changes, additions, improvements, or repairs to be made on the Demised Premises, or cause any labor to be performed or material to be furnished thereon, therein or thereto, neither Landlord nor the real property included within the Demised Premises shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished to the Demised Premises, and Tenant shall be solely and wholly responsible to contractors, laborers, and materialmen performing such labor and furnishing such material.

Tenant shall keep the Demised Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. If, because of any error, act, or omission (or alleged error, act, or omission) of either Tenant or Landlord, any mechanics', materialmen's, or other liens, charge, or order for the payment of money shall be filed or recorded against the real property included within the Demised Premises or against Landlord (whether or not such lien, charge, or order is valid or enforceable as such), Tenant shall, at its own expense, either cause the same to be discharged of record pursuant to A.R.S. § 33-1004, or otherwise cause such discharge, within thirty (30) days after Notice requesting such discharge. Tenant hereby indemnifies, holds harmless and agrees to defend Landlord for, from, and against any and all liability, loss, damage, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished to or for Tenant or persons claiming under Tenant. If Tenant shall be in default in paying any charge for which a bond or other lien claim has been filed and shall not have given Landlord security to protect the Demised Premises and Landlord, then Landlord may, but shall not be obligated to, pay the claim. The total amount of the claim together with any costs and attorneys' fees incurred by Landlord in connection therewith, shall be immediately due and owing from Tenant to Landlord, as Additional Charges.

14. SURRENDER. Tenant shall, upon the Expiration Date or earlier termination of this Lease, peacefully surrender the Demised Premises to Landlord. Tenant agrees that any

improvements remaining on the Demised Premises after the expiration of the Lease Term or the earlier termination of this Lease shall be the property of Landlord.

15. INDEMNIFICATION.

15.1 Indemnification. Tenant hereby releases, indemnifies, holds harmless, and agrees to defend Landlord for, from, and against any and all claims, causes of action, damages (including, without limitation, all foreseeable and unforeseeable consequential damages, injunction and other relief), fines, judgments, penalties, costs, liabilities, losses, or expenses (including, without limitation, engineers' and consultants' costs, attorneys' fees and reasonable investigative and discovery costs) arising prior to, during, or after the Lease Term on account of or in connection with, or directly or indirectly related to: (i) the acts or omissions of Tenant or Tenant's licensees, invitees, agents or contractors; (ii) Tenant's use and occupancy of the Demised Premises, or any work or activity allowed or permitted by Tenant to be done in, on or about the Demised Premises; (iii) the violation of any Laws by Tenant or Tenant's agents, licensees, invitees, or contractors; and (iv) any breach of the representations, warranties and obligations of Tenant contained in this Lease. Tenant's obligations with respect to indemnification hereunder shall remain effective, notwithstanding the expiration or earlier termination of this Lease, as to events occurring or claims arising or accruing prior to the expiration or earlier termination of this Lease. Tenant does not indemnify Landlord against any injury, loss of life, or damage which is caused by the sole gross negligence or willful misconduct of Landlord, its agents, servants, employees, or contractors.

15.2 Release. Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Demised Premises from any cause whatsoever, and hereby releases, remises, acquits, and discharges Landlord from any such damage or injury on behalf of Tenant, and Tenant's agents and contractors. Tenant waives and releases all claims against Landlord for which Landlord has disclaimed liability or responsibility pursuant to the provisions of this Lease. In addition, Landlord shall not be liable for any loss, injury, death, or damage (including any consequential damage) to persons, property, or Tenant's business resulting from any theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition, order of governmental body or authority, fire, explosion, collapse of a structure, falling object, steam, water, rain, snow, ice, breakage, leakage, obstruction, or other defects in, on or about the Demised Premises excepting any injury, loss of life, or damage which is caused by the gross negligence or willful misconduct of Landlord, its agents, servants or employees.

16. TENANT INSURANCE. Tenant shall at all times, throughout the Lease Term, keep the Demised Premises insured against perils. Tenant shall ensure that all insurance policies in effect for the Demised Premises name the City of Peoria as an additional insured.

16.1 The insurance policies required by this Section shall be written by insurance companies with an A.M. Best's Key Rating Guide of A- [minus] or better, authorized to do business in the State of Arizona, and shall be written on an occurrence basis or in a form satisfactory to Landlord. As often as any such policy shall expire or otherwise terminate, renewal or additional policies must be procured and maintained by Tenant and its contractors so as to provide uninterrupted coverage. Tenant agrees and shall cause its contractors to agree to

provide Landlord with certified copies of all insurance policies providing coverage for the Demised Premises upon Landlord's request.

16.2 Tenant, during the entire Lease Term, shall provide, secure, pay for and maintain the following insurance coverage, indemnification and waivers as set forth in subsections (a) through (f) (inclusive) immediately below:

- (a) At all times during the Lease Term, "all-risk" property insurance, for damage or other loss caused by fire or other casualty or cause including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting of pipes, explosion, in an amount not less than one hundred percent (100%) of the replacement cost covering (i) all buildings and improvements, including tenant improvements on the property; and (ii) any trade fixtures, equipment, and other personal property from time to time situated in or on the Demised Premises. Such policy shall name the Landlord as loss payee and the proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.
- (b) Statutory workers' compensation insurance, in an amount required by the State of Arizona and any and all applicable insurance required by any employee benefit acts or other statutes as will protect Tenant's employees from any and all liability under the aforementioned acts and statutes for work performed at the Demised Premises, and employer's liability in the amount of \$1,000,000
- (c) Commercial general liability insurance in an amount not less than \$2,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate, including but not limited to coverage for explosion, collapse, and underground work as well as contractual liability coverage and including Landlord as an additional insured on a primary non-contributory basis with respect to any other insurance available to Landlord. If the permitted use permits the sale of alcoholic beverages on the Demised Premises, then during any period that Tenant offers alcoholic beverages for sale on the Demised Premises, Tenant shall obtain a liquor liability endorsement to said commercial general liability policy in an amount not less than \$2,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate.
- (d) Tenant (including also anyone holding under Tenant and any and all subtenants and other occupants of the Demised Premises), as the case may be, shall: (i) provide waivers of liability in favor of Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees releasing the same from any and all liability for any and all bodily injury, personal injury and loss of or damage to property (including also any and all loss of use resulting therefrom); (ii) require any and all insurers for the Demised Premises to name the Landlord, its agents, representatives, officers, directors, elected and appointed

officials, and employees as Additional Insureds in all insurance policies required under this Section; and, (iii) require that Tenant (including also anyone holding under Tenant and any and all sub-tenants and other occupants of the Demised Premises) and all insurers providing policies of insurance under this Section waive their rights of subrogation against Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees.

The above-referenced waivers of liability and subrogation shall not apply to Landlord's grossly negligent or intentional acts but said waivers of liability and subrogation shall be applicable to any negligence imputed to Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees by operation of law as a result of the action or non-action of Tenant (including anyone holding under Tenant and any and all sub-tenants and other occupants of the Demised Premises) and their respective insurers for work performed on, or services provided to, the Demised Premises).

- (e) To the extent available at reasonable commercial cost, Tenant shall maintain Errors & Omissions coverage for the managers of Tenant in an amount not less than \$2,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate.
- (f) Should Tenant utilize any steam or pressure boilers, or other similar apparatus on the Demised Premises, Tenant shall maintain boiler and machinery coverage, to include explosion insurance, with respect to any steam or pressure boilers and similar apparatus located on the Demised Premises in an amount not less than \$2,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate and insurance against such other hazards and in such amounts as Landlord may reasonably require for its protection.

16.3 During the entire Lease Term, Tenant shall require any and all contractors performing work or services to or on the Demised Premises with Tenant's consent or approval, to provide, secure, pay for, and maintain the following insurance coverage, indemnification, and waivers as set forth in subsections (a) through (g) (inclusive) immediately below.

- (a) Statutory workers' compensation insurance, with limits of not less than \$100,000.00 on an occurrence basis, employer's liability coverage in an amount of not less than \$1,000,000, and any and all insurance required by any employee benefit act or other statutes applicable where the work is to be performed as will protect Tenant's employees, contractors and subcontractors from any and all liability under the aforementioned acts and statutes.
- (b) Commercial general liability insurance in an amount not less than \$3,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate, including but not limited to coverage for explosion, collapse, and underground work as well as contractual liability coverage and including Landlord as an additional insured on a primary non-contributory basis with respect to any other insurance available to Landlord.

- (c) Builder's risk property insurance policy covering all risks in completed value form for all sites upon which construction is occurring. Such policy shall cover the total value of the work performed, as well as the value of any equipment, supplies, and/or material for the project that may be in storage (on or off the site) or in transit. The policy shall cover the cost of removing debris, including demolition as may be legally necessary by the operation of any law, ordinance, or regulation, and for loss or damage to any owned, borrowed, leased, or rented capital equipment, tools, including tools of their agents and employees, staging towers and forms, and property of the City held in their care, custody and/or control. Such policy shall name the City as additional insureds.
- (d) Comprehensive automobile liability insurance, including coverage for the ownership, maintenance, and operation of any automobile equipment owned, hired, or non-owned, which is assigned to or used by the contractors in the performance of work on, or services provided to, the Demised Premises, in an amount not less than \$1,000,000.00 combined single limit per accident.
- (e) Either of the following: (i) owner's and contractor's protective liability insurance with limits of not less than \$1,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate as will insure Landlord as named insured against any and all claims for bodily injury, including death resulting therefrom, personal injury or damage to the property of others, arising from or in any way connected to Tenant's contractors' performance of work on, or services provided to, the Demised Premises or (ii) in lieu of the foregoing owner's and contractor's protective liability insurance specified in this Subsection 16.3 (e), an endorsement to the commercial general liability insurance specified in Subsection 16.3(b) above of this paragraph providing for a separate general aggregate limit of insurance of not less than \$5,000,000.00 on an occurrence basis.
- (f) Tenant shall cause the above-referenced contractors and sub-contractors (and their respective insurers) to: (i) provide waivers of liability in favor of Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees releasing and holding harmless the same from any and all liability for any and all bodily injury, including death resulting therefrom, personal injury, and loss of or damage to property (including also any and all loss of use resulting therefrom); (ii) require the above-referenced contractors and sub-contractors to name the Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees as additional insureds in all insurance policies required under this Section 16; and (iii) require that the contractors, sub-contractors and all insurers providing policies of insurance under this Section 16 waive their rights of subrogation against Landlord, its agents, representatives, officers, directors, elected and appointed officials, and employees.

The above-referenced waivers of liability and subrogation shall not apply to Landlord's grossly negligent or intentional acts but shall be applicable to any negligence imputed to Landlord, its agents, representatives, officers, directors,

elected officials and employees by operation of law as a result of the action or non-action of Tenant's contractors or sub-contractors and their respective insurers for work performed on, or services provided to, the Demised Premises.

- (g) Tenant's contractors and sub-contractors performing work on, or providing services to, the Demised Premises shall maintain Errors & Omissions coverage in an amount not less than \$2,000,000.00 combined single limit per occurrence and not less than \$5,000,000.00 general aggregate.

16.4 At Tenant's election, the insurance required by Section 16 may be provided under a blanket policy subject to Landlord's written approval.

16.5 Certificates of insurance evidencing all of the coverages required in this Section 16 shall be delivered to Landlord prior to the Commencement Date and renewal certificates of insurance shall be delivered to Landlord at least thirty (30) days prior to the expiration dates of the respective policies. Such certificates shall also provide that Landlord will receive written notice at least ten (10) days prior to any cancellation, non-renewal, or reduction in coverage. Landlord reserves the right to require Tenant to furnish proof, satisfactory to Landlord, that any and all insurance policies for the Demised Premises remain in full force and effect.

16.6 Tenant further covenants and agrees to increase the required insurance hereunder to such additional commercially reasonable and available amounts as Landlord may from time to time require.

16.7 In the event of loss or destruction under any such policy or policies, Tenant shall promptly proceed with the repair and restoration of the damaged or destroyed Improvements in accordance with and subject to the provisions of this Lease. The insurance proceeds shall, be paid to Tenant and thereafter held in trust by a bank or title company designated by Landlord and approved by Tenant (the "Escrowee"), to be paid out upon architect's certificates and contractors', subcontractors' and materialmen's waivers of lien for the cost and expense of repairing or restoring the Improvements damaged or destroyed; provided, however, that in the event that such insurance proceeds shall be insufficient to pay fully the cost of completion of such repair or restoration, Tenant shall have deposited with the Escrowee the balance of such costs before any such repair and restoration are commenced so that it shall appear to the satisfaction of Landlord that the amount of insurance money in the hands of said Escrowee shall at all times be sufficient to pay for the completion of said repairs or restoration free and clear of liens. Upon the completion of said repair or restoration, free and clear of all liens, any surplus of insurance monies shall be paid to Tenant, provided that Tenant is not then in Default under this Lease or the Development Agreement. In the event that this Lease shall have been terminated for any Default of Tenant under any of the terms and provisions contained in this Lease, all insurance proceeds in the hands of said Escrowee, and all claims against insurers shall be and become the absolute property of Landlord.

16.8 In the event of a sublease, Tenant shall ensure and provide certification to Landlord that all subtenants obtain and maintain for the duration of any sublease, insurance coverage that meets the requirements of this Section 16.

17. EARLY TERMINATION. This Lease shall terminate on the first to occur of (a) the Expiration Date; or (b) completion of Tenant's purchase of the Demised Premises in accordance with Section 26.

18. ASSIGNMENT AND SUBLETTING.

18.1 Transfers Require Landlord Consent. Neither Tenant nor any Subtenant of Tenant, directly or indirectly, voluntarily or by operation of law, shall sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Demised Premises or Tenant's leasehold estate hereunder (each such act is referred to as an "**Assignment**"). Except as expressly permitted herein, the indirect or direct transfer of the majority of the stock of a corporate tenant or the majority partnership interest of a partnership tenant or the majority of the membership interest of a limited liability company tenant is an Assignment.

18.2 Tenant may sublet portions of the Demised Premises in accordance with the Permitted Use (each such act is referred to as a "**Sublease**" and each lessee of Tenant is referred to as a "**Subtenant**"), only after obtaining Landlord's prior written consent on a for substantially similar to Exhibit "E". Any Assignment or Sublease that is not in compliance with this Section 18 will be void and not voidable. The acceptance of rental payments by Landlord from a proposed Subtenant, or occupant of the Demised Premises does not constitute consent to such Assignment or Sublease by Landlord. In no event may Jefferson sublease any portion of the Demised Premises for use as a restaurant serving barbeque meat in the Central Texas style (defined below). "**Central Texas**" style barbeque is a variant of American barbeque cuisine characterized by meat that is minimally seasoned before being slow cooked over indirect heat from a burning wood source and focusing on the flavor of the prepared meat, rather than any sauces or additives, but may include sauce in the preference of the consumer.

18.3 Tenant's Request for Landlord Consent. Any Notice by Tenant for Landlord's consent to an Assignment or Sublease ("**Sublease Request**") must be in writing and include without limitation:

- (a) The identity of the proposed Subtenant, or occupant;
- (b) The nature of the proposed Subtenant's, or occupant's business to be carried on in the Demised Premises;
- (c) A list of current Subtenants, vacancies, and a breakdown indicating the number of Subtenant's and each Subtenant's role in the Permitted Use;
- (d) An avowal from the potential subtenant that said subtenant will not serve Central Texas style barbeque on the Property.
- (e) A complete copy of the proposed Sublease agreement which shall represent the full agreement between the Tenant and said Subtenant in relation to the Demised Premises; and
- (f) Such financial and other information as Landlord may request concerning the proposed Subtenant.

Landlord may grant or deny consent to any Sublease or Subtenant in Landlord's sole discretion. Within thirty (30) days of each Sublease Request, Landlord shall Notice Tenant of Landlord's decision or request additional information from Tenant. If Landlord denies consent for a Sublease or Subtenant, Tenant shall not again submit a Tenant's Sublease Request on said Sublease or Subtenant without written approval from Landlord. If Landlord does not Notice Tenant of Landlord's decision within thirty (30) days of a Sublease Request, such request shall be deemed denied by Landlord.

18.4 Subtenant Criteria Landlord may deny consent to any Subtenant or Sublease for any reason, including without limitation:

(a) Tenant is in default of this Lease at the time of requesting Landlord's consent or as of the effective date of the proposed Sublease;

(b) The proposed Subtenant was a current tenant or occupant of the Old Town Peoria PAD during the previous six (6) month period;

(c) The proposed Subtenant has not established to the satisfaction of Landlord that said Subtenant is a reputable person or entity of good character and with sufficient financial to conduct the endeavor proposed involved;

(d) The aggregate rent to be paid by the proposed Subtenant is less than the current market rent for similar space in the Old Town PAD;

(e) The proposed Subtenant fails to deposit with Tenant such security as Landlord may reasonably request based on the financial worth and business experience of the proposed Subtenant;

(f) Landlord determines that the proposed Subtenant has insufficient business experience to operate a business of the type proposed for a Permitted Use under this Lease or to a level of quality satisfactory to Landlord; and

(g) Landlord determines that the proposed Sublease would conflict with the primary use of any tenant or business within the Old Town PAD.

18.5 Right of Recapture. In lieu of granting or denying consent to any proposed Sublease, Landlord may choose to terminate this Lease with respect to any such portion of the Demised Premises that is being sublet, as of the proposed effective date of such Sublease. If Landlord exercises such termination right, Landlord may thereafter lease the Demised Premises or any portion thereof to the proposed Subtenant without any liability to Tenant. If Landlord terminates this Lease as to only a portion of the Demised Premises, then (a) the Rent and Purchase Options will be adjusted in proportion to the area of the Demised Premises affected by such partial termination; (b) Tenant shall reimburse Landlord, as Additional Rent, for the cost of installing a barrier between the recaptured space and the remaining Demised Premises; and (c) Landlord and Tenant shall enter into an amendment to this Lease evidencing such space reduction and said changes.

18.6 Profits. Tenant shall pay to Landlord, as Additional Rent, thirty percent (30%) of the excess payable by such Subtenant above the Rent due and payable under this Lease in connection with any Sublease. Such Additional Rent will be paid to Landlord as and when payable by the Subtenant to Tenant.

18.7 Tenant's Liability. Notwithstanding any language herein, in any Sublease, or any other agreement between Landlord and Tenant, Tenant will continue to be liable for all obligations of Tenant under this Lease. Landlord's consent to any Sublease will not relieve Tenant or any successor of Tenant from any obligation including without limitation Tenant's obligation to obtain Landlord's express written consent to any other Sublease. A Sublease is not valid or effective unless Tenant delivers to Landlord a fully executed counterpart of the Sublease and an instrument that contains a covenant of assumption by the Subtenant, in a substance and form approved in writing by Landlord.

19. DEFAULT BY TENANT.

19.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and material breach of this Lease by Tenant: (a) failing to pay any Rent or any other Additional Charges when due and such failure continues for ten (10) days following receipt of Notice of such failure from Landlord to Tenant; (b) failing to abide by the use restrictions set forth in Section 5; (c) failing to promptly and fully perform any other covenant, condition, or agreement contained in this Lease should such failure continue for thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, Tenant shall have an additional sixty (60) days to cure if the failure to perform is such that it cannot reasonably be cured within thirty (30) days and Tenant commences to cure within said 30-day period and diligently pursues such cure to completion; (d) permitting Tenant's assets to be placed in the hands of a receiver or trustee for a period in excess of thirty (30) days; making an assignment for the benefit of creditors; instituting any proceedings under any bankruptcy act wherein Tenant seeks to be adjudicated a bankrupt, to be discharged of its debts, or to effect a plan of liquidation, extension or reorganization; failing to have dismissed within sixty (60) days any involuntary proceeding filed against Tenant under any bankruptcy act; becoming insolvent; or failing to have dismissed within thirty (30) days any proceedings seeking to execute or levy against or attach fifty percent (50%) or more of Tenant's assets; or (e) causing or permitting to be caused a violation of any Laws. Any notice provided above shall be in lieu of and not in addition to any notice required by any Laws, except as otherwise not permitted by the Laws of the State.

19.2 If in any one period of twelve (12) consecutive months, Tenant shall have failed to timely pay Rent or any Additional Charges herein more than three (3) times and Landlord, because of such defaults, shall provide Tenant within said twelve (12) month period three (3) or more Notices, then the fourth such failure within said period shall be deemed to be a non-curable default and Landlord shall be entitled to immediate possession of the Demised Premises and the Purchase Option (defined below) shall terminate.

19.3 In the event of Tenant's default hereunder, Landlord may: (i) perform such obligations on behalf of Tenant, whereupon Tenant shall reimburse Landlord for the costs incurred as Additional Charges within ten (10) days after demand except as otherwise provided

with respect to Capital Improvements; (ii) terminate this Lease and any related options with Notice to Tenant; and/or (iii) pursue any and all remedies available at law or in equity, including injunctive relief.

20. WAIVER OF NOTICE. Notwithstanding any other provision contained in this Lease relating to notice: (i) if Tenant is required to comply with any governmental regulation or order within a period less than that to which Tenant would otherwise be entitled to Notice hereunder, Tenant shall not be entitled to Notice from Landlord beyond the period within which such compliance may be required by such regulation or order; or (ii) if the Demised Premises requires emergency repairs which Tenant would otherwise be obligated to make under this Lease, but which Tenant is then unable or unwilling to make, Landlord may, without Notice, elect to make such repairs for the account and at the expense of Tenant. Any amount so paid shall be subject to reimbursement by Tenant as Additional Charges.

21. COSTS AND ATTORNEYS' FEES. In the event either Party brings or commences a Legal Proceeding to enforce any of the terms of this Lease, the Prevailing Party in such action shall have the right to recover reasonable attorneys' fees and all other associated costs from the other Party, to be fixed by the court in the same action. The term "**Legal Proceedings**" shall include appeals from a lower court judgment and bankruptcy proceedings. The "**Prevailing Party**" means the Party that substantially obtains the relief sought.

22. NOTICES. Notices hereunder (each, a "**Notice**") shall be in writing mailed by registered or certified mail, return receipt requested, postage prepaid, or by FedEx or other reliable overnight courier service that confirms delivery to the other Party or other applicable person or entity. With respect to the Parties, a Notice shall be addressed to a Party as follows:

To Landlord: Henry Darwin, City Manager
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

With a copy to: Emily Jurmu, City Attorney
City's Counsel: City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

To Tenant:

With a copy to:

Service of any Notice by mail in accordance with the foregoing shall be deemed to be complete three (3) Working Days (excluding Friday, Saturday, Sunday, and legal holidays) after the Notice is deposited in the United States mail. Service of any Notice by overnight courier in accordance with the foregoing shall be deemed to be complete upon receipt or refusal to receive.

23. RIGHT OF ENTRY. In addition to its rights otherwise provided in this Lease, Landlord reserves and shall at any and all reasonable times have the right to enter the Demised Premises to inspect the same, perform tests and studies, remediate Hazardous Materials, to submit the Demised Premises to prospective partners, purchasers, lenders, or Tenants, and to post notices of non-responsibility, all without abatement of Rent. Tenant, on behalf of itself and Tenant's Agents, hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Demised Premises, and any other loss occasioned by Landlord's entry as provided in this Section 23. Tenant shall permit Landlord to place upon the Demised Premises signs advertising the Demised Premises for sale or lease together with such promotional signage as Landlord may desire.

24. NO RECOURSE. Notwithstanding anything herein to the contrary, Tenant agrees that any claim against Landlord shall be limited to the real property and improvements located within or on the Demised Premises. Tenant hereby waives its rights to make any claim or demand against any other property or assets of Landlord unrelated to the Demised Premises.

25. RESERVED.

26. OPTION TO PURCHASE. Provided Tenant is not then in default under the Development Agreement or this Lease, Landlord hereby grants to Tenant a non-transferable option to purchase the Demised Premises ("**Purchase Option**"), according to the terms and conditions hereinafter set forth.

26.1 Option Period. The Purchase Option granted herein shall become effective upon the Commencement Date, and Tenant shall have the right to exercise the Purchase Option hereunder by delivering Notice of exercise (the "**Option Notice**") to Landlord at any time prior to the expiration of the Initial Lease Term or prior to any other termination of this Lease ("**Option Period**"). The Option Notice shall set forth a date for conveyance of the Demised Premises pursuant to the Option (the "**Closing**"), which date shall be no later than the last day of the Initial Lease Term. The Purchase Option will terminate upon the earlier of the expiration of the Initial Lease Term or any other termination of this Lease. In no event will the Purchase Option extend beyond the Initial Lease Term.

26.2 Purchase Price. The "**Purchase Price**" for the Demised Premises shall be the then current fair market value as determined by an appraiser mutually agreed to by the Parties, at Tenant's expense (the "**Appraisal**"). Upon completion of the Appraisal, the Parties shall promptly review the Appraisal and advise within thirty (30) days whether the proposed Purchase Price is acceptable, with such approval not to be unreasonably withheld, conditioned, or delayed. If the Parties mutually agree, the appraised value shall be the Purchase Price. If either Party objects to the price determined by the Appraisal, by providing Notice within thirty (30) days, the Parties shall meet and confer within ten (10) days following said Notice in an effort to agree on the Purchase Price. If the Parties are unable to agree on the Purchase Price within thirty (30) days following said Notice, then the Purchase Price, shall be determined by a single appraiser who is a member of the American Institute of Real Estate Appraisers (or if it shall not then be in existence, a member of the most nearly comparable organization) who is licensed by the State of Arizona and has a minimum of five (5) years experience in the Phoenix Metropolitan Area, and who is not affiliated with either Party. If the Parties are unable to agree

on a single appraiser within forty-five (45) days following issuance of said Notice, either Party may request that the presiding judge of the Maricopa County Superior Court select an appraiser having the qualifications set forth above. The appraiser shall then have thirty (30) days following selection to notify the Parties in writing of its determination of the Purchase Price. Neither Party shall have any ex parte communication with the appraiser, but each Party may submit to the appraiser no later than ten (10) days following his/her selection a memorandum supporting such Party's opinion as to the fair market value of the Demised Premises. This appraiser's determination of the Purchase Price shall then be binding on both Parties as the Purchase Price and each Party shall pay one-half (1/2) of this appraiser's fee. Once the Purchase Price has been determined, Parties will proceed to effect the transaction in a way that is consistent with the custom of local commercial real estate transactions, and upon forms mutually agreed to, such agreement is not to be unreasonably withheld, conditioned, or delayed, and in accordance with the purchase provisions described in Exhibit "B".

26.3 Conveyance of Title and Delivery of Possession. Landlord and Tenant agree to perform all acts and execute all documents necessary for conveyance in sufficient time for the Demised Premises and Improvements thereon (including all of Landlord's interest in this Lease) to be conveyed to Tenant, within ninety (90) days after delivery of the Option Notice, but in no event later than the expiration of the Term. Landlord's entire interest in the shall be conveyed by special warranty deed, in the form attached hereto as Exhibit "D" (the "**Special Warranty Deed**"). Upon delivery of the Special Warranty Deed by Landlord to Tenant, this Lease shall terminate. The Parties shall thereafter execute and deliver one to the other any and all necessary documents to evidence the termination of the Lease. The Demised Premises shall be conveyed in an "as is" condition, with no warranty, express or implied, by Landlord as to the physical condition of the soil, its geology, the condition of the improvements, or the presence of faults, Hazardous Substances, or other substances known or unknown to Landlord. All expenses in connection with conveyance of the Demised Premises to Tenant, including, but not limited to, title insurance, recordation, notary fees and all other closing costs, shall be paid by Tenant. Possession shall be delivered to Tenant concurrently with the conveyance of title.

26.4 Assignment. Tenant may not sell, assign, convey, or transfer the Purchase Option. Any sale, assignment, conveyance, or transfer of this option made, attempted, or suffered, by operation of law or otherwise, without prior written consent of the Landlord, shall render the Purchase Option and all related rights terminated and of no further force or effect.

27. CONVEYANCE BY LANDLORD - Should the Lease be extended after the Purchase Option has expired, and in the event that Landlord thereafter intends to list or market for sale, or otherwise intends to sell, convey, or dispose of the Demised Premises, Landlord shall have the Demised Property appraised and provide Tenant Notice of such intent and the appraisal value ("**Notice of Sale**"). Tenant shall have first right to purchase the Demised Premises at the appraised value subject to any other terms and conditions the Landlord determines in its sole discretion. Should Tenant then elect to purchase the Demise Premises pursuant to this Section 27, Tenant must provide Notice of Tenant's election (the "**Purchase Notice**") within ninety (90) days of the Notice of Sale (the "**Refusal Period**"). If after Landlord has delivered the Purchase Notice, Tenant Notifies Landlord during the Refuals Period that Tenant elects not to purchase the Demised Premises or Tenant fails to provide a Purchase Notice within the Refusal Period, then upon the expiration of the Refusal Period, any and all obligations to offer the Demised Premises

to Tenant under this Lease shall terminate and will no longer be of any force or effect. Thereafter, Landlord may solicit and accept any offer to purchase or otherwise transfer, sell, convey, or dispose of the Demised Premises in any manner and upon any terms whatsoever and upon said transfer, sale, conveyance, or disposal, Landlord shall thereupon be released from all liabilities and obligations imposed upon Landlord under this Lease, except those specifically stated to survive such transfer, whereafter such liabilities and obligations shall be binding solely on the new owner of the Demised Premises (the “**Successor Owner**”), the Successor Owner shall be deemed to have assumed Landlord's remaining obligations under this Lease. If Tenant does not proceed to purchase the Demised Premises, and Landlord proceeds to transfer, sell, convey, or dispose of the Demised Premises to a Successor Owner, Tenant may, within ninety (90) days after said transfer of ownership, provide written notice to the Successor Owner of Tenant's intent to terminate this Lease. In such event, Tenant shall have twelve (12) months from the date of said written notice to vacate the Demise Premises and terminate this Lease. During said twelve (12) month period, all other terms and conditions of this Lease shall remain in effect and be binding on the Successor Owner.

28. MISCELLANEOUS PROVISIONS.

28.1 Remedies Not Exclusive; No Waiver. The various rights and remedies herein contained shall not be considered as exclusive of any other right or remedy of such Party but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission to exercise any right or remedy by either Party shall impair any such right, power, or remedy or be construed as a waiver of any default or nonperformance. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver. The waiver by Landlord of a breach of any term, covenant, or condition contained in this Lease shall not be treated as a continuing waiver of such term, covenant, or condition, or as a waiver of any future breach of the same.

28.2 Severability. If any term or provision of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision or persons or circumstances other than those to which it is invalid and unenforceable, shall not be affected thereby, and such term or provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

28.3 Integration; Amendment in Writing. This Lease is and shall be considered to be the only agreement or understanding between the Parties with respect to the subject matter hereof. All negotiations and oral agreements acceptable to both Parties have been incorporated herein. It may not be amended or modified by any act or conduct of the Parties or by oral agreement unless reduced to writing and executed by the Parties.

28.4 Successors and Assigns. Subject to the provisions hereof with respect to assignment, all of the rights and obligations of the Parties under this Lease shall be binding upon and inure to the benefit of the respective heirs, executors, and permitted successors and assigns of Landlord and Tenant.

28.5 Choice of Law. This Lease shall be governed by the internal laws of the State of Arizona without regard to choice of law rules.

28.6 Venue & Jurisdiction. Legal actions regarding and related to this Lease shall be instituted in the Superior Court of the County of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona sitting in Maricopa County. City and Tenant agree to the exclusive jurisdiction of such courts. Claims by Tenant shall comply with time periods and all other requirements of City's claims procedures from time to time.

28.7 Waiver of Jury Trial. The Parties expressly waive trial by jury in any action, proceeding, or counterclaim brought by either of them against the other, on any matter whatsoever arising out of or any way connected with this Lease or their relationship arising hereunder.

28.8 Authority. Each individual executing this Lease on behalf of Tenant hereby warrants and represents that he is duly authorized to execute this Lease on behalf of said corporation or partnership.

28.9 Time of Essence. Time is of the essence in the performance of each and every term, covenant, and condition of this Lease.

28.10 Covenants and Conditions. Each and every provision of this Lease to be performed by Tenant shall be deemed both a covenant and condition. The Parties agree that each provision set forth herein, pursuant to which Tenant is required to pay Rent shall be and is a covenant of Tenant independent of any other term, condition, or covenant contained in this Lease. Tenant shall not be entitled to offset the claimed amount of damages against any Rent or other payments due hereunder, it is expressly agreed that such covenant to pay such amount shall be independent of any obligation of Landlord hereunder. All payments to be made by Tenant hereunder shall, unless otherwise expressly provided, be paid to Landlord without Notice or demand and without adjustment, deduction, or setoff, in lawful money of the United States.

28.11 Days. If the last day of any time period stated in this Lease or the date on which any obligations to be performed under this Lease falls on a Friday, 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 Friday, Saturday, Sunday or legal holiday.

28.12 Payments. Payments shall be made and delivered in the same manner as Notices and shall be effective at the same time that a Notice would be deemed effective under Section 22.

28.13 Relationship. Nothing herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent, employer and employee, master and servant, owner and contractor, sharecropper, partnership, or joint venture between the Parties, it is understood and agreed that no provision herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of landlord and tenant.

28.14 Knowledge, Review and Interpretation. The Parties, and each of them, acknowledge, declare, and agree, that: (i) they have had the opportunity to consult with legal counsel about this Lease, including the meaning and effect of waiving any legal rights, or have had the opportunity to do so and have voluntarily chosen not to do so; (ii) they have had adequate time and opportunity to review the terms of this Lease and have carefully read it; (iii) they are sophisticated parties that have negotiated this Lease at arm's length, and accordingly, expressly waive any rule of law or any legal decision that would require interpretation of any ambiguities in this Lease against the Party that has drafted it; and (iv) they intend to be legally bound to the provisions of this Lease, which shall be interpreted in a reasonable manner to effect the purposes of this Lease and intent of the Parties as outlined herein.

28.15 Counterparts; Termination. This Lease may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. In the event of any termination of the Development Agreement, this Lease shall be terminated concurrently, and the Parties shall have no obligations to each other except for any obligations that are stated to survive a termination of the Development Agreement or this Lease.

28.16 No Third Party Beneficiaries. No person or entity shall be a third-party beneficiary to this Lease or shall have any right or cause of action hereunder.

28.17 No Liability of City Officials. Notwithstanding any other language in the Lease, no City Council Member, officer, director, trustee, partner, principal, member, employee, agent, affiliate, official, representative, agent, attorney, or employee of the City shall be personally liable to Tenant, or to any successor in interest to Tenant, in any way whatsoever including without limitation in the event of Default by the City, for any amount that may become due to Tenant or its successors, or with respect to any obligation of the City under the terms of the Lease.

28.18 Arizona Law Provisions. To the extent required by Arizona State law:

(a) No member, official, or employee of City shall have any direct or indirect interest in this Lease, nor participate in any decision relating to this Lease, that is prohibited by law. This Lease shall be subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflicts of interest.

(b) Tenant certifies that it is not currently engaged in, and agrees for the duration of this Lease that it will not engage in a "boycott," as that term is defined in § 35-393, Arizona Revised Statutes, of Israel.

(c) To the extent applicable under A.R.S. § 41-4401, Tenant warrants compliance with all federal immigration laws and regulations that relate to their employees and contractors and their compliance with the e-verify requirements under A.R.S. § 23-214(A). The failure by Tenant to comply with such warranty shall be deemed a material breach of this Lease and may result in the termination of this Lease by the City.

(d) To the extent applicable under A.R.S. § 35-394, Tenant hereby certifies it does not currently, and for the duration of this Lease shall not use: (a) the forced labor of ethnic Uyghurs in the People's Republic of China, (b) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (c) 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.

**[REMAINDER OF PAGE INTENTIONALLY BLANK;
SIGNATURES FOLLOW ON NEXT PAGE]**

IN WITNESS WHEREOF, the Parties have executed this Lease on the date(s) written below.

Landlord:

CITY OF PEORIA, an Arizona municipal corporation

By: _____
Henry Darwin, City Manager

Date: _____

ATTEST:

Agnes Goodwine, City Clerk

Date: _____

APPROVED AS TO FORM:

Emily Jurmu, City Attorney

Date: _____

Jefferson House, LLC
an Arizona limited liability company

By: _____
Kell Duncan,
a Managing Member

Date: _____

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2024, before me personally appeared Kell Duncan a Managing Member of Jefferson House, LLC, an Arizona limited liability company, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be and acknowledged that he signed the above/attached document.

Jefferson House, LLC
an Arizona limited liability company

By: _____
Lance Linderman,
a Managing Member

Date: _____

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2024, before me personally appeared Lance Linderman, a Managing Member of Jefferson House, LLC, an Arizona limited liability company, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be and acknowledged that he signed the above/attached document.

EXHIBIT A

Legal Description

Lots 18, 19 and 20, Block 24, of AMENDED PLAT OF PEORIA, according to the plat recorded in the office of the County Recorder of Maricopa County, Arizona in Book 3 of Maps, Page 62.

EXHIBIT B

Form of Purchase Provisions

1. Subject to the provisions of Section 26 of the Lease, Tenant holds a non-transferable option to purchase the Demised Premises.
2. In the event Tenant exercises its non-transferable option to purchase the Demised Premises, such purchase shall be as described in Section 26 of the Lease, and shall be free and clear of all liens and encumbrances except for those described on Schedule 1 attached hereto (“**Permitted Exceptions**”).
3. Concurrent with its delivery to Landlord of an Option Notice (as provided in Section 26 of this Lease, Tenant shall submit to Landlord an executed set of escrow instructions to effect Tenant’s purchase of the Demised Premises. Such instructions shall provide, in addition to provisions common to customary escrow instructions: (1) for a closing date not later than ninety (90) days following delivery of an Option Notice; (2) for an allocation of escrow fees, recording fees, and title insurance fees in the manner that is customary in Maricopa County, Arizona; (3) that no brokerage commissions shall be payable by Landlord or Tenant to anyone; (4) for conveyance of the Demised Premises by special warranty deed; and (5) the execution by Landlord of an owner’s affidavit in a form and content sufficient for the issuance of extended coverage title insurance without exception for parties in possession or mechanics’, materialmen’s or professional service liens. Landlord shall be charged in the escrow for a standard owner’s policy of title insurance insuring Tenant’s title to the Demised Premises; Tenant shall be charged in the escrow for the cost of extended coverage and the cost of any endorsements requested by Landlord. Landlord promptly shall execute the escrow instructions along with the special warranty deed and shall deliver them to the escrow agent identified in the escrow instructions pending the close of escrow. At any time prior to delivery of the Option Notice, Tenant may request that a title company of its choosing prepare a commitment for title insurance for the Demised Premises and Landlord expressly consents thereto.
4. If Tenant fails to submit the escrow instructions or to close the escrow within the requisite ninety (90) days as provided in paragraph 3 above, then Landlord may issue a Notice of such failure to Tenant, and if the failure is not cured within five (5) days, then, as the sole consequence to Tenant of such failure, Tenant’s non-transferable option under Section 26 of this Lease shall terminate in its entirety and thereafter shall have no further force or effect for any purpose.
5. Each party shall bear its own attorneys’ fees and costs incurred in connection with the purchase transaction.
6. Payment of the amount due at close of escrow to Seller shall be made through escrow by wire transfer of immediately available federal funds (United States dollars). Tenant may satisfy any monetary encumbrances that affect title to the Demise Premises and that are not Permitted Exceptions out of the proceeds otherwise due Landlord at the close of escrow.

**SCHEDULE 1
TO
PURCHASE PROVISIONS**

Permitted Exceptions

1. Water rights, claims, or title to water, whether or not shown by the public record.
2. Non-delinquent real estate taxes.
3. All title exceptions and matters in effect as of the Effective Date of this Lease.
4. Any further title exceptions approved by Buyer in writing.
5. The printed exceptions and exclusions applicable to an ALTA 2006 extended coverage owner's policy of title insurance contained in the title policy issued at close of escrow.

EXHIBIT C
FORM OF MEMORANDUM OF LEASE
MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE shall evidence that there is in existence a Lease as hereinafter described. It is executed by the parties hereto for recording purposes only as to the Lease hereinafter described, and it is not intended and shall not modify, amend, supersede, or otherwise affect the terms and provisions of said Lease.

1. Name of Document: LEASE AGREEMENT
2. Name of Landlord: THE CITY OF PEORIA, an Arizona municipal corporation
3. Name of Tenant: Jefferson House, LLC
4. Address of Landlord: OFFICE OF THE CITY ATTORNEY
8401 W. Monroe, Suite 340
Peoria, Arizona 85345
5. Address of Tenant:
6. Effective Date of Lease: The Lease shall commence on the earlier of either (a) six (6) months after the date of the issuance of a certificate of occupancy for any portion of the Demised Premises or (b) the date that any portion of the Project opens for business to the public (the “**Commencement Date**”)
7. Initial Lease Term: Beginning on the Commencement Date and shall continue until the 5th anniversary of the Commencement Date.
8. Extension: After the Initial Lease Term, upon mutual written agreement of the Parties, the Parties may renew the Lease for an additional term of five years After the expiration of the second five (5) year if Tenant does not exercise the Purchase Option Tenant must enter a third five (5) year term at a rent equal to the then fair market rate.
9. Demised Premises: The real property located at 8315 W Washington St., Peoria, Arizona 85345 (Assessor Parcel Numbers: 142-41-025A, 142-41-026A, 142-41-027).
10. Use Restrictions: Landlord and Tenant have agreed that Tenant shall operate or sublease the Project to include for no fewer than three (3) restaurants, one (1) bar, and four (4) retail spaces, and no other use.
11. Purchase Option: Tenant has the option to purchase the Demised Premises during the Initial Lease Term or any Extension at the then fair market value pursuant to Section 26 of the Lease Agreement.

A copy of the Lease is on file with Landlord and Tenant at their respective addresses set forth above.

[Signature Pages Follow]

EXHIBIT D

Form of Special Warranty Deed

EXEMPT FROM AFFIDAVIT AND FEES PURSUANT TO A.R.S. § 11-1134, A.3.

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, CITY OF PEORIA, an Arizona municipal corporation (“**Grantor**”), does hereby grant and convey to Jefferson House, LLC an Arizona limited liability company (“**Grantee**”), the following described real property (the “**Real Property**”) situated in Maricopa County, Arizona:

SEE EXHIBIT “A” ATTACHED HERETO AND BY
THIS REFERENCE MADE A PART HEREOF

TOGETHER WITH, all buildings, structures and improvements located on the Real Property, including, without limitation, to the extent owned by Grantor: (i) all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, alley, right-of-way, or waterway; and (v) any other rights or privileges appurtenant to such Real Property or used in connection therewith.

SUBJECT TO: current real property taxes and other assessments not yet due and payable; patent reservations; and all easements, rights of way, covenants, conditions, restrictions, declarations, and other matters as may appear of record, and all matters that an accurate survey of the Real Property would disclose, and the applicable zoning and use laws and regulations affecting the Real Property.

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

DATED this _____ day of _____, 20__.

[Signature Page Follows]

DATE: _____

GRANTOR:

CITY OF PEORIA,
an Arizona municipal corporation

By: _____
Henry Darwin, City Manager

ATTEST:

Agnes Goodwine, City Clerk

APPROVED AS TO FORM:

Exhibit E

FORM OF CONSENT TO SUBLEASE

This CONSENT TO SUBLEASE ("**Consent**"), dated as of the [DAY] day of [MONTH], [YEAR] (the "**Effective Date**"), is entered into among CITY OF PEORIA, an Arizona municipal corporation ("**Prime Landlord**"), and Jefferson House, LLC, an Arizona limited liability company ("**Tenant**") and [SUBTENANT NAME], a [STATE OF ORGANIZATION] [ENTITY TYPE], having an address at [ADDRESS] ("**Subtenant**") (collectively referred to herein as the "**Parties**" or, individually, a "**Party**").

WHEREAS, Prime Landlord is the owner and landlord of the real property located at _____, Peoria, Arizona 85345 (Assessor Parcel Numbers: 142-41-037, 142-41-036, 142-41-035), (the "**Demised Premises**");

WHEREAS, Tenant and Prime Landlord entered into that certain Economic Development Agreement dated _____, 2024 governing the Demised Premises, for the construction and operation of a sub-rental space for restaurant, retail, and event rental, and no other use;

WHEREAS, Tenant and Prime Landlord entered into that certain lease dated as of [DATE] (the "**Prime Lease**"), pursuant to which Prime Landlord leased to Tenant the Demised Premises as more particularly described in the Primary Lease;

WHEREAS, Tenant and Subtenant entered into a [SUBLEASE TITLE] (the "**Sublease**"), dated as of [DATE], pursuant to which Tenant subleased to Subtenant a portion of the Demised Premises, as shown and marked on Exhibit "A" and made a part hereof (the "**Subleased Premises**");

WHEREAS, Tenant has requested that Prime Landlord consent to Tenant subletting the Subleased Premises to Subtenant pursuant to the Sublease; and

WHEREAS, Prime Landlord has agreed to consent to the subletting on the terms and conditions contained herein (the "**Consent**").

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Consent to Subletting. Subject to the satisfaction of the conditions set forth herein, including specifically without limitation in Section 9, Prime Landlord hereby consents to the subletting of the Subleased Premises by Tenant to Subtenant on the terms and conditions set forth herein and on the terms and conditions set forth in the Sublease, a true and correct copy of which is attached hereto as Exhibit "B".

2. Sublease Subject and Subordinate to Primary Lease. The Sublease is subject and subordinate always to the Primary Lease. In the case of any conflict between the provisions of the Primary Lease and the provisions of the Sublease, the provisions of the Primary Lease will govern.

3. Tenant Not Released. Neither the Sublease nor this Consent releases or discharges Tenant from any covenants, duties, agreements, or liabilities under the Primary Lease or Development Agreement. Tenant will remain liable and responsible for the full performance and observance of all the provisions, covenants, and conditions set forth in the Primary Lease on the part of Tenant to be performed and observed. Any breach or violation of any provisions of the Primary Lease by Subtenant will be deemed to be and will constitute a default by Tenant.

4. Consent Limited to Subletting. This Consent is limited solely to the subletting of the Subleased Premises by Tenant to Subtenant pursuant to the Sublease. Prime Landlord expressly reserves the right to consent to or withhold consent with respect to any other matters in the Primary Lease, including, without limitation, any proposed alterations to the Demised Premises or the Subleased Premises or any further subletting either by Tenant or Subtenant.

5. Termination of Primary Lease. If at any time prior to the expiration or termination of the Sublease the Primary Lease expires or terminates for any reason, the Sublease will automatically and simultaneously terminate.

6. Notices. Tenant and Subtenant acknowledge and agree that the Parties must copy Prime Landlord simultaneously on any notices between Tenant and Subtenant. Notices to Prime Landlord must be sent to the address provided and manner specified in Section 10(i).

7. Prime Landlord's Fee. Tenant must pay to Prime Landlord, upon demand, Prime Landlord's fees and expenses (including without limitation Prime Landlord's reasonable attorneys' fees and expenses) incurred relating to Prime Landlord's review, negotiation, and processing of all information and documents relating to the Sublease or Subtenant.

8. No Further Modifications. Tenant and Subtenant agree not to amend, modify, or supplement the Sublease without the prior written consent of Prime Landlord, which consent may be given or withheld in its sole and absolute discretion. This Consent does not confer any third-party beneficiary rights upon Subtenant, except as expressly set forth herein.

9. Conditions to Consent to Sublease. The Sublease and this Consent are not valid and Subtenant may not take possession of the Subleased Premises until each of the following has been satisfied:

(a) Prime Landlord's receipt of an original, executed counterpart of the Sublease, in the form attached hereto;

(b) Prime Landlord's receipt of a certificate of Subtenant's insurance, in form and substance required by the Sublease;

(c) Any other documentation or items required by Prime Landlord from Tenant or Subtenant in Prime Landlord's reasonable discretion.

If the conditions of this Section 9 have not been satisfied on or before thirty (30) days after the Effective Date, this Consent will be deemed null and void and of no further force or effect.

10. Miscellaneous Provisions.

(a) **Remedies Not Exclusive; No Waiver.** The various rights and remedies herein contained shall not be considered as exclusive of any other right or remedy of such Party but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission to exercise any right or remedy by any Party shall impair any such right, power, or remedy or be construed as a waiver of any default or nonperformance. Prime Landlord shall not be deemed to have waived any term, covenant, or condition unless Prime Landlord gives written notice of such waiver. The waiver by Prime Landlord of a breach of any term, covenant, or condition contained in this Consent shall not be treated as a continuing waiver of such term, covenant, or condition, or as a waiver of any future breach of the same.

(b) **Integration; Amendment in Writing.** This Consent is and shall be considered to be the only agreement or understanding between the three Parties with respect to the subject matter hereof. All negotiations and oral agreements acceptable to the Parties have been incorporated herein. It may not be amended or modified by any act or conduct of the Parties or by oral agreement.

(c) **Capitalized Terms.** All capitalized terms not defined herein have the meaning given them herein or in the Primary Lease. In the event of any conflict between the language in the body of this Consent and the Primary Lease, the Development Agreement will govern.

(d) **Choice of Law.** This Consent shall be governed by the internal laws of the State of Arizona without regard to choice of law rules.

(e) **Venue & Jurisdiction.** Legal actions regarding and related to this Consent shall be instituted in the Superior Court of the County of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona sitting in Maricopa County. Parties agree to the exclusive jurisdiction of such courts. Claims by Tenant and Subtenant shall comply with time periods and all other requirements of City's claims procedures as amended from time to time.

(f) **Waiver of Jury Trial.** The Parties expressly waive trial by jury in any action, proceeding, or counterclaim brought by either of them against the other, on any matter whatsoever arising out of or any way connected with this Consent or their relationship arising hereunder.

(g) **Authority.** Each individual executing this Consent on behalf of Tenant hereby warrants and represents that he is duly authorized to execute this Lease on behalf of said corporation or partnership.

(h) **Time of Essence.** Time is of the essence in the performance of each and every term, covenant, and condition of this Lease.

(i) **Days.** If the last day of any time period stated in this Consent or the date on which any obligations to be performed under this Consent falls on a Friday, 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 Friday, Saturday, Sunday or legal holiday.

(j) **Notice.** Notices hereunder (each, a “**Notice**”) shall be in writing mailed by registered or certified mail, return receipt requested, postage prepaid, or by FedEx or other reliable overnight courier service that confirms delivery to the other Party or other applicable person or entity. With respect to the Parties, a Notice shall be addressed to a Party as follows:

To Landlord: Henry Darwin, City Manager
City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

With a copy to: Emily Jurmu, City Attorney
City’s Counsel: City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345

To Tenant:

With a copy to:

To Subtenant:

With a copy to:

Service of any Notice by mail in accordance with the foregoing shall be deemed to be complete three (3) Working Days (excluding Friday, Saturday, Sunday, and legal holidays) after the Notice is deposited in the United States mail. Service of any Notice by overnight courier in accordance with the foregoing shall be deemed to be complete upon receipt or refusal to receive. With respect to the Parties, a Notice shall be addressed as described in Section 10(i). Service of any Notice by mail in accordance with the foregoing shall be deemed to be complete three (3) days (excluding Friday, Saturday, Sunday, and legal holidays) after the Notice is deposited in the United States mail. Service of any Notice by overnight courier in accordance with the foregoing shall be deemed to be complete upon receipt or refusal to receive.

(k) **Payments.** Payments shall be made and delivered in the same manner as Notices and shall be effective at the same time that a Notice would be deemed effective under Section 10(i).

(l) **Relationship.** Nothing herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent, employer and employee, master and servant, owner and contractor, sharecropper, partnership, or joint

venture between the Parties, it is understood and agreed that no provision herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of landlord, tenant, and subtenant.

(m) **Knowledge, Review and Interpretation.** Each of the Parties acknowledge, declare, and agree, that: (i) they have had the opportunity to consult with legal counsel about this Consent, including the meaning and effect of waiving any legal rights, or have had the opportunity to do so and have voluntarily chosen not to do so; (ii) they have had adequate time and opportunity to review the terms of this Consent and have carefully read it; (iii) they are sophisticated parties that have negotiated this Consent at arm's length, and accordingly, expressly waive any rule of law or any legal decision that would require interpretation of any ambiguities in this Lease against the Party that has drafted it; and (iv) they intend to be legally bound to the provisions of this Consent, which shall be interpreted in a reasonable manner to effect the purposes of this Consent and intent of the Parties as outlined herein.

(n) **Counterparts; Termination.** This Consent may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. In the event of any termination of the Primary Lease, this Consent and the Sublease shall be terminated concurrently, and the Parties shall have no obligations to each other except for any obligations that are stated to survive a termination of the Primary Lease or this Consent.

(o) **No Third Party Beneficiaries.** No person or entity shall be a third-party (or otherwise) beneficiary to this Consent or shall have any right or cause of action hereunder.

(p) **No Liability of City Officials.** Notwithstanding any other language in the Primary Lease, no City Council Member, officer, director, trustee, partner, principal, member, employee, agent, affiliate, official, representative, agent, attorney, or employee of the City shall be personally liable to Tenant, Subtenant, or to any successor in interest to Tenant or Subtenant, in any way whatsoever including without limitation in the event of Default by the City, for any amount that may become due to Tenant or Subtenant or their successors, or with respect to any obligation of the City under the terms of this Consent.

(q) **Arizona Law Provisions.** To the extent required by Arizona State law:

(i) No member, official, or employee of City shall have any direct or indirect interest in this agreement, nor participate in any decision relating to this agreement, that is prohibited by law. This agreement shall be subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflicts of interest.

(ii) Tenant certifies that it is not currently engaged in, and agrees for the duration of this agreement that it will not engage in a "boycott," as that term is defined in § 35-393, Arizona Revised Statutes, of Israel.

(iii) To the extent applicable under A.R.S. § 41-4401, Tenant warrants compliance with all federal immigration laws and regulations that relate to their employees and contractors and their compliance with the e-verify requirements under A.R.S. § 23-214(A). The failure by Tenant to comply with such warranty shall be deemed a material breach of this agreement and may result in the termination of this agreement by the City.

(iv) To the extent applicable under A.R.S. § 35-394, Tenant hereby certifies it does not currently, and for the duration of this agreement shall not use: (a) the forced labor of ethnic Uyghurs in the People’s Republic of China, (b) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (c) 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.

**[REMAINDER OF PAGE INTENTIONALLY BLANK;
SIGNATURES FOLLOW ON NEXT PAGE]**

IN WITNESS WHEREOF, the Parties have caused this Consent to be executed as of the Effective Date. **IN WITNESS WHEREOF**, the Parties have executed this agreement on the date(s) written below.

Prime Landlord:

CITY OF PEORIA, an Arizona municipal corporation

By: _____
Henry Darwin, City Manager

Date: _____

ATTEST:

Agnes Goodwine, City Clerk

Date: _____

APPROVED AS TO FORM:

Emily Jurmu, City Attorney

Date: _____

TENANT

Jefferson House, LLC
an Arizona limited liability company

By: _____
Kell Duncan,
a Managing Member

Date: _____

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2024, before me personally appeared Kell Duncan a Managing Member of Jefferson House, LLC, an Arizona limited liability company, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be and acknowledged that he signed the above/attached document.

Jefferson House, LLC
an Arizona limited liability company

By: _____
Lance Linderman,
a Managing Member

Date: _____

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2024, before me personally appeared Lance Linderman, a Managing Member of Jefferson House, LLC, an Arizona limited liability company, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be and acknowledged that he signed the above/attached document.

SUBTENANT

, LLC
an Arizona limited liability company

By: _____

,
an Arizona limited liability company, its
Managing Member

Date: _____

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2024, before me personally appeared the Managing Member of _____, LLC, an Arizona limited liability company, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be and acknowledged that he signed the above/attached document.

EXHIBIT A TO CONSENT
DESCRIPTION OF SUBLEASED PREMISES

**EXHIBIT B TO CONSENT
SUBLEASE**