

PURCHASE/LEASE/OPTION AGREEMENT

This Purchase, Lease, and Option Agreement (this “**Agreement**”) is entered into as of April 4, 2017 (“**Effective Date**”) by and between 236 South Scott LLC, an Arizona limited liability company (“**Brings**”), and Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the “**District**”).

BACKGROUND

The Parties acknowledge and agree that the following “Background” is true and correct and constitutes an integral part of this Agreement.

A. Brings owns that certain parcel of real property located at 236 South Scott Avenue, Tucson, Arizona, known as Brings, and the building located thereon, consisting of approximately 13,262 square feet, as more fully described on Exhibit A attached hereto and incorporated herein by reference (the “**Property**”), and has developed plans for retail, restaurant/bar and office use on the Property (collectively, the “**Project**”).

B. The Project is within the District’s multipurpose facilities site, and the District’s Board of Directors has determined that the Project is beneficial to the District’s primary component, the Tucson Convention Center.

C. The Project is conveniently located and easily accessible by the Modern Street Car and, when completed, will generate substantial sales tax revenues that will benefit the District and the City of Tucson (“City”). It will also create employment opportunities and attract customers to the area and provide residential, retail and food service amenities to the surrounding neighborhoods and businesses.

D. Construction of additional tenant improvements to the Project will create construction jobs and construction sales tax that will further benefit the City and the District.

E. The District believes that the properties it owns in the area of the Project will benefit from the Project and that it will benefit from the tax revenues to be generated by the Project.

F. As a result, the District is willing to purchase the Property from Brings and immediately enter into a lease with Brings (the “**Lease**”) and grant Brings an option to extend the Lease and to repurchase the Property at any time during or before the expiration of the Lease (the “**Option**”).

G. The District receives a portion of State-shared funds derived from transaction privilege taxes (i.e. sales tax) called TIF Funds collected from within the multipurpose facilities site (“**TIF Receipts**”). All TIF Receipts are collected by the Arizona Department of Revenue (“**ADOR**”), and the District’s share of these TIF Receipts is remitted by ADOR to the District. The objective of this Agreement and the transactions contemplated hereby is to incentivize Brings to operate its business so as to maximize TIF Receipts which will directly benefit the District.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and in consideration of the mutual covenants, promises and agreements contained herein, the District and Brings agree as follows:

PURCHASE AND SALE OF PROPERTY

1) **Purchase of Property.** Upon and subject to the terms and conditions set forth in this Agreement, the District agrees to purchase from Brings and Brings agrees to sell to the District all of Brings' right, title and interest in and to the Property. For purposes of this Agreement, the Property includes:

a) **Fee Title.** Fee title to the Property will be conveyed by general warranty deed, in a form suitable for recording, conveying marketable, fee simple title in the Property to the District, free and clear of all liens and encumbrances, except exceptions permitted under this Agreement.

b) **Easements and Privileges.** All easements appurtenant to the Property and other licenses, grants of right, privileges, or other agreements appurtenant thereto or for the benefit of the Property and all right, title, and interest of Brings, if any, as the owner of the Property in and to any roads, streets, and ways, public or private, open or proposed, in front of or adjoining all or any part of the Property and serving the Property.

c) **Other Rights.** All rights, warranties, guarantees, utility contracts, approvals (governmental or otherwise), permits, certificates of occupancy, surveys, plans and specifications, and any agreements, covenants or indemnifications that Brings received from a third party, including any prior owner, and relating to the Property.

2) **Purchase Price.** The purchase price for the Property is Eight-Hundred-Thousand and No/100 Dollars (\$800,000.00) ("**Purchase Price**").

3) **Title & Escrow.**

a) **Opening of Escrow.** Upon the full execution of this Agreement, the District shall deposit it with Stewart Title & Trust of Arizona ("**Title Company**") (Michelle Jolly as the "**Escrow Agent**") at 3939 E. Broadway, Tucson, Arizona 85711. The Escrow Agent, as agent for the Title Company, agrees with Brings and the District that: (a) recordation of the Deed constitutes the Escrow Agent's representation that it is holding the closing documents, closing funds, and closing statement and is prepared and irrevocably committed to disburse the closing funds in accordance with the closing statement; and (b) the release of funds to Brings, or other party so designated in this Agreement, will irrevocably commit Title Company to issue the Title Policy (as defined below) in accordance with this Agreement.

b) **Limitation of Liability.** Brings and the District hereby agree, jointly and severally, to indemnify and hold harmless the Escrow Agent from and against all costs, damages, judgments, attorneys' fees, expenses, obligations, and liabilities of any kind or nature, which the Escrow Agent in good faith may incur or sustain in connection with this Agreement. The

Escrow Agent shall not be liable for any actions taken or omitted by it in good faith and may rely upon, and act in accordance with, the reasonable advice of its counsel without liability on its part for any action taken or omitted in accordance with such advice.

c) **Escrow Instructions.** The terms and provisions of this Agreement shall constitute escrow instructions to the Escrow Agent for the purpose of serving in such capacity for the transaction described herein. In the event of a conflict between the terms and conditions of this Agreement and any other escrow instructions executed by the parties in connection with this transaction, the terms and conditions of this Agreement shall control.

d) **Closing & Closing Date.** The closing of the transaction (the “Closing”) described herein shall occur on or before April 7, 2017 at the offices of the Escrow Agent or at such other date, time, and place as the Parties may hereinafter agree (the “Closing Date”) in accordance with the terms and conditions of this Agreement. The Parties acknowledge and agree that TIME SHALL BE OF THE ESSENCE with respect to the performance by the Parties of their obligations under this Agreement and to consummate the transactions contemplated in this Agreement on the Closing Date. For the purposes of this Agreement, any date to which the Parties agree to adjourn the Closing pursuant to the terms of this Agreement shall be deemed the “Closing Date” hereunder.

e) **Title Commitment.**

i) The Title Company has issued and delivered to the District a preliminary title commitment for the Property, as well as copies of all instruments referred to therein, including all deeds, easements or other instruments which provide for access to the Property (collectively the “Title Commitment”). The Title Commitment shall be an irrevocable commitment by the Title Company to issue the Title Policy (defined below) subject to the satisfaction of the requirements contained in the Title Commitment.

ii) At or before the Closing, Brings shall satisfy and remove all voluntary monetary liens from the Property, and Brings shall cure and cause to be removed all exceptions for rights of parties or entities in possession (other than pursuant to recorded documents affecting the Property) or parties or entities holding lease or option rights and all exceptions for any Lis Pendens or similar recordings against the Property (the “Unaccepted Exceptions”), and the District need not expressly object to any such Unaccepted Exceptions as may be disclosed on the Title Commitment or any amendment thereto such that the Unaccepted Exceptions shall not be deemed Permitted Exceptions.

iii) As used in this Agreement, the term “Permitted Exceptions” shall collectively mean the exceptions to title reflected in the Title Commitment, or any amendment thereto, which are approved (or deemed approved) by the District pursuant to this section, but not the Unaccepted Exceptions.

4) **Representations and Warranties.**

a) **Brings.** Brings makes the following representations and warranties to the District, all of which shall survive the closing and recordation of the Deed, and shall be complete, true and accurate as of the Effective Date and as of the Closing:

i) **Organization.** Brings is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona, and has the power, right and authority to enter into this Agreement, and to consummate the transaction contemplated hereby, without the consent or joinder of any other party or order or approval of any court, and this Agreement shall constitute a legal, valid and binding obligation of Brings, enforceable against it in accordance with the terms and conditions contained herein.

ii) **Performance.** Brings will have performed, observed and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Brings on or before the Closing, and will execute and deliver all documents required to be executed and delivered by Brings in order to consummate the transaction contemplated herein, on or before the Closing and at the time period set forth herein. Brings shall also perform, observe and comply with all post-closing covenants, representations, warranties, agreements, conditions and indemnifications required by this Agreement.

iii) **Litigation.** Except as provided herein, no litigation exists which relates to or arises out of Brings' interest in the Property, and Brings has not received any notice that any such proceedings are contemplated or threatened. There are no actions or proceedings pending or threatened against Brings before any court, administrative agency, or other governmental body in any way connected with or relating to the Property, or affecting Brings' ability to fulfill all of its obligations under this Agreement.

iv) **Violations of Law.** Brings has not received any notice of any violation of any federal, state, regional or local law, ordinance or other governmental rule or regulation pertaining to the Property, including, without limitation, environmental laws or regulations.

v) **Contracts.** Except as provided in this Agreement, neither this Agreement nor anything required to be done hereunder, including but not limited to the conveyance of the Property, violates or shall violate any contract or agreement to which Brings is a party.

vi) **U.S. Persons.** Brings is a "United States person" within the meaning of §1445 of the Internal Revenue Code, as amended.

vii) **Material Change.** Should Brings receive notice or knowledge of any information regarding any of the matters set forth in this section after the Effective Date and before the Closing which would result in a material change to these warranties, Brings will immediately notify the District of the same in writing.

viii) **Condition of Property.** Brings hereby represents and warrants that the Property is in good condition and in compliance with all applicable governmental laws, rules and regulations and that it is suitable for its intended use, as provided in this Agreement; that to the best of its knowledge after a diligent, good faith investigation and inquiry, there are no violations of any federal, state or local environmental laws, rules, regulations or orders on, under, or about the Property, including, but not limited to soil and ground water conditions, and that there have not been, and are not now, any violations of applicable environmental laws either before or during Brings' ownership of the Property.

ix) **Environmental Law.** Brings has not caused or permitted the generation, storage, treatment, release or disposal of any hazardous waste or regulated substances, as defined in any applicable environmental laws, at the Property in violation thereof.

x) **Liens.** Prior to the Closing, Brings shall pay in full for all labor, materials and services which may give rise to a lien against the Property, materials, machinery, fixtures, supplies or tools furnished within one hundred twenty (120) days immediately preceding the Closing in connection with the construction, alteration or repair of any structure on or improvement to the Property requested by Brings, or for the payment of which Brings is directly obligated, and for which lien rights may arise under applicable law.

xi) **Indemnification.** To the greatest extent permitted by law, Brings shall indemnify, defend and hold the District, its officers, directors, representatives, agents and employees, harmless for, from and against any liability, loss, claim, action or demand, including attorneys' fees and costs, that may arise out of or is connected with Brings' breach of any covenant, representation, warranty or term contained in this Agreement. Brings' indemnification provided in this Agreement shall survive the Closing.

b) **The District.**

i) **Organization.** The District is a special taxing district of the State of Arizona duly organized, validly existing and in good standing under the laws of the State of Arizona and has the power, right and authority to enter into this Agreement, and to consummate the transaction contemplated hereby, without the consent or joinder of any other party or order or approval of any court, and this Agreement shall constitute a legal, valid and binding obligation of the District, enforceable against the District in accordance with the terms and conditions contained herein.

ii) **Performance.** The District will have performed, observed and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by the District on or before the Closing, and will execute and deliver all documents required to be executed and delivered by the District in order to consummate the transaction contemplated herein on or before the Closing and at the time period set forth herein. The District shall also perform, observe and comply with all post-closing covenants, representations, warranties, agreements, conditions and indemnifications required by this Agreement.

iii) **Other Contracts.** Neither this Agreement nor anything required to be done hereunder, including, but not limited to the acceptance of the conveyance of the Property, violates or shall violate any contract or agreement to which the District is a party.

iv) **Material Change.** Should the District receive notice or knowledge of any information regarding any of the matters set forth in this section after the Effective Date and prior to the Closing which would result in a material change to these warranties, the District will immediately notify Brings of the same in writing.

v) **Indemnification.** The District shall indemnify, defend and hold Brings, its managers, members, representatives, agents and employees, harmless for, from and against

any liability, loss, claim, action or demand, including attorneys' fees and costs that may arise out of or is connected with the District's breach of any covenant, representation, warranty or term contained in this Agreement. The District's indemnification provided in this Agreement shall survive the Closing.

5) **Brings' Deliveries in Escrow.** No fewer than three (3) business days before the Closing, Brings shall deliver to the Escrow Agent the following:

a) **Deed.** A Warranty Deed (the "**Deed**") in the form attached hereto as Exhibit B, executed and acknowledged by Brings and assigning and conveying to the District title to the Property subject to the Permitted Exceptions (as defined below).

b) **State Law Disclosures.** An Affidavit of Property Value, to be prepared by the Escrow Agent as required by Arizona law and executed by Brings and the District or their agents.

c) **Proof of Authority.** Such proof of Brings' authority and authorization to enter into this Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of Brings to act for and bind Brings as may be reasonably required by the Title Company.

d) **Personal Guaranties.** An original personal guaranty by (i) Marcel Dabdoub and Maria Elena Dabdoub, husband and wife, and (ii) Ron Schwabe and Patricia Schwabe, husband and wife, in the forms attached as Exhibits C and D.

e) **Additional Documents.** Such other documents and instruments, signed and properly acknowledged by Brings, if appropriate, as may be reasonably required by the Title Company, the Escrow Agent or otherwise in order to effectuate the provisions of this Agreement and the Closing of the transaction contemplated herein.

6) **The District's Deliveries in Escrow.** At or before the Closing, the District shall deliver to the Escrow Agent all of the following:

a) **Purchase Price.** The Purchase Price, as adjusted in accordance with this Agreement (which adjustments and prorations shall be reflected on the closing statement prepared by the Escrow Agent), shall be deposited by the District with the Escrow Agent in immediate, same-day federal funds wired for credit into the Escrow Agent's escrow account at a bank satisfactory to Brings.

b) **State Law Disclosures.** An Affidavit of Value for the Property.

c) **Proof of Authenticity.** Such proof of the District's authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents or certificates on behalf of the District to act for and bind the District as may be reasonably required by the Title Company.

d) **Additional Documents.** Such other documents and instruments, signed and properly acknowledged by the District, if appropriate, as may be reasonably required by the Title Company, the Escrow Agent or otherwise in order to effectuate the provisions of this Agreement and the closing of the transaction contemplated herein.

7) **Closing.**

a) **Closing Statement.** Subject to final approval by Brings and the District at the Closing, the Escrow Agent shall prepare the final settlement statements consistent with this Agreement.

b) **Title Policy.** At the Closing, the Title Company shall deliver to the District an ALTA extended form of title insurance (the “**Title Policy**”) with respect to the Property in the full amount of the Purchase Price, which shall insure that fee simple title to the Property is vested in the District, subject only to: (i) the usual printed exceptions and exclusions contained in the Title Policy; and (ii) the Permitted Exceptions. The cost of a basic premium policy shall be paid for by Brings with any extended coverage paid for by the District.

c) **Disbursement of Net Sale Proceeds.** The Escrow Agent shall disburse the portion of the Purchase Price remaining after the payment of all fees, costs and other charges required of Brings under this Agreement (the “**Net Sale Proceeds**”) to Brings.

d) **Possession.** Brings shall deliver possession of the Property to the District at the Closing, and simultaneously, the District will lease the Property to Brings pursuant to the terms of the Lease set forth below.

e) **Escrow/Title and Other Fees.** The Escrow Agent’s escrow fee will be evenly divided and paid by the Parties. Each Party shall pay its own attorneys’ fees. All other fees and costs relating to the Closing shall be paid by the parties as is customary in similar real estate transactions in Pima County, Arizona.

8) **Brokerage Commission.** The parties understand, acknowledge and agree that no real estate broker is involved in this transaction and that no real estate brokerage commission shall be paid as a result of the sale of the Property. Brings acknowledges that District Board Members Mark Irvin and Chris Sheafe are each licensed real estate brokers in Arizona. Each party shall defend, indemnify and hold the other harmless from and against any and all claims, costs, liabilities or damages for any real estate brokerage commissions or fees, including any attorneys’ fees incurred in connection therewith, which may result from the conduct of the party from whom indemnification is sought.

LEASE OF PROPERTY

9) **Grant of Lease.** Effective upon the Closing, and from the Closing Date, upon the terms and conditions hereinafter set forth, the District, for and in consideration of the covenants and agreements contained herein that are to be kept and performed by Brings, shall grant, demise and let the Property (the “**Leased Property**”) unto Brings, and Brings, for and in consideration of the covenants and agreements contained herein that are to be kept and performed by the District, hereby leases and takes the Leased Property from the District.

a) **Condition of Premises.** Brings has inspected the Leased Property and accepts possession of the Leased Property in its “AS IS” condition on the Commencement Date (as defined below), and except for those representations and warranties of the District contained in this Agreement, without representation or warranty of any kind, express or implied, including, without limitation, any warranty of income potential, future operating expenses or uses or fitness for a particular purpose. Except as otherwise expressly provided in this Agreement, Brings has full responsibility for the repair, alteration, maintenance, and replacement of the Leased Property, and any portion thereof, and any Improvements (as defined below). The District has no obligation whatsoever for the repair, alteration, maintenance and replacement of the Leased Property, or any portion thereof, or the Improvements. Brings expressly acknowledges and agrees that the District has not made and is not making, and Brings is not relying upon, any warranties or representations regarding the Leased Property or any Improvements thereto, except to the extent the same are expressly set forth in this Agreement.

b) **Term.** The initial term of this Lease is four (4) years, commencing on the Closing Date (the “**Commencement Date**”) and ending on the same calendar day forty-eight (48) months thereafter (the “**Initial Term**”). At any time during the Initial Term, Brings may extend the Initial Term by exercising the Extension/Purchase Option, as defined in Section 10 below. In that case, the Initial Term shall be extended for a period of twelve (12) years after the expiration of the Initial Term (the “**Extended Term**”). The expression “**Term**” means and includes both the Initial Term and the Extended Term.

c) **Rent.** Rent for the Leased Property (“**Rent**”) will be Four Thousand (\$4,000) Dollars per year during the Initial Term and Eight Hundred (\$800.00) Dollars per year during the Extended Term, if any. Rent for the first year of the Term will be paid on the Commencement Date, and Rent for each subsequent year of this Lease shall be paid on the anniversary date of the Commencement Date.

d) **Possession and Enjoyment.** The District acknowledges and agrees that Brings, by paying the Rent and performing the other terms and conditions of this Lease, may peaceably hold and enjoy the Leased Property for the private uses described above without any interruption by the District, or any person lawfully claiming by, through or under the District, during the Term except the District shall have the right to enter upon and inspect the Leased Property by providing Brings with written notice of its intent to do so not less than 24 hours prior thereto.

e) **Brings’ Improvements to the Property.**

i) **Construction.** It is understood that Brings may improve the Property with tenant improvements and other installations necessary or incidental to the operation or maintenance thereof (collectively referred to as the “**Improvements**”). Any Improvements constructed and/or installed by Brings shall be the property of Brings immediately upon the commencement of their construction and/or installation. If Brings fails to fulfill any obligations under this Agreement or fails to exercise its option to Purchase the Property as more fully described in Paragraphs 10 through 12 of this Agreement, any and all Improvements will become the property of the District.

ii) **Cost of Improvements.** All costs, expenses and charges incurred in the construction of the Improvements will be Brings' sole and exclusive obligation, and Brings shall defend, hold the District harmless and indemnify it from all such costs, expenses, and charges, including attorneys' fees relating thereto.

iii) **Subordinate Encumbrances.** Brings shall have the right to mortgage, encumber, or grant a lien on its leasehold interest under this Lease, all of which shall be subject to this Lease, and in any such event, provided the District has received written notice of such encumbrance, the lienholder thereof shall be entitled to the same notice of default and cure rights in favor of Brings as set forth in this Lease. In such case, Brings shall provide the District with written notice of any such encumbrance not later than 10 (ten) days prior to such encumbrance becoming effective.

iv) **Memorandum of Lease.** Upon the execution of this Lease, the parties shall also execute a Memorandum of Lease in the form attached as "Exhibit E" to be recorded in the Office of the County Recorder of Pima County, Arizona, setting forth such terms and provisions as required by the District in order to provide notice of this Lease in the public records.

f) **Payment of Additional Amounts.** It is the intention of the Parties that this Lease be a completely net lease. As such, except as specifically provided herein, Brings is solely responsible for any and all capital, operating, maintenance, and replacement costs and any other costs and expenses that result from Brings' development and use of the Property, including, but not limited to, the construction of the Improvements. Brings' payment of insurance, taxes, utilities and any other charges, costs or fees charged and prorated to Brings under the terms of this Lease (collectively "**Brings Obligations**") shall accrue and be payable by Brings from and after the Commencement Date throughout the Term. The District shall forward to Brings any invoices, bills, or other charges representing Brings Obligations ("**Brings Bill**"). Brings shall pay a Brings Bill on or before the date such payment becomes due or if no due date is provided, then within ten (10) days of receipt of any such Brings Bill. Brings' failure to timely pay a Brings Bill shall constitute a breach of this Lease.

g) **Utilities.** Brings shall promptly pay when due all sewer, water, gas, electricity, telephone, garbage, and any other utilities or services which may be incurred in connection with Brings' use and operation of the Leased Property during the Term, including connection and disconnection charges, if any.

h) **Taxes.** Brings shall pay and discharge as and when the same become due and prior to delinquency all real and personal property and ad valorem and excise taxes, assessments, levies, and other charges, general and special, which are or may be during the Term levied, assessed, imposed or charged against the Property and any personal property owned by the District but used by Brings in connection with its use of the Property and situated thereon. Brings' obligation to pay such real and personal property and ad valorem taxes, assessments, levies, and other charges shall begin with respect to amounts first accruing from and after the Commencement Date. .

i) **Repairs and Maintenance.** Brings shall, at its sole cost and expense, keep and maintain, and replace where necessary, all Improvements on the Leased Property, including without limitation, buildings, sidewalks, fencing, paving, landscaping, wiring, heating, air conditioning, ventilating, plumbing, parking areas, ingress and egress, and other installations in good condition and repair in all material respects (normal wear and tear excepted), except if caused by the District. Brings agrees to maintain, and replace where necessary, all underground and unexposed service facilities of the Leased Property.

j) **Assignment.**

i) **No Assignment.** Brings covenants and agrees that it will not assign this Agreement, or any of its rights or obligations arising hereunder, without first obtaining the written consent of the District, which consent will not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, however, Brings may assign, transfer or sublet its leasehold interest without first obtaining the District's written consent to an entity directly or indirectly controlled by, controlling, or under common control with Brings. For the purposes of this section, (i) "control" (including with correlative meaning, the terms "controlling," "controlled by" and "under common control"), means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise, and (ii) "person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, limited liability companies, limited liability partnerships, trusts, land trusts, business trusts or other organizations, whether or not legal entities.

ii) **Assignment or Transfer by the District.** Any assignment or transfer by the District of its interest in the Leased Property will be subject to all of the provisions of this Agreement, including Brings' option to extend the Lease and purchase the Leased Property.

iii) **Subleases.** Brings shall be permitted to sublease portions of the Project to such subtenants as it chooses, subject to Brings' compliance with "Sinking Fund" requirements of Section 13 below.

k) **Liability Insurance.** Brings shall, at its sole cost and expense, obtain and maintain in full force and effect, for the Leased Property, commercial general liability insurance, including third party pollution liability insurance if obtainable, from carriers and at reasonable rates, naming the District as an additional insured, in the amount of two million dollars (\$2,000,000) combined single limit, against claims for bodily injury, death or property damage arising out of the use and occupancy of the Leased Property. The liability insurance obtained under this subsection shall be primary and noncontributing and shall contain cross-liability endorsements. A certificate of such insurance shall be furnished to the District at the Commencement Date, and each renewal certificate of such policy shall be furnished to the District at least ten (10) days prior to the expiration of the policy it renews. Each such policy of insurance shall contain an agreement by the insurer, if obtainable, that such policy shall not be canceled without ten (10) days' prior written notice to the District. Such insurance may be in the form of a general coverage, floater policy or so-called blanket policy issued by carriers of recognized responsibility.

l) **Property Insurance.** Brings shall insure the Improvements for the replacement value thereof (exclusive of the cost of excavations, foundations and footings) against loss or damage by fire and such other hazards as are normally found in the standard extended coverage endorsement in Tucson Arizona, as determined at the time of any such loss or damage.

m) **General Insurance Requirements.** All insurance policies carried pursuant to any provision of Section 9 of this Agreement must name the District as an additional insured, as the District's interests may appear. Brings will have the right to adjust all losses and execute all proofs of loss. Brings may maintain for its own account any insurance, whether or not required by this Agreement, with greater coverage in scope and amounts, and the proceeds thereof shall belong to Brings. Brings, in its discretion, may carry any insurance under a blanket fire and other hazards insurance policy or policies. A certificate or true copy thereof evidencing said insurance must be delivered to the District by Brings not later than ten (10) days prior to the effective date thereof, including all renewals of the insurance policy or policies. The District must also be provided with written notice not later than thirty (30) days prior to the proposed cancellation of any such policy, and Brings shall notify each insurer providing coverage of the District's name and address for such purpose.

n) **Permits, Laws and Ordinances.** Brings shall, at its sole cost and expense, comply, and cause its contractors and subcontractors to comply in all material respects with all laws of all applicable governmental authorities which may now or hereafter, from time to time, be established and which are or shall be applicable to Brings or the District as they relate to the Leased Property and shall take, as otherwise provided herein, all action necessary to cause the Leased Property to comply in all material respects with all provisions of the Contract Documents and this Agreement.

OPTION TO EXTEND AND PURCHASE

10) **Option to Extend and Purchase.** The District hereby grants Brings the exclusive option and right, exercisable in Brings' sole discretion, to extend the Lease for the Extended Term (as provided in Section 9(b)) and to Purchase the Property (the "**Extension/Purchase Option**"), at any time during the Initial Term or Extended Term by giving written notice thereof to the District (the "**Option Exercise Notice**"). The purchase of the Property shall not release Brings from any liability to the District arising under the Lease prior to the closing of the sale of the Property to Brings nor any obligations of Brings which survive the Closing or the termination of this Agreement, including, but not limited to, Brings' obligations of indemnification. As consideration for the Extension/Purchase Option granted by the District to Brings, Brings shall pay the District the sum of Six Hundred and Fifty Thousand (\$650,000) Dollars (the "**Option Price**"). The Option Price shall be paid by Brings on the Option Exercise Date, as defined in Section 11 below.

11) **Exercise of Option.** Provided that Brings is not in default under this Agreement, the Extension/Purchase Option may be exercised by Brings giving the District the Option Exercise Notice at any time after the Effective Date and prior to 5:00 p.m., Tucson, Arizona local time before the expiration of the Initial Term. The date upon which such Option Exercise Notice is delivered to the District shall be deemed the "**Option Exercise Date.**"

12) **Option Purchase Price.** The Option purchase price for the Property (the “**Option Purchase Price**”) shall be the sum of the following (a) the Purchase Price plus (b) an amount equal to four (4%) percent of the Purchase Price, compounded annually, calculated from the Commencement Date until the Option Exercise Date plus (c) four (4%) percent of the difference between the Purchase Price and the Option Price compounded annually during the Extended Term less all of the following (i) the Option Price paid to the District and (ii) the Sinking Fund TIF Receipts, as defined in Section 13 below, but only to the extent of the remainder of the Option Purchase Price due the District as calculated in this Section 12 (which includes interest) (“**Option Purchase Price Credit**”).

13) **Sinking Fund.**

a) **Sinking Fund.** On the Commencement Date, the District shall establish a sinking fund (the “**Sinking Fund**”) into which shall be deposited 50% of the gross TIF Receipts actually received by the District from the Commencement Date to the Option Closing Date as a result of payments by all tenants or other occupants of the Project (each a “**Tenant**”) required to pay transaction privilege taxes to the State of Arizona (the “**Sales Tax Amount**”). To allow the District to track these amounts and provide this benefit to Brings, Brings will:

i) Require in the form of lease or other use agreement relating to the use of a portion of the Project (a “**Tenant Lease**”) that each Tenant provide Brings for each calendar month during the term of such Tenant’s Tenant Lease with a copy of its Transaction Privilege, Use, and Severance Tax Return (the “**TPT Return**”) as filed with the Arizona Department of Revenue.

ii) Deliver to the District on or before the 15th day of each calendar month, commencing on the first full month after the Commencement Date, a calculation showing the aggregate TIF Receipts generated by the Tenants for the previous calendar month, together with copies of the TPT Return of each Tenant with the name of and any other identifying information concerning such Tenant redacted.

b) **Separate Account.** The TIF Receipts deposited in the Sinking Fund (the “**Sinking Fund TIF Receipts**”) shall be held in a separate FDIC insured account established by the District solely for the purpose described in this Section 13 and shall not be commingled with any other funds or monies of the District. The Sinking Fund TIF Receipts shall belong to the District and Brings shall have no interest therein, except the contractual right to have them credited against the Option Purchase Price in accordance with Section 12 and as provided in Section 13(c).

c) **Termination; Disbursements.** The Sinking Fund shall terminate and the TIF Receipts therein at the time shall be distributed as follows:

i) If Brings does not exercise the Extension/Purchase Option, the Sinking Fund shall be terminated on the expiration of the Initial Term and all TIF Receipts will be distributed to the District’s general fund.

ii) If Brings exercises the Extension/Purchase Option but fails to purchase the Property as provided in this Agreement, the Sinking fund shall be terminated on the sooner to

occur of the expiration of the Extended Term or the earlier termination of the Lease due to Brings' default at which time the TIF Receipts shall be distributed to the District's general fund.

iii) If Brings exercises the Extension/Purchase Option and purchases the Property as provided in this Agreement, the Sinking Fund terminates on the Option Closing Date with the TIF Receipts to be distributed: (i) first, to the District in an amount equal to the Option Purchase Price Credit, (ii) second, to Brings in an amount equal to the Option Price, to the extent of the remaining TIF Receipts, in recognition of the increase in the TIF Receipts that have resulted from its efforts, and (iii) the balance, if any, shall be distributed to the District to be held in its general fund.

14) **Option Purchase Agreement.** Each Party shall execute and deliver to the other Party and the Escrow Agent, the Option Purchase Agreement and Escrow Instructions materially in the form attached hereto as Exhibit "F" (the "**Option Purchase Agreement**") on the earlier to occur of thirty (30) days prior to the expiration of the Extended Term or the date on which the monies on deposit in the Sinking Fund equal the amount of the deductions against the Option Purchase Price described in items (i) and (ii) of Section 12. The Closing of Brings' purchase of the Property shall occur not later than thirty (30) days after the Parties' execution of the Option Purchase Agreement (the "**Option Closing Date**"), and Sections 3, 4, 5, 6, 7 and 8 shall apply to Brings' purchase of the Property and shall be modified as may be necessary for such purpose.

15) **General Provisions.**

a) **Waivers.** No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Unless expressly provided for in this Agreement, no waiver shall be binding unless executed in writing by the Party making the waiver. Any Party may waive any provision of this Agreement intended for its sole benefit; however, unless otherwise provided for herein, such waiver shall in no way excuse the other Party from the performance of any of its other obligations under this Agreement.

b) **Construction, Governing Law and Venue.** This Agreement shall be interpreted according to Arizona law and shall be construed as a whole and in accordance with its fair meaning and without regard to, or taking into account, any presumption or other rule of law requiring construction against the Party preparing this Agreement or any part hereof. Any dispute or controversy relating to this Agreement, including the breach and enforcement thereof, shall take place in the Superior Court of Pima County, Arizona.

c) **Time.** Time is strictly of the essence of each and every provision of this Agreement.

d) **Attorneys' Fees.** If any action is brought by any Party in respect to its rights under this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and court costs as determined by the court, including attorneys' fees incurred prior to any court or enforcement action that relate to the enforcement hereof.

e) **Binding Effect.** This Agreement and all instruments or documents entered into pursuant hereto are binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

f) **Further Assurances and Documentation.** Each Party agrees in good faith to take such further actions and execute such further documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

g) **Time Periods.** If the time for the performance of any obligation under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

h) **Headings.** The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

i) **Entire Agreement.** This Agreement, together with all exhibits referred to herein, which are incorporated herein and made a part hereof by this reference, constitutes the entire agreement between the parties pertaining to the subject matter contained in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties.

j) **Counterparts.** This Agreement may be executed by the exchange of faxed or electronic signatures and in any number of counterparts.

k) **Approvals and Notices.** Any objection, approval, disapproval, demand, document or other notice (“Notice”) that any Party may desire or may be obligated to give to any other Party shall be in writing and may be given by personal delivery, registered or certified mail (return receipt requested), email transmission (with delivery receipt) or by commercial courier to the Party, or its successors or assigns, to whom the Notice is intended at the address of the Party set forth below or at any other address as the Parties may later designate. Change of address by a Party shall be given by Notice as follows:

i) *If to the District:* Rio Nuevo Multipurpose Facilities District, 400 West Congress, Suite 152, Tucson, Arizona 85701, with a copy to Mark Collins, Esq., Gust Rosenfeld P.L.C. , One South Church Avenue, Suite 1900, Tucson, Arizona 85701.


ii) *If to Brings:* 236 South Scott LLC, 44 E. Broadway, #300, Tucson, Arizona 85701, with a copy to Lawrence M. Hecker, Esq., Hecker PLLC, 405 W. Franklin Street, Tucson, Arizona 85701.

l) **Conflict of Interest.** This Agreement is subject to and may be cancelled in accordance with the provisions of A.R.S. §38-511.

[SIGNATURES ON FOLLOWING PAGE]

236 SOUTH SCOTT LLC

DATE: 7-7-2017

By: 
Marcel Dabdoub, Manager

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT

DATE: _____

By: _____
Fletcher McCusker, Chairman

DATE: _____

By: _____
Mark Irvin, Secretary

236 SOUTH SCOTT LLC

DATE: _____

By: _____
Marcel Dabdoub, Manager

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT

DATE: 4/4/17

By: _____
Fletcher McCusker, Chairman

DATE: _____

By: _____
Mark Irvin, Secretary

236 SOUTH SCOTT LLC

DATE: _____

By: _____
Marcel Dabdoub, Manager

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT

DATE: _____

By: _____
Fletcher McCusker, Chairman

DATE: 4/4/17


By: 
Mark Irvin, Secretary

Exhibit A

Legal Description and Diagram

EXHIBIT "A"
LEGAL DESCRIPTION

That part of Lots 3, 4, and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point which now constitutes the Southeast corner of said Lot 5, said point also being the Northwest corner of the intersection of McCormick and Scott Streets;

Thence Westerly along the South boundary line of said Lots 5 and 4, said line being the Northerly line of said McCormick Street, as now established, a distance of 126 feet, more or less, to the Southeast corner of the property heretofore conveyed to Edith and Sophia Siewert, by Deeds recorded in the office of the County recorder of Pima County, Arizona, in [Book 28 of Deeds at Page 492](#) and in [Book 30 of Deeds at Page 60](#), respectively;

Thence Northerly along the East boundary line of the property so conveyed to Edith and Sophia Siewert, as aforesaid and along the East boundary line of the property heretofore conveyed to Thomas Deering by deed recorded in [Book 30 of Deeds at Page 532](#), records of Pima County, Arizona, a distance of 80 feet to a point;

Thence Easterly and parallel with the Northern boundary line of said McCormick Street, a distance of 126 feet, more or less, to the East boundary line of said Lot 5, said line also being the West boundary line of said Scott Street;

The Southerly along the said Western boundary line of Scott Street, a distance of 80 feet to the POINT OF BEGINNING.

(jv arb 805)

AND

That part of Lots 1, 2, 3 and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point in the East line of said Block 226, distant 105 feet Southerly from the Northeast corner thereof;

Thence running Westerly along the property heretofore owned by C.R. Drake and Louise Blenman, a distance of 131 feet 1 inch;

Thence running Southerly, a distance of 41 feet 1 inch;

Thence running Easterly, a distance of 129 feet to the East line of said Block 226;

Thence running Northerly along the East line of said Block 226, a distance of 44 feet 8 inches to the TRUE POINT OF BEGINNING.

(jv arb 808)

Tax Parcel No. 117-13-1720

Exhibit B

Warranty Deed (from Brings to Rio Nuevo)

When recorded, return to:

Mark Collins, Esq.
Gust Rosenfeld P.L.C.
One South Church Ave., Ste. 1900
Tucson, AZ 85701

Exempt per A.R.S. §11-1134(A)(3)

SPECIAL WARRANTY DEED

For good and other consideration, the receipt and sufficiency of which are hereby acknowledged, 236 SOUTH SCOTT LLC, an Arizona limited liability company (“Grantor”), does hereby grant, sell and convey unto RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a special taxing District of the State of Arizona, the following described real property located in Pima County, Arizona:

See Exhibit “A” attached hereto and by this reference made a part hereof (the “Property”)

Together with all rights and appurtenances thereto subject only to existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

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

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed as of the ____ day of _____, 2017.

236 SOUTH SCOTT, LLC

By: _____
_____, Co-Manager

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____ as Co-Manager of 236 South Scott, LLC.

Notary Public

**SPECIAL WARRANTY DEED
EXHIBIT "A"
LEGAL DESCRIPTION**

That part of Lots 3, 4, and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point which now constitutes the Southeast corner of said Lot 5, said point also being the Northwest corner of the intersection of McCormick and Scott Streets;

Thence Westerly along the South boundary line of said Lots 5 and 4, said line being the Northerly line of said McCormick Street, as now established, a distance of 126 feet, more or less, to the Southeast corner of the property heretofore conveyed to Edith and Sophia Siewert, by Deeds recorded in the office of the County recorder of Pima County, Arizona, in [Book 28 of Deeds at Page 492](#) and in [Book 30 of Deeds at Page 60](#), respectively;

Thence Northerly along the East boundary line of the property so conveyed to Edith and Sophia Siewert, as aforesaid and along the East boundary line of the property heretofore conveyed to Thomas Deering by deed recorded in [Book 30 of Deeds at Page 532](#), records of Pima County, Arizona, a distance of 80 feet to a point;

Thence Easterly and parallel with the Northern boundary line of said McCormick Street, a distance of 126 feet, more or less, to the East boundary line of said Lot 5, said line also being the West boundary line of said Scott Street;

The Southerly along the said Western boundary line of Scott Street, a distance of 80 feet to the POINT OF BEGINNING.

(jv arb 805)

AND

That part of Lots 1, 2, 3 and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point in the East line of said Block 226, distant 105 feet Southerly from the Northeast corner thereof;

Thence running Westerly along the property heretofore owned by C.R. Drake and Louise Blenman, a distance of 131 feet 1 inch;

Thence running Southerly, a distance of 41 feet 1 inch;

Thence running Easterly, a distance of 129 feet to the East line of said Block 226;

Thence running Northerly along the East line of said Block 226, a distance of 44 feet 8 inches to the TRUE POINT OF BEGINNING.

(jv arb 808)

Tax Parcel No. 117-13-1720

Exhibit C

Dabdoub Personal Guaranty

PERSONAL GUARANTY

FOR VALUABLE CONSIDERATION, Marcel Dabdoub and Maria Elena Dabdoub, husband and wife ("Guarantors"), unconditionally guaranty and promise to pay to the Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona ("District"), on demand, in lawful money of the United States, any and all sums and indebtedness due and owing to the District under that certain Purchase/Lease/Option Agreement ("Agreement") dated March ___, 2017, executed by 236 South Scott LLC, an Arizona limited liability company ("236 South Scott") and Guarantors further unconditionally guaranty and promise to perform all obligations imposed on 236 South Scott under the Agreement. In addition, Guarantors agree as follows:

1. As used herein "indebtedness" includes, without limitation, any and all debts, monetary obligations and liabilities of 236 South Scott under the Agreement, whether voluntary or involuntary, and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, or whether recovery upon such indebtedness or obligations may be or hereafter becomes barred by any statute of limitations or any other law, or whether such indebtedness or obligations may be or hereafter become otherwise unenforceable.

2. Guarantors' obligations under this Guaranty are absolute and unconditional.

3. Guarantors shall pay and perform, on demand, all obligations due under the Agreement if they are not timely paid or performed as provided therein.

4. The obligation hereunder is independent of the obligation of 236 South Scott under the Agreement, and a separate action or actions may be brought and prosecuted against Guarantors whether or not an action is brought against 236 South Scott under the Agreement.

5. Guarantors authorize District, without notice or demand and without affecting their liability hereunder, from time to time, to renew, extend or otherwise change the time for payment or the terms of the indebtedness or other obligations under the Agreement, or any part thereof. Notwithstanding anything contained in this Guaranty to the contrary, Guarantors' obligations hereunder shall not become effective until ten (10) days after their receipt of written notice of default under the Agreement and then only if such default is not cured within such ten-day period. District may assign this Guaranty, in whole or in part, without notice, in connection with the assignment of the Agreement, or a portion thereof.

6. Guarantors waive any right to require District to proceed against 236 South Scott under the Agreement prior to proceeding against Guarantors under this Guaranty, including the right to require District to proceed against any security held by District. Guarantors hereby expressly waive any defense they may have in any action brought upon this Guaranty to recover a deficiency in the amount due under the indebtedness secured hereby, and this waiver shall be effective even if Guarantors do not have subrogation rights or the right to proceed against 236 South Scott for reimbursement. Guarantors further waive any defense arising by reason of any disability or other defense of 236 South Scott or by reason of the cessation from any cause whatsoever of the liability of 236 South Scott. Until all indebtedness due under the Agreement shall have been paid in full, Guarantors shall have no right of subrogation, and hereby waive any right to enforce any remedy which District now has or may hereafter have against 236 South

Scott and also waive any benefit of, and any right to participate in, any security now or hereafter held by District. Except as otherwise provided in this Guaranty, Guarantors hereby waive demand for performance, notice of non-performance and notice of acceptance of this Guaranty and of the existence or creation of any new or additional indebtedness; provided, however, this Guaranty shall not release District of its obligations of mitigation required under Arizona law.

7. Except as otherwise expressly provided in this Guaranty, Guarantors hereby agree that without the consent of or notice to Guarantors and without affecting any of the obligations of Guarantors hereunder: (a) any term, covenant or condition of the Agreement may be amended, compromised, released or otherwise altered by District and 236 South Scott, and Guarantors do guarantee and promise to perform all the obligations of 236 South Scott under the Agreement as so amended, compromised, released or altered; (b) any Guarantor of or party to the Agreement may be released, substituted or added by District; (c) any right or remedy under the Agreement, this Guaranty or any other instrument or agreement may be exercised, not exercised, impaired, modified, limited, destroyed or suspended by District; and (d) District or any other person may deal in any manner with 236 South Scott, any Guarantor, any party to the Agreement or any other person.

8. Guarantors hereby waive and agree not to assert or to take advantage of: (a) any right to require District to proceed against 236 South Scott or any other person or to pursue any other remedy before proceeding against Guarantors, and, specifically, waive the provisions of A.R.S. "12-1641 through 12-1646, A.R.S. 544-142 and 16 A.R.S., Rules of Civil Procedure, Rule 17(f); (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Agreement, or any of them; (c) any right or defense that may arise by reason of the lack of authority of 236 South Scott; and (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of 236 South Scott.

9. The liability of Guarantors and all rights, powers and remedies of District hereunder shall be in addition to all rights, powers and remedies given to District by law.

10. This Guaranty shall constitute the entire agreement between Guarantors and District with respect to the subject matter hereof. No provision of this Guaranty or right of District hereunder may be waived, nor may Guarantors be released from any obligation hereunder except by a writing duly executed by District. The failure to enforce any provision of this Guaranty shall not operate as a waiver of such provision or of any other provisions hereof. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

11. Where the context and construction of this Guaranty so require, all words used in the singular herein shall be deemed to have been used in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

12. Guarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by District in connection with the enforcement of this Guaranty, whether in a court proceeding or otherwise.

13. This Guaranty and all rights, obligations and liabilities arising hereunder shall be governed by and construed in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, the undersigned have hereunto executed this Personal Guaranty to be effective as of the ____ day of March, 2017.

Marcel Dabdoub

Maria Elena Dabdoub

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of March, 2017, by Marcel Dabdoub.

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of March, 2017, by Maria Elena Dabdoub.

Notary Public

Exhibit D

Schwabe Personal Guaranty

PERSONAL GUARANTY

FOR VALUABLE CONSIDERATION, Ron Schwabe and Patricia Schwabe, husband and wife ("Guarantors"), unconditionally guaranty and promise to pay to the Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona ("District"), on demand, in lawful money of the United States, any and all sums and indebtedness due and owing to the District under that certain Purchase/Lease/Option Agreement ("Agreement") dated March ____, 2017, executed by 236 South Scott LLC, an Arizona limited liability company ("236 South Scott") and Guarantors further unconditionally guaranty and promise to perform all obligations imposed on 236 South Scott under the Agreement. In addition, Guarantors agree as follows:

1. As used herein "indebtedness" includes, without limitation, any and all debts, monetary obligations and liabilities of 236 South Scott under the Agreement, whether voluntary or involuntary, and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, or whether recovery upon such indebtedness or obligations may be or hereafter becomes barred by any statute of limitations or any other law, or whether such indebtedness or obligations may be or hereafter become otherwise unenforceable.

2. Guarantors' obligations under this Guaranty are absolute and unconditional.

3. Guarantors shall pay and perform, on demand, all obligations due under the Agreement if they are not timely paid or performed as provided therein.

4. The obligation hereunder is independent of the obligation of 236 South Scott under the Agreement, and a separate action or actions may be brought and prosecuted against Guarantors whether or not an action is brought against 236 South Scott under the Agreement.

5. Guarantors authorize District, without notice or demand and without affecting their liability hereunder, from time to time, to renew, extend or otherwise change the time for payment or the terms of the indebtedness or other obligations under the Agreement, or any part thereof. Notwithstanding anything contained in this Guaranty to the contrary, Guarantors' obligations hereunder shall not become effective until ten (10) days after their receipt of written notice of default under the Agreement and then only if such default is not cured within such ten-day period. District may assign this Guaranty, in whole or in part, without notice, in connection with the assignment of the Agreement, or a portion thereof.

6. Guarantors waive any right to require District to proceed against 236 South Scott under the Agreement prior to proceeding against Guarantors under this Guaranty, including the right to require District to proceed against any security held by District. Guarantors hereby expressly waive any defense they may have in any action brought upon this Guaranty to recover a deficiency in the amount due under the indebtedness secured hereby, and this waiver shall be effective even if Guarantors do not have subrogation rights or the right to proceed against 236 South Scott for reimbursement. Guarantors further waive any defense arising by reason of any disability or other defense of 236 South Scott or by reason of the cessation from any cause whatsoever of the liability of 236 South Scott. Until all indebtedness due under the Agreement shall have been paid in full, Guarantors shall have no right of subrogation, and hereby waive any right to enforce any remedy which District now has or may hereafter have against 236 South

Scott and also waive any benefit of, and any right to participate in, any security now or hereafter held by District. Except as otherwise provided in this Guaranty, Guarantors hereby waive demand for performance, notice of non-performance and notice of acceptance of this Guaranty and of the existence or creation of any new or additional indebtedness; provided, however, this Guaranty shall not release District of its obligations of mitigation required under Arizona law.

7. Except as otherwise expressly provided in this Guaranty, Guarantors hereby agree that without the consent of or notice to Guarantors and without affecting any of the obligations of Guarantors hereunder: (a) any term, covenant or condition of the Agreement may be amended, compromised, released or otherwise altered by District and 236 South Scott, and Guarantors do guarantee and promise to perform all the obligations of 236 South Scott under the Agreement as so amended, compromised, released or altered; (b) any Guarantor of or party to the Agreement may be released, substituted or added by District; (c) any right or remedy under the Agreement, this Guaranty or any other instrument or agreement may be exercised, not exercised, impaired, modified, limited, destroyed or suspended by District; and (d) District or any other person may deal in any manner with 236 South Scott, any Guarantor, any party to the Agreement or any other person.

8. Guarantors hereby waive and agree not to assert or to take advantage of: (a) any right to require District to proceed against 236 South Scott or any other person or to pursue any other remedy before proceeding against Guarantors, and, specifically, waive the provisions of A.R.S. "12-1641 through 12-1646, A.R.S. 544-142 and 16 A.R.S., Rules of Civil Procedure, Rule 17(f); (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Agreement, or any of them; (c) any right or defense that may arise by reason of the lack of authority of 236 South Scott; and (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of 236 South Scott.

9. The liability of Guarantors and all rights, powers and remedies of District hereunder shall be in addition to all rights, powers and remedies given to District by law.

10. This Guaranty shall constitute the entire agreement between Guarantors and District with respect to the subject matter hereof. No provision of this Guaranty or right of District hereunder may be waived, nor may Guarantors be released from any obligation hereunder except by a writing duly executed by District. The failure to enforce any provision of this Guaranty shall not operate as a waiver of such provision or of any other provisions hereof. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

11. Where the context and construction of this Guaranty so require, all words used in the singular herein shall be deemed to have been used in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

12. Guarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by District in connection with the enforcement of this Guaranty, whether in a court proceeding or otherwise.

13. This Guaranty and all rights, obligations and liabilities arising hereunder shall be governed by and construed in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, the undersigned have hereunto executed this Personal Guaranty to be effective as of the ____ day of March, 2017.

Ron Schwabe

Patricia Schwabe

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of March, 2017, by Ron Schwabe.

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this ____ day of March, 2017, by Patricia Schwabe.

Notary Public

Exhibit E

Memorandum of Lease

WHEN RECORDED, RETURN TO:

Gust Rosenfeld, PLC
One South Church Avenue, # 1900
Tucson, Arizona 85701
Attn: Mark Collins

**MEMORANDUM OF TRIPLE NET
GOVERNMENT PROPERTY LEASE EXCISE TAX**

THIS MEMORANDUM OF TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX ("Memorandum") is made and entered into as of the ____ day of _____, 2017, by and between the RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a special taxing district of the State of Arizona ("Landlord"), and 236 SOUTH SCOTT LLC, an Arizona limited liability company ("Tenant").

1. The Landlord and Tenant have entered into that certain TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX, dated _____, 2017 ("Lease"), whereby the Landlord leases to Tenant that real property and improvements more particularly described in **Exhibit "A"** attached hereto and by this reference incorporated herein ("Property"). Capitalized terms used in this Memorandum shall have the meanings ascribed to them parenthetically or in the Lease.

2. This Memorandum is being recorded to give constructive notice to all persons dealing with the Property that the Landlord leases to Tenant the Property, and that the Landlord and Tenant consider the Lease to be a binding agreement between the Landlord and Tenant regarding the Property. In accordance with A.R.S. §42-6202.C, (i) Landlord and Tenant are parties to the Lease; (ii) the leased property is legally described on the attached **Exhibit "A"**; (iii) the lease term commenced on _____, 2017, the initial term of the Lease is three years commencing on March ____, 2017 and expiring on March ____, 2020, with one (1) twelve year extension unless terminated or canceled earlier in accordance with the terms of the Lease.

3. The Lease contains an option whereby Tenant may purchase the Property from the Landlord under the terms and conditions set forth therein and which may be exercised at any time during the term of the Lease.

4. This Memorandum is not a complete summary of the Lease. The provisions of this Memorandum shall not be used in interpreting the Lease. In the event of any conflict

between the terms and provisions of this Memorandum and the Lease, the terms and provisions of the Lease shall govern and control.

5. Further information concerning the Lease and the Parties' rights and obligations thereunder may be obtained from counsel for the parties at the following addresses:

Mark L. Collins, Esq.
GUST ROSENFELD P.L.C.
One South Church Avenue
Suite 1900
Tucson, Arizona 85701-1627
(520) 388-4780
(520) 624-3849(facsimile)

Lawrence M. Hecker, Esq.
HECKER PLLC
405 West Franklin Street
Tucson, Arizona 85701-8209
(520) 798-3803
(520) 620-0405 (facsimile)

6. This Memorandum may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first set forth above.

[Signature and acknowledgment page follows]

LANDLORD:

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a special taxing district of the State of Arizona

By: _____
Fletcher McCusker, Chairman

ATTEST:

By: _____
Mark Irvin, Secretary

STATE of ARIZONA)
) ss.
County of PIMA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Fletcher McCusker, Chairman of Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona.

Notary Public

My Commission Expires:

236 SOUTH SCOTT LLC, an Arizona limited liability company

By: _____
Marcel Dabdoub, Manager

By: _____
Ron Schwabe, Manager

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument, Memorandum of Lease, dated as of _____, 2017 and consisting of six pages, including this page and the attached Exhibits, was acknowledged before me this ____ day of _____, 2017, by Marcel Dabdoub, a Manager of 236 South Scott LLC, an Arizona limited liability company, on behalf of the company, being authorized so to do for the purposes therein contained.

(Seal and Expiration Date)

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument, Memorandum of Lease, dated as of _____, 2017 and consisting of six pages, including this page and the attached Exhibits, was acknowledged before me this ____ day of _____, 2017, by Ron Schwabe, a Manager of 236 South Scott LLC, an Arizona limited liability company, on behalf of the company, being authorized so to do for the purposes therein contained.

(Seal and Expiration Date)

Notary Public

Exhibit "A" to Memorandum

Legal Description

That part of Lots 3, 4, and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point which now constitutes the Southeast corner of said Lot 5, said point also being the Northwest corner of the intersection of McCormick and Scott Streets;

Thence Westerly along the South boundary line of said Lots 5 and 4, said line being the Northerly line of said McCormick Street, as now established, a distance of 126 feet, more or less, to the Southeast corner of the property heretofore conveyed to Edith and Sophia Siewert, by Deeds recorded in the office of the County recorder of Pima County, Arizona, in [Book 28 of Deeds at Page 492](#) and in [Book 30 of Deeds at Page 60](#), respectively;

Thence Northerly along the East boundary line of the property so conveyed to Edith and Sophia Siewert, as aforesaid and along the East boundary line of the property heretofore conveyed to Thomas Deering by deed recorded in [Book 30 of Deeds at Page 532](#), records of Pima County, Arizona, a distance of 80 feet to a point;

Thence Easterly and parallel with the Northern boundary line of said McCormick Street, a distance of 126 feet, more or less, to the East boundary line of said Lot 5, said line also being the West boundary line of said Scott Street;

The Southerly along the said Western boundary line of Scott Street, a distance of 80 feet to the POINT OF BEGINNING.

(jv arb 805)

AND

That part of Lots 1, 2, 3 and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point in the East line of said Block 226, distant 105 feet Southerly from the Northeast corner thereof;

Thence running Westerly along the property heretofore owned by C.R. Drake and Louise Blenman, a distance of 131 feet 1 inch;

Thence running Southerly, a distance of 41 feet 1 inch;

Thence running Easterly, a distance of 129 feet to the East line of said Block 226;

Thence running Northerly along the East line of said Block 226, a distance of 44 feet 8 inches to the TRUE POINT OF BEGINNING.

(jv arb 808)

Tax Parcel No. 117-13-1720

Exhibit F

Option Purchase Agreement & Escrow Instructions

OPTION PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

This Option Purchase Agreement and Escrow Instructions (“**Option Purchase Agreement**”) is entered into as of _____, 20__ (“**Effective Date**”) by, between and between 236 South Scott, LLC, an Arizona limited liability company (“**Brings**”), and Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the “**District**”). Brings and the District may collectively be referred to as the “**Parties**” or each, individually, as a “**Party**”.

BACKGROUND

The Parties acknowledge and agree that the following “**Background**” is true and correct and constitutes an integral part of this Option Purchase Agreement.

- A. On or about _____, 2017, Brings and the District executed a Purchase/Lease/Option Agreement (“**Original Agreement**”) pursuant to which Brings conveyed the property described on Exhibit A (the “**Property**”), which Brings has developed in material compliance with the Original Agreement (the “**Project**”).
- B. The Original Agreement granted Brings a Purchase Option pursuant to which Brings could purchase the Property and the Project in accordance with the terms of this Option Purchase Agreement.
- C. All terms defined in the Original Agreement shall have the same meaning in this Option Purchase Agreement except as otherwise provided herein.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and in consideration of the mutual covenants, promises and agreements contained herein, the District and Brings agree as follows:

- 1) **Purchase of Property.** Upon and subject to the terms and conditions set forth in this Option Purchase Agreement, Brings agrees to purchase from the District and the District agrees to sell to Brings all of the District’s right, title and interest in and to the Property. For purposes of this Option Purchase Agreement, the Property includes:
 - a) **Fee Title.** Fee title to the Property will be conveyed by special warranty deed, in a form suitable for recording, conveying marketable fee simple title in the Property to Brings, free and clear of all liens and encumbrances, except exceptions permitted under the Original Agreement.
 - b) **Easements and Privileges.** All easements appurtenant to the Property and other licenses, grants of right, privileges, or other agreements appurtenant thereto or for the benefit of the Property and all right, title, and interest of the District, if any, as the owner of the Property in and to any roads, streets, and ways, public or private, open or proposed, in front of or adjoining all or any part of the Property and serving the Property.

c) **Other Rights.** All rights, warranties, guarantees, utility contracts, approvals (governmental or otherwise), permits, certificates of occupancy, surveys, plans and specifications, and any agreements, covenants or indemnifications that the District received from Brings or any third party, including any prior owner, and relating to the Property.

2) **Purchase Price.** The purchase price for the Property shall be the Option Purchase Price as set forth in Paragraph 12 of the Original Agreement (“**Purchase Price**”).

3) **Title & Escrow.**

a) **Opening of Escrow.** Upon the full execution of this Option Purchase Agreement, the District shall deposit it with Stewart Title & Trust of Arizona (the “**Title Company**”) (Michelle Jolly as the “**Escrow Agent**”) at 3939 E. Broadway, Tucson, Arizona 85711. The Escrow Agent, as agent for the Title Company, agrees with Brings and the District that: (a) recordation of the Deed (defined below) constitutes the Escrow Agent’s representation that it is holding the closing documents, closing funds, and closing statement and is prepared and irrevocably committed to disburse the closing funds in accordance with the closing statements; and (b) the release of funds to the District, or other party so designated in this Option Purchase Agreement will irrevocably commit the Title Company to issue the Title Policy (defined below) in accordance with this Option Purchase Agreement.

b) **Limitation of Liability.** Brings and the District hereby agree, jointly and severally, to indemnify and hold harmless the Escrow Agent from and against all costs, damages, judgments, attorney’s fees, expenses, obligations, and liabilities of any kind or nature, which the Escrow Agent in good faith may incur or sustain in connection with this Option Purchase Agreement. The Escrow Agent shall not be liable for any actions taken or omitted by it in good faith and may rely upon, and act in accordance with, the reasonable advice of its counsel without liability on its part for any action taken or omitted in accordance with such advice.

c) **Escrow Instructions.** The terms and provisions of this Option Purchase Agreement shall constitute escrow instructions to the Escrow Agent for the purpose of serving in such capacity for the transaction described herein. In the event of a conflict between the terms and conditions of this Option Purchase Agreement and any other escrow instructions executed by the parties in connection with this transaction, the terms and conditions of this Option Purchase Agreement shall control.

d) **Closing & Closing Date.** The closing of the transaction (the “**Closing**”) described herein shall occur before 5:00 PM of the fifth (5th) business day after the expiration of the Title Review Period or the Extended Title Review Period, as applicable, unless Brings terminates this Option Purchase Agreement pursuant to the penultimate sentence of Section 3(e)(iii) hereof, at the offices of the Escrow Agent or at such other date, time, and place as the Parties may hereinafter agree (the “**Closing Date**”) in accordance with the terms and conditions of this Option Purchase Agreement. The Parties acknowledge and agree that TIME SHALL BE OF THE ESSENCE with respect to the performance by the Parties of their obligations under this Option Purchase Agreement and to consummate the transactions contemplated in this Option Purchase Agreement on the Closing Date. For the purposes of this

Option Purchase Agreement, any date to which the Parties agree to adjourn the Closing pursuant to the terms of this Option Purchase Agreement shall be deemed the “Closing Date” hereunder.

e) **Title Commitment.**

i) Within four (4) days of the Opening of Escrow, the Title Company shall issue and deliver to Brings a preliminary title commitment for the Property, as well as copies of all instruments referred to therein, including all deeds, easements or other instruments which provide for access to the Property (collectively the “**Title Commitment**”). The Title Commitment shall be an irrevocable commitment by the Title Company to issue the Title Policy (defined below) subject to the satisfaction of the requirements contained in the Title Commitment.

ii) Brings shall have twenty (20) days after receipt of the Title Commitment to object either to any exceptions or requirements contained in the Title Commitment or to matters identified on the ALTA/ACSM survey of the Property (“**Survey**”) to be provided and paid for by Brings (“**Title Issues**”) by providing written notice thereof to the District. If Brings has no objection, it may provide notice thereof to the District, in which case the 20-day period shall cease. In the event of any such objection, the District shall have ten (10) days after receipt of Brings’ notice of the Title Issues to review and evaluate the Title Issues and give written notice to Brings whether or not the District will cure or cause to be removed the Title Issues (“**Title Review Period**”). If the initial Title Commitment is updated and/or amended by any new exception(s) or requirement(s) (by endorsement, amendment, or otherwise) that Brings deems to be adverse to its anticipated title (“**Amended Title Commitment**”), the Title Review Period will be extended by three (3) business days following Brings’ receipt of the Amended Title Commitment (including the best available copies of all new exceptions) to notify the District in writing of Brings’ objections to any new exceptions (“**Extended Title Review Period**”). If Brings timely objects to any matter disclosed in an Amended Title Commitment, the District may give written notice to Brings within three (3) business days after receipt of the new objections as to whether or not the District will cure or cause to be removed an objected to matter. If the District timely gives Brings written notice that the District will not cure or cause to be removed the objected to matter (or if the District fails to provide any written notice within the applicable response period), then Brings shall have three (3) business days after receipt of such written notice (or, in the case of no written notice, three (3) business days after the expiration of the District’s applicable response period) within which to terminate this Option Purchase Agreement. If Brings fails to timely terminate this Option Purchase Agreement under this provision, the Title Review Period and the Extended Title Review Period shall expire.

iii) In the event that the exceptions are not resolved to the reasonable satisfaction of Brings prior to expiration of the Title Review Period and the Extended Title Review Period, this Option Purchase Agreement may be canceled by Brings giving notice thereof to the District as provided in Section 3(e)(ii) above.

iv) The District and Brings hereby agree and acknowledge that electronic delivery of the Title Commitment and any Amended Title Commitments by the Escrow Agent (whether in the form of an attachment to electronic mail or in the form of a link to a website where the Title Commitment or Amended Title Commitment can be downloaded) is an

acceptable form of delivery, and the Title Commitment or Amended Title Commitment shall be deemed delivered on the day it is electronically transmitted to and received by the District and Brings.

v) Notwithstanding anything mentioned herein to the contrary, on or before the Closing, the District shall satisfy and remove all voluntary monetary liens placed on the Property by the District, and the District shall cure and cause to be removed all exceptions for rights of parties or entities in possession (other than pursuant to recorded documents affecting the Property) or parties or entities holding lease or option rights and all exceptions for any Lis Pendens or similar recordings against the Property (the "**Unaccepted Exceptions**"), and Brings need not expressly object to any such Unaccepted Exceptions as may be disclosed on the Title Commitment or any amendment thereto such that the Unaccepted Exceptions shall not be deemed Permitted Exceptions.

vi) As used in this Option Purchase Agreement, the term "**Permitted Exceptions**" shall collectively mean the exceptions to title reflected in the Title Commitment or any amendment thereto which are approved (or deemed approved) by Brings pursuant to this section, but not the Unaccepted Exceptions.

4) **Representations and Warranties.**

a) **The District.** The District makes the following representations and warranties to Brings, all of which shall survive the closing and recordation of the Deed, and shall be complete, true and accurate as of the Effective Date and as of the Closing:

i) **Organization.** The District is a special taxing district of the State of Arizona duly organized, validly existing and in good standing under the laws of the State of Arizona and has the power, right and authority to enter into this Option Purchase Agreement, and to consummate the transaction contemplated hereby, without the consent or joinder of any other party or order or approval of any court, and this Option Purchase Agreement shall constitute a legal, valid and binding obligation of the District, enforceable against the District in accordance with the terms and conditions contained herein.

ii) **Performance.** The District will have performed, observed and complied with all of the covenants, agreements and conditions required by this Option Purchase Agreement to be performed, observed and complied with by the District on or before the Closing, and will execute and deliver all documents required to be executed and delivered by the District in order to consummate the transaction contemplated herein, on or before the Closing and at the time period set forth herein. The District shall also perform, observe and comply with all post-closing covenants, representations, warranties, agreements, conditions and indemnifications required by this Option Purchase Agreement.

iii) **Other Contracts.** Neither this Option Purchase Agreement nor anything required to be done hereunder, including, but not limited to, the acceptance of the conveyance of the Property, violates or shall violate any contract or agreement to which the District is a party.

iv) **Material Change.** Should the District receive notice or knowledge of any information regarding any of the matters set forth in this section after the Effective Date and

prior to the Closing which would result in a material change to these warranties, the District will immediately notify Brings of the same in writing.

v) **Indemnification.** The District shall indemnify, defend and hold Brings, its managers, members, representatives, agents and employees, harmless for, from and against any liability, loss, claim, action or demand, including attorneys' fees and costs, that may arise out of or is connected with the District's breach of any covenant, representation, warranty or term contained in this Option Purchase Agreement. The District's indemnification provided in this Option Purchase Agreement shall survive the Closing.

b) **Brings.**

i) **Organization.** Brings is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona, and has the power, right and authority to enter into this Option Purchase Agreement, and to consummate the transaction contemplated hereby, without the consent or joinder of any other party or order or approval of any court, and this Option Purchase Agreement shall constitute a legal, valid and binding obligation of Brings, enforceable against it in accordance with the terms and conditions contained herein.

ii) **Performance.** Brings will have performed, observed and complied with all of the covenants, agreements and conditions required by this Option Purchase Agreement to be performed, observed and complied with by Brings on or before the Closing, and will execute and deliver all documents required to be executed and delivered by Brings in order to consummate the transaction contemplated herein, on or before the Closing and at the time period set forth herein. Brings shall also perform, observe and comply with all post-closing covenants, representations, warranties, agreements, conditions and indemnifications required by this Option Purchase Agreement.

iii) **Litigation.** Except as provided herein, no litigation exists which relates to or arises out of Brings' leasehold interest in the Property, and Brings has not received any notice that any such proceedings are contemplated or threatened. There are no actions or proceedings pending or threatened against Brings before any court, administrative agency, or other governmental body in any way connected with or relating to the Property or affecting Brings' ability to fulfill all of its obligations under this Option Purchase Agreement.

iv) **Violations of Law.** Brings has not received any notice of any violation of any federal, state, regional or local law, ordinance or other governmental rule or regulation pertaining to the Property, including, without limitation, environmental laws or regulations.

v) **Contracts.** Except as provided in this Option Purchase Agreement, neither this Option Purchase Agreement nor anything required to be done hereunder, including but not limited to, the purchase of the Property, violates or shall violate any contract or agreement to which Brings is a party.

vi) **U.S. Persons.** Brings is a "United States person" within the meaning of §1445 of the Internal Revenue Code, as amended.

vii) **Material Change.** Should Brings receive notice or knowledge of any information regarding any of the matters set forth in this section after the Effective Date and before the Closing which would result in a material change to these warranties, Brings will immediately notify the District of the same in writing.

5) **District's Deliveries in Escrow.** No fewer than three (3) days before the Closing, the District shall deliver to the Escrow Agent the following:

a) **Deed.** A Special Warranty Deed (the "**Deed**") in the form attached hereto as Exhibit B, executed and acknowledged by the District and assigning and conveying to Brings title to the Property subject to the Permitted Exceptions.

b) **State Law Disclosures.** An Affidavit of Property Value, to be prepared by the Escrow Agent as required by Arizona law and executed by the District and Brings or their agents.

c) **Proof of Authority.** Such proof of the District's authority and authorization to enter into this Option Purchase Agreement and the transactions contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of the District to act for and bind the District as may be reasonably required by the Title Company.

d) **Additional Documents.** Such other documents and instruments, signed and properly acknowledged by the District, if appropriate, as may be reasonably required by the Title Company, the Escrow Agent or otherwise in order to effectuate the provisions of this Option Purchase Agreement and the Closing of the transaction contemplated herein.

6) **Brings' Deliveries in Escrow.** At or before the Closing, Brings shall deliver to the Escrow Agent all of the following:

a) **Purchase Price.** The Purchase Price, as adjusted in accordance with this Option Purchase Agreement (which adjustments and pro rations shall be reflected on the closing statement prepared by the Escrow Agent), shall be deposited by Brings with the Escrow Agent in immediate, same-day federal funds wired for credit into the Escrow Agent's escrow account at a bank satisfactory to the District.

b) **State Law Disclosures.** An executed Affidavit of Value for the Property.

c) **Proof of Authenticity.** Such proof of Brings' authority and authorization to enter into this Option Purchase Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents or certificates on behalf of Brings to act for and bind Brings as may be reasonably required by the Title Company.

d) **Additional Documents.** Such other documents and instruments, signed and properly acknowledged by Brings, if appropriate, as may be reasonably required by the Title Company, the Escrow Agent or otherwise in order to effectuate the provisions of this Option Purchase Agreement and the closing of the transaction contemplated herein.

7) **Closing.**

a) **Closing Statement.** Subject to final approval by the District and Brings at the Closing, the Escrow Agent shall prepare the final settlement statements consistent with this Option Purchase Agreement.

b) **Title Policy.** At the Closing, the Title Company shall deliver to Brings an ALTA extended form of title insurance (the “**Title Policy**”) with respect to the Property in the full amount of the Purchase Price, which shall insure that fee simple title to the Property is vested in Brings, subject only to: (i) the usual printed exceptions and exclusions contained in the Title Policy; and (ii) the Permitted Exceptions. The cost of a basic premium policy shall be paid for by the District with any extended coverage paid for by Brings.

c) **Disbursement of Net Sale Proceeds.** The Escrow Agent shall disburse the portion of the Purchase Price remaining after the payment of all fees, costs and other charges required under this Option Purchase Agreement (the “**Net Sale Proceeds**”) to the District.

d) **Possession.** The District shall deliver possession of the Property to Brings at the Closing.

e) **Escrow/Title & Other Fees.** The Escrow Agent’s escrow fee will be evenly divided and paid by the Parties. Each Party shall pay its own attorneys’ fees. All other fees and costs relating to the Closing shall be paid by the parties as is customary in similar real estate transactions in Pima County, Arizona.

8) **Brokerage Commission.** The parties understand, acknowledge and agree that no real estate broker is involved in this transaction and that no real estate brokerage commission shall be paid as a result of the sale of the Property. Brings acknowledges that District Board Members Mark Irvin and Chris Sheafe are each licensed real estate brokers in Arizona. Each party shall defend, indemnify and hold the other harmless from and against any and all claims, costs, liabilities or damages for any real estate brokerage commissions or fees, including any attorneys’ fees incurred in connection therewith, which may result from the conduct of the party from whom indemnification is sought.

9) **General Provisions.**

a) **Waivers.** No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Unless expressly provided for in this Agreement, no waiver shall be binding unless executed in writing by the Party making the waiver. Any Party may waive any provision of this Agreement intended for its sole benefit; however, unless otherwise provided for herein, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Agreement.

b) **Construction, Governing Law and Venue.** This Agreement shall be interpreted according to Arizona law, and shall be construed as a whole and in accordance with its fair meaning and without regard to, or taking into account, any presumption or other rule of law requiring construction against the Party preparing this Agreement or any part hereof. Any

dispute or controversy relating to this Agreement, including the breach and enforcement thereof, shall take place in the Superior Court of Pima County, Arizona.

c) **Time.** Time is strictly of the essence of each and every provision of this Agreement.

d) **Attorneys' Fees.** If any action is brought by any Party in respect to its rights under this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and court costs as determined by the court, including attorneys' fees incurred prior to any court or enforcement action that relate to the enforcement hereof.

e) **Binding Effect.** This Agreement and all instruments or documents entered into pursuant hereto are binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

f) **Further Assurances and Documentation.** Each Party agrees in good faith to take such further actions and execute such further documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

g) **Time Periods.** If the time for the performance of any obligation under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

h) **Headings.** The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

i) **Entire Agreement.** This Agreement, together with all exhibits referred to herein, which are incorporated herein and made a part hereof by this reference, constitute the entire agreement between the parties pertaining to the subject matter contained in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties.

j) **Counterparts.** This Agreement may be executed by the exchange of faxed or electronic signatures and in any number of counterparts.

k) **Approvals and Notices.** Any objection, approval, disapproval, demand, document or other notice ("Notice") that any Party may desire or may be obligated to give to any other Party shall be in writing and may be given by personal delivery, registered or certified mail (return receipt requested), email transmission (with delivery receipt) or by commercial courier to the party or its successors or assigns to whom the Notice is intended at the address of the party set forth below or at any other address as the parties may later designate. Change of address by a party shall be given by Notice as follows:

i) *If to the District:* Rio Nuevo Multipurpose Facilities District, 400 West Congress, Suite 152, Tucson, Arizona 85701, with a copy to Mark Collins, Esq., Gust Rosenfeld P.L.C. , One South Church Avenue, Suite 1900, Tucson, Arizona 85701.

ii) *If to Brings*: 236 South Scott LLC, 44 E. Broadway, #300, Tucson, Arizona 85701, with a copy to Lawrence M. Hecker, Esq., Hecker, PLLC, 405 W. Franklin Street, Tucson, Arizona 85701.

l) **Conflict of Interest.** This Agreement is subject to and may be cancelled in accordance with the provisions of A.R.S. §38-511.

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT

By: _____
Name: Fletcher McCusker
Its: Chairman

By: _____
Name: Mark Irvin
Its: Secretary

236 SOUTH SCOTT LLC

By: _____
Name: Marcel Dabdoub
Its: Manager

**OPTION PURCHASE AGREEMENT
EXHIBIT "A"
LEGAL DESCRIPTION**

That part of Lots 3, 4, and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point which now constitutes the Southeast corner of said Lot 5, said point also being the Northwest corner of the intersection of McCormick and Scott Streets;

Thence Westerly along the South boundary line of said Lots 5 and 4, said line being the Northerly line of said McCormick Street, as now established, a distance of 126 feet, more or less, to the Southeast corner of the property heretofore conveyed to Edith and Sophia Siewert, by Deeds recorded in the office of the County recorder of Pima County, Arizona, in [Book 28 of Deeds at Page 492](#) and in [Book 30 of Deeds at Page 60](#), respectively;

Thence Northerly along the East boundary line of the property so conveyed to Edith and Sophia Siewert, as aforesaid and along the East boundary line of the property heretofore conveyed to Thomas Deering by deed recorded in [Book 30 of Deeds at Page 532](#), records of Pima County, Arizona, a distance of 80 feet to a point;

Thence Easterly and parallel with the Northern boundary line of said McCormick Street, a distance of 126 feet, more or less, to the East boundary line of said Lot 5, said line also being the West boundary line of said Scott Street;

The Southerly along the said Western boundary line of Scott Street, a distance of 80 feet to the POINT OF BEGINNING.

(jv arb 805)

AND

That part of Lots 1, 2, 3 and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point in the East line of said Block 226, distant 105 feet Southerly from the Northeast corner thereof;

Thence running Westerly along the property heretofore owned by C.R. Drake and Louise Blenman, a distance of 131 feet 1 inch;

Thence running Southerly, a distance of 41 feet 1 inch;

Thence running Easterly, a distance of 129 feet to the East line of said Block 226;

Thence running Northerly along the East line of said Block 226, a distance of 44 feet 8 inches to the TRUE POINT OF BEGINNING.

(jv arb 808)

Tax Parcel No. 117-13-1720

**OPTION PURCHASE AGREEMENT
EXHIBIT "B"
SPECIAL WARRANTY DEED**

When recorded, return to:

Exempt per A.R.S. §11-1134(A)(3)

SPECIAL WARRANTY DEED

For good and other consideration, the receipt and sufficiency of which are hereby acknowledged, RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a special taxing District of the State of Arizona, ("Grantor"), does hereby grant, sell and convey unto 236 SOUTH SCOTT LLC, an Arizona limited liability company, the following described real property located in Pima County, Arizona:

See Exhibit "A" attached hereto and by this reference made a part hereof (the "Property")

Together with all rights and appurtenances thereto subject only to existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

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

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed as of the ____ day of _____, 20__.

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: _____
Its: _____

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____ as _____ of Rio Nuevo Multipurpose Facilities District.

Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____ as _____ of Rio Nuevo Multipurpose Facilities District.

Notary Public

**SPECIAL WARRANTY DEED
EXHIBIT "A"
LEGAL DESCRIPTION**

That part of Lots 3, 4, and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point which now constitutes the Southeast corner of said Lot 5, said point also being the Northwest corner of the intersection of McCormick and Scott Streets;

Thence Westerly along the South boundary line of said Lots 5 and 4, said line being the Northerly line of said McCormick Street, as now established, a distance of 126 feet, more or less, to the Southeast corner of the property heretofore conveyed to Edith and Sophia Siewert, by Deeds recorded in the office of the County recorder of Pima County, Arizona, in [Book 28 of Deeds at Page 492](#) and in [Book 30 of Deeds at Page 60](#), respectively;

Thence Northerly along the East boundary line of the property so conveyed to Edith and Sophia Siewert, as aforesaid and along the East boundary line of the property heretofore conveyed to Thomas Deering by deed recorded in [Book 30 of Deeds at Page 532](#), records of Pima County, Arizona, a distance of 80 feet to a point;

Thence Easterly and parallel with the Northern boundary line of said McCormick Street, a distance of 126 feet, more or less, to the East boundary line of said Lot 5, said line also being the West boundary line of said Scott Street;

The Southerly along the said Western boundary line of Scott Street, a distance of 80 feet to the POINT OF BEGINNING.

(jv arb 805)

AND

That part of Lots 1, 2, 3 and 5, in Block 226, of THE CITY OF TUCSON, according to the official plat and field notes thereof made by S. W. Foreman and approved and adopted by the Mayor and Common Council of the City (then Village) of Tucson on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in [Book 3 of Maps and Plats at Page 70](#), thereof, more particularly described as follows, to wit:

COMMENCING at a point in the East line of said Block 226, distant 105 feet Southerly from the Northeast corner thereof;

Thence running Westerly along the property heretofore owned by C.R. Drake and Louise Blenman, a distance of 131 feet 1 inch;

Thence running Southerly, a distance of 41 feet 1 inch;

Thence running Easterly, a distance of 129 feet to the East line of said Block 226;

Thence running Northerly along the East line of said Block 226, a distance of 44 feet 8 inches to the TRUE POINT OF BEGINNING.

(jv arb 808)

Tax Parcel No. 117-13-1720
857992