

DEVELOPMENT AND DISPOSITION AGREEMENT
(1 S. Church Avenue)

THIS DEVELOPMENT AND DISPOSITION AGREEMENT ("**Agreement**") is entered into as of the 18th day of May, 2020 (the "**Effective Date**"), by and between the **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district, having its office at 400 West Congress, Suite 152, Tucson, AZ 85701 (hereinafter the "**District**"), and **1SC PARTNERS SPE, LLC**, an Arizona limited liability company, having its office at 6700 N. Oracle Road, Suite 504, Tucson, AZ 85704 (hereinafter the "**Developer**").

RECITALS

A. The District is a special taxing district of the State of Arizona (the "**State**") that was formed by the City of Tucson, Arizona (the "**City**") and the City of South Tucson, Arizona under the Stadium District Statutes pursuant to A.R.S. § 48-4201 *et seq.*

B. The Developer currently owns real property located at 1 South Church Avenue, Tucson, Arizona and more particularly described in **Exhibit A** attached hereto (the "**Land**"), upon which an office building and related improvements are located (the "**Building**"). The Land and the Building constitute the "**Property**".

C. The Hotel Owner (as hereinafter defined) intends to make significant improvements to the Building and the Property, which will be divided by Developer pursuant to a condominium declaration and Condominium Plat (as hereinafter defined) into a hotel unit (the "**Hotel Unit**") located on a portion of floors 1 and 4 and floors 2 and 5 through 9 of the Building and an office unit (the "**Office Unit**") consisting of a portion of floors 1, 3, and 4 and floors 10 through 23 of the Building and a 484 space underground parking garage on three (3) below ground levels within which the Hotel Unit will have parking rights.

D. Developer intends to sell the Hotel Unit to 1SC HOTEL QOZB LLC, an Arizona limited liability company (along with its successors and assigns, the "**Hotel Owner**"), and to retain the Office Unit.

E. In accordance with the terms outlined in each of the GPLET Leases (as hereinafter defined), Developer will apply with the City to abate the Government Property Lease Excise Tax with respect to the Property pursuant to A.R.S. § 42-6209 (the "**Abatement**").

F. Provided that the (i) City has approved the Abatement in accordance with the terms in the GPLET Leases, (ii) Developer has obtained a Certificate of Occupancy for the Hotel Unit,

but prior to opening the Hotel Unit for business, then the (a) Hotel Owner will convey the Hotel Unit to the District pursuant to the terms of the Hotel GPLET Lease (as hereinafter defined), and (b) Developer will convey the Office Unit to the District pursuant to the terms of the Office GPLET Lease. After conveyance of the Property to the District, the Property will be "Government Property Improvements" under A.R.S. §42-6201(2), under which the District will be a "Government Lessor" pursuant to A.R.S. §42-6201(1) and each of Developer and Hotel Owner will be "Prime Lessees" pursuant to A.R.S. §42-6201(4).

G. The Property is located within the special taxing district limits of the District and in a single central business district in a redevelopment area established pursuant to Title 36, Chapter 12, Article 3 of Arizona Revised Statutes (A.R.S. §§36-1471 *et seq.*) (the "CBD") and more than one year has lapsed from the City's designation of the CBD; and

H. The District and Developer hereby acknowledge and agree that significant benefits will accrue to the District from the development of the Property by Developer and Hotel Owner, including, without limitation, increased tax revenues and the creation of jobs in the City, and that the development of the Property in substantial accordance with the Conceptual Development Plan will otherwise improve or enhance the economic welfare of the inhabitants of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises, the promises contained in this Agreement and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

ARTICLE 1 DEFINITIONS

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:

1.1 "Agreement" means this Development and Disposition Agreement, together with all Exhibits and Schedules referred to herein, all as may be amended from time to time in accordance with the terms and conditions hereof.

1.2 "Certificate of Occupancy" means a permanent certificate of occupancy issued by the City of Tucson.

1.3 "Commencement Date" means the date of issuance of a Certificate of Occupancy for the Hotel.

1.4 "Conceptual Development Plan" means Developer's plan for the development of the Property, a reduced copy of which is attached hereto as **Exhibit B** and incorporated herein by this reference, as amended from time to time in accordance with this Agreement.

1.5 "Default" is defined in **Section 7.1**.

1.6 “Developer” means ISC PARTNERS SPE, LLC, an Arizona limited liability company, and its successors and assigns.

1.7 “Developer Default” means a Default by Developer.

1.8 “Effective Date” means the date this Agreement is executed by the Developer and District, and their obligations as set forth in this Agreement commence.

1.9 “Escrow Agent” means Landmark Title Assurance Agency, 2555 E. Camelback Road, Suite 275, Attn: Vicki Etherton.

1.10 “Force Majeure Event” is defined in **Section 8.12**.

1.11 “GPLET” means Government Property Lease Excise Tax as provided for under A.R.S. §42-6201 *et seq.*

1.12 “GPLET Leases” means, collectively, the Triple Net Government Property Leases described in **Article 3** below to be executed by the District and (a) the Hotel Owner (as hereinafter defined) in substantially same form as **Exhibit C-1** (the “Hotel GPLET Lease”), and (b) Developer in substantially same form as **Exhibit C-2** (the “Office GPLET Lease”)

1.13 “Condominium Plat” means that certain plat prepared pursuant to Chapter 9 of Title 33 of the Arizona Revised Statutes (the “Arizona Condo Act”) creating fee simple interests in and to the Hotel Unit and the Office Unit upon the Property as submitted by Developer to the City and approved by City. The Condominium Plat shall substantially conform to the Conceptual Development Plan.

1.14 “Mayor and Council” means the Mayor and City Council of the City.

1.15 “Term” is defined in **Section 2.2**.

1.16 “Zoning” is defined in **Section 2.3**.

ARTICLE 2 PRELIMINARY MATTERS

2.1 Incorporation of Recitals. The Recitals are true and correct and are incorporated herein by reference.

2.2 Duration of Development Agreement. The term of this Agreement (the “**Term**”) shall commence on the Effective Date and continue until the first to occur of the date on which (a) the City has approved the Abatement and the Commencement Date of both GPLET Leases has occurred; or (b) the City denies or otherwise fails to approve the Abatement of excise tax for the Property (the “**Termination Date**”). For avoidance of doubt, upon the Termination Date, this Agreement shall terminate and be of no further force and effect, and the parties shall have no further rights or obligations hereunder.

2.3 Development Regulation; Applicable Requirements. Development of the Property shall be consistent with the City's zoning and land use ordinances in effect as of the Effective Date (the "**Zoning**"). The parties acknowledge and agree that the anticipated development of the Property will likely occur over a period of years.

2.4 Condition of Property. Except as specifically stated in this Agreement, neither Developer nor the District make any representation or warranty as to the condition of the Property.

ARTICLE 3 PROPERTY TAX; GPLET LEASES

3.1 Government Property Lease Excise Tax. The District and Developer hereby acknowledge and agree that the Property may be subject to statutorily-authorized excise tax Abatements, including, without limitation, all such Abatements or rates available pursuant to the provisions of A.R.S. §§ 42-6201 through 42-6209, as in existence as of the Effective Date of this Agreement, subject to approval by the City. Provided that the City approves the Abatement in accordance with the terms of Hotel GPLET Lease, then promptly after the conveyance of the Hotel Unit to the Hotel Owner, the District and Hotel Owner shall enter into the Hotel GPLET Lease in substantially the form attached as **Exhibits C-1** hereto and for the term specific therein, unless a longer term is approved by the District and Hotel Owner. Provided that the City approves Abatement in accordance with the terms of Office GPLET Lease, then promptly after the conveyance of the Hotel Unit to the Hotel Owner, the District and Developer shall enter into the Office GPLET Lease in substantially the form attached as **Exhibits C-2** hereto and for the term specific therein, unless a longer term is approved by the District and Developer.

3.2 Successor Financing Incentive Programs. The District hereby acknowledges that if development of the Property therein is economically feasible only as a result of the availability of financing incentives, such as statutorily authorized excise tax Abatement programs currently available under Arizona law, and, for any reason, any such programs are amended, modified, repealed, or rescinded such that the full benefits thereof as currently provided on the date of the execution of this Agreement are no longer in effect, then, in that event, the District will allow Developer and Hotel Owner to exercise their respective Options to Purchase as set forth in the GPLET Leases, and the GPLET Leases shall terminate.

3.3 Economic Incentives. The Hotel GPLET Lease shall provide that the lessee thereunder shall be entitled to receive a rebate of a portion of transaction privilege taxes that are generated from the Property up to \$1,000,000.00, in accordance with the terms of the Hotel GPLET Lease.

ARTICLE 4 MASTER PLANNING; THIRD PARTY APPROVALS

4.1 Conceptual Development Plan. The Conceptual Development Plan attached hereto as **Exhibit B** sets forth Developer's current plan for development of the Property. The District hereby approves the Conceptual Development Plan. The parties acknowledge that the Conceptual

Development Plan initially attached to this Agreement reflects the parties' general intent regarding development of the Property, and that as Hotel Owner finalizes its plans, the Conceptual Development Plan may be amended from time to time.

ARTICLE 5 OPTION TO PURCHASE PROPERTY

5.1 Option to Purchase. District hereby grants to Developer and Hotel Owner (following its purchase of the Hotel Unit from Developer) the option to purchase the Office Unit and the Hotel Unit, respectively, according to the terms and conditions set forth in Article 29 of each of the GPLET Leases, which is incorporated as if set forth herein (the "Option to Purchase"). Pursuant to A.R.S. §42-6206(C), each of Developer and Hotel Owner are required to exercise their respective Option to Purchase no later than twelve (12) months following the termination of the respective GPLET Leases.

ARTICLE 6 DEVELOPMENT PROCESSES

6.1 Development Agreements. The District and Developer hereby acknowledge that the development of the Property in accordance with the Conceptual Development Plan might be accomplished by Developer and Hotel Owner through assignments, subleases, joint ventures and/or other dispositions to or arrangements with other experienced investors in or developers of real property. In connection therewith, it is anticipated and contemplated by the District, Developer, and Hotel Owner that such persons might desire to become parties to this Agreement, the GPLET Leases, or to enter into separate and subordinate development agreements with the District and/or Developer. All development agreements entered into by the District with any such developer or investor shall be subordinate in all respects to the terms and conditions of this Agreement, and in the event of any conflict or discrepancy between the provisions of any such development agreement and the terms and conditions of this Agreement, this Agreement shall govern and control.

ARTICLE 7 DEFAULT; REMEDIES; TERMINATION

7.1 Default. It shall be a "**Default**" hereunder if either party fails to perform any of its obligations hereunder and such failure continues for a period of thirty (30) days after written notice from the non-defaulting party specifying in reasonable detail the nature of the failure; provided that if the nature of such failure to perform is such that it cannot reasonably be cured within the thirty-day period, no Default shall be deemed to exist if the defaulting party commences a cure within that thirty-day period and diligently and expeditiously pursues such cure to completion, but in no event shall such cure period extend beyond ninety (90) days.

7.2 Dispute Resolution. If the parties cannot resolve any dispute that arises out of this Agreement between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The matter in dispute shall be submitted to a mediator mutually selected by the District and Developer. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the District and Developer shall request the presiding judge of the Superior Court in and for the County of Pima, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to commercial property development. The cost of any such mediation shall be divided equally between the District and Developer, or in such other fashion as the mediator may order. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation upon the conclusion of mediation.

7.3 Developer's Remedies. If the District is in Default under this Agreement and the parties do not resolve the District's Default pursuant to the nonbinding mediation described in Section 7.2, Developer shall have the right to terminate this Agreement upon written notice to District, in which case Hotel Owner and Developer shall have the right to exercise their respective Option to Purchase pursuant to the GPLET Leases.

7.4 District's Remedies. If Developer is in Default under this Agreement and the parties do not resolve the Developer's Default pursuant to the nonbinding mediation described in Section 7.2, then the District shall have the right to terminate this Agreement immediately upon written notice to Developer and to recover actual damages sustained by the District to the extent directly caused by the Developer Default.

7.5 Limitation. Neither party shall be entitled to pursue an award of incidental, consequential, punitive, special, speculative or similar damages in the event of a Default by the other party, and each party hereby waives the right to pursue an award of such damages.

ARTICLE 8 GENERAL PROVISIONS

8.1 No Personal Liability. No member, shareholder, director, partner, manager, officer, board member, employee, or successors or assigns of the Developer or District shall be personally liable to the other, (a) in the event of any default or breach under this Agreement, (b) for any amount which may become due to the District or Developer, or its successor or assign, or (c) pursuant to any obligation under the terms of this Agreement.

8.2 Conflict of Interest. This Agreement is subject to termination pursuant to A.R.S. § 38-511.

8.3 Notice. All notices which shall or may be given pursuant to this Agreement shall be in writing and transmitted by registered or certified mail, return receipt requested, or by personal delivery or by overnight mail, addressed as follows:

To Developer: ISC Partners SPE, LLC
Attn: Zachary Fenton
6700 N. Oracle Road, Suite 504
Tucson, AZ 85704

With a copy to: Keri Silvyn, Esq.
Lazarus & Silvyn, P.C.
5983 E. Grant Rd., Suite 290
Tucson, Arizona 85712

To the District: Rio Nuevo Multipurpose Facilities District
Attention Chairman Fletcher McCusker
1703 E. Broadway Blvd.
Tucson, Arizona 85719

With a copy to: Mark Collins, Esq.
Gust Rosenfeld P.L.C.
1 S. Church Avenue, Suite 1900
Tucson, Arizona 85701

Either party may designate any other address for this purpose by written notice to the other party in the manner described herein. The date of service of any communication hereunder shall be the date of personal delivery or seventy-two (72) hours after the postmark on the certified or registered mail, or the date received if sent by overnight mail, as the case may be.

8.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement has been made and entered into in Pima County, Arizona.

8.5 Successors and Assigns. This Agreement shall run with the land and all of the covenants and conditions set forth herein shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

8.6 Waiver. No waiver by either party of any breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same for any other term, covenant or condition herein contained.

8.7 Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law, provided that the overall intent of the parties is not materially vitiated by such severability.

8.8 Entire Agreement. Except with respect to the GPLET Leases, this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof

and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

8.9 Attorneys' Fees. In the event of any actual litigation between the parties in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs and fees, including reasonable attorneys' fees, which shall be determined by the court and not by the jury.

8.10 Schedules and Exhibits. All schedules and exhibits attached hereto are incorporated herein by this reference as though fully set forth herein.

8.11 Representations. The District and Developer each hereby represent and warrant to one another as follows:

(a) Each has the full right, power and authorization to enter into and perform this Agreement and each of their respective obligations and undertakings under this Agreement, and the execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with all applicable legal requirements.

(b) Neither knows of any litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting its power to enter and perform this Agreement that has not been disclosed in writing to the other.

(c) This Agreement (and each undertaking of such party contained herein), constitutes a valid, binding and enforceable obligation of such party, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. Each party will defend the validity and enforceability of this Agreement in the event of any proceeding or litigation arising from its terms or that challenges their authority to enter into or perform any of its obligations hereunder.

8.12 Force Majeure. If Developer shall be delayed or prevented from the performance of any of its obligations under this Agreement by reason of (a) acts of God, including, without limitation, by pandemic (such as, for example, COVID-19) or endemic or matters stemming from the same, (b) strikes, (c) work stoppages, (d) unavailability of or delay in receiving labor or materials, (e) defaults by contractors or subcontractors, (f) unusually severe weather conditions for Tucson, Arizona, (g) governmental moratoria on issuing building permits or other approvals required for compliance with deadlines set forth in this Agreement, (h) other wrongful delays caused by the District or other governmental authority, including delays in granting necessary approvals, (i) fire or other casualty, or (j) other cause without fault and beyond the reasonable control of Developer (financial inability and market conditions excepted) (each, a "**Force Majeure Event**"), and if such Force Majeure Event (x) is not caused by the acts or omissions of Developer, and (y) is the proximate cause of Developer's inability to perform, then timely performance of such obligation shall be excused for the period of the delay and the period for the performance of any such obligation shall be extended for a period equivalent to the period of such delay, provided that if any Force Majeure Event occurs, Developer must give written notice to District within fifteen (15) days of the date Developer learns of the occurrence of the Force Majeure Event.

8.13 Assignment. Upon prior written notice to the District, Developer may assign its interest in this Agreement, in whole or in part, to any entity that controls, is controlled by or is under common control with Developer. Neither Developer nor any permitted assignee of Developer may otherwise assign its interest in this Agreement without the prior written consent of the District, which consent may be reasonably withheld by the District.

8.14 Intended Third Party Beneficiary. Hotel Owner is an intended third party beneficiary of this Agreement, and, for that reason, upon purchase of the Hotel Unit from Developer, may enforce the rights of Developer hereunder.

ARTICLE 9 TERMINATION

9.1 Developer may terminate this Agreement at any time during the Term upon delivery of written notice to District and Escrow Agent; provided, however, that any such termination notice from Developer must also be signed by Hotel Owner to be effective.

9.2 The District may terminate this Agreement by giving written notice to Developer and Escrow Agent if a Developer Default occurs as provided in **Article 7**.

9.3 Upon termination of this Agreement by the Developer or District, this Agreement shall remain in effect for the limited purpose of winding up the transactions, arrangements, obligations and liabilities which may be pending or outstanding at the time a notice of termination is issued, and the following provisions shall apply:

9.3.1 The terms of this Agreement shall continue in full force and effect with respect to any obligations or liabilities which accrued and were owed by one party to the other before or as a result of issuance of a termination notice.

9.3.2 Except as otherwise set forth in this Section or expressly provided otherwise in this Agreement, all other terms, provisions, non-accrued rights and non-accrued obligations of the parties under this Agreement shall terminate following issuance of a termination notice.

9.3.3 The GPLET Leases shall terminate in accordance with the terms set forth in each such lease.

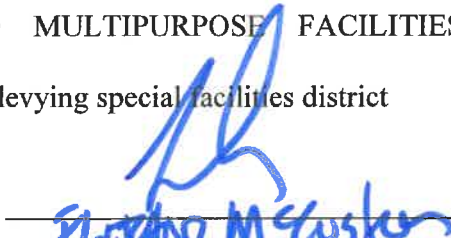
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IN WITNESS WHEREOF, the District and Developer have caused this Agreement to be duly executed as of the Execution date on the first page.

"DISTRICT"

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT,
an Arizona tax levying special facilities district

By:
Name:
Its:


Fletcher McCusker
CHAIRMAN

ATTEST:

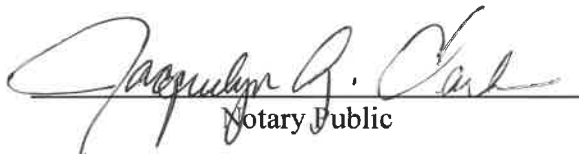
By:
Name:
Its:


MARK IRVIN
SECRETARY / VICE CHAIR

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing Development and Disposition Agreement was acknowledged before me this 1st day of May, 2020, by Fletcher McCusker, Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, and that in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

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


Notary Public

My Commission Expires:

09/23/2021



"DEVELOPER"

ISC PARTNERS SPE LLC,
an Arizona limited liability company

By: ISC Partners LLC, an Arizona limited liability company

Its: Sole Member

By: ZFI ISC Manager LLC, an Arizona limited liability company

Its: Manager

By: ZFI ISC SPE LLC, an Arizona limited liability company

Its: Manager

By: 

Zachary D. Fenton, Manager

By: Indus Holdings, LLC, an Arizona limited liability company

Its: Manager

By: 

G.S. Jaggi, Manager

STATE OF Pima,)
County of ARIZONA) ss.
)

18th The foregoing Development and Disposition Agreement was acknowledged before me this day of May, 2020 by Zachary D. Fenton, Manager of ZFI 1SC SPE LLC, Manager of ZFI 1SC Manager LLC, Manager of 1SC Partners LLC, the Sole Member of 1SC PARTNERS SPE LLC, as an authorized representative of said Arizona limited liability company.

[NOTARY SEAL] HEATHER WOLF
Notary Public - Arizona
Pima County
Commission #551737
My Comm. Expires Aug 23, 2022

Heather Wolf
Notary Public

STATE OF ARIZONA)
County of PIMA) ss.
)

18th The foregoing Development and Disposition Agreement was acknowledged before me this day of May, 2020 by G. S. Jaggi, Manager of Indus Holdings, LLC, Manager of 1SC Partners LLC, the Sole Member of 1SC PARTNERS SPE LLC, as an authorized representative of said Arizona limited liability company.

[NOTARY SEAL] HEATHER WOLF
Notary Public - Arizona
Pima County
Commission #551737
My Comm. Expires Aug 23, 2022

Heather Wolf
Notary Public

LIST OF EXHIBITS

Exhibit A.....	Legal Description of the Land
Exhibit B	Conceptual Development Plan
Exhibit C-1	Hotel GPLET Lease
Exhibit C-2.....	Office GPLET Lease

EXHIBIT A

(Legal Description of the Land)

PARCEL NO. 1:

A PART OF BLOCK 209, CITY OF TUCSON, AS RECORDED IN BOOK 3 OF MAPS AND PLATS AT PAGE 70, PIMA COUNTY RECORDER'S OFFICE, PIMA COUNTY, ARIZONA, AND BLOCK 506, PUEBLO CENTER, AS RECORDED IN BOOK 20 OF MAPS AND PLATS AT PAGE 83, PIMA COUNTY RECORDER'S OFFICE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY LINE OF CONGRESS STREET A DISTANCE OF 229.26 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 248.93 FEET TO THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;

THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40 MINUTES 03 SECONDS WEST;

THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 12 DEGREES 41 MINUTES 13 SECONDS FOR AN ARC DISTANCE OF 126.21 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTHEAST;

THENCE WESTERLY AND NORTHERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF

89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY LINE OF CONGRESS STREET A DISTANCE OF 159.52 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE EAST ALONG THE SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 69.74 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 118.00 FEET;

THENCE WEST 85.80 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 35.07 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 14.00 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 82.48 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 AND BLOCK 506, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTHEAST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF NORTH 72 DEGREES 20 MINUTES 07 SECONDS WEST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE SOUTHEASTERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTH, SAID CURVE BEING THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 03 DEGREES 48 MINUTES 42 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO THE POINT OF BEGINNING ON A NON TANGENT LINE;

THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 205.58 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 3.15 FEET;

THENCE SOUTH 00 DEGREES 22 MINUTES 44 SECONDS EAST 35.07 FEET;

THENCE EAST 85.80 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 130.93 FEET TO THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;

THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40 MINUTES 03 SECONDS WEST;

THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 08 DEGREES 52 MINUTES 23 SECONDS FOR AN ARC DISTANCE OF 88.27 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

A SUBSURFACE EASEMENT AND EASEMENTS FOR ENTRANCE AND EXIT RAMPS AND SIDEWALKS AS SET FORTH IN EASEMENT AND LICENSE RECORDED IN DOCKET 7548 AT PAGE 504 AS AMENDED IN DOCKET 11649 AT PAGE 1752.

PARCEL NO. 3:

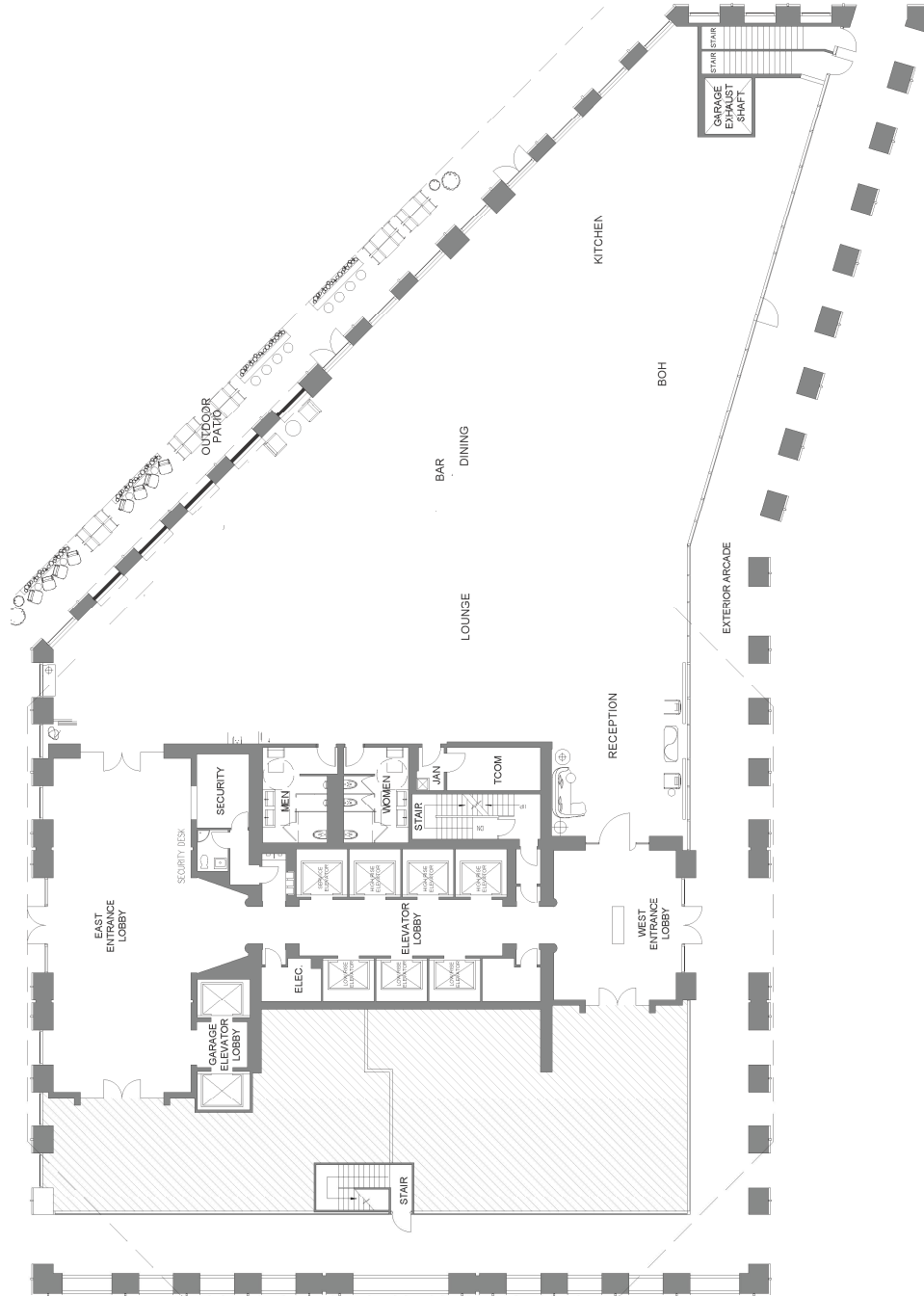
EASEMENTS AS SET FORTH IN RECIPROCAL EASEMENT AND OPERATING AGREEMENT RECORDED AT SEQUENCE NO. 20182640800

EXHIBIT B

(Conceptual Development Plan – see next three pages)

1151135.2

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**NELSEN
PARTNERS**
ARCHITECTS & PLANNERS

O|P

PRELIMINARY, TYPICAL AND SUBJECT TO CHANGE

ONE SOUTH CHURCH
HOTEL CONCEPT PACKAGE
TUCSON, AZ | #390043 | APRIL 21, 2023
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Proposed Plan
Floor 1

SCALE: 1" = 16'

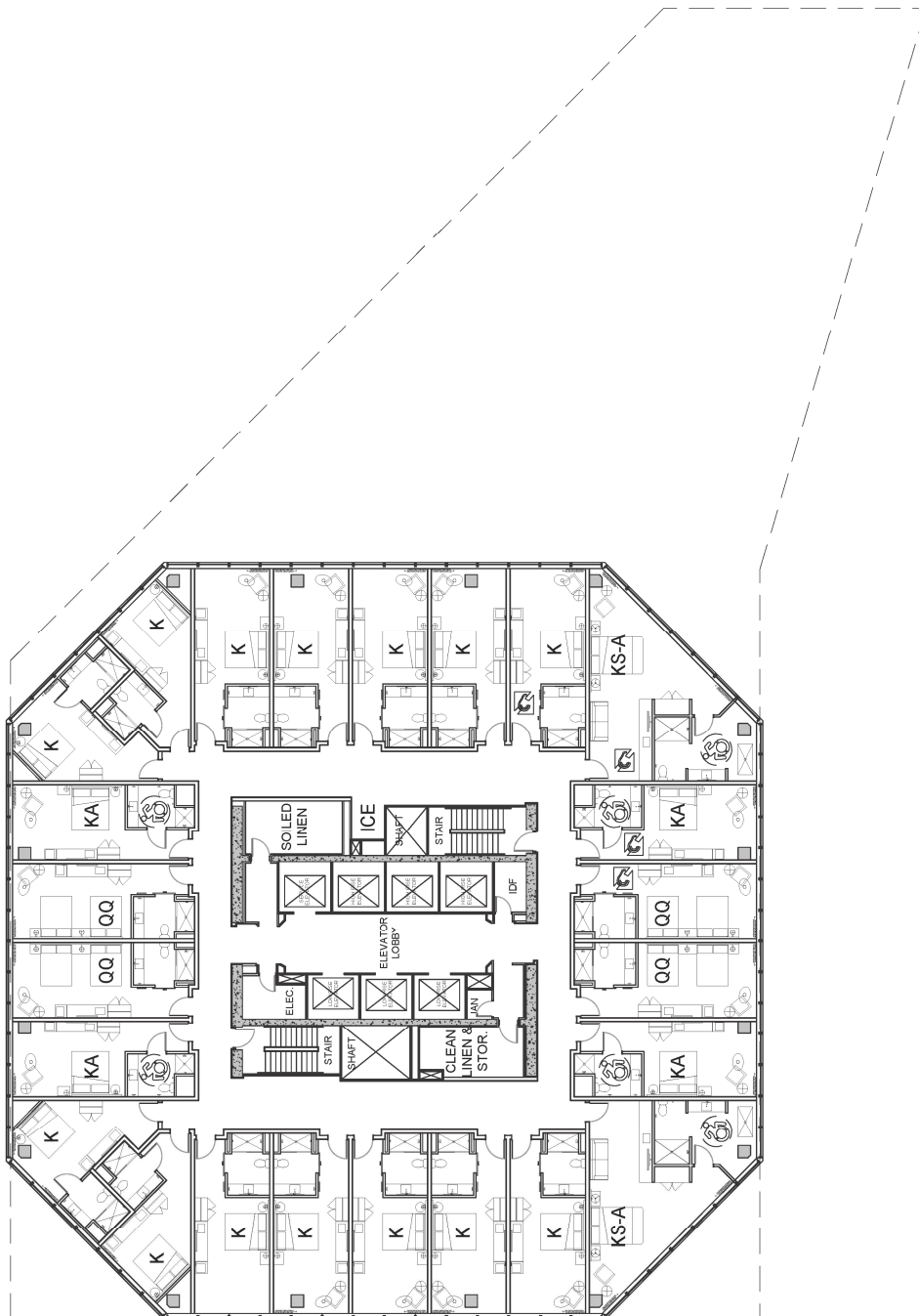
10' | 16' | 26'

3



1151135.2

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ARCHITECTS & PLANNERS

O | P

PRELIMINARY, TYPICAL AND SUBJECT TO CHANGE

ONE SOUTH CHURCH
HOTEL CONCEPT PACKAGE
TUCSON, AZ | #390043 | APRIL 21, 2023
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Proposed Plan
Floors 5-9
SCALE: 1" = 16'

6
1/8" = 1'-0"

EXHIBIT C-1
(Hotel GPLET Lease)

**TRIPLE NET
GOVERNMENT
PROPERTY LEASE**

BY AND BETWEEN

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
An Arizona tax levying special facilities district

"LANDLORD"

AND

1SC HOTEL QOZB LLC,
a Delaware limited liability company

"TENANT"

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**TRIPLE NET
GOVERNMENT
PROPERTY LEASE**

THIS LEASE ("Lease") is entered into as of the ___ day of _____, 2020 (the "Effective Date"), by and between **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district, having its office at 400 West Congress, Suite 152, Tucson, AZ 85701 (hereinafter "Landlord"), and **ISC HOTEL QOZB LLC**, a Delaware limited liability company, having its office at c/o OpWest Partners, 6900 E. Camelback Rd., Suite 902, Scottsdale, AZ 85251 (hereinafter "Tenant"). Capitalized terms used in this Lease shall have the meanings ascribed to them parenthetically or in Section 2.1 of this Lease.

RECITALS:

A. Landlord is a special taxing district of the State of Arizona (the "State") that was formed by the City of Tucson, Arizona (the "City") and the City of South Tucson, Arizona under the Stadium District Statutes pursuant to A.R.S. §48-4201 *et seq.*

B. Tenant currently owns or will own prior to the Commencement Date (as hereinafter defined) and upon the Commencement Date of this Lease Landlord will own Unit 2 or the Hotel Unit (the "Hotel Unit"), a condominium unit created pursuant to that certain Declaration of Condominium and Easements for One South Church Condominium (the "Condominium Declaration") and the condominium plat (the "Plat"), such condominium created upon the land and including the building (the "Building") located at 1 South Church Avenue, Tucson, Arizona, which Building is more particularly described on Exhibit A attached hereto and will include a portion of floors 1 and 4 and floors 2 and 5 through 9 of the Building. The Hotel Unit and an undivided interest in the common elements in the Building in accordance with the Condominium Declaration constitutes the "Premises."

C. As of the Effective Date, Tenant anticipates expenditures of approximately \$31,100,000.00 (the "Construction Costs"), by Tenant to remodel and repurpose the Premises into a hotel with approximately 145 keys and the amenities as generally described on the attached Exhibit J. Upon obtaining a Certificate of Occupancy for the Hotel Unit that entitles Tenant to operate its business in the Premises, but prior to opening for business, Tenant will convey the Premises to Landlord pursuant to the terms hereof. After conveyance of the Premises to Landlord, the Premises will be "Government Property Improvements" under A.R.S. §42-6201(2), under which Landlord is a "Government Lessor" pursuant to A.R.S. §42-6201(1), and Tenant is a "Prime Lessee" pursuant to A.R.S. §42-6201(4).

D. The Premises are located within the special taxing district limits of Landlord and in a single central business district in a redevelopment area established pursuant to Title 36, Chapter 12, Article 3 of Arizona Revised Statutes (A.R.S. §§36-1471 *et seq.*) (the "CBD"). More than one year has lapsed from the City's designation of the CBD, and Landlord has determined (based on an estimate of an independent third party) that within the term of this

Lease, the economic and fiscal benefit to the State, City of Tucson, Pima County, and the Landlord will exceed the benefits received by Tenant under the Lease.

E. Tenant may obtain, without Landlord's consent, construction and development financing or a line of credit (a "Construction and Development Loan") from a financial institution or other third-party lender (a "Construction and Development Lender") to cover some or all anticipated Construction Costs, including but not limited to tenant improvement costs. Tenant may also obtain a permanent loan, without Landlord's consent, either to replace a Construction and Development Loan or otherwise refinance the Premises (a "Permanent Loan"). If Tenant obtains a Construction and Development Loan, a Permanent Loan, or any other refinancing of the Premises, the parties intend that it will be treated as a Leasehold Mortgage pursuant to Section 3.4 below. Notwithstanding the foregoing, Tenant shall deliver to Landlord a complete set of loan documents no later than 7 days prior to any anticipated loan closing, whether it be a Construction and Development Loan or a Permanent Loan; provided, however, that Landlord shall have no right to approve the same. No Construction and Development Loan or Permanent Loan shall encumber or create a consensual lien on the Rebates described in Article 11 hereof.

ARTICLE 1 LEASE OF THE PREMISES

§ 1.1. Premises. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The Premises are subject to, and further described by, the following:

A. Other covenants, restrictions, easements, agreements, and reservations of record, if any, encumbering the Premises.

B. Present and future building restrictions and regulations, zoning laws, ordinances, resolutions and regulations of the municipality in which the Premises lies and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions, and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction over the Premises.

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

§ 1.2. Term. Although this Lease, and the obligations of Landlord and Tenant as set forth in this Lease shall commence on the date of execution of this Lease, the term of this Lease shall commence on the issuance of a Certificate of Occupancy for the Hotel Unit that entitles Tenant to operate its business on the Premises ("Commencement Date") and, subject to Tenant's Purchase Option and Termination Right, shall expire at 12:00 midnight on the last day of the Rental Period, as hereafter defined ("Termination Date"), unless this Lease is sooner terminated as hereinafter provided ("Term"). The Commencement Date and the Termination Date shall be set forth in the Amendment to Lease substantially in the form attached hereto as Exhibit B.

§ 1.3. Tenant's Termination Right. Notwithstanding any provision of this Lease to the contrary, but subject to payment of any accrued but unpaid Tenant Obligations, (i) Tenant or (ii) any subsequent holder of all or any portion of Tenant's leasehold interest in Premises created hereby with right of fee ownership upon termination of this Lease by foreclosure sale, trustee's sale, or deed in lieu of foreclosure (each, a "**Successor Owner**") may terminate this Lease at any time upon not less than sixty (60) days' written notice to Landlord, or as otherwise provided herein, whereupon, Landlord shall sign and record a Special Warranty Deed and any other documents and instruments reasonably required to return title to Tenant within five (5) business days, subject only to the Permitted Exceptions and any other title exceptions created or consented to in writing by Tenant, and the parties shall have no further obligations hereunder.

ARTICLE 2 DEFINITIONS

§ 2.1. Definitions. For the purposes of this Lease, the following words shall have the definition and meaning hereafter set forth.

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

"Additional Payments": As defined in § 4.1.

"Applicable Laws": The federal, state, county and local laws (statutory and common law), ordinances, rules, regulations, permit requirements, and other requirements and official policies of the City which apply to the Premises.

"Board": The Board of Directors of Landlord.

"Building": As defined in Recital Paragraph B and on Exhibit A.

"CBD": As defined in Recital Paragraph D.

"Certificate of Occupancy": As defined in § 9.2.

"Commencement Date": As defined in § 1.2.

“Commencement of Construction” shall be deemed to have occurred when labor is first provided, or equipment or materials are first furnished, to the Premises after issuance of the first building permit.

“Completion Date”: The date upon which construction of the Hotel component and the Office renovations are completed as evidenced by the issuance of a Certificate of Occupancy for the Hotel.

“Condominium Declaration”: As defined in Recital Paragraph B.

“Construction Costs”: As defined in Recital Paragraph “C.”

“Construction and Development Lender”: As defined in Recital Paragraph E.

“Construction and Development Loan”: As defined in Recital Paragraph E.

“Deed of Trust” means any deed of trust or mortgage securing obligations due to a Leasehold Mortgagee and encumbering Tenant’s leasehold interest in the Premises.

“Effective Date”: The date on which this Lease is fully executed by all parties hereto, as indicated by the latest date on the signature pages of this Lease.

“Enforced Delays”: As defined in § 27.1.

“Event of Default”: As defined in § 18.1.

“Hotel Unit”: As defined in Recital Paragraph B and as described in Exhibit J.

“Impositions”: As defined in § 4.1.

“Improvements”: The remodeling of the Hotel Unit into hotel rooms, restaurants, a fitness center, meeting rooms and associated hotel amenities.

“Landlord”: The Landlord named herein and its successors and assigns.

“Lease”: means this Triple Net Government Property Lease.

“Leasehold Mortgage”: As defined in Section 3.4(A).

“Lender”: The Construction and Development Lender and any subsequent Leasehold Mortgagee (including but not limited to any lender for a Permanent Loan) and their successors or assigns.

“Monetary Default”: As defined in § 18.1 (A).

“Net Rent”: As defined in § 3.1 (A).

“Option Period”: As defined in §29.2.

“Premises”: As defined in Recital B.

“Purchase Option”: As defined in §28.1.

“Rental Period”: The period beginning on the Commencement Date and ending 8 years from the first day of the month following the Commencement Date, subject to Tenant’s option to convert the Rental Period to a 25 year term as set forth in § 4.5 below, and further subject to the Purchase Option exercised by Tenant in accordance with § 1.3 and Article 29.

“Second Notice”: As defined in § 18.2.

“Tenant”: The Tenant named herein and its successors and assigns.

“Tenant’s Hotel Management Agreement”: shall mean the agreement between Tenant and the hotel brand that governs Tenant’s operation of the Hotel Unit.

“Tenant Obligations”: As defined in Section 3.3.

“Term”: As defined in Section 1.2.

“Termination Right”: As defined in § 1.3.

ARTICLE 3 RENT

§ 3.1. Net Rent.

A. Base and Adjustments. Tenant agrees to make a lump sum rent payment of \$100 in rent for the Premises from the Effective Date until the Commencement Date (“Initial Rent”). From and after the Commencement Date, Tenant shall pay to Landlord, in such United States of America currency as at the time of payment shall be legal tender for the payment of public and private debts at the addresses specified or furnished pursuant to § 21.1, during the Rental Period a net annual rental (“Net Rent”) in the amount of \$100 per annum. Tenant may pre-pay the Net Rent in advance for the entire Term or a portion of the Term.

B. Annual Installments. All payments of Net Rent shall be made in annual installments in advance, without notice, beginning on the first day of the first month following the Commencement Date and in like fashion each year thereafter. Alternatively, Tenant may pre-pay Net Rent for the entire Rental Period before or after the Commencement Date. Any pre-paid rent shall be non-refundable in all circumstances.

§ 3.2. Rent Absolutely Net. It is the purpose and intent of the Landlord and Tenant that Net Rent payable hereunder shall be absolutely net to Landlord so that this Lease shall yield to Landlord the Net Rent herein specified, free of any charges, assessments, Impositions, tax on rent, or deductions of any kind charged, assessed, or imposed on or against the Premises and without abatement, deduction or set-off by the Tenant, except as hereinafter otherwise specifically provided in this Lease. Landlord shall not be expected or required to pay any such charge, assessment or Imposition or be under any obligation or liability hereunder except as herein expressly set forth. All costs expenses, and obligations of any kind relating to the maintenance and operation of the Premises, including all construction, alterations, repairs, reconstruction, and replacements as hereinafter provided, which may arise or become due during the Rental Period shall be paid by Tenant. Landlord shall be indemnified and saved harmless by Tenant from and against all the foregoing costs, expenses, and obligations.

§ 3.3. No Release of Obligations. Except for either a mutual release and waiver of rights and liabilities arising under this Lease or to the extent expressly provided in this Lease, no happening, event, occurrence, or situation during the Rental Period, whether foreseen or unforeseen, and however extraordinary (including, without limitation, Tenant's failure, refusal, or inability for any reason to occupy or operate the Premises) shall relieve the Tenant of its liability to pay the Net Rent and Additional Payments and other charges under this Lease, nor shall it relieve the Tenant of any of its other obligations under this Lease ("Tenant Obligations").

§ 3.4. Leasehold Mortgage of Premises

A. Tenant and any Successor Owner (as hereafter defined) of all or any portion of the Premises, is hereby given the absolute right without the Landlord's consent to create a security interest in Tenant's leasehold interest (or any Successor Owner's interest) under this Lease (and in any subleases and the rents, income and profits therefrom) by mortgage, deed of trust, collateral assignment or otherwise. Any such security interest shall be referred to herein as a "Leasehold Mortgage," and the holder of a Leasehold Mortgage shall be referred to herein as a "Leasehold Mortgagee." The Parties acknowledge and agree that upon the Commencement Date and as long as the Landlord holds fee title to the Premises, any existing deed of trust or mortgage encumbering title to the Premises will be amended to become a Leasehold Mortgage and encumber only the Tenant's leasehold interest in the Property (instead of fee title), but that upon the expiration or termination of this Lease and reversion of the Premise's title to Tenant, any Leasehold Mortgage will again encumber fee title to the Premises. All protections and notices required by this Lease to be given to a Leasehold Mortgagee shall be extended and given to the beneficiaries under any existing deed of trust or mortgage encumbering the Premises. Landlord agrees to sign such agreements and acknowledgements as are consistent with this Agreement and reasonably required by a Leasehold Mortgagee in connection with a Leasehold Mortgage, including but not limited to by way of example, a recognition agreement, estoppel certificate, or subordination non-disturbance and attornment agreement. Tenant acknowledges and agrees that loan documentation must be approved by Landlord in Landlord's reasonable discretion and shall be provided to Landlord no later than 21 days prior to the scheduled loan closing.

B. A Leasehold Mortgagee may enforce such lien and acquire title to Tenant's leasehold estate in any lawful way including, pending foreclosure of such lien, the Leasehold Mortgagee may take possession of, develop, use and operate the Premises or applicable portion thereof, performing all obligations performable by Tenant, and upon foreclosure of such lien by power of sale, judicial foreclosure or acquisition of the leasehold estate by deed in lieu of foreclosure, the Leasehold Mortgagee may, without notice to or consent from Landlord, sell and assign the leasehold estate hereby created. No liability for the performance of Tenant's covenants and agreements hereunder shall attach to or be imposed upon any Leasehold Mortgagee, unless such Leasehold Mortgagee forecloses its interest and becomes the Tenant hereunder, following which the liability for the performance of Tenant's covenants and agreements hereunder shall attach to and be imposed upon any Leasehold Mortgagee or its successors and assigns only during the term of ownership of the leasehold estate by said Leasehold Mortgagee.

C. If Landlord shall give any notice, demand, election or other communication required hereunder (hereafter collectively "Notices") to Tenant hereunder, Landlord shall concurrently give a copy of each such Notice to the Leasehold Mortgagee at the address designated by the Leasehold Mortgagee. Such copies of Notices shall be sent in the manner set forth in Article 21. In the case of an assignment of the Leasehold Mortgage or change in address of the Leasehold Mortgagee, the assignee or Leasehold Mortgagee, by written notice to Landlord, may change the address to which such copies of Notices are to be sent.

D. Landlord shall provide written notice of any Event of Default under this Lease to Leasehold Mortgagee at the same time notice is provided to Tenant. If Tenant fails to cure a default within the applicable cure period, then the Leasehold Mortgagee shall have the right for a period of sixty (60) days after the later of (i) written notice to the Leasehold Mortgagee that Tenant has so failed to cure, and (ii) the end of the applicable cure period, to perform any term, covenant, or condition and to remedy any Event of Default by Tenant hereunder, or such longer period as the Leasehold Mortgagee may reasonably require to effect a cure, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant, and the Leasehold Mortgagee shall thereby and hereby be subrogated to the rights of Landlord. Landlord agrees that the Leasehold Mortgagee shall not be required to pay default interest to cure any payments defaults by Tenant. The Leasehold Mortgagee shall have the right to enter upon the Premises to give such performance.

E. Landlord shall upon request of a Leasehold Mortgagee execute, acknowledge and deliver to each Leasehold Mortgagee an instrument prepared at the sole cost and expense of Tenant, in form satisfactory to such Leasehold Mortgagee and Landlord, agreeing to all the provisions of this Section 3.4 and Section 24.1 hereof.

F. Any Leasehold Mortgagee shall have a right to intervene in and be made a party to any arbitration proceedings or legal proceedings by the parties hereto involving obligations under this Lease, and the Parties hereto do hereby consent to such intervention.

G. Tenant may delegate irrevocably to the Leasehold Mortgagee the authority to exercise any or all of Tenant's rights hereunder, but no such delegation shall be binding upon Landlord unless and until either Tenant or said Leasehold Mortgagee gives to Landlord a true

and complete copy of a written instrument effecting such delegation. Such delegation of authority may be effected by the terms of the Leasehold Mortgage itself, in which case the service upon Landlord of a true and complete copy of the Leasehold Mortgage shall be sufficient to give Landlord notice of such delegation. The rights set forth in this Article 3 shall not effect, modify or limit the rights of the Leasehold Mortgagee contained in this Lease.

H. At Tenant's request, Landlord agrees to execute a form of landlord's lien waiver, reasonably acceptable to Landlord, with respect to Tenant's financing or refinancing of any personal property, furniture, furnishings, business or trade fixtures and equipment now or hereafter in or about the Premises, or any part thereof.

I. No act or agreement between or on the part of Landlord or Tenant to cancel, terminate, surrender, amend, or modify this Lease or Tenant's right to possession shall be binding upon or effective as against the Leasehold Mortgagee without its prior written consent.

J. If any Leasehold Mortgagee becomes the Tenant hereunder, by foreclosure of the Leasehold Mortgage or under a new Lease under Subsection K below, the parties agree and acknowledge such Leasehold Mortgagee shall not be liable or responsible for and shall not be deemed to have assumed liability for any other prior actions, omissions, defaults, breaches or other events caused by or relating to the Tenant. Rather, such Leasehold Mortgagee shall only be liable and responsible for acts, omissions, defaults, breaches or events occurring while it is the Tenant hereunder. Nothing in this Section J releases the Tenant from liability arising from events during Tenant's operation of the Premises, nor (ii) limits or otherwise modifies Landlord's remedy under Section 18.2 to terminate this Lease for certain Events of Default, subject to each Leasehold Mortgagee's right to cure an Event of Default in accordance with the provisions of Subsection D above, and right to enter into a new lease in accordance with the provisions of Subsection K below.

K. Landlord agrees that, in the event of termination of this Lease for any reason (including but not limited to any Event of Default by Tenant), Landlord, if requested by any Leasehold Mortgagee, will enter into a new lease of the Premises with the most senior Leasehold Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained (a "New Lease"), provided:

- i. Such Leasehold Mortgagee shall make written request upon Landlord for the New Lease within sixty (60) days after the date such Leasehold Mortgagee receives written notice from Landlord that the Lease has been terminated;
- ii. Such Leasehold Mortgagee shall pay to Landlord at the time of the execution and delivery of the New Lease any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of such termination; and

- iii. Such Leasehold Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Tenant, and shall further remedy any other conditions which Tenant under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Leasehold Mortgagee.

L. In case of an Event of Default by Tenant in the performance or observance of any nonmonetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Leasehold Mortgagee without taking possession of the Premises, in such Leasehold Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Leasehold Mortgagee, then Landlord shall not serve a notice of lease termination pursuant to Section 18.2, if and so long as:

- i. the Leasehold Mortgagee shall proceed diligently to obtain possession of the Premises as mortgagee (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such Events of Default as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession); or
- ii. the Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Tenant's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure and subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession).

The Leasehold Mortgagee shall not be required to obtain possession or to continue in possession as mortgagee of the Premises pursuant to clause (i) above, or to continue to prosecute foreclosure proceedings pursuant to clause (ii) above, if and when such Event of Default has been cured. If a Leasehold Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Tenant's leasehold estate hereunder, an Event of Default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed an Event of Default hereunder. Moreover, such Leasehold Mortgagee, nominee or purchaser at a foreclosure sale shall immediately thereafter be entitled to all benefits that would thereafter accrue to Tenant under this Lease and become liable under this Lease to the same extent as Tenant, and Landlord hereby agrees to recognize such Leasehold Mortgagee as the Tenant under this Lease without the necessity of the execution and delivery of any further instruments on the part of Landlord to effectuate such recognition; provided, however, Landlord shall execute and deliver such further instrument or instruments evidencing such recognition as may be reasonably requested by such Leasehold Mortgagee within thirty (30) days from Landlord's receipt of such request and, further provided, any Event of Default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed an Event of Default hereunder.

M. If any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant, the times specified in Subsection L(i) and (ii) above, for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

N. Leasehold Mortgagee shall have the right, but not the obligation, to participate in any proceedings under the Lease in association with Tenant or on its own behalf as an interested party and no determination made in any such proceeding or settlement or agreement in connection therewith shall be binding upon Leasehold Mortgagee unless and until any such Leasehold Mortgagee has participated in such proceeding and/or consented to such settlement or agreement.

ARTICLE 4 ADDITIONAL PAYMENTS

§ 4.1. “Additional Payments” Defined. Tenant shall pay all Additional Payments during the Rental Period, without notice (except as specifically provided) and without abatement, deduction or setoff (except as provided in § 4.3), before any fine, penalty, interest, or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof. “Additional Payments” include all sums, impositions, costs, expenses and other payments and all taxes, including personal property taxes and taxes on rents, leases or occupancy, if any, and GPLET (as defined below) assessments not abated as provided herein, special assessments, enhanced municipal services district assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, licenses, and permit fees, insurance, any association dues, pest control, water, sewer, utilities, janitorial, landscaping and other governmental or quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which, at any time during the Rental Period may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or with respect to, or become a lien on, the Premises or any part thereof, or any appurtenances thereto, any use or occupation of the Premises, or such franchises as may be appurtenant to the use of the Premises (all of which are sometimes herein referred to collectively as “Impositions” and individually as an “Imposition”) provided, however, that:

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

B. any Imposition (including Impositions which have been converted into installment payments by Tenant, as referred to in paragraph (A) of this § 4.1) relating to a fiscal period of the taxing authority, a part of which period is included within the Rental Period and a part of which is included in the period of time after the expiration of the Rental Period shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or become a

lien upon the Premises, or shall become payable, during the Rental Period) be adjusted between Landlord and Tenant as of the expiration of the Rental Period, so that Tenant shall pay that portion of such Imposition attributable to the Rental Period and Landlord shall pay the remainder thereof. If applicable, Tenant shall pay to Landlord, with and in addition to annual Net Rent, all taxes imposed by any governmental unit on the Net Rent received by Landlord pursuant to the terms of this Lease. Tenant shall pay all other Impositions directly to the taxing authority or authorities, unless otherwise requested by Landlord.

§ 4.2. Contest. Tenant, if it shall so desire, may contest the validity or amount of any Imposition, in which event, Tenant may defer the payment thereof during the pendency of such contest; provided, that upon request by Landlord at any time after the same shall have become due, Tenant shall deposit with the Landlord an amount sufficient to pay such contested item together with the interest and penalties thereon (as reasonably estimated by Landlord and Tenant), which amount shall be applied to the payment of such item when the amount thereof shall be finally fixed and determined. Nothing herein contained, however, shall be so construed as to allow such item to remain unpaid for a length of time that permits the Premises or any part thereof, or the lien thereon created by such Imposition to be sold for the nonpayment of the same. If the amount so deposited shall exceed the amount of such payment, the excess shall be paid to Tenant or, in case there shall be any deficiency, the amount of such deficiency shall be promptly paid by Tenant to Landlord together with all interest, penalties or other charges accruing thereon.

§ 4.3. Assessment Reduction. Tenant may, if it shall so desire, without expense to Landlord, endeavor at any time to obtain a lowering of an Imposition upon the Premises (other than the abatement of GPLET excise taxes, which is governed by Section 4.5 below) for the purpose of reducing the amount thereof. Tenant shall be authorized to collect any refund payable because of any proceeding Tenant may institute for that purpose and any such refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

§ 4.4. Hold Harmless. Landlord shall not be required to join in any action or proceeding referred to in §§ 4.2 or 4.3 (unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event any such action or proceeding may be taken by Tenant in the name of the Landlord only with Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed). Tenant hereby agrees to save Landlord harmless from all costs, expenses, claims, loss or damage by reason of, in connection with, on account of, growing out of or resulting from, any such action or proceeding.

§ 4.5. Government Property Lease Excise Tax. As required under Arizona Revised Statutes Section 42-6206, Tenant is hereby notified of its tax liability under the Government Property Lease Excise Tax ("GPLET") provisions of Arizona Revised Statutes ("A.R.S."), § 42-6201, *et seq.*, which provides that failure of a tenant to timely pay such tax after notice and an opportunity to cure is an Event of Default that could result in termination of this Lease divesting Tenant of any interest in or occupancy of the Premises to which this Lease applies. Tenant shall comply with all requirements applicable to a Prime Lessee under the GPLET provisions including, without limitation, those provided in A.R.S. § 42-6204(B). Additionally, Tenant

shall not change the use of the Premises without an amendment to this Lease, which Landlord shall approve in its reasonable discretion. Landlord acknowledges that Tenant will apply with the City of Tucson ("City") to abate the GPLET with respect to the Premises pursuant to A.R.S. § 42-6209 for the eight-year period commencing on the Commencement Date. Landlord, at no expense to Landlord, agrees to cooperate with the City and take any additional action reasonably requested by Tenant and which Landlord and Tenant deem to be reasonably necessary for the Premises to qualify for GPLET treatment during the full Term, including, without limitation, the eight-year GPLET abatement. If the City does not approve abatement of the GPLET under this Lease pursuant to ARS § 42-6209, then notwithstanding any language herein to the contrary, at any time prior to the Commencement Date, the Tenant may either (i) terminate this Lease upon written notice to Landlord, and if title to the Premises is then held by Landlord, Landlord shall immediately sign and record a Special Warranty Deed and any other documents and instruments reasonably required to return title to Tenant subject only to the Permitted Exceptions and any other title exceptions created or consented to in writing by Tenant, and the parties shall have no further obligations hereunder or (ii) make a written request to the Landlord to convert the Rental Period to a 25 year term, in which case, the terms of this Lease will continue to apply, and the parties will enter into any amendments or other modifications necessary to reflect the extended Rental Period.

§ 4.6. Cost of Economic Study. Upon the execution hereof, Tenant will pay to Landlord the amount of \$2,301.75, which is the cost incurred by Landlord to commission an economic study required by A.R.S. §42-6206 (B)(1)(b) to verify that the benefit to the City, County and State received as a result of Tenant's improvements to and operation of the Premises during the Rental Period would significantly exceed the benefits granted to Tenant hereunder.

ARTICLE 5 INSURANCE

§ 5.1. Tenant Obligation to Insure. Tenant shall procure and maintain for the duration of this Lease, at Tenant's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Lease by the Tenant, its agents, subtenants, employees, contractors, licensees or invitees in accordance with the insurance requirements set forth in Exhibit C attached hereto and as may be required by any Leasehold Mortgagee. To the extent that any Leasehold Mortgagee, Tenant's Hotel Management Agreement or the Condominium Declaration imposes insurance requirements that are more stringent than those imposed by Exhibit C, the more stringent requirements shall apply.

§ 5.2. Failure to Maintain Insurance. If Tenant fails or refuses to provide a copy of the renewal insurance certificates, together with evidence of payment of premiums therefor, or otherwise fails or refuses to procure or maintain insurance as required by this Lease, Landlord shall have the right, at Landlord's election, and without notice, to procure and maintain such insurance. The premiums paid by Landlord shall be due and payable from Tenant to Landlord on the first day of the month following the date on which the premiums were paid. Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer(s) and insured(s). The lapse or cancellation of any policy of insurance required

herein, in whole or in part for the benefit of Landlord, within 15 days after written notice from Landlord, shall be an Event of Default. No cure of such default can be accomplished unless a new or renewed policy is issued which specifically provides the required coverage to the Landlord for any liability arising during the lapsed or previously uncovered period.

ARTICLE 6 WASTE; TITLE

§ 6.1. **Waste**Error! Bookmark not defined.. Tenant shall not commit or suffer to be committed any material waste or impairment of the Premises.

§ 6.2. **Title**Error! Bookmark not defined..

A. Upon issuance of a Certificate of Occupancy (defined below) and immediately prior to the Commencement Date, title to the Premises shall be conveyed to Landlord by a special warranty deed substantially in the form of Tenant's "Special Warranty Deed" attached hereto as Exhibit G pursuant to Section 10.4(b).

B. The Parties will cooperate to insure that the Landlord is able to secure an environmental site assessment of the Premises ("Phase I") and all recommended additional investigations not more than 180 days before the recordation of Tenant's Special Warranty Deed at Tenant's expense. In addition, at Tenant's sole cost and expense, Tenant shall have its "Title Company" provide Landlord with an extended coverage owner's title policy in the amount of \$500,000.00, as well as all amendments thereto and shall arrange for (i) the Title Company to provide copies of all title commitments, title policies, all matters appearing as exceptions thereon and all amendments to any of the foregoing simultaneously with the Tenant and (ii) at Tenant's sole cost and expense, the Tenant's "Surveyor" to provide copies of the original and all updates of the ALTA/NSPS survey to the Landlord simultaneously with the Tenant, and to require that the Surveyor also certify the survey to Landlord.

§ 6.3. **Survival of Provisions.** The provisions of this Article 6 shall survive the expiration or any termination of this Lease.

ARTICLE 7 LANDLORD'S PERFORMANCE FOR TENANT

§ 7.1. **Cures--Rights, Costs, and Damages.** If Tenant shall fail to pay any Imposition or make any other payment required to be made under this Lease or shall default in the performance of any other covenant, agreement, term, provision, limitation, or condition herein contained, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account and at the expense of Tenant, after written notice to Tenant and a 30 business day opportunity to cure (or such longer period as may reasonably be required to cure such default provided that Tenant has timely commenced curing the default). Bills for any expense required by Landlord in connection therewith, and bills for all such expenses and disbursements of every kind and nature whatsoever, including reasonable attorney's or administrative fees, involved in collection

or endeavoring to collect the rent or Additional Payments or any part thereof, or enforcing or endeavoring to enforce any right against Tenant, under or in connection with this Lease, or pursuant to law, including (without being limited to) any such cost, expense, and disbursements involved in instituting and prosecuting summary proceedings, as well as bills for any property, material, labor, or services provided furnished, or rendered, or caused to be furnished or rendered, by Landlord to Tenant, with respect to the Premises and other equipment and construction work done for the account of the Tenant. Upon written notice to Tenant and a 30 business day opportunity to cure, if any amount paid or advanced by Landlord pursuant to this Section 7.1 is not repaid, then interest shall accrue on any unpaid amount at the rate of 12% per annum from the respective dates of the Landlord's making of each such payment or incurring of each such cost or expense, may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills and if not paid when due the amount thereof shall immediately become due and payable as Additional Payments.

ARTICLE 8 USES AND MAINTENANCE

§ 8.1. Absence of Warranties. Tenant has leased the Premises after a full and complete examination thereof, as well as the title thereto, and knowledge of its present uses and non-uses. Upon the Completion Date, Tenant will accept the same in its condition or state in which it has been constructed without any representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord as to the title thereto, the nature, condition, or usability thereof or the use or uses to which the Premises or any part thereof may be put. Throughout the Rental Period, Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises or to provide any off-site improvements, such as utilities or paving, or other forms of access to the Premises. Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, demolition, replacement, maintenance, and management of the Premises, including but not limited to the performance of all burdens running with the land.

§ 8.2. Permitted Uses. Except as otherwise expressly prohibited by this Section 8.2, the Premises may be used and occupied by Tenant for any lawful purpose, including the use and the sale of alcoholic beverages, subject to Tenant (or its subtenants) obtaining all required permits, licenses, and approvals from the Arizona Department of Liquor Licenses and Control. However, regardless of the uses which would otherwise be allowed pursuant to the zoning classification or other ordinances which may be applicable to the Premises at any time during the Rental Period, the uses set forth in Exhibit D are expressly prohibited. Moreover, any permitted use which involves the handling, production and/or storage of Hazardous Materials on the Premises shall be subject to all applicable federal, state and local laws rules and regulations.

§ 8.3. Maintenance and Repairs. Tenant shall take good care of the Hotel Unit, make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep (or use commercially reasonable efforts to cause the association under the Condominium Declaration to maintain and

keep) the Premises and the sidewalks, curbs, and landscaping in good condition in accordance with City's standards, this Lease, or the Tenant's Hotel Management Agreement whichever is more stringent. Tenant shall also keep the sidewalks and gutters on the Premises free and clear from rubbish and shall not obstruct the same or allow the same to be obstructed in any manner. Nothing in this Lease shall be construed as constituting the consent of Landlord, express or implied, to the creation of any lien or encumbrance as a result of the performance of any labor or the furnishing of any materials or any specific improvements, alterations or repairs to the Premises or any part thereof by any contractor, subcontractor, laborer or materialman for the benefit of Tenant, nor as giving Tenant or any other person any right, power or authority to act as an agent of Landlord for the rendering of any services or the furnishing of any materials in any such manner as would give rise to the filing of mechanic's or materialman's liens or other claims against the Landlord's interest in the Premises or Landlord. Tenant shall keep the Premises free and clear of all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Premises, subject to Tenant's right to contest and appeal any claim.

§ 8.4. Alterations. Tenant shall have the right, without the requirement of Landlord's consent, to construct additional improvements and to make subsequent alterations, additions or other changes to any improvements or fixtures existing from time to time (and to demolish any portion of the Premises for the purpose of making such alterations, additions, changes and improvements), and the Premises shall include all such improvements as they exist from time to time. In connection with any action which Tenant may take with respect to Tenant's rights pursuant hereto, Landlord shall not be responsible for and Tenant shall pay all costs, expenses and liabilities arising out of or in any way connected with such improvements, alterations, additions or other changes made by Tenant, including without limitation materialmen's and mechanic's liens. Tenant covenants and agrees that Landlord shall not be called upon or be obligated to make any improvements, alterations or repairs whatsoever in or about the Premises, and Landlord shall not be liable or accountable for any damages to the Premises or any property located thereon, as a result of Landlord's status as the owner of the Premises and Landlord under this Lease. In making improvements and alterations, Tenant shall not be deemed Landlord's agent and shall indemnify, defend and hold Landlord harmless from any expense or damage Landlord may incur or suffer as a result of Tenant's actions taken pursuant to this section. During the Term, title to all improvements, alterations, additions and other changes shall at all times be vested in Landlord.

§ 8.5. Easements, Dedications and Other Related Matters. Prior to the Commencement Date, it is Tenant's intent to subject the Premises to the Arizona Condominium Act (A.R.S. §33-1201 *et seq.*). Landlord shall cooperate with the Tenant's efforts to subject the Premises to the Arizona Condominium Act, record the Plat, and Condominium Declaration, and comply with the Arizona Condominium Act. Such cooperation, however, will not subject the Landlord to liability or material costs in connection with Tenant's efforts.

ARTICLE 9 COMPLIANCE

§ 9.1. Compliance with Laws. Tenant shall assume and perform all obligations under any covenants, easements and agreements affecting the title to the Premises. Tenant shall

diligently comply, at its own expense during the Rental Period, with all present and future laws, acts, rules, requirements, orders, directions, ordinances, and/or regulations, ordinary or extraordinary, foreseen or unforeseen, concerning the Premises or any part thereof, or the use thereof, or the streets adjacent thereto, of any federal, state, municipal, or other public department, bureau, officer, or authority, or other body having similar functions, or of any liability, fire, or other insurance company having policies outstanding with respect to the Premises. The foregoing shall apply whether or not such laws, acts, rules, requirements, orders, directions, ordinances and/or regulations require the making of structural alterations or the use or application of portions of the Premises for compliance therewith or interfere with the use and enjoyment of the Premises. Notwithstanding the foregoing, Tenant may, in good faith (and wherever necessary, in the name of, but without expense to and with the prior written permission of, Landlord), contest the validity of any such law, act, rule, requirement, order, direction, ordinance and/or regulation and, pending the determination of such contest, may postpone compliance therewith, except that Tenant shall not so postpone compliance therewith, as to subject Landlord to the risk of any fine or penalty or prosecution for a crime.

§ 9.2. Certificate of Occupancy. Tenant shall obtain a certificate of occupancy with respect to the Hotel Unit on or prior to the Commencement Date (“Certificate of Occupancy”).

ARTICLE 10

CONSTRUCTION AND OPERATION OF PREMISES

§ 10.1. The Premises. The Premises will consist of the Hotel Unit and an undivided interest in the common elements in the Building. To the extent required by law, Tenant shall provide plans and specifications for any renovation of the Premises to the City provided that such plans and specifications shall be subject to change and change orders during the construction process (the “Plans and Specifications”) and obtain all necessary building and other permits for improvements described in the Plans and Specifications.

§ 10.2. Government Approvals. Tenant will also obtain any required approvals of the final Plans and Specifications by all federal, state, municipal and other governmental authorities, offices and departments having jurisdiction in the matter. For all construction after the Certificate of Occupancy, if and to the extent applicable Tenant shall comply with A.R.S. §34-101 *et. seq.* and Landlord’s “Procurement Code” and shall indemnify Landlord from any failure to do so.

§ 10.3. Completion Requirements. Tenant or its subtenants will expend the Construction Costs to complete the Premises in a good, careful, proper, and workmanlike manner substantially in accordance with:

- A. The Plans and Specifications approved by the City; and

B. All provisions of law and all permits and authority required by ordinance, code, law, or public regulations or by any authority at any time having jurisdiction over the Premises; and

C. Landlord, as fee owner of the Premises, agrees to reasonably cooperate, at no cost to Landlord, and to sign documents and instruments if necessary for Tenant to obtain building permits and other consents necessary to complete Construction of the Premises.

§ 10.4. Ownership of Buildings and Improvements.

A. From the Effective Date through Commencement Date. For the period beginning as of the Effective Date of this Agreement and until the Commencement Date, title to the Premises shall be in the name of the Tenant.

B. During Term. Upon receipt of the Certificate of Occupancy for the Hotel Unit entitling Tenant to operate its business at the Premises, but prior to opening the Premises for business, and contemporaneously with the Commencement Date, Tenant shall convey the Premises to Landlord by special warranty deed (the "Tenant's Special Warranty Deed"), subject to the Condominium Declaration, the Plat, all Leasehold Mortgages, those title exceptions listed in Exhibit E attached hereto, any title exceptions created prior to the Commencement Date, and other title exceptions approved by Landlord in its discretion, not to be unreasonably withheld, conditioned or delayed ("Permitted Exceptions"). During the Rental Period, but subject to the rights of Tenant under this Lease, Leasehold Mortgagees and the Permitted Exceptions, fee title to the land and all buildings and improvements constructed on the Premises by Tenant pursuant to this Lease shall be in the Landlord.

C. Ownership at Termination. Unless Tenant has purchased the Premises during the Term pursuant to the Purchase Option set forth in Section 29 of this Lease, following the expiration or earlier termination of the Rental Period, Tenant shall exercise the Purchase Option within the Option Period defined and described in Section 29.2. Tenant agrees to and shall defend, indemnify and hold Landlord harmless from and against all liability and loss which may arise from the assertion of any claims and any encumbrances on such buildings and Improvements; provided, however, such duty to indemnify and hold harmless shall not apply to any claims or encumbrances which are attributable to the acts or conduct of the Landlord. This provision 10.4 shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that (i) it is Tenant's obligation to exercise its Purchase Option following the expiration of the Lease or prior to the expiration of the Lease, and (ii) it is Landlord's obligation to re-convey title to the Premises to Tenant by Special Warranty Deed immediately upon exercise of the Purchaser Option or other termination of this Lease.

§ 10.5. Tenant's Management and Operating Covenant. Following issuance of the Certificate of Occupancy and continuing during the remainder of the Rental Period, Tenant shall prudently manage and continuously operate (or cause to be managed and continually operated) the Premises in accordance with the requirements of any Leasehold Mortgagee, the Condominium Declaration and Tenant's Hotel Management Agreement, subject to any force

majeure, impossibility of performance, impracticability of performance, and other provision in any such documents or otherwise available at law or in equity.

ARTICLE 11

§ 11.1. TPT Tax Rebates. Subject to all of the terms and conditions herein, the Landlord will rebate to Tenant 100% of the TPT funds the Landlord actually receives from the State for sales taxes generated from the Hotel Unit after Commencement of Construction through July 1, 2025. After July 1, 2025, Landlord will rebate to Tenant 50% of the TPT funds the Landlord actually receives from the State for sales taxes generated from the Hotel and the TCC Incremental Increase as described in subsection A below until July 31, 2035 (collectively, the “Rebates”), up to a total possible Rebate amount of \$1,000,000.00 (the “Rebate Cap”).

A. No later than the Commencement of Construction, the Landlord shall establish a “Sinking Fund” into which shall be deposited the Rebates actually received by the Landlord from the Arizona Department of Revenue (“ADOR”) during the Term as a direct result of payments actually made from the operations of the Hotel to the ADOR.

B. To allow the Landlord to track these amounts and provide Tenant with the benefit of the Rebates, Tenant and all vendors, tenants or the like within the Hotel shall provide the Landlord with their respective eight digit “TPT License Number” and the business name associated with that TPT License Number.

C. The Rebates shall be held in a separate FDIC insured account established by the Landlord solely for the purpose described in this Article 11 and shall not be commingled with any other funds or monies of the Landlord. Until paid to the Tenant as provided in this Section, the Rebates shall belong to the Landlord. Neither the Tenant nor the bank holding the Sinking Fund shall have any interest therein, except that Tenant shall have a contractual right to receive payments pursuant to Section 11.2 below after receipt of the Certificate of Occupancy for the Hotel and Landlord holds fee title to the Premises. Tenant understands and agrees that the Rebates and the Sinking Fund may not be pledged to repay any loan that is secured by a lien or mortgage on the Premises and any improvements thereon.

§ 11.2. Payment of Rebates. Provided that Tenant is not then in breach of any covenant herein (beyond any applicable notice and cure period), commencing on the first business day of each quarter (every three months) after receipt of the Hotel’s Certificate of Occupancy, the Landlord shall pay to Tenant the Rebates described in this Article 11. The Sinking Fund shall be the sole source of payments of the Rebates.

§ 11.3. Termination of Rebates. The Rebates shall terminate the earlier of: (i) payment in full of the Rebate Cap; (ii) July 1, 2035, (iii) the date upon which the State of Arizona ceases to distribute TPT funds to Landlord; (iv) the date the ownership of the Premises is conveyed to a private party in contravention of A.R.S. §48-4204(B); (v) the date upon which the Tenant ceases to operate the Premises as a hotel and ancillary and related uses (or other approved use); or (vi) upon the termination of this Lease due an uncured Tenant Monetary Event of Default. Upon the termination of the Rebates, the Sinking Fund shall terminate with any

remaining balance shall be paid to the District's general operating fund and this Agreement.

ARTICLE 12

IMPAIRMENT OF LANDLORD'S TITLE

§ 12.1. No Liens. Subject to the right of contest and appeal and to Section 3.4 above, Tenant shall not create, or suffer to be created or to remain, and shall discharge any mechanic's, laborer's, or materialman's lien which might be or become a lien, encumbrance, or charge upon the Premises or any part thereof or the income therefrom and Tenant will not suffer any other matter or thing arising out of Tenant's use and occupancy of the Premises whereby the estate, rights, and interests of Landlord in the Premises or any part thereof might be materially impaired.

§ 12.2. Discharge. If any mechanic's, laborer's, or materialman's lien shall at any time be filed against the Premises or any part thereof, Tenant, within 60 days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise (or shall commence and diligently pursue such actions as will achieve such result). Tenant shall notify Landlord in writing of its action to either satisfy or contest the lien and, if contested, of the matter's status monthly until concluded.

§ 12.3. No Implied Consent. Nothing contained in this Lease shall be deemed or construed in any way as constituting Landlord's express or implied authorization, consent or request to any contractor, subcontractor, laborer or materialman, architect, or consultant, for the construction or demolition of any improvement, the performance of any labor or services or the furnishing of any materials for any improvements, alterations to or repair of the Premises or any part thereof.

§ 12.4. No Agency Intended. The parties acknowledge that Tenant is required to operate and maintain the Premises. In connection therewith, the parties agree that Tenant is not the agent of Landlord for the operation or maintenance of any improvement Tenant on the Premises, the same to be accomplished at the sole expense of Tenant.

ARTICLE 13

INSPECTION

§ 13.1. Inspection and Entry. Landlord may enter upon the Premises, or any part thereof, for the purpose of ascertaining their condition or whether Tenant is observing and performing the obligations assumed by it under this Lease, all without hindrance or molestation from Tenant, provided that such entry does not interfere with Tenant's business operations or the operations of any assignee or subtenant and provided that Landlord shall give Tenant at least 24 hours written notice prior to any inspection of any building interior. Except in the event of a health and safety emergency, Landlord will require no more than one inspection per year. This notice provision shall not be construed to prohibit or delay any entry authorized by any writ or warrant issued by any Court, nor to any entry authorized by any health or welfare statute, code, ordinance, rule or regulation.

ARTICLE 14 INDEMNIFICATION

§ 14.1. Indemnification of Landlord.

A. Tenant shall indemnify and save Landlord harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including property damage, personal injury and wrongful death and further including, without limitation, architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against Landlord by third parties by reason of any of the following:

(1) operation or maintenance of the Premises or any other work or thing done in, on or about the Premises or any part thereof by Tenant or its agents during the Rental Period;

(2) any use, nonuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or improvements or any nuisance made or suffered thereon or any failure by Tenant to keep the Premises or improvements or any part thereof in a safe condition;

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

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

(5) any failure on the part of Tenant to pay rent or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with and the exercise by Landlord of any remedy provided in this Lease with respect thereto;

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

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

(8) any transaction of Tenant relating to or arising out of the execution of this Lease or other contracts and agreements affecting the Premises or improvements, the Premises or any part thereof or any activities performed by Tenant which are required by the

terms of this Lease or such other contracts and agreements entered into by Tenant, or any party acting on behalf of Tenant;

(9) any tax, including but not limited to any tax attributable to the execution, delivery or recording of this Lease, or any excise tax due for which Tenant believes an exemption or abatement applies but is later determined by a taxing authority or court of law to not be applicable to any portion of the Premises, with respect to events occurring during the Rental Period.

B. Tenant will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Premises and improvements at the sole risk of Tenant and save the Landlord harmless from any loss or damage thereto by any cause whatsoever other than the negligence, gross negligence or willful conduct or omission of Landlord, its agents, employees and contractors.

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

D. Notwithstanding the foregoing or any other provision of this Lease to the contrary, in no event shall any indemnification obligation of Tenant extend to or cover any damages or claims arising from or relating to the negligence, gross negligence or willful misconduct or omissions of Landlord, its agents, employees or contractors.

E. If any claim, action or proceeding is made or brought against Landlord by reason of any event to which reference is made in this Section, then, upon demand by Landlord, Tenant, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys selected by Landlord, as approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense at Landlord's sole expense. Landlord shall at all times have the right to accept or reject any offer to compromise or settle, any lawsuit, claim, demand or liability asserted against it.

§ 14.2. Indemnification of Tenant. Landlord shall indemnify and hold harmless Tenant, its officers, employees and agents, from and against all claims and demands of any nature whatsoever arising out of the injury to or death of any person or damage to property, to the extent caused by the acts or omissions of Landlord, its employees, agents, guests, licensees or invitees, but excluding to the extent caused by Tenant's negligence, gross negligence or willful misconduct or omission.

§ 14.3. Survival of Indemnification Obligations. The provisions of this Article 14 shall survive the expiration or earlier termination of this Lease.

ARTICLE 15
DAMAGE / DESTRUCTION

§ 15.1. Tenant's Duty of Repair and Restoration. If at any time during the Rental Period the Premises or any part thereof shall be damaged or destroyed by fire or other occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall use commercially reasonable efforts to cause the repair, alteration, restoration, replacement, or rebuilding of the same in accordance with the terms of the Condominium Declaration and any Leasehold Mortgage.

ARTICLE 16
CONDEMNATION

§ 16.1. Total, Substantial, or Unusable Remainder.

A. Entire or Partial Condemnation. If the whole or any part of the Premises shall be taken or condemned by any competent authority for any public use or purposes during the Term, this Lease shall terminate with respect to the part of the Premises so taken and any other portion of the Premises as may be specified by Tenant, and, subject to the provisions of any Leasehold Mortgage, Tenant reserves unto itself the right to claim and prosecute its claim in all appropriate courts and agencies for any award or damages based upon loss, damage or injury to its leasehold interest (as well as relocation and moving costs). In consideration of Tenant's payment for constructing improvements to the Premises, Landlord hereby assigns to Tenant all claims, awards and entitlements relating to the Premises arising from the exercise of the power of condemnation or eminent domain, including, without limitation, any claims for loss of fee title interest in the Premises.

B. Continuation of Lease. In the event of a taking of less than all the Premises, this Lease shall continue in effect with respect to the portion of the Premises not so taken or specified by Tenant to be removed from this Lease.

C. Temporary Taking. If the temporary use of the whole or any part of the Premises or the appurtenances thereto shall be taken by an affirmative exercise of eminent domain, the Term shall not be reduced or affected in any way. The entire award of such taking (whether paid by way of damages, rent, or otherwise) shall be payable to Tenant, subject to the applicable provisions of any Leasehold Mortgage.

D. Notice of Condemnation. In the event any action is filed to condemn the Premises or Tenant's leasehold estate or any part thereof by any public or quasi-public authority under the power of eminent domain or in the event that an action is filed to acquire the temporary use of the Premises or Tenant's leasehold estate or any part thereto, or in the event that action is threatened or any public or quasi-public authority communicates to Landlord or Tenant its desire to acquire the Premises or Tenant's leasehold estate or any part thereof, or the temporary use thereof, by a voluntary conveyance or transfer in lieu of condemnation, either Landlord or Tenant shall give prompt notice thereof to the other and to any Leasehold Mortgagee. Landlord, Tenant and each Leasehold Mortgagee shall each have the right, at its own cost and expense, to

represent its respective interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking. No agreement, settlement, conveyance or transfer to or with the condemning authority affecting Tenant's leasehold interest shall be made without the consent of Tenant and each Leasehold Mortgagee.

ARTICLE 17

ASSIGNMENT AND SUBLETTING

§ 17.1. Transfer by Tenant. At any time and from time to time Tenant shall have the right to assign this Lease and Tenant's leasehold interest or to sublease all of or any part of the Premises to any person or persons for any use permitted under this Lease, without the consent of the Landlord; provided, however, that Tenant must give Landlord 30 days' advance written notice of an assignment of this Lease.

§ 17.2. Liability. Each subtenant or assignee shall assume in writing all of the obligations of the Tenant under this Lease (but not for liabilities or obligations arising prior to such assignment becoming effective). Each assignment shall automatically release the assignor from any personal liability in respect of any obligations or liabilities arising under this Lease from and after the date of assignment, and Landlord shall not seek recourse for any such liability against any assignor or its personal assets. Landlord agrees that performance by a subtenant or assignee of Tenant's obligations under this Lease shall satisfy Tenant's obligations hereunder and that Landlord shall accept performance by any such assignee or subtenant.

§ 17.3. Rent from Assignee. If this Lease is assigned in whole or in part, whether or not in violation of the provisions hereof, Landlord may and hereby is empowered to collect rent from the assignee. In such event, Landlord may apply the net amount received by it to Net Rent and Additional Payments.

§ 17.4. Assignment by Landlord. Landlord shall not assign or encumber its interest in the Lease or in the Premises without first obtaining Tenant's prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, this provision shall not prevent Landlord, without Tenant's consent, from assigning its interest herein and to the Premises to the City or any other governmental entity in the State, or otherwise by operation of law; provided, however, such assignee shall assume all of Landlord's obligations and shall receive all of Landlord's benefits hereunder.

§ 17.5. Sublease by Tenant. Tenant may sublease (each, a "Sublease") portions of the Premises in the normal course of Tenant's business for occupancy consistent with the uses permitted by Section 8.2 of this Lease, subject to the rights of Landlord, and neither the consent of Landlord nor the assumption of this Lease shall be required in connection with such Sublease. Tenant shall require in each Sublease that each subtenant provide Tenant and all vendors, tenants or the like within the Premises shall provide the Landlord with their respective eight digit "TPT License Number" and the business name associated with that TPT License as filed with the Arizona Department of Revenue. The requirement to provide a subtenant's TPT License Number shall not apply to hotel guests who rent a hotel room for typical short term

stays but shall apply to hotel guests who are conducting business from a hotel room that could generate sales tax.

§ 17.6. Landlord's Lien Waiver. At Tenant's request, Landlord agrees to execute a form of landlord's lien waiver with respect to Tenant's (or its subtenants') financing of any personal property located on the Premises, subject to Landlord's review and approval of any such landlord's lien waiver form.

§ 17.7. Encumbrance of Premises. Tenant in its discretion may encumber the Premises prior to the Commencement Date and/or Tenant's leasehold interest in the Premises after the Commencement Date to secure any loan, including a Construction and Development Loan. Upon the Commencement Date any such Construction and Development Loan shall be treated as a Leasehold Mortgage pursuant to Section 3.4.

ARTICLE 18 DEFAULT BY TENANT

§ 18.1. Events of Default. The happening of any one of the following events (herein called "Events of Default") shall be considered a material breach and default by Tenant under this Lease:

A. Monetary Default. If default shall be made in the due and punctual payment of any Net Rent or Additional Payments and such default continues for 30 days after written notice thereof to Tenant (a "Monetary Default"); or

B. Non-Monetary Default. If default shall be made by Tenant in the performance of or compliance with any of the material covenants, agreements, terms, limitations, or conditions hereof other than those referred to in the foregoing subsection (A), and such default shall continue for a period of 45 days after written notice thereof from Landlord to Tenant (provided, that if Tenant proceeds with due diligence during such 30 day period to substantially cure such default and is unable by reason of the nature of the work involved, to cure the same within the required 45 days, its time to do so shall be extended by the time reasonably necessary to cure the same as reasonably determined by Landlord (a "Non-Monetary Default").

§ 18.2. Notice and Termination upon Monetary Default. Upon the occurrence of a Monetary Default, the Landlord at any time thereafter, but not after such default is cured, shall give written notice ("Second Notice") to Tenant specifying such Monetary Default and stating that this Lease and the Rental Period hereby demised shall, unless the Monetary Default is cured within such time period, expire and terminate on the date specified in such notice, which shall be at least 30 days after the giving of such Second Notice to Tenant. If Tenant fails to timely cure such Monetary Default, and upon the date specified in such Second Notice, subject to Tenant's exercise of its Purchase Option prior to such date, this Lease and the Rental Period hereby demised and all rights of Tenant under this Lease shall expire and terminate as though such date were the date originally set forth herein for the termination hereof; provided, however, that upon payment of any amount due but unpaid to Landlord hereunder (regardless of when paid), Landlord shall re-convey the Premises to Tenant by Special Warranty Deed subject to the

Permitted Exceptions. Following such termination, Landlord may bring an action at law to recover from Tenant any sums that are the subject of the Monetary Default, along with all other actual costs and expenses incurred by Landlord in connection with such Monetary Default; provided, however, that Landlord HEREBY WAIVES ANY CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM ARISING FROM TENANT'S BREACH OF THIS LEASE.

§ 18.3. Self-Help for Non-Monetary Default. For a Non-Monetary Default, after the notice and cure periods provided in Section 18.1 have expired, Landlord's sole remedy shall be to, at its option, to engage a duly licensed contractor to enter upon the Premises and cure such default, in which event Landlord may charge Tenant for its hard and soft costs, together with an administrative and mobilization expense not to exceed 15% of all such costs, which shall be paid to Landlord within 10 business days after receipt of an invoice for such costs. LANDLORD HEREBY WAIVES ANY AND ALL OTHER RIGHTS AND REMEDIES TO WHICH LANDLORD MAY BE ENTITLED FOR AN EVENT OF DEFAULT (INCLUDING MONETARY DEFAULT AND A NON-MONETARY DEFAULT) AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY RIGHT OF RE-ENTRY AND ANY LOCK-OUT REMEDIES AVAILABLE UNDER APPLICABLE LAW.

§ 18.4. Tenant Liability. In the event that Landlord terminates this Lease due to a default of Tenant, Tenant shall pay Landlord an amount equal to the Purchase Price set forth in § 29.3(A) that would have been due if the Purchase Option had been exercised on the day of such termination, in which event Landlord shall re-convey title to Tenant subject only to the Permitted Exceptions and any other title exceptions created or consented to by Tenant. Alternatively, in addition to any other remedies available to Landlord at law or in equity, Landlord may continue the Lease in effect after Tenant's breach and recover Net Rent and all other financial obligations of Tenant as they become due but subject to Tenant's Purchase Option.

§ 18.5. No Implied Waivers. No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition hereof or to exercise any right or remedy consequent upon a breach hereof, and no acceptance of full or partial Net Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition hereof to be performed or complied with by Landlord or Tenant, and no breach thereof, shall be waived, altered or modified, except by a written instrument executed by the party to be charged therewith. No waiver of any breach shall affect or alter this Lease, but each covenant, agreement, term, limitation and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach hereof.

§ 18.6. Late Charge. If payment required to be made by Tenant to Landlord under the terms of this Lease is not received within 10 days after written notice of delinquency, a late charge shall become immediately due and payable as an Additional Payment in an amount equal to 2.5% of the late payment.

ARTICLE 19

DEFAULT BY LANDLORD

§ 19.1. Limitations of Landlord's Liability; Remedies. In the event of any breach by Landlord of any of the covenants, agreements, terms, or conditions hereof, Tenant shall be entitled to enjoin such breach, terminate this Lease, exercise Tenant's Purchase Option set forth in Article 29 below, or pursue any other remedies available to Tenant at law or in equity; provided, however, that TENANT HEREBY WAIVES ANY CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM ARISING FROM LANDLORD'S BREACH OF THIS LEASE.

ARTICLE 20 UNENFORCEABLE TERMS

§ 20.1. Severability. Landlord and Tenant each believes that the execution, delivery and performance of this Lease are in compliance with all Applicable Laws. However, in the unlikely event that any provision of this Lease is declared void or unenforceable (or is construed as requiring the Landlord to do any act in violation of any Applicable Law, including any constitutional provision, law, regulation, City Code or City Charter), such provision shall be deemed severed from this Lease and this Lease shall otherwise remain in full force and effect. Upon such occurrence, this Lease shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the parties as if such severance and reformation were not required. Unless prohibited by Applicable Laws, the parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Lease, as reformed.

ARTICLE 21 NOTICES

§ 21.1. Notices. Any notice, request, demand, statement, or consent herein required or permitted to be given by either party to the other hereunder, except as pursuant to Article 13, shall be in writing signed by or on behalf of the party giving the notice and addressed to the other parties at the address as set forth below:

If to Landlord:

Rio Nuevo Multipurpose Facilities District
Attention Chairman Fletcher McCusker
1703 E. Broadway Blvd.
Tucson, Arizona 85719

With a copy to:

Mark Collins, Esq.
Gust Rosenfeld P.L.C.
1 S. Church Avenue, Suite 1900
Tucson, Arizona 85701

If to Tenant:

1SC Hotel QOZB, LLC
c/o Opwest Partners
6900 E. Camelback Rd., Suite 902
Scottsdale, AZ 85251
Attention: Tyler A. Kent

With copies to:

Keri Silvyn, Esq.
Lazarus & Silvyn, P.C.
5983 E. Grant Road, Suite 290
Tucson, Arizona 85712

And to:

Jason F. Wood, Esq.
Quarles & Brady LLP
Renaissance One
Two North Central Avenue
Phoenix, Arizona 85004-2391

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

ARTICLE 22

CONDITION

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

the Completion Date, Tenant shall accept the Premises as being in good and satisfactory condition and suitable for Tenant's use. Upon Landlord tendering possession of the Premises to Tenant, Tenant will accept possession of the Premises. Tenant will accept the Premises in its "AS-IS, WHERE-IS" condition.

§ 22.2. AS IS. EXCEPT AS PROVIDED HEREIN, NEITHER LANDLORD NOR ANYONE ACTING FOR OR ON BEHALF OF LANDLORD, HAS MADE ANY REPRESENTATION, WARRANTY, STATEMENT OR PROMISE TO TENANT CONCERNING THE PREMISES, OR THE QUALITY, VALUE, FEASIBILITY, DESIRABILITY, THE IMPROVEMENTS FOR OR INTO ANY PARTICULAR USE, THE CURRENT OR PROJECTED INCOME OR EXPENSES OF THE PREMISES, OR ANY OTHER MATTER WITH RESPECT TO THE PREMISES; THAT IN ENTERING INTO THIS LEASE, TENANT HAS NOT RELIED UPON ANY REPRESENTATION, STATEMENT OR WARRANTY OF LANDLORD OR ANYONE ACTING FOR OR ON BEHALF OF LANDLORD, OTHER THAN AS EXPRESSLY CONTAINED IN THIS LEASE; AND TENANT DOES HEREBY WAIVE AND LANDLORD DOES HEREBY DISCLAIM ALL WARRANTIES OF ANY KIND OR TYPE WHATSOEVER WITH RESPECT TO THE PREMISES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THOSE OF MARKETABILITY, MERCHANTABILITY AND TITLE, FITNESS FOR A PARTICULAR PURPOSE, TENANTABILITY, HABITABILITY, OR USE, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL ACCEPT THE EXISTING PREMISES "AS-IS" AND "WHERE-IS" AT THE EFFECTIVE DATE, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN. EXCEPT AS EXPRESSLY SET FORTH HEREIN, LANDLORD MAKES NO REPRESENTATION OR WARRANTY AS TO THE PHYSICAL CONDITION OR SAFETY OF THE PREMISES.

ARTICLE 23 QUIET ENJOYMENT

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

§ 23.2. Agreement for Non-Disturbance of Subtenants. Landlord covenants and agrees, for the benefit of any subtenant, that Landlord shall recognize the subtenant as the direct tenant of Landlord upon termination or expiration of this Lease pursuant to any of the provisions of Article 18 hereof in which title to the Premises remains in Landlord if (a) all Lenders shall have agreed in writing substantially to the effect that they will not join the subtenant as a party defendant in any foreclosure action or proceeding which may be instituted or taken by said Lenders, nor evict the subtenant from the portion of the Premises demised to it, nor affect any of the subtenant's rights under its sublease by reason of any default under any

mortgage, or (b) Tenant shall deliver to Landlord a certificate of an Appraiser, reasonably satisfactory to Landlord, stating, in substance, that the rent payable by the subtenant under its sublease, after taking into account any credits, offsets, or deductions to which the subtenant may be entitled thereunder, constitutes not less than the then fair rental value of the space demised thereunder; provided, however, that at the time of the termination of this Lease (i) no default exists under the subtenant's sublease which at such time would then permit the landlord thereunder to terminate the same or to exercise any dispossession remedy provided for therein, and (ii) the subtenant shall deliver to Landlord an instrument confirming the agreement of such subtenant to attorn to Landlord and to recognize Landlord as the subtenant's landlord under its sublease, which instrument shall provide that neither Landlord, nor anyone claiming by, through or under Landlord shall be:

A. liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord), or

B. subject to any offsets or defenses which the subtenant may have against any prior landlord (including, without limitation, the then defaulting landlord), or

C. bound by any payment of rent which the subtenant might have paid for more than the current month to any prior landlord (including, without limitation, the then defaulting landlord), or

D. bound by any covenant to undertake or complete any construction of the Premises or any portion thereof demised by said sublease, or

E. bound by any obligation to make any payment to the subtenant, or

F. bound by any modification of the sublease which reduces the basic rent, Additional Payments, supplemental rent or other charges payable under the sublease, or shortens the term thereof, or otherwise materially adversely affects the rights of the landlord thereunder, made without the written consent of Landlord.

ARTICLE 24

ESTOPPEL

§ 24.1. Estoppel Certificates. Landlord or Tenant (including Tenant's assignees and subtenants) may request a certificate (benefiting itself, its successors and lenders) evidencing whether or not:

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

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

C. There are any existing defaults thereunder, to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any;

D. Such other information as may be reasonably required by a Lender; and

E. The party receiving such a request shall cooperate with the requesting party and shall deliver a written response within 20 days of such request.

ARTICLE 25 CONSENTS

§ 25.1. Parties and Notice. Whenever the consent or approval of a party to this Lease is required or reasonably requested under this Lease, if they fail to notify the other party in writing within 30 days (except where a longer period is otherwise specified herein for the giving of such consent or approval) after the giving of a written request therefor in the manner specified herein for the giving of notice, it shall be concluded that such consent or approval has been given.

§ 25.2. No Unreasonable Withholding. Wherever in this Lease the consent or approval of either party is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed, except where otherwise specifically provided. The remedy of the party requesting such consent or approval, in the event such party should claim or establish that the other party has unreasonably withheld, conditioned or delayed such consent or approval, shall be limited to injunction or declaratory judgment and in no event shall such other party be liable for a money judgment.

ARTICLE 26 LANDLORD NOT LIABLE

§ 26.1. Limitation of Liability. Landlord shall not be responsible or liable for any damage or injury to any property, fixtures, merchandise, or decorations or to any person or persons at any time on the Premises from steam, gas, electricity, water, rain, or any other source whether the same may leak into, issue or flow from any part of the Premises or from pipes or plumbing work of the same, or from any other place or quarter; nor shall Landlord be in any way responsible or liable in case of any accident or injury including death to any of Tenant's employees, agents, subtenants, or to any person or persons in or about the Premises or the streets, sidewalks or vaults adjacent thereto; and Tenant agrees that it will not hold Landlord in any way responsible or liable therefor.

ARTICLE 27 ENFORCED DELAY

§ 27.1. Enforced Delay; Extension of Time of Performance. Whether stated or not, all periods of time in this Lease are subject to this Article 27. Neither the Landlord nor Tenant shall be considered to have caused an Event of Default with respect to its obligations under this

Lease (or to have failed to meet the required dates of performance thereunder) in the event of enforced delay (an “Enforced Delay”) due to:

A. causes beyond its reasonable control and without its negligent or intentional failure to comply with the terms hereof, including, but not restricted to, acts of God (including, without limitation, by pandemic (such as, for example, COVID-19) or endemic or matters stemming from the same), acts of public enemy, acts of the Federal, state or local government, acts of the other Party, litigation or other action authorized by law concerning the validity and enforceability of this Lease or relating to transactions contemplated hereby (including the effect of petitions for initiative or referendum), fires, floods, epidemics, pandemics, quarantine, restrictions, strikes, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, act of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, declaration of national emergency or national alert, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain, condemnation, or other taking by the action of any governmental body on behalf of any public, quasi-public, or private entity, or declaration of moratorium or similar hiatus directly affecting the Property (whether permanent or temporary) by any public, quasi-public or private entity;

B. the discovery of Regulated Substances (defined in Article 28 below) on, at or affecting the Property not disclosed by any applicable environmental assessment or otherwise known by or disclosed to the Party or Parties affected thereby; the discovery of funerary objects or archaeological resources or artifacts on, at or affecting the Property requiring repatriation, study, removal or further acts mandated by federal or state law; or the discovery of Endangered Species on, at or affecting the Property;

C. the order, judgment, action, or determination of any court, administrative agency, governmental authority or other governmental body (collectively, an “Order”) which delays the completion of the work or other obligation of the Party claiming the delay; or the suspension, termination, interruption, denial, or failure of renewal (collectively, a “Failure”) of issuance of any permit, license, consent, authorization, or approval necessary to Tenant’s or Landlord’s undertakings pursuant to this Lease, unless it is shown that such Order or Failure is the result of the failure to comply with Applicable Laws or to fully comply with the applicable application requirements by the Party claiming the delay; provided, however, that the contesting in good faith of any such Order or Failure shall not constitute or be construed or deemed as a waiver by a Party of Enforced Delay;

D. the denial of an application, failure to issue, or suspension, termination, delay or interruption (collectively, a “Denial”) other than by or from the Tucson Mayor and City Council or one of the City’s departments, divisions, agencies, commissions or boards, which is addressed in subparagraph E below, in the issuance or renewal of any permit, approval or consent required or necessary in connection with Tenant’s or Landlord’s undertakings pursuant to this Lease, if such Denial is not also the result of the failure to comply with Applicable Laws or to fully comply with the applicable application requirements by the Party claiming the delay;

provided that the contesting in good faith or the failure in good faith to contest any such Denial shall not constitute or be construed or deemed as a waiver by a Party of Enforced Delay;

E. unreasonable delay by the City of Tucson in processing any application, request for approval, plan or submittal by Landlord or Tenant including, but not limited to, granting an abatement of excise taxes or the imposition of any unreasonable requirement by the City in connection with any approval process provided that all initial submittals by Tenant are completed and that all subsequent submittals address all comments made by City reviewers and are made in a timely manner; and

F. the failure of any contractor, subcontractor or supplier to furnish services, materials or equipment in connection with Tenant's or Landlord's undertakings pursuant to this Lease, if such failure is caused by Enforced Delay as defined herein, if and to the extent, and only so long as the Party claiming the delay is not reasonably able, after using its best efforts, to obtain substitute services, materials or equipment of comparable quality and cost.

§ 27.2. Enforced Delay Exceptions and Notice. In no event will Enforced Delay include any delay resulting from general economic or market conditions, nor from the unavailability for any reason of contractors, subcontractors, vendors, investors or lenders desired by Landlord or Tenant in connection with the Premises. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided that the Party seeking the benefit of the provisions of this Article 27 shall, within 30 days after such Party knows of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; provided, however, that either Party's failure to notify the other of an event constituting an Enforced Delay shall not alter, detract from or negate its character as an Enforced Delay if such event of Enforced Delay were not known or reasonably discoverable by such Party.

ARTICLE 28

COMPLIANCE WITH ENVIRONMENTAL LAWS

§ 28.1. Definitions.

A. "Environmental Laws": Those laws promulgated for the protection of human health or the environment, including but not limited to the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Arizona Environmental Quality Act, Title 49 of the Arizona Revised Statutes; the Occupational Safety and Health Act of 1970, as amended, 84 Stat. 1590, 29 U.S.C. §§ 651-678; Pima County Air Pollution Control Regulations; Title 41, Chapter 4.1, Article 4, Archaeological Discovery, Arizona Revised Statutes; Landfill Ordinance of City of Tucson, Chapter 29, Article IX of the Tucson Code; regulations promulgated thereunder and any other statutes, laws, regulations, rules and ordinances (whether enacted by the local, county, state or federal government), and any environmental judgment or order of any governmental agency

or judicial entity with proper jurisdiction, now in effect or hereinafter enacted that deal with the regulation or protection of human health and the environment, including but not limited to the ambient air, ground water, surface water, and land use, including substrata soils.

B. “Regulated Substances”:

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

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

(3) All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any Environmental Law during the Rental Period.

C. “Release”: Any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping of any Regulated Substance in violation of any applicable Environmental Law.

§ 28.2. Compliance. Tenant shall, at Tenant’s own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, applicable to Tenant’s leasehold and/or operation on the Premises.

Tenant shall not cause or permit any Regulated Substance to be used, generated, manufactured, produced, stored, brought upon, or Released on or under the Premises, or transported to or from the Premises, by Tenant, its agents, employees, sublessees, contractors, invitees or a third party in a manner that would constitute or result in a violation of any applicable Environmental Law.

Tenant may provide for the treatment of certain discharges regulated under the pretreatment ordinances pursuant to the Tucson City Code or such other ordinances as may be promulgated and the Federal Clean Water Act, 33 U.S.C. § 1251 *et seq.*

§ 28.3. Indemnification.

A. To the fullest extent allowed by law, Tenant shall indemnify, defend and hold harmless, on demand, Landlord, its successors and assigns, its officers, directors, employees, boards, and commissions for, from and against any and all liabilities, obligations,

damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees or costs, arising from or related to any third party claim or action for injury, liability, breach of warranty or representation, or damage to persons, property, the environment or the Premises, alleging or arising in connection with contamination of, or adverse effects on, human health, property or the environment pursuant to or as a result of a violation of any applicable Environmental Law and/or the Release of any Regulated Substance in violation of any applicable Environmental Law, which are incurred or assessed as a result, whether in part or in whole, of any use of the Premises or portion thereof by Tenant or its owners or affiliated entities, agents, employees, invitees, contractors, sublessee, visitors or licensees during the Rental Period (collectively "Landlord's Indemnified Matters"). Regardless of the date of termination of this Lease, Tenant's obligations and liabilities under this Article 28 shall continue so long as the Landlord bears any liability or responsibility under Environmental Laws related to Tenant's occupation and/or use of the Premises during the Rental Period. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work required or conducted by any federal, state or local governmental agency or political subdivision because of Regulated Substances located on the Premises or present in the soil or ground water on, under the Premises, or that have migrated from the Premises due to Tenant's occupation and/or operations during the Rental Period. The parties agree that Landlord's right to enforce this covenant to indemnify is not an adequate remedy at law for Tenant's violation of any provision of this Article and that Landlord shall also have the rights set forth in this Article in addition to all other rights and remedies provided by law or in equity or otherwise provided for in this Lease.

B. Without limiting the foregoing, if the presence of any Regulated Substance on or under the Premises results in any contamination of the Premises or any adjacent real property due to Tenant's occupation and/or operations during the Rental Period, Tenant shall promptly take all actions at its sole cost and expense as are necessary to mitigate any immediate threat to human health or the environment. Tenant shall then undertake any further action necessary to remediate the Premises to an acceptable condition as required by applicable federal, state and/or local Environmental Laws; provided that Landlord's written approval of such actions shall first be obtained, which shall not be unreasonably conditioned, withheld or delayed. Any remedial activities by Tenant shall not be construed as to impair Tenant's rights, if any, to seek contribution or indemnity from another person.

C. If any claim, action or proceeding is made or brought against Landlord by reason of any event to which reference is made in this Section, then, upon demand by Landlord, Tenant, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys selected by Tenant, as approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense at Landlord's sole expense. Landlord shall at all times have the right to accept or reject any offer to compromise or settle, any lawsuit, claim, demand or liability asserted against it. However, Tenant shall not be responsible to indemnify settlements related to

any Landlord Indemnified Matter entered into without Tenant's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

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

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

F. Tenant shall notify Landlord immediately of any of the following: (1) any correspondence or communication from any governmental agency regarding any alleged violation of Environmental Laws as a result of Tenant's occupancy of the Premises or Tenant's use of the Premises, (2) any change in Tenant's use of the Premises that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under Environmental Laws, and (3) any assertion of a third party claim or other third party occurrence for which Tenant may incur an obligation under this Article.

G. Tenant shall, at its own expense, obtain and comply with any permits or approvals that are required or may become required because of any use of the Premises by the Tenant, its agents, employees, contractors, invitees, assigns and sublessees.

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

§ 28.4. Noncompliance.

A. Tenant shall, at its sole cost and expense, remedy Tenant's failure or the failure of its agents, employees, contractors, invitees, sublessees or of a third party to comply with any of the requirements and obligations of this Article 28 or applicable Environmental Law shall constitute a material default under this Lease. Notwithstanding any other provision in this Lease to the contrary, Landlord shall have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Law on or under the Premises, without waiving any of its rights under this Lease.

The exercise by Landlord of any of its rights under this Article shall not release Tenant from any obligation it would otherwise have hereunder.

B. The covenants in this Article 28 shall survive the expiration or earlier termination of this Lease.

ARTICLE 29 PURCHASE OF PREMISES BY TENANT

§ 29.1. Option to Purchase. Landlord hereby grants to Tenant the exclusive option to purchase the Premises (“Purchase Option”) according to the terms and conditions hereinafter set forth.

§ 29.2. Exercise of Option. The Purchase Option granted herein shall become effective upon the Commencement Date, and, notwithstanding anything herein to the contrary, Tenant shall have the right to exercise the Purchase Option hereunder at any time and for any reason before or after termination of this Lease (the “Option Period”); provided that the Purchase Option shall be conditioned upon Tenant curing any Monetary Default under this Lease. The Purchase Option granted herein may be exercised by Tenant at any time during the Option Period by Tenant delivering written notice of exercise to Landlord. If Tenant has not exercised the Purchase Option prior to the expiration or termination of this Lease, pursuant to A.R.S. §42-6206 (C), Tenant shall exercise the Purchase Option so that title vests in Tenant no later than twelve months following the expiration of the Rental Period.

§ 29.3. Conveyance of Premises.

A. Purchase Price. When Tenant elects to exercise the Purchase Option, the purchase price for the Premises shall equal (i) \$10; (ii) the amount of any Uncured Monetary Defaults (defined below) accrued during the Rental Period, which shall be payable to Landlord prior to conveyance of title; and (iii) all closing costs incurred in connection with the conveyance. The term “Uncured Monetary Defaults” means only any unpaid Net Rents pursuant to Article 3, and any unpaid Additional Payments pursuant to Article 4.

B. Conveyance of Title and Delivery of Possession. Landlord shall not grant or create mortgages, deeds of trust or other encumbrances of any kind against the Premises or any rights of Landlord hereunder, and, without limiting the generality of the foregoing, Landlord shall not take any actions that would cause the Premises (including without limitation, Landlord’s fee simple interest in the Premises) to be encumbered in any manner whatsoever, nor take any action that would impair Landlord’s fee simple title to the Premises without the prior written consent of Tenant and any Leasehold Mortgagee, including but not limited to a Construction and Development Lender (until such time as the applicable Leasehold Mortgage is satisfied or released), which consent may be given or withheld in Tenant’s and the applicable Leasehold Mortgagee’s sole and absolute discretion. Landlord and Tenant agree to perform all acts necessary for conveyance in sufficient time for the property interest to be conveyed within 60 days after delivery to Landlord of Tenant’s notice of exercise; provided, however, that notwithstanding any language herein to the contrary in no event shall title vest in Tenant later

than twelve months from the expiration of the Rental Period regardless of whether Tenant has exercised the Purchase Option. Landlord's entire interest in the Premises shall be conveyed by Special Warranty Deed in the form of Exhibit F, subject only to those liens, encumbrances, and other title exceptions existing on the Effective Date plus any additional title exception created or approved in writing by Tenant. In addition, upon request by Tenant, Landlord shall execute and deliver (i) a memorandum in recordable form reflecting the termination or partial termination of this Lease; (ii) an assignment of Landlord's right, title and interest in and to all licenses, permits, guaranties and warranties relating to the ownership or operation of the Premises to which Landlord is a party and which are assignable by Landlord, and (iii) such other reasonable and customary documents as may be required by Tenant or its title insurer including, without limitation, Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") and mechanic's lien affidavits, to confirm the termination of this Lease and the revesting of title to the Premises in all respects in Tenant or its successor. All expenses in connection with conveyance of the Premises to Tenant including, but not limited to, title insurance (if requested by Tenant), recordation and notary fees and all other closing costs (including escrow fees if use of an escrow is requested by Tenant), shall be paid by Tenant. Possession shall be delivered to Tenant concurrently with the conveyance of title. Tenant acknowledges that the title to the Premises may be encumbered by matters that were caused by Tenant during the Rental Period and that Landlord has no obligation to remove such encumbrance(s).

ARTICLE 30 MISCELLANEOUS

§ 30.1. Landlord's Right of Cancellation. The parties hereto acknowledge that this Lease is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

§ 30.2. Legal Actions. Any legal action instituted pursuant to this Lease shall be brought in the County of Pima, State, or in the Federal District Court in the District of Arizona located in Tucson, Arizona. The prevailing party in such action shall be reimbursed by the non-prevailing party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court. This Lease shall be construed and enforced in accordance with the laws of the State.

§ 30.3. Memorandum. Landlord and Tenant agree that at the request of either, each will execute a short form memorandum of this Lease for recording in the Office of the County Recorder, Pima County, Arizona in the form attached hereto as Exhibit H, and if required by any Lender or the City containing such additional terms consistent with the terms of this Lease as Tenant may request.

§ 30.4. Entire Agreement. This Lease, together with its schedules and Exhibits and all documents incorporated herein by reference contain the entire agreement between Landlord and Tenant and any executory agreement hereafter made between Landlord and Tenant shall be ineffective to change, modify, waive, release, discharge, terminate, or effect an abandonment of this Lease or the Development Agreement, in whole or in part, unless such executory agreement

is in writing and signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination, or the effect of the abandonment is sought.

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

§ 30.6. Execution and Delivery. This Lease shall bind Tenant upon its execution thereof. Landlord shall be bound only after it executes and delivers the Lease to Tenant.

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

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

§ 30.9. No Third-Party Beneficiaries. No third party shall be entitled to rely upon, benefit from or enforce the terms of this Lease. No provision in this Lease is intended to nor shall it in any way inure to the benefit of any third party so as to constitute a third-party beneficiary under this Lease.

§ 30.10. Exhibits and Incorporation. The exhibits that are either attached or referenced herein are incorporated in this Lease as though set forth verbatim.

§ 30.11. Attorneys' Fees. Except as set forth in §30.2, each party shall bear its own attorneys' fees in the preparation of this Lease and any other documents related to the Premises.

§ 30.12. Time of Essence. Time is of the essence of this Lease.

§ 30.13. Broker's Commission and Representation. Each party represents and warrants that it has incurred no liabilities or claims for brokerage commissions or finders' fees in connection with the execution of this Lease and that it has not dealt with, and has no knowledge of, any real estate broker, agent, or salesperson in connection with this Lease. The parties acknowledge that Mark Irvin and Chris Sheafe are licensed Real Estate Brokers in the State of Arizona and are also members of the Board of Directors of Landlord. Neither Mr. Irvin nor Mr. Sheafe are receiving any compensation under the terms of this Lease and have no fiduciary duty to Tenant. The parties further acknowledge that Steve Fenton, who is affiliated with Tenant, and one or more direct or indirect members of Tenant is a licensed Arizona real estate broker.

SIGNATURES ON FOLLOWING PAGE

In Witness Whereof, the parties have executed this Lease on the date set forth on the first page.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

“Tenant”

1SC HOTEL QOZB LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

LIST OF EXHIBITS

Exhibit "A"	Legal Description
Exhibit "B"	Form of Amendment to Lease
Exhibit "C"	Insurance Requirements
Exhibit "D"	Prohibited Uses
Exhibit "E"	Permitted Exceptions
Exhibit "F"	Form of Landlord's Special Warranty Deed
Exhibit "G"	Form of Tenant's Special Warranty Deed
Exhibit "H"	Form of Memorandum of Lease
Exhibit "I"	Intentionally Omitted
Exhibit "J"	Description of Hotel Unit

EXHIBIT A

(Legal Description of Premises)

PARCEL NO. 1:

A PART OF BLOCK 209, CITY OF TUCSON, AS RECORDED IN BOOK 3 OF MAPS AND PLATS AT PAGE 70, PIMA COUNTY RECORDER'S OFFICE, PIMA COUNTY, ARIZONA, AND BLOCK 506, PUEBLO CENTER, AS RECORDED IN BOOK 20 OF MAPS AND PLATS AT PAGE 83, PIMA COUNTY RECORDER'S OFFICE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY LINE OF CONGRESS STREET A DISTANCE OF 229.26 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 248.93 FEET TO THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;

THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40 MINUTES 03 SECONDS WEST;

THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 12 DEGREES 41 MINUTES 13 SECONDS FOR AN ARC DISTANCE OF 126.21 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTHEAST;

THENCE WESTERLY AND NORTHERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY LINE OF CONGRESS STREET A DISTANCE OF 159.52 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE EAST ALONG THE SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 69.74 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 118.00 FEET;

THENCE WEST 85.80 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 35.07 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 14.00 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 82.48 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 AND BLOCK 506, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTHEAST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF NORTH 72 DEGREES 20 MINUTES 07 SECONDS WEST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE SOUTHEASTERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTH, SAID CURVE BEING THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 03 DEGREES 48 MINUTES 42 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO THE POINT OF BEGINNING ON A NON TANGENT LINE;

THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 205.58 FEET;
THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 3.15 FEET;
THENCE SOUTH 00 DEGREES 22 MINUTES 44 SECONDS EAST 35.07 FEET;
THENCE EAST 85.80 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;
THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID
WEST RIGHT OF WAY LINE A DISTANCE OF 130.93 FEET TO THE NORTH RIGHT OF
WAY LINE OF BROADWAY BOULEVARD;
THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID
NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;
THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID
NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC
OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID
CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40
MINUTES 03 SECONDS WEST;
THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE
ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A
CENTRAL ANGLE OF 08 DEGREES 52 MINUTES 23 SECONDS FOR AN ARC
DISTANCE OF 88.27 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

A SUBSURFACE EASEMENT AND EASEMENTS FOR ENTRANCE AND EXIT RAMPS
AND
SIDEWALKS AS SET FORTH IN EASEMENT AND LICENSE RECORDED IN DOCKET
7548 AT PAGE 504 AS AMENDED IN DOCKET 11649 AT PAGE 1752.

PARCEL NO. 3:

EASEMENTS AS SET FORTH IN RECIPROCAL EASEMENT AND OPERATING
AGREEMENT RECORDED AT SEQUENCE NO. 20182640800.

EXHIBIT B

(Form of Amendment to Lease)

AMENDMENT TO TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX

THIS AMENDMENT TO TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX (this "Amendment") is made and entered into as of the Effective Date by and between **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district, having its office at 400 West Congress, Suite 152, Tucson, AZ 85701 (hereinafter "Landlord"), and **ISC HOTEL QOZB LLC**, a Delaware limited liability company, having its office at c/o OpWest Partners, 6900 E. Camelback Rd., Suite 902, Scottsdale, AZ 85251 (hereinafter "Tenant"). Landlord and Tenant are referred to collectively as the "Parties." The "Effective Date" shall be the date upon which the last of Landlord and Tenant executed this Amendment, as indicated on the signature pages of this Amendment.

The Parties have previously executed and delivered that certain Triple Net Government Property Lease with an Effective Date of _____ (the "Lease") with respect to certain Premises, which Lease is evidenced by a Memorandum of Ground Lease dated _____ and recorded _____ in _____ of the official records of the Pima County, Arizona Recorder.

Landlord and Tenant have agreed to memorialize the Commencement Date as contemplated by Section 1.2 of the Lease and to the amount of the Net Rent pursuant to Section 3.1 (A) of the Lease.

In consideration of the covenants and agreements contained in this Amendment, the Parties agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease, unless the context expressly requires otherwise.
2. Term. The Commencement Date is _____. The Termination Date of the Lease is _____, unless terminated earlier pursuant to the terms of the Lease.
3. Net Rent. Pursuant to Section 3.1 A, the Net Rent for the Rental Period shall be One Hundred Dollars (\$100) per annum, which amount may be pre-paid.
4. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.
5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument. Signature and acknowledgment pages may be detached from individual

counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Amendment as of the date set forth under the signatures of the Parties below.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

Date of Execution: _____

ATTEST:

By: _____
Name: _____
Its: _____

Date of Execution: _____

“Tenant”

1SC HOTEL QOZB LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

Date of Execution: _____

EXHIBIT C

(Insurance Requirements)

1. Types of Coverage. The most stringent of this Exhibit C, the insurance requirements of any Leasehold Mortgagee, the Condominium Declaration and Tenant's Hotel Management Agreement shall apply to Tenant. Tenant at its sole cost and expense shall, during the entire Rental Period hereof, obtain, maintain and keep in full force and effect (or alternatively ensure that its subtenants keep in full force and effect):

(i) A policy for commercial general liability insurance covering Tenant's use and occupancy of the Premises, including bodily injury, property damage, contractual liability under this Lease, independent contractors, products and completed operations liability and owned/non-owned auto liability, occurring on the Premises, minimum combined single limit \$1,000,000 and \$2,000,000 aggregate. Such policy shall include a blanket waiver of subrogation in favor of Landlord and shall include Landlord as an additional insured under a blanket endorsement. Tenant's insurance shall be primary, with any insurance maintained by Landlord to be considered excess. Tenant agrees that it will not keep, use, sell, or offer for sale in or upon the Premises any article which may be prohibited by the standard form of fire insurance policy. Such insurance (i) to be on the "occurrence" form; and (ii) to continue at not less than the aforesaid limit until required to be changed by Landlord in writing to an amount which is then customary and commercially reasonable in relation to the type of operation then being conducted by Tenant in the Premises, by reason of changed economic conditions making such protection inadequate.

(ii) Worker's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the Premises with respect to which claims for death or bodily injury could be asserted against Landlord or the Premises. In lieu of such workmen's compensation insurance, Tenant may provide a program of self-insurance so long as it complies with the rules, regulations and requirements of the appropriate state agency of the State of Arizona, but no less than \$500,000 / \$500,000 / \$500,000.

2. Policies.

(i) All insurance provided for in Subsection 1 hereof shall be obtained under valid and enforceable policies (the "**Policies**" or in the singular, the "**Policy**").

(ii) The Policies maintained pursuant to this Lease shall (a) with respect to all policies of fire, all risk or similar casualty insurance, provide that the insurer waives all rights of subrogation against Landlord, any successor to Landlord's interest in the Premises; (b) provide that in the event of a loss involving more than one insured the Policies shall be deemed to apply separately for the interest of each insured; and (c) be primary and without right or provision of contribution as to any other insurance carried by Landlord.

(iii) The insurance companies must be approved, authorized or licensed to provide insurance in Arizona and have a rating of "A" or better for claims paying ability assigned

by Moody's Investors Service, Inc. and Standard & Poor's Rating Group or a general policy rating of A- or better and a financial class of VIII or better assigned by A.M. Best Company, Inc. Each such insurer shall be referred to herein as a "**Qualified Insurer**." Tenant agrees that certificates of insurance or, if required by Landlord or the mortgagees of Landlord, will be delivered to Landlord as soon as practicable after the placing of the required insurance, but in no event later than 10 days prior to the time Tenant takes possession of all or any part of the Premises, including possession taken pursuant to Section 2.1 of the Lease.

(iv) Tenant shall use commercially reasonable efforts to notify Landlord in writing prior to any, reduction in coverage below the requirements contained in this Lease, cancellation, or other termination thereof.

(v) Tenant may provide any required insurance through an umbrella or blanket liability or casualty Policy (which blanket or umbrella policy may be issued to the parent company of Tenant, if any, so long as Tenant is and remains a named insured under said policy and such blanket policy otherwise complies with the terms of this Lease), provided, in each case, such Policy affords the coverage required above, is issued by a Qualified Insurer.

(vi) All Policies of insurance provided for or contemplated by Section 1 of this Exhibit C shall name Landlord and Tenant as the insured or additional insured, as required by this Exhibit C or as their respective interests may appear.

3. Fire and Other Casualty. In the event that all or any improvements or fixtures within the Premises shall be totally or partially destroyed or damaged by fire or other insurable casualty, then, subject to Tenant's rights to terminate this Lease, whether in whole or in part, this Lease shall continue in full force and effect, and Tenant, at Tenant's sole cost and expense (subject only to the provisions of any Leasehold Mortgage) may, but shall not be obligated to, rebuild or repair the same. Landlord and Tenant agree that the provisions of A.R.S. § 33-343 shall not apply to this Lease. In the event that Tenant elects to repair or rebuild the improvements, any such repair or rebuilding shall be performed at the sole cost and expense of Tenant. If there are insurance proceeds resulting from such damage or destruction, Tenant shall be entitled to such proceeds (subject only to the provisions of any Leasehold Mortgage), whether or not Tenant rebuilds or repairs the improvements or fixtures.

4. Landlord Insurance. Landlord may, but shall not be obligated to, take out and carry any other form or forms of insurance as it may reasonably determine advisable. Tenant acknowledges that it has no right to receive any proceeds from any such insurance policies carried by Landlord. Landlord will not carry insurance of any kind on Tenant's property, furniture or furnishings or on any equipment of Tenant under this Lease and Landlord shall not be obligated to repair any damage thereto or replace the same.

5. Compliance. Tenant shall comply with all the terms and conditions of each insurance policy maintained pursuant to the terms of this Lease. Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or hereafter in effect relating to the Premises.

6. Landlord Protections. If any insurance policy shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced, in any way by reason of the use or occupation of the Premises or any part thereof by Tenant or by any assignee or sub-tenant of Tenant or by anyone permitted by Tenant to be on the Premises and, if Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours after written notice thereof from Landlord, Landlord may, at its option to obtain such Policies and enter upon the Premises and attempt to remedy such condition and Tenant shall forthwith pay the cost thereof to Landlord as additional rent. Notwithstanding the foregoing provisions of this Section 6, if Tenant fails to remedy as aforesaid, Tenant shall be in default of its obligations hereunder and Landlord shall have no obligation to attempt to remedy such default.

7. Waiver of Subrogation. As provided in Subsection 2(ii) above, any policy or policies of fire, all risk or similar casualty insurance, which either party obtains in connection with the Premises and the insurance required to be obtained by Tenant pursuant to the provisions of Subsection 1(ii) above shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. Landlord and Tenant hereby waive any rights of recovery against the other for injury or loss due to hazards covered by any such policy of insurance or which would have been covered under the insurance policies required under this Lease, regardless of whether the negligence of the other party caused such loss or damage and irrespective of whether such policies contain such a waiver of subrogation clause or endorsement.

8. Insurance Coverage Provided by Subtenant. Notwithstanding any language herein to the contrary, if required insurance coverage is provided by a subtenant of Tenant occupying the Premises, then Tenant shall not be required to provide duplicative coverage.

EXHIBIT D

(Prohibited Uses)

The following uses are specifically prohibited in the Premises without the prior written consent of Landlord which Landlord may withhold in its sole and absolute discretion:

(i) betting parlor; gambling casino or gaming activities including but not limited to gambling, electronic gaming machines, slot machines and other devices similar to the aforementioned; provided that legalized sports betting shall be permitted if otherwise permitted by applicable laws and ordinances.

(ii) a carnival or an amusement park, arcade, or a video game parlor.

(iii) funeral parlor; cemetery; crematorium.

(iv) an automobile dealership or a boat dealership, a body and fender shop; motor vehicle storage facility; boat storage facility.

(v) flea market.

(vi) massage parlor (except for massages provided in any spa area of the Hotel Unit), modeling studio; adult bookstore; any establishment primarily engaged in the business of selling, exhibiting or distributing pornographic or obscene materials; a business primarily engaged in displaying live models or dancers, a video store that sells or rents videos that are rated NC-17, X, XX, XXX, or of a rating assigned to works containing material more sexually explicit than XXX, by the film rating board of the Classification and Rating Administration.

(vii) establishment selling or exhibiting materials or paraphernalia for use with illicit drugs; a so-called "head shop."

(viii) business or facility used in growing, delivering, transferring, supplying, dispensing, dispersing, distributing or selling marijuana, whether by prescription, medical recommendation or otherwise, and whether consisting of live plants, seeds, seedlings or processed or harvested portions of the marijuana plant.

(ix) a central laundry or dry-cleaning plant (other than laundry done in the normal course of business in a hotel and a dry-cleaning drop-off facility which does not use dry cleaning fluids or similar chemicals or substances on site in connection with the dry cleaning of clothes).

(x) a house of worship.

(xi) a school (except instructional classes incidental to another primary retail use).

(xii) a day care facility, child care facility, preschool or children's nursery.

(xiii) any business which creates unreasonably or unusually strong or offensive odors, fumes, emissions or sounds which are not usual or customary for a bar. Music typical for a restaurant, bar or nightclub shall be permitted.

EXHIBIT E

Permitted Exceptions

To be added upon the completion of Landlord's due diligence pursuant to Section 6.2 (B) of the Lease.

EXHIBIT F

(Form of Landlord's Special Warranty Deed)

WHEN RECORDED, RETURN TO:

1SC Hotel QOZB LLC
c/o OpWest Partners
6900 E. Camelback Rd., Suite 902
Scottsdale, AZ 85251
Attn: Tyler Kent

SPECIAL WARRANTY DEED

For good and valuable consideration, **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district ("**Grantor**"), does hereby convey to 1SC Hotel QOZB LLC, a Delaware limited liability company, having its office at 6900 E. Camelback Road, Suite 902, Scottsdale, AZ 85251 ("**Grantee**"), that certain real property situated in Pima County, Arizona, and legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements and appurtenant benefits relating thereto and all improvements located thereon (the "**Property**"):

SUBJECT TO: the matters set forth on **Exhibit B** attached hereto and made a part hereof.

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

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

[SIGNATURE AND NOTARY PAGE FOLLOWS]

GRANTOR:

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument, Special Warranty Deed, consisting of _____ pages, including this page and exhibits, was acknowledged before me this _____ day of _____, 20__, by _____, the Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of the district.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A

TO LANDLORD'S SPECIAL WARRANTY DEED

Legal Description of Property on following one_page

Exhibit B

**TO LANDLORD'S
SPECIAL WARRANTY DEED**

Permitted Exceptions

EXHIBIT G

(Form of Tenant's Special Warranty Deed)

WHEN RECORDED, RETURN TO:

Rio Nuevo Multipurpose Facilities District
Attention Chairman Fletcher McCusker
400 W. Congress #152
Tucson, Arizona 85701

SPECIAL WARRANTY DEED

For good and valuable consideration, **ISC HOTEL QOZB LLC**, a Delaware limited liability company ("**Grantor**"), does hereby convey to **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district ("**Grantee**"), that certain real property situated in Pima County, Arizona, and legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements and appurtenant benefits relating thereto and all improvements located thereon (the "**Property**"):

SUBJECT TO: the matters set forth on **Exhibit B** attached hereto and made a part hereof.

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

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

[SIGNATURE AND NOTARY PAGE FOLLOWS]

GRANTOR:

1SC HOTEL QOZB LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of _____)

The foregoing instrument, Special Warranty Deed, consisting of _____ pages,
including this page and exhibits, was acknowledged before me this _____ day of
_____, 20__, by _____, the _____
of 1SC Hotel QOZB LLC, a Delaware limited liability company, on behalf of the company.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A

TO TENANT'S SPECIAL WARRANTY DEED

Legal Description of Property on following _one page

Exhibit B

**TO TENANT'S
SPECIAL WARRANTY DEED**

Permitted Exceptions

EXHIBIT H

(Form of Memorandum of Lease)

When Recorded Return To:
Mark Collins
Gust Rosenfeld PLC
One S. Church Avenue, Suite 1900
Tucson, AZ 85701-1627

MEMORANDUM OF LEASE

DATE: _____, 20__

PARTIES: **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**,
a tax levying special facilities district of the State of Arizona
400 W. Congress #152
Tucson, Arizona 85701 ("Landlord")

1SC HOTEL QOZB LLC,
a Delaware limited liability company
c/o OpWest Partners
6900 E. Camelback Road, Suite 902
Scottsdale, AZ 85251

("Tenant")

1. Landlord has leased to Tenant, and Tenant has leased from Landlord, pursuant to a Triple Net Government Property Lease dated _____, 20__ (the "Lease"), certain land more particularly described on Exhibit A attached hereto (the "Premises").

2. The Premises will be subject to the Government Property Lease Excise Tax as provided for under A.R.S. §42-6202 (A) and (B) (the "GPLET"). The City of Tucson has agreed to abate the GPLET for the period beginning upon the first day following the date of the issuance of the first certificate of occupancy for the Premises ("Commencement Date") and ending eight (8) years thereafter (the "Abatement Period"), all as provided in A.R.S. §42-6209(A).

3. The term of the Lease is for an Initial Term of 8 years from the Commencement Date under the Lease unless terminated or cancelled earlier in accordance with the terms of the Lease.

4. The Lease contains an option to purchase in favor of the Tenant regarding the Premises.

5. All other terms, conditions and agreements contained in the Lease are fully incorporated herein by reference as if fully set forth herein. Copies of the Lease are on file at the offices of Landlord and Tenant.

6. In the event of a conflict between the terms of this Memorandum of Lease and the terms of the Lease, the terms of the Lease shall control.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date first above written.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument, Memorandum of Lease, consisting of _____ pages, including this page and exhibits, was acknowledged before me this _____ day of _____, 20__, by _____, the Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of the district.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

“Tenant”

1SC HOTEL QOZB LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of _____)

The foregoing instrument, Memorandum of Lease, consisting of _____ pages, including this page and exhibits, was acknowledged before me this _____ day of _____, 20__, by _____, the _____ of 1SC Hotel QOZB LLC, a Delaware limited liability company, on behalf of the company.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A to Memorandum of Lease

EXHIBIT I

Intentionally Omitted

EXHIBIT J

Description of Hotel Unit

EXHIBIT C-2
(Office GPLET Lease)

**TRIPLE NET
GOVERNMENT
PROPERTY LEASE**

BY AND BETWEEN

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
An Arizona tax levying special facilities district

"LANDLORD"

AND

1SC PARTNERS SPE LLC,
a Delaware limited liability company

"TENANT"

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**TRIPLE NET
GOVERNMENT
PROPERTY LEASE**

THIS LEASE ("Lease") is entered into as of the ___ day of _____, 2020 (the "Effective Date"), by and between **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district, having its office at 400 West Congress, Suite 152, Tucson, AZ 85701 (hereinafter "Landlord"), and **ISC PARTNERS SPE LLC**, a Delaware limited liability company, having its office at 6700 N. Oracle Road, Suite 504, Tucson, Arizona 85704 (hereinafter "Tenant"). Capitalized terms used in this Lease shall have the meanings ascribed to them parenthetically or in Section 2.1 of this Lease.

RECITALS:

A. Landlord is a special taxing district of the State of Arizona (the "State") that was formed by the City of Tucson, Arizona (the "City") and the City of South Tucson, Arizona under the Stadium District Statutes pursuant to A.R.S. §48-4201 *et seq.*

B. Tenant currently owns or will own prior to the Commencement Date (as hereinafter defined) and upon the Commencement Date of this Lease Landlord will own Unit 1 or the Office Unit (the "Office Unit"), a condominium unit created pursuant to that certain Declaration of Condominium and Easements for One South Church Condominium (the "Condominium Declaration") and the condominium plat (the "Plat"), such condominium (the "Condominium") created upon the land and including the building (the "Building") located at 1 South Church Avenue, Tucson, Arizona, which Building is more particularly described on Exhibit A attached hereto and will include a portion of floors 1, 3, and 4 and floors 10 through 23 of the Building. The Office Unit and an undivided interest in the common elements in the Building in accordance with the Condominium Declaration constitutes the "Premises."

C. In connection with Tenant's creation of the Condominium, Tenant will create, in addition to the Office Unit, a Unit 2 or the Hotel Unit within the Condominium (the "Hotel Unit") which Tenant will sell to ISC Hotel QOZB LLC, an Arizona limited liability company (the "Hotel Owner"). Upon the Hotel Owner remodeling and repurposing the Hotel Unit into a hotel and obtaining a Certificate of Occupancy for the Hotel Unit that entitles Hotel Owner to operate the hotel, but prior to the hotel opening for business, Tenant will convey the Premises to Landlord pursuant to the terms hereof. After conveyance of the Premises to Landlord, the Premises will be "Government Property Improvements" under A.R.S. §42-6201(2), under which Landlord is a "Government Lessor" pursuant to A.R.S. §42-6201(1), and Tenant is a "Prime Lessee" pursuant to A.R.S. §42-6201(4).

D. The Premises and the Hotel Unit are located within the special taxing district limits of Landlord and in a single central business district in a redevelopment area established pursuant to Title 36, Chapter 12, Article 3 of Arizona Revised Statutes (A.R.S. §§36-1471 *et seq.*) (the "CBD"). More than one year has lapsed from the City's designation of the CBD, and Landlord has determined (based on an estimate of an independent third party) that within the

term of this Lease, the economic and fiscal benefit to the State, City of Tucson, Pima County, and the Landlord will exceed the benefits received by Tenant under the Lease.

ARTICLE 1 LEASE OF THE PREMISES

§ 1.1. Premises. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The Premises are subject to, and further described by, the following:

A. Other covenants, restrictions, easements, agreements, and reservations of record, if any, encumbering the Premises.

B. Present and future building restrictions and regulations, zoning laws, ordinances, resolutions and regulations of the municipality in which the Premises lies and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions, and bodies of any municipal, county, state, or federal authority, now or hereafter having jurisdiction over the Premises.

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

§ 1.2. Term. Although this Lease, and the obligations of Landlord and Tenant as set forth in this Lease shall commence on the date of execution of this Lease, the term of this Lease shall commence on the issuance of a Certificate of Occupancy for the Hotel Unit that entitles the Hotel Owner to operate its hotel in the Hotel Unit ("Commencement Date") and, subject to Tenant's Purchase Option and Termination Right, shall expire at 12:00 midnight on the last day of the Rental Period, as hereafter defined ("Termination Date"), unless this Lease is sooner terminated as hereinafter provided ("Term"). The Commencement Date and the Termination Date shall be set forth in the Amendment to Lease substantially in the form attached hereto as Exhibit B.

§ 1.3. Tenant's Termination Right. Notwithstanding any provision of this Lease to the contrary, but subject to payment of any accrued but unpaid Tenant Obligations, (i) Tenant or (ii) any subsequent holder of all or any portion of Tenant's leasehold interest in Premises created hereby with right of fee ownership upon termination of this Lease by foreclosure sale, trustee's sale, or deed in lieu of foreclosure (each, a "**Successor Owner**") may terminate this Lease at any time upon not less than sixty (60) days' written notice to Landlord, or as otherwise provided herein, whereupon, Landlord shall sign and record a Special Warranty Deed and any other documents and instruments reasonably required to return title to Tenant within five (5) business days, subject only to the Permitted Exceptions and any other title exceptions created or consented to in writing by Tenant, and the parties shall have no further obligations hereunder.

ARTICLE 2 DEFINITIONS

§ 2.1. Definitions. For the purposes of this Lease, the following words shall have the definition and meaning hereafter set forth.

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

“Additional Payments”: As defined in § 4.1.

“Applicable Laws”: The federal, state, county and local laws (statutory and common law), ordinances, rules, regulations, permit requirements, and other requirements and official policies of the City which apply to the Premises.

“Board”: The Board of Directors of Landlord.

“Building”: As defined in Recital Paragraph B and on Exhibit A.

“CBD”: As defined in Recital Paragraph D.

“Certificate of Occupancy”: As defined in § 9.2.

“Commencement Date”: As defined in § 1.2.

“Condominium Declaration”: As defined in Recital Paragraph B.

“Deed of Trust” means any deed of trust or mortgage securing obligations due to a Leasehold Mortgagee and encumbering Tenant’s leasehold interest in the Premises.

“Effective Date”: The date on which this Lease is fully executed by all parties hereto, as indicated by the latest date on the signature pages of this Lease.

“Enforced Delays”: As defined in § 27.1.

“Event of Default”: As defined in § 18.1.

“Hotel Unit”: As defined in Recital Paragraph C.

“Impositions”: As defined in § 4.1.

“Landlord”: The Landlord named herein and its successors and assigns.

“Lease”: means this Triple Net Government Property Lease.

“Leasehold Mortgage”: As defined in Section 3.4(A).

“Lender”: Any Leasehold Mortgagee (including but not limited to any lender for a Permanent Loan) and their successors or assigns.

“Monetary Default”: As defined in § 18.1 (A).

“Net Rent”: As defined in § 3.1 (A).

“Option Period”: As defined in §29.2.

“Premises”: As defined in Recital B.

“Purchase Option”: As defined in §28.1.

“Rental Period”: The period beginning on the Commencement Date and ending 8 years from the first day of the month following the Commencement Date, subject to Tenant’s option to convert the Rental Period to a 25 year term as set forth in § 4.5 below, and further subject to the Purchase Option exercised by Tenant in accordance with § 1.3 and Article 29.

“Second Notice”: As defined in § 18.2.

“Tenant”: The Tenant named herein and its successors and assigns.

“Tenant Obligations”: As defined in Section 3.3.

“Term”: As defined in Section 1.2.

“Termination Right”: As defined in § 1.3.

ARTICLE 3 RENT

§ 3.1. Net Rent.

A. Base and Adjustments. Tenant agrees to make a lump sum rent payment of \$100 in rent for the Premises from the Effective Date until the Commencement Date (“Initial

Rent”). From and after the Commencement Date, Tenant shall pay to Landlord, in such United States of America currency as at the time of payment shall be legal tender for the payment of public and private debts at the addresses specified or furnished pursuant to § 21.1, during the Rental Period a net annual rental (“Net Rent”) in the amount of \$100 per annum. Tenant may pre-pay the Net Rent in advance for the entire Term or a portion of the Term.

B. Annual Installments. All payments of Net Rent shall be made in annual installments in advance, without notice, beginning on the first day of the first month following the Commencement Date and in like fashion each year thereafter. Alternatively, Tenant may pre-pay Net Rent for the entire Rental Period before or after the Commencement Date. Any pre-paid rent shall be non-refundable in all circumstances.

§ 3.2. Rent Absolutely Net. It is the purpose and intent of the Landlord and Tenant that Net Rent payable hereunder shall be absolutely net to Landlord so that this Lease shall yield to Landlord the Net Rent herein specified, free of any charges, assessments, Impositions, tax on rent, or deductions of any kind charged, assessed, or imposed on or against the Premises and without abatement, deduction or set-off by the Tenant, except as hereinafter otherwise specifically provided in this Lease. Landlord shall not be expected or required to pay any such charge, assessment or Imposition or be under any obligation or liability hereunder except as herein expressly set forth. All costs expenses, and obligations of any kind relating to the maintenance and operation of the Premises, including all construction, alterations, repairs, reconstruction, and replacements as hereinafter provided, which may arise or become due during the Rental Period shall be paid by Tenant. Landlord shall be indemnified and saved harmless by Tenant from and against all the foregoing costs, expenses, and obligations.

§ 3.3. No Release of Obligations. Except for either a mutual release and waiver of rights and liabilities arising under this Lease or to the extent expressly provided in this Lease, no happening, event, occurrence, or situation during the Rental Period, whether foreseen or unforeseen, and however extraordinary (including, without limitation, Tenant’s failure, refusal, or inability for any reason to occupy or operate the Premises) shall relieve the Tenant of its liability to pay the Net Rent and Additional Payments and other charges under this Lease, nor shall it relieve the Tenant of any of its other obligations under this Lease (“Tenant Obligations”).

§ 3.4. Leasehold Mortgage of Premises

A. Tenant and any Successor Owner (as hereafter defined) of all or any portion of the Premises, is hereby given the absolute right without the Landlord's consent to create a security interest in Tenant's leasehold interest (or any Successor Owner’s interest) under this Lease (and in any subleases and the rents, income and profits therefrom) by mortgage, deed of trust, collateral assignment or otherwise. Any such security interest shall be referred to herein as a “Leasehold Mortgage,” and the holder of a Leasehold Mortgage shall be referred to herein as a “Leasehold Mortgagee.” The Parties acknowledge and agree that upon the Commencement Date and as long as the Landlord holds fee title to the Premises, any existing deed of trust or mortgage encumbering title to the Premises will be amended to become a Leasehold Mortgage and encumber only the Tenant’s leasehold interest in the Property (instead of fee title), but that upon the expiration or termination of this Lease and reversion of the Premise’s title to Tenant,

any Leasehold Mortgage will again encumber fee title to the Premises. All protections and notices required by this Lease to be given to a Leasehold Mortgagee shall be extended and given to the beneficiaries under any existing deed of trust or mortgage encumbering the Premises. Landlord agrees to sign such agreements and acknowledgements as are consistent with this Agreement and reasonably required by a Leasehold Mortgagee in connection with a Leasehold Mortgage, including but not limited to by way of example, a recognition agreement, estoppel certificate, or subordination non-disturbance and attornment agreement.

B. A Leasehold Mortgagee may enforce such lien and acquire title to Tenant's leasehold estate in any lawful way including, pending foreclosure of such lien, the Leasehold Mortgagee may take possession of, develop, use and operate the Premises or applicable portion thereof, performing all obligations performable by Tenant, and upon foreclosure of such lien by power of sale, judicial foreclosure or acquisition of the leasehold estate by deed in lieu of foreclosure, the Leasehold Mortgagee may, without notice to or consent from Landlord, sell and assign the leasehold estate hereby created. No liability for the performance of Tenant's covenants and agreements hereunder shall attach to or be imposed upon any Leasehold Mortgagee, unless such Leasehold Mortgagee forecloses its interest and becomes the Tenant hereunder, following which the liability for the performance of Tenant's covenants and agreements hereunder shall attach to and be imposed upon any Leasehold Mortgagee or its successors and assigns only during the term of ownership of the leasehold estate by said Leasehold Mortgagee.

C. If Landlord shall give any notice, demand, election or other communication required hereunder (hereafter collectively "Notices") to Tenant hereunder, Landlord shall concurrently give a copy of each such Notice to the Leasehold Mortgagee at the address designated by the Leasehold Mortgagee. Such copies of Notices shall be sent in the manner set forth in Article 21. In the case of an assignment of the Leasehold Mortgage or change in address of the Leasehold Mortgagee, the assignee or Leasehold Mortgagee, by written notice to Landlord, may change the address to which such copies of Notices are to be sent.

D. Landlord shall provide written notice of any Event of Default under this Lease to Leasehold Mortgagee at the same time notice is provided to Tenant. If Tenant fails to cure a default within the applicable cure period, then the Leasehold Mortgagee shall have the right for a period of sixty (60) days after the later of (i) written notice to the Leasehold Mortgagee that Tenant has so failed to cure, and (ii) the end of the applicable cure period, to perform any term, covenant, or condition and to remedy any Event of Default by Tenant hereunder, or such longer period as the Leasehold Mortgagee may reasonably require to effect a cure, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant, and the Leasehold Mortgagee shall thereby and hereby be subrogated to the rights of Landlord. Landlord agrees that the Leasehold Mortgagee shall not be required to pay default interest to cure any payments defaults by Tenant. The Leasehold Mortgagee shall have the right to enter upon the Premises to give such performance.

E. Landlord shall upon request of a Leasehold Mortgagee execute, acknowledge and deliver to each Leasehold Mortgagee an instrument prepared at the sole cost and expense of Tenant, in form satisfactory to such Leasehold Mortgagee and Landlord, agreeing to all the provisions of this Section 3.4 and Section 24.1 hereof.

F. Any Leasehold Mortgagee shall have a right to intervene in and be made a party to any arbitration proceedings or legal proceedings by the parties hereto involving obligations under this Lease, and the Parties hereto do hereby consent to such intervention.

G. Tenant may delegate irrevocably to the Leasehold Mortgagee the authority to exercise any or all of Tenant's rights hereunder, provided that Tenant may not be relieved of its obligations hereunder. No such delegation shall be binding upon Landlord unless and until either Tenant or said Leasehold Mortgagee gives to Landlord a true and complete copy of a written instrument effecting such delegation. Such delegation of authority may be effected by the terms of the Leasehold Mortgage itself, in which case the service upon Landlord of a true and complete copy of the Leasehold Mortgage shall be sufficient to give Landlord notice of such delegation. The rights set forth in this Article 3 shall not effect, modify or limit the rights of the Leasehold Mortgagee contained in this Lease.

H. At Tenant's request, Landlord agrees to execute a form of landlord's lien waiver, reasonably acceptable to Landlord, with respect to Tenant's financing or refinancing of any personal property, furniture, furnishings, business or trade fixtures and equipment now or hereafter in or about the Premises, or any part thereof.

I. No act or agreement between or on the part of Landlord or Tenant to cancel, terminate, surrender, amend, or modify this Lease or Tenant's right to possession shall be binding upon or effective as against the Leasehold Mortgagee without its prior written consent.

J. If any Leasehold Mortgagee becomes the Tenant hereunder, by foreclosure of the Leasehold Mortgage or under a new Lease under Subsection K below, the parties agree and acknowledge such Leasehold Mortgagee shall not be liable or responsible for and shall not be deemed to have assumed liability for any other prior actions, omissions, defaults, breaches or other events caused by or relating to the Tenant. Rather, such Leasehold Mortgagee shall only be liable and responsible for acts, omissions, defaults, breaches or events occurring while it is the Tenant hereunder. Nothing in this Section J releases the Tenant from liability arising from events during Tenant's operation of the Premises, nor (ii) limits or otherwise modifies Landlord's remedy under Section 17.2 to terminate this Lease for certain Events of Default, subject to each Leasehold Mortgagee's right to cure an Event of Default in accordance with the provisions of Subsection D above, and right to enter into a new lease in accordance with the provisions of Subsection K below.

K. Landlord agrees that, in the event of termination of this Lease for any reason (including but not limited to any Event of Default by Tenant), Landlord, if requested by any Leasehold Mortgagee, will enter into a new lease of the Premises with the most senior Leasehold Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained (a "New Lease"), provided:

- i. Such Leasehold Mortgagee shall make written request upon Landlord for the New Lease within sixty (60) days after the date such Leasehold

Mortgagee receives written notice from Landlord that the Lease has been terminated;

- ii. Such Leasehold Mortgagee shall pay to Landlord at the time of the execution and delivery of the New Lease any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of such termination; and
- iii. Such Leasehold Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Tenant, and shall further remedy any other conditions which Tenant under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Leasehold Mortgagee.

L. In case of an Event of Default by Tenant in the performance or observance of any nonmonetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Leasehold Mortgagee without taking possession of the Premises, in such Leasehold Mortgagee's reasonable opinion, or if such default is not susceptible of being cured by the Leasehold Mortgagee, then Landlord shall not serve a notice of lease termination pursuant to Section 17.2, if and so long as:

- i. the Leasehold Mortgagee shall proceed diligently to obtain possession of the Premises as mortgagee (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such Events of Default as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession); or
- ii. the Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Tenant's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure and subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession).

The Leasehold Mortgagee shall not be required to obtain possession or to continue in possession as mortgagee of the Premises pursuant to clause (i) above, or to continue to prosecute foreclosure proceedings pursuant to clause (ii) above, if and when such Event of Default has been cured. If a Leasehold Mortgagee, its nominee, or a purchaser at a foreclosure sale shall acquire title to Tenant's leasehold estate hereunder, an Event of Default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed an Event of Default hereunder. Moreover,

such Leasehold Mortgagee, nominee or purchaser at a foreclosure sale shall immediately thereafter be entitled to all benefits that would thereafter accrue to Tenant under this Lease and become liable under this Lease to the same extent as Tenant, and Landlord hereby agrees to recognize such Leasehold Mortgagee as the Tenant under this Lease without the necessity of the execution and delivery of any further instruments on the part of Landlord to effectuate such recognition; provided, however, Landlord shall execute and deliver such further instrument or instruments evidencing such recognition as may be reasonably requested by such Leasehold Mortgagee within thirty (30) days from Landlord's receipt of such request and, further provided, any Event of Default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed an Event of Default hereunder.

M. If any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant, the times specified in Subsection L(i) and (ii) above, for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

N. Leasehold Mortgagee shall have the right, but not the obligation, to participate in any proceedings under the Lease in association with Tenant or on its own behalf as an interested party and no determination made in any such proceeding or settlement or agreement in connection therewith shall be binding upon Leasehold Mortgagee unless and until any such Leasehold Mortgagee has participated in such proceeding and/or consented to such settlement or agreement.

ARTICLE 4 ADDITIONAL PAYMENTS

§ 4.1. "Additional Payments" Defined. Tenant shall pay all Additional Payments during the Rental Period, without notice (except as specifically provided) and without abatement, deduction or setoff (except as provided in § 4.3), before any fine, penalty, interest, or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof. "Additional Payments" include all sums, impositions, costs, expenses and other payments and all taxes, including personal property taxes and taxes on rents, leases or occupancy, if any, and GPLET (as defined below) assessments not abated as provided herein, special assessments, enhanced municipal services district assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, licenses, and permit fees, insurance, any association dues, pest control, water, sewer, utilities, janitorial, landscaping and other governmental or quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which, at any time during the Rental Period may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or with respect to, or become a lien on, the Premises or any part thereof, or any appurtenances thereto, any use or occupation of the Premises, or such franchises as may be appurtenant to the use of the Premises (all of which are sometimes herein referred to collectively as "Impositions" and individually as an "Imposition") provided, however, that:

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

B. any Imposition (including Impositions which have been converted into installment payments by Tenant, as referred to in paragraph (A) of this § 4.1) relating to a fiscal period of the taxing authority, a part of which period is included within the Rental Period and a part of which is included in the period of time after the expiration of the Rental Period shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or become a lien upon the Premises, or shall become payable, during the Rental Period) be adjusted between Landlord and Tenant as of the expiration of the Rental Period, so that Tenant shall pay that portion of such Imposition attributable to the Rental Period and Landlord shall pay the remainder thereof. If applicable, Tenant shall pay to Landlord, with and in addition to annual Net Rent, all taxes imposed by any governmental unit on the Net Rent received by Landlord pursuant to the terms of this Lease. Tenant shall pay all other Impositions directly to the taxing authority or authorities, unless otherwise requested by Landlord.

§ 4.2. Contest. Tenant, if it shall so desire, may contest the validity or amount of any Imposition, in which event, Tenant may defer the payment thereof during the pendency of such contest; provided, that upon request by Landlord at any time after the same shall have become due, Tenant shall deposit with the Landlord an amount sufficient to pay such contested item together with the interest and penalties thereon (as reasonably estimated by Landlord and Tenant), which amount shall be applied to the payment of such item when the amount thereof shall be finally fixed and determined. Nothing herein contained, however, shall be so construed as to allow such item to remain unpaid for a length of time that permits the Premises or any part thereof, or the lien thereon created by such Imposition to be sold for the nonpayment of the same. If the amount so deposited shall exceed the amount of such payment, the excess shall be paid to Tenant or, in case there shall be any deficiency, the amount of such deficiency shall be promptly paid by Tenant to Landlord together with all interest, penalties or other charges accruing thereon.

§ 4.3. Assessment Reduction. Tenant may, if it shall so desire, without expense to Landlord, endeavor at any time to obtain a lowering of an Imposition upon the Premises (other than the abatement of GPLET excise taxes, which is governed by Section 4.5 below) for the purpose of reducing the amount thereof. Tenant shall be authorized to collect any refund payable because of any proceeding Tenant may institute for that purpose and any such refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

§ 4.4. Hold Harmless. Landlord shall not be required to join in any action or proceeding referred to in §§ 4.2 or 4.3 (unless required by law or any rule or regulation in order to make such action or proceeding effective, in which event any such action or proceeding may

be taken by Tenant in the name of the Landlord only with Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed). Tenant hereby agrees to save Landlord harmless from all costs, expenses, claims, loss or damage by reason of, in connection with, on account of, growing out of or resulting from, any such action or proceeding.

§ 4.5. Government Property Lease Excise Tax. As required under Arizona Revised Statutes Section 42-6206, Tenant is hereby notified of its tax liability under the Government Property Lease Excise Tax ("GPLET") provisions of Arizona Revised Statutes ("A.R.S."), § 42-6201, *et seq.*, which provides that failure of a tenant to timely pay such tax after notice and an opportunity to cure is an Event of Default that could result in termination of this Lease divesting Tenant of any interest in or occupancy of the Premises to which this Lease applies. Tenant shall comply with all requirements applicable to a Prime Lessee under the GPLET provisions including, without limitation, those provided in A.R.S. § 42-6204(B). Additionally, Tenant shall not change the use of the Premises without an amendment to this Lease, which Landlord shall approve in its reasonable discretion. Landlord acknowledges that Tenant will apply with the City of Tucson ("City") to abate the GPLET with respect to the Premises pursuant to A.R.S. § 42-6209 for the eight-year period commencing on the Commencement Date. Landlord, at no expense to Landlord, agrees to cooperate with the City and take any additional action reasonably requested by Tenant and which Landlord and Tenant deem to be reasonably necessary for the Premises to qualify for GPLET treatment during the full Term, including, without limitation, the eight-year GPLET abatement. If the City does not approve abatement of the GPLET under this Lease pursuant to ARS § 42-6209, then notwithstanding any language herein to the contrary, at any time prior to the Commencement Date, the Tenant may either (i) terminate this Lease upon written notice to Landlord, and if title to the Premises is then held by Landlord, Landlord shall immediately sign and record a Special Warranty Deed and any other documents and instruments reasonably required to return title to Tenant subject only to the Permitted Exceptions and any other title exceptions created or consented to in writing by Tenant, and the parties shall have no further obligations hereunder or (ii) make a written request to the Landlord to convert the Rental Period to a 25 year term, in which case, the terms of this Lease will continue to apply, and the parties will enter into any amendments or other modifications necessary to reflect the extended Rental Period.

§ 4.6. Cost of Economic Study. Upon the execution hereof, Tenant will pay to Landlord the amount of \$2,813.25, which is the cost incurred by Landlord to commission an economic study required by A.R.S. §42-6206 (B)(1)(b) to verify that the benefit to the City, County and State received as a result of Tenant's improvements to and operation of the Premises during the Rental Period would significantly exceed the benefits granted to Tenant hereunder.

ARTICLE 5 INSURANCE

§ 5.1. Tenant Obligation to Insure. Tenant shall procure and maintain for the duration of this Lease, at Tenant's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Lease by the Tenant, its agents, subtenants, employees, contractors, licensees or invitees in accordance with

the insurance requirements set forth in Exhibit C attached hereto and as may be required by any Leasehold Mortgagee. To the extent that any Leasehold Mortgagee or the Condominium Declaration imposes insurance requirements that are more stringent than those imposed by Exhibit C, the more stringent requirements shall apply.

§ 5.2. Failure to Maintain Insurance. If Tenant fails or refuses to provide a copy of the renewal insurance certificates, together with evidence of payment of premiums therefor, or otherwise fails or refuses to procure or maintain insurance as required by this Lease, Landlord shall have the right, at Landlord's election, and without notice, to procure and maintain such insurance. The premiums paid by Landlord shall be due and payable from Tenant to Landlord on the first day of the month following the date on which the premiums were paid. Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer(s) and insured(s). The lapse or cancellation of any policy of insurance required herein, in whole or in part for the benefit of Landlord, within 15 days after written notice from Landlord, shall be an Event of Default. No cure of such default can be accomplished unless a new or renewed policy is issued which specifically provides the required coverage to the Landlord for any liability arising during the lapsed or previously uncovered period.

ARTICLE 6 WASTE; TITLE

§ 6.1. WasteError! Bookmark not defined.. Tenant shall not commit or suffer to be committed any material waste or impairment of the Premises.

§ 6.2. TitleError! Bookmark not defined..

A. Upon issuance of a Certificate of Occupancy (defined below) for the Hotel Unit and immediately prior to the Commencement Date, title to the Premises shall be conveyed to Landlord by a special warranty deed substantially in the form of Tenant's "Special Warranty Deed" attached hereto as Exhibit G pursuant to Section 10.4(b).

B. The Parties will cooperate to insure that the Landlord is able to secure an environmental site assessment of the Premises ("Phase I") and all recommended additional investigations not more than 180 days before the recordation of Tenant's Special Warranty Deed at Tenant's expense. In addition, at Tenant's sole cost and expense, Tenant shall have its "Title Company" provide Landlord with an extended coverage owner's title policy in the amount of \$500,000.00, as well as all amendments thereto and shall arrange for (i) the Title Company to provide copies of all title commitments, title policies, all matters appearing as exceptions thereon and all amendments to any of the foregoing simultaneously with the Tenant and (ii) at Tenant's sole cost and expense, the Tenant's "Surveyor" to provide copies of the original and all updates of the ALTA/NSPS survey to the Landlord simultaneously with the Tenant, and to require that the Surveyor also certify the survey to Landlord.

§ 6.3. Survival of Provisions. The provisions of this Article 6 shall survive the expiration or any termination of this Lease.

ARTICLE 7
LANDLORD'S PERFORMANCE FOR TENANT

§ 7.1. Cures--Rights, Costs, and Damages. If Tenant shall fail to pay any Imposition or make any other payment required to be made under this Lease or shall default in the performance of any other covenant, agreement, term, provision, limitation, or condition herein contained, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account and at the expense of Tenant, after written notice to Tenant and a 30 business day opportunity to cure (or such longer period as may reasonably be required to cure such default provided that Tenant has timely commenced curing the default). Bills for any expense required by Landlord in connection therewith, and bills for all such expenses and disbursements of every kind and nature whatsoever, including reasonable attorney's or administrative fees, involved in collection or endeavoring to collect the rent or Additional Payments or any part thereof, or enforcing or endeavoring to enforce any right against Tenant, under or in connection with this Lease, or pursuant to law, including (without being limited to) any such cost, expense, and disbursements involved in instituting and prosecuting summary proceedings, as well as bills for any property, material, labor, or services provided furnished, or rendered, or caused to be furnished or rendered, by Landlord to Tenant, with respect to the Premises and other equipment and construction work done for the account of the Tenant. Upon written notice to Tenant and a 30 business day opportunity to cure, if any amount paid or advanced by Landlord pursuant to this Section 7.1 is not repaid, then interest shall accrue on any unpaid amount at the rate of 12% per annum from the respective dates of the Landlord's making of each such payment or incurring of each such cost or expense, may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills and if not paid when due the amount thereof shall immediately become due and payable as Additional Payments.

ARTICLE 8
USES AND MAINTENANCE

§ 8.1. Absence of Warranties. Tenant has leased the Premises after a full and complete examination thereof, as well as the title thereto, and knowledge of its present uses and non-uses. Upon the Commencement Date, Tenant will accept the same in its condition or state in which it has been constructed without any representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord as to the title thereto, the nature, condition, or usability thereof or the use or uses to which the Premises or any part thereof may be put. Throughout the Rental Period, Landlord shall not be required to furnish any services or facilities or to make any repairs or alterations in or to the Premises or to provide any off-site improvements, such as utilities or paving, or other forms of access to the Premises. Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, demolition, replacement, maintenance, and management of the Premises, including but not limited to the performance of all burdens running with the land.

§ 8.2. Permitted Uses. Except as otherwise expressly prohibited by this Section 8.2, the Premises may be used and occupied by Tenant for any lawful purpose. However, regardless

of the uses which would otherwise be allowed pursuant to the zoning classification or other ordinances which may be applicable to the Premises at any time during the Rental Period, the uses set forth in Exhibit D are expressly prohibited. Moreover, any permitted use which involves the handling, production and/or storage of Hazardous Materials on the Premises shall be subject to all applicable federal, state and local laws rules and regulations.

§ 8.3. Maintenance and Repairs. Tenant shall take good care of the Premises, make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep (or use commercially reasonable efforts to cause the association under the Condominium Declaration to maintain and keep) the Premises and the sidewalks, curbs, and landscaping in good condition in accordance with City's standards, or this Lease, whichever is more stringent. Tenant shall also keep the sidewalks and gutters on the Premises free and clear from rubbish and shall not obstruct the same or allow the same to be obstructed in any manner. Nothing in this Lease shall be construed as constituting the consent of Landlord, express or implied, to the creation of any lien or encumbrance as a result of the performance of any labor or the furnishing of any materials or any specific improvements, alterations or repairs to the Premises or any part thereof by any contractor, subcontractor, laborer or materialman for the benefit of Tenant, nor as giving Tenant or any other person any right, power or authority to act as an agent of Landlord for the rendering of any services or the furnishing of any materials in any such manner as would give rise to the filing of mechanic's or materialman's liens or other claims against the Landlords interest in the Premises or Landlord. Tenant shall keep the Premises free and clear of all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Premises, subject to Tenant's right to contest and appeal any claim.

§ 8.4. Alterations. Tenant shall have the right, without the requirement of Landlord's consent, to construct additional improvements and to make subsequent alterations, additions or other changes to any improvements or fixtures existing from time to time (and to demolish any portion of the Premises for the purpose of making such alterations, additions, changes and improvements), and the Premises shall include all such improvements as they exist from time to time. In connection with any action which Tenant may take with respect to Tenant's rights pursuant hereto, Landlord shall not be responsible for and Tenant shall pay all costs, expenses and liabilities arising out of or in any way connected with such improvements, alterations, additions or other changes made by Tenant, including without limitation materialmens' and mechanic's liens. Tenant covenants and agrees that Landlord shall not be called upon or be obligated to make any improvements, alterations or repairs whatsoever in or about the Premises, and Landlord shall not be liable or accountable for any damages to the Premises or any property located thereon, as a result of Landlord's status as the owner of the Premises and Landlord under this Lease. In making improvements and alterations, Tenant shall not be deemed Landlord's agent and shall indemnify, defend and hold Landlord harmless from any expense or damage Landlord may incur or suffer as a result of Tenant's actions taken pursuant to this section. During the Term, title to all improvements, alterations, additions and other changes shall at all times be vested in Landlord.

§ 8.5. Easements, Dedications and Other Related Matters. Prior to the Commencement Date, it is Tenant's intent to subject the Premises to the Arizona Condominium Act (A.R.S. §33-1201 *et seq.*). Landlord shall cooperate with the Tenant's efforts to subject the

Premises to the Arizona Condominium Act, record the Plat, and Condominium Declaration, and comply with the Arizona Condominium Act. Such cooperation, however, will not subject the Landlord to liability or material costs in connection with Tenant's efforts.

ARTICLE 9 COMPLIANCE

§ 9.1. Compliance with Laws. Tenant shall assume and perform all obligations under any covenants, easements and agreements affecting the title to the Premises. Tenant shall diligently comply, at its own expense during the Rental Period, with all present and future laws, acts, rules, requirements, orders, directions, ordinances, and/or regulations, ordinary or extraordinary, foreseen or unforeseen, concerning the Premises or any part thereof, or the use thereof, or the streets adjacent thereto, of any federal, state, municipal, or other public department, bureau, officer, or authority, or other body having similar functions, or of any liability, fire, or other insurance company having policies outstanding with respect to the Premises. The foregoing shall apply whether or not such laws, acts, rules, requirements, orders, directions, ordinances and/or regulations require the making of structural alterations or the use or application of portions of the Premises for compliance therewith or interfere with the use and enjoyment of the Premises. Notwithstanding the foregoing, Tenant may, in good faith (and wherever necessary, in the name of, but without expense to and with the prior written permission of, Landlord), contest the validity of any such law, act, rule, requirement, order, direction, ordinance and/or regulation and, pending the determination of such contest, may postpone compliance therewith, except that Tenant shall not so postpone compliance therewith, as to subject Landlord to the risk of any fine or penalty or prosecution for a crime.

§ 9.2. Certificate of Occupancy. Tenant shall reasonably cooperate with Hotel Owner to obtain a certificate of occupancy with respect to the Hotel Unit on or prior to the Commencement Date ("Certificate of Occupancy").

ARTICLE 10 OPERATION OF PREMISES

§ 10.1. The Premises. The Premises will consist of the Office Unit and an undivided interest in the common elements in the Condominium.

§ 10.2. Ownership of Buildings and Improvements.

A. From the Effective Date through Commencement Date. For the period beginning as of the Effective Date of this Agreement and until the Commencement Date, title to the Premises shall be in the name of the Tenant.

B. During Term. Contemporaneously with the Commencement Date, Tenant shall convey the Premises to Landlord by special warranty deed (the "Tenant's Special Warranty Deed"), subject to the Condominium Declaration, the Plat, all Leasehold Mortgages, those title exceptions listed in Exhibit E attached hereto, any title exceptions created prior to the

Commencement Date, and other title exceptions approved by Landlord in its discretion, not to be unreasonably withheld, conditioned or delayed ("Permitted Exceptions"). During the Rental Period, but subject to the rights of Tenant under this Lease, Leasehold Mortgagees and the Permitted Exceptions, fee title to the land and all buildings and improvements constructed on the Premises by Tenant pursuant to this Lease shall be in the Landlord.

C. Ownership at Termination. Unless Tenant has purchased the Premises during the Term pursuant to the Purchase Option set forth in Section 29 of this Lease, following the expiration or earlier termination of the Rental Period, Tenant shall exercise the Purchase Option within the Option Period defined and described in Section 29.2. Tenant agrees to and shall defend, indemnify and hold Landlord harmless from and against all liability and loss which may arise from the assertion of any claims and any encumbrances on such buildings and Improvements; provided, however, such duty to indemnify and hold harmless shall not apply to any claims or encumbrances which are attributable to the acts or conduct of the Landlord. This provision 10.2 shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that (i) it is Tenant's obligation to exercise its Purchase Option following the expiration of the Lease or prior to the expiration of the Lease, and (ii) it is Landlord's obligation to re-convey title to the Premises to Tenant by Special Warranty Deed immediately upon exercise of the Purchaser Option or other termination of this Lease.

§ 10.3. Tenant's Management and Operating Covenant. Following issuance of the Certificate of Occupancy and continuing during the remainder of the Rental Period, Tenant shall prudently manage and continuously operate (or cause to be managed and continually operated) the Premises in accordance with the requirements of any Leasehold Mortgagee and the Condominium Declaration subject to any force majeure, impossibility of performance, impracticability of performance, and other provision in any such documents or otherwise available at law or in equity.

ARTICLE 11 IMPAIRMENT OF LANDLORD'S TITLE

§ 11.1. No Liens. Subject to the right of contest and appeal and to Section 3.4 above, Tenant shall not create, or suffer to be created or to remain, and shall discharge any mechanic's, laborer's, or materialman's lien which might be or become a lien, encumbrance, or charge upon the Premises or any part thereof or the income therefrom and Tenant will not suffer any other matter or thing arising out of Tenant's use and occupancy of the Premises whereby the estate, rights, and interests of Landlord in the Premises or any part thereof might be materially impaired.

§ 11.2. Discharge. If any mechanic's, laborer's, or materialman's lien shall at any time be filed against the Premises or any part thereof, Tenant, within 60 days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise (or shall commence and diligently pursue such actions as will achieve such result). Tenant shall notify Landlord in writing of its action to either satisfy or contest the lien and, if contested, of the matter's status monthly until concluded.

§ 11.3. No Implied Consent. Nothing contained in this Lease shall be deemed or construed in any way as constituting Landlord's express or implied authorization, consent or request to any contractor, subcontractor, laborer or materialman, architect, or consultant, for the construction or demolition of any improvement, the performance of any labor or services or the furnishing of any materials for any improvements, alterations to or repair of the Premises or any part thereof.

§ 11.4. No Agency Intended. The parties acknowledge that Tenant is required to operate and maintain the Premises. In connection therewith, the parties agree that Tenant is not the agent of Landlord for the operation or maintenance of any improvement Tenant on the Premises, the same to be accomplished at the sole expense of Tenant.

ARTICLE 12 INSPECTION

§ 12.1. Inspection and Entry. Landlord may enter upon the Premises, or any part thereof, for the purpose of ascertaining their condition or whether Tenant is observing and performing the obligations assumed by it under this Lease, all without hindrance or molestation from Tenant, provided that such entry does not interfere with Tenant's business operations or the operations of any assignee or subtenant and provided that Landlord shall give Tenant at least 24 hours written notice prior to any inspection of any building interior. Except in the event of a health and safety emergency, Landlord will require no more than one inspection per year. This notice provision shall not be construed to prohibit or delay any entry authorized by any writ or warrant issued by any Court, nor to any entry authorized by any health or welfare statute, code, ordinance, rule or regulation.

ARTICLE 13 INDEMNIFICATION

§ 13.1. Indemnification of Landlord.

A. Tenant shall indemnify and save Landlord harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including property damage, personal injury and wrongful death and further including, without limitation, architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against Landlord by third parties by reason of any of the following:

(1) operation or maintenance of the Premises or any other work or thing done in, on or about the Premises or any part thereof by Tenant or its agents during the Rental Period;

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

nuisance made or suffered thereon or any failure by Tenant to keep the Premises or improvements or any part thereof in a safe condition;

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

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

(5) any failure on the part of Tenant to pay rent or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with and the exercise by Landlord of any remedy provided in this Lease with respect thereto;

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

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

(8) any transaction of Tenant relating to or arising out of the execution of this Lease or other contracts and agreements affecting the Premises or improvements, the Premises or any part thereof or any activities performed by Tenant which are required by the terms of this Lease or such other contracts and agreements entered into by Tenant, or any party acting on behalf of Tenant;

(9) any tax, including but not limited to any tax attributable to the execution, delivery or recording of this Lease, or any excise tax due for which Tenant believes an exemption or abatement applies but is later determined by a taxing authority or court of law to not be applicable to any portion of the Premises, with respect to events occurring during the Rental Period.

B. Tenant will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Premises and improvements at the sole risk of Tenant and save the Landlord harmless from any loss or damage thereto by any cause whatsoever other than the negligence, gross negligence or willful conduct or omission of Landlord, its agents, employees and contractors.

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

D. Notwithstanding the foregoing or any other provision of this Lease to the contrary, in no event shall any indemnification obligation of Tenant extend to or cover any damages or claims arising from or relating to the negligence, gross negligence or willful misconduct or omissions of Landlord, its agents, employees or contractors.

E. If any claim, action or proceeding is made or brought against Landlord by reason of any event to which reference is made in this Section, then, upon demand by Landlord, Tenant, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys selected by Landlord, as approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense at Landlord's sole expense. Landlord shall at all times have the right to accept or reject any offer to compromise or settle, any lawsuit, claim, demand or liability asserted against it.

§ 13.2. Indemnification of Tenant. Landlord shall indemnify and hold harmless Tenant, its officers, employees and agents, from and against all claims and demands of any nature whatsoever arising out of the injury to or death of any person or damage to property, to the extent caused by the acts or omissions of Landlord, its employees, agents, guests, licensees or invitees, but excluding to the extent caused by Tenant's negligence, gross negligence or willful misconduct or omission.

§ 13.3. Survival of Indemnification Obligations. The provisions of this Article 13 shall survive the expiration or earlier termination of this Lease.

ARTICLE 14 DAMAGE / DESTRUCTION

§ 14.1. Tenant's Duty of Repair and Restoration. If at any time during the Rental Period the Premises or any part thereof shall be damaged or destroyed by fire or other occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall use commercially reasonable efforts to cause the repair, alteration, restoration, replacement, or rebuilding of the same in accordance with the terms of the Condominium Declaration and any existing deed of trust as amended to encumber Tenant's leasehold estate in the Property and any other Leasehold Mortgage.

ARTICLE 15 CONDEMNATION

§ 15.1. Total, Substantial, or Unusable Remainder.

A. Entire or Partial Condemnation. If the whole or any part of the Premises shall be taken or condemned by any competent authority for any public use or purposes during the Term, this Lease shall terminate with respect to the part of the Premises so taken and

any other portion of the Premises as may be specified by Tenant, and, subject to the provisions of any Leasehold Mortgage, Tenant reserves unto itself the right to claim and prosecute its claim in all appropriate courts and agencies for any award or damages based upon loss, damage or injury to its leasehold interest (as well as relocation and moving costs). In consideration of Tenant's payment for constructing improvements to the Premises, Landlord hereby assigns to Tenant all claims, awards and entitlements relating to the Premises arising from the exercise of the power of condemnation or eminent domain, including, without limitation, any claims for loss of fee title interest in the Premises.

B. Continuation of Lease. In the event of a taking of less than all the Premises, this Lease shall continue in effect with respect to the portion of the Premises not so taken or specified by Tenant to be removed from this Lease.

C. Temporary Taking. If the temporary use of the whole or any part of the Premises or the appurtenances thereto shall be taken by an affirmative exercise of eminent domain, the Term shall not be reduced or affected in any way. The entire award of such taking (whether paid by way of damages, rent, or otherwise) shall be payable to Tenant, subject to the applicable provisions of any Leasehold Mortgage.

D. Notice of Condemnation. In the event any action is filed to condemn the Premises or Tenant's leasehold estate or any part thereof by any public or quasi-public authority under the power of eminent domain or in the event that an action is filed to acquire the temporary use of the Premises or Tenant's leasehold estate or any part thereto, or in the event that action is threatened or any public or quasi-public authority communicates to Landlord or Tenant its desire to acquire the Premises or Tenant's leasehold estate or any part thereof, or the temporary use thereof, by a voluntary conveyance or transfer in lieu of condemnation, either Landlord or Tenant shall give prompt notice thereof to the other and to any Leasehold Mortgagee. Landlord, Tenant and each Leasehold Mortgagee shall each have the right, at its own cost and expense, to represent its respective interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking. No agreement, settlement, conveyance or transfer to or with the condemning authority affecting Tenant's leasehold interest shall be made without the consent of Tenant and each Leasehold Mortgagee.

ARTICLE 16

ASSIGNMENT AND SUBLETTING

§ 16.1. Transfer by Tenant. At any time and from time to time Tenant shall have the right to assign this Lease and Tenant's leasehold interest or to sublease all of or any part of the Premises to any person or persons for any use permitted under this Lease, without the consent of the Landlord; provided, however, that Tenant must give Landlord 30 days' advance written notice of an assignment of this Lease.

§ 16.2. Liability. Each assignee shall assume in writing all of the obligations of the Tenant under this Lease (but not for liabilities or obligations arising prior to such assignment becoming effective). Each assignment shall automatically release the assignor from any personal liability in respect of any obligations or liabilities arising under this Lease from and after the date of assignment, and Landlord shall not seek recourse for any such liability against

any assignor or its personal assets. Landlord agrees that performance by a subtenant or assignee of Tenant's obligations under this Lease shall satisfy Tenant's obligations hereunder and that Landlord shall accept performance by any such assignee or subtenant.

§ 16.3. Rent from Assignee. If this Lease is assigned in whole or in part, whether or not in violation of the provisions hereof, Landlord may and hereby is empowered to collect rent from the assignee. In such event, Landlord may apply the net amount received by it to Net Rent and Additional Payments.

§ 16.4. Assignment by Landlord. Landlord shall not assign or encumber its interest in the Lease or in the Premises without first obtaining Tenant's prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, this provision shall not prevent Landlord, without Tenant's consent, from assigning its interest herein and to the Premises to the City or any other governmental entity in the State, or otherwise by operation of law; provided, however, such assignee shall assume all of Landlord's obligations and shall receive all of Landlord's benefits hereunder.

§ 16.5. Sublease by Tenant. Tenant may sublease (each, a "Sublease") portions of the Premises in the normal course of Tenant's business for occupancy consistent with the uses permitted by Section 8.2 of this Lease, subject to the rights of Landlord, and neither the consent of Landlord nor the assumption of this Lease shall be required in connection with such Sublease. Tenant shall require in each Sublease that each subtenant which is required to pay transaction privilege taxes provide Tenant and all such vendors, tenants or the like within the Premises shall provide the Landlord with their respective eight digit "TPT License Number" and the business name associated with that TPT License as filed with the Arizona Department of Revenue.

§ 16.6. Landlord's Lien Waiver. At Tenant's request, Landlord agrees to execute a form of landlord's lien waiver with respect to Tenant's (or its subtenants') financing of any personal property located on the Premises, subject to Landlord's review and approval of any such landlord's lien waiver form.

§ 16.7. Encumbrance of Premises. Tenant in its discretion may encumber the Premises prior to the Commencement Date and/or Tenant's leasehold interest in the Premises after the Commencement Date to secure any loan.

ARTICLE 17 DEFAULT BY TENANT

§ 17.1. Events of Default. The happening of any one of the following events (herein called "Events of Default") shall be considered a material breach and default by Tenant under this Lease:

A. Monetary Default. If default shall be made in the due and punctual payment of any Net Rent or Additional Payments and such default continues for 30 days after written notice thereof to Tenant (a "Monetary Default"); or

B. Non-Monetary Default. If default shall be made by Tenant in the performance of or compliance with any of the material covenants, agreements, terms, limitations, or conditions hereof other than those referred to in the foregoing subsection (A), and such default shall continue for a period of 45 days after written notice thereof from Landlord to Tenant (provided, that if Tenant proceeds with due diligence during such 30 day period to substantially cure such default and is unable by reason of the nature of the work involved, to cure the same within the required 45 days, its time to do so shall be extended by the time reasonably necessary to cure the same as reasonably determined by Landlord (a “Non-Monetary Default”).

§ 17.2. Notice and Termination upon Monetary Default. Upon the occurrence of a Monetary Default, the Landlord at any time thereafter, but not after such default is cured, shall give written notice (“Second Notice”) to Tenant specifying such Monetary Default and stating that this Lease and the Rental Period hereby demised shall, unless the Monetary Default is cured within such time period, expire and terminate on the date specified in such notice, which shall be at least 30 days after the giving of such Second Notice to Tenant. If Tenant fails to timely cure such Monetary Default, and upon the date specified in such Second Notice, subject to Tenant’s exercise of its Purchase Option prior to such date, this Lease and the Rental Period hereby demised and all rights of Tenant under this Lease shall expire and terminate as though such date were the date originally set forth herein for the termination hereof; provided, however, that upon payment of any amount due but unpaid to Landlord hereunder (regardless of when paid), Landlord shall re-convey the Premises to Tenant by Special Warranty Deed subject to the Permitted Exceptions. Following such termination, Landlord may bring an action at law to recover from Tenant any sums that are the subject of the Monetary Default, along with all other actual costs and expenses incurred by Landlord in connection with such Monetary Default; provided, however, that Landlord HEREBY WAIVES ANY CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM ARISING FROM TENANT’S BREACH OF THIS LEASE.

§ 17.3. Self-Help for Non-Monetary Default. For a Non-Monetary Default, after the notice and cure periods provided in Section 17.1(B) have expired, Landlord’s sole remedy shall be to, at its option, to engage a duly licensed contractor to enter upon the Premises and cure such default, in which event Landlord may charge Tenant for its hard and soft costs, together with an administrative and mobilization expense not to exceed 15% of all such costs, which shall be paid to Landlord within 10 business days after receipt of an invoice for such costs. LANDLORD HEREBY WAIVES ANY AND ALL OTHER RIGHTS AND REMEDIES TO WHICH LANDLORD MAY BE ENTITLED FOR AN EVENT OF DEFAULT (INCLUDING MONETARY DEFAULT AND A NON-MONETARY DEFAULT) AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY RIGHT OF RE-ENTRY AND ANY LOCK-OUT REMEDIES AVAILABLE UNDER APPLICABLE LAW.

§ 17.4. Tenant Liability. In the event that Landlord terminates this Lease due to a default of Tenant, Tenant shall pay Landlord an amount equal to the Purchase Price set forth in § 28.3(A) that would have been due if the Purchase Option had been exercised on the day of such termination, in which event Landlord shall re-convey title to Tenant subject only to the Permitted Exceptions and any other title exceptions created or consented to by Tenant. Alternatively, in addition to any other remedies available to Landlord at law or in equity,

Landlord may continue the Lease in effect after Tenant's breach and recover Net Rent and all other financial obligations of Tenant as they become due but subject to Tenant's Purchase Option.

§ 17.5. No Implied Waivers. No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition hereof or to exercise any right or remedy consequent upon a breach hereof, and no acceptance of full or partial Net Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition hereof to be performed or complied with by Landlord or Tenant, and no breach thereof, shall be waived, altered or modified, except by a written instrument executed by the party to be charged therewith. No waiver of any breach shall affect or alter this Lease, but each covenant, agreement, term, limitation and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach hereof.

§ 17.6. Late Charge. If payment required to be made by Tenant to Landlord under the terms of this Lease is not received within 10 days after written notice of delinquency, a late charge shall become immediately due and payable as an Additional Payment in an amount equal to 2.5% of the late payment.

ARTICLE 18 DEFAULT BY LANDLORD

§ 18.1. Limitations of Landlord's Liability; Remedies. In the event of any breach by Landlord of any of the covenants, agreements, terms, or conditions hereof, Tenant shall be entitled to enjoin such breach, terminate this Lease, exercise Tenant's Purchase Option set forth in Article 28 below, or pursue any other remedies available to Tenant at law or in equity; provided, however, that TENANT HEREBY WAIVES ANY CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM ARISING FROM LANDLORD'S BREACH OF THIS LEASE.

ARTICLE 19 UNENFORCEABLE TERMS

§ 19.1. Severability. Landlord and Tenant each believes that the execution, delivery and performance of this Lease are in compliance with all Applicable Laws. However, in the unlikely event that any provision of this Lease is declared void or unenforceable (or is construed as requiring the Landlord to do any act in violation of any Applicable Law, including any constitutional provision, law, regulation, City Code or City Charter), such provision shall be deemed severed from this Lease and this Lease shall otherwise remain in full force and effect. Upon such occurrence, this Lease shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the parties as if such severance and reformation were not required. Unless prohibited by Applicable Laws, the parties further shall perform all acts and execute,

acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Lease, as reformed.

ARTICLE 20 NOTICES

§ 20.1. Notices. Any notice, request, demand, statement, or consent herein required or permitted to be given by either party to the other hereunder, except as pursuant to Article 13, shall be in writing signed by or on behalf of the party giving the notice and addressed to the other parties at the address as set forth below:

If to Landlord:

Rio Nuevo Multipurpose Facilities District
Attention Chairman Fletcher McCusker
1703 E. Broadway Blvd.
Tucson, Arizona 85719

With a copy to:

Mark Collins, Esq.
Gust Rosenfeld P.L.C.
1 S. Church Avenue, Suite 1900
Tucson, Arizona 85701

If to Tenant:

1SC PARTNERS SPE LLC
6700 N. Oracle Road, Suite 504
Tucson, Arizona 85704
Attention: Zach Fenton

With copies to:

Elkins Kalt Weintraub Reuben Gartside LLP
10345 West Olympic Boulevard
Los Angeles, California 90064
Attn: _____

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

ARTICLE 21 CONDITION

§ 21.1. Condition of Premises. Tenant represents that the Premises, any sidewalks, vaults, the title to the Premises, parking areas adjoining the same, any subsurface conditions thereof, and the present uses and non-uses thereof, have been examined by Tenant and that Tenant accepts the same in the condition or state in which they or any of them may be on the date of the execution of this Lease, without representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord, as to the nature, condition, or usability thereof or the use or uses to which the Premises or any part thereof may be put. Upon the Commencement Date, Tenant shall accept the Premises as being in good and satisfactory condition and suitable for Tenant's use. Upon Landlord tendering possession of the Premises to Tenant, Tenant will accept possession of the Premises. Tenant will accept the Premises in its "AS-IS, WHERE-IS" condition.

§ 21.2. AS IS. EXCEPT AS PROVIDED HEREIN, NEITHER LANDLORD NOR ANYONE ACTING FOR OR ON BEHALF OF LANDLORD, HAS MADE ANY REPRESENTATION, WARRANTY, STATEMENT OR PROMISE TO TENANT CONCERNING THE PREMISES, OR THE QUALITY, VALUE, FEASIBILITY, DESIRABILITY, THE IMPROVEMENTS FOR OR INTO ANY PARTICULAR USE, THE CURRENT OR PROJECTED INCOME OR EXPENSES OF THE PREMISES, OR ANY OTHER MATTER WITH RESPECT TO THE PREMISES; THAT IN ENTERING INTO THIS LEASE, TENANT HAS NOT RELIED UPON ANY REPRESENTATION, STATEMENT OR WARRANTY OF LANDLORD OR ANYONE ACTING FOR OR ON BEHALF OF LANDLORD, OTHER THAN AS EXPRESSLY CONTAINED IN THIS LEASE; AND TENANT DOES HEREBY WAIVE AND LANDLORD DOES HEREBY DISCLAIM ALL WARRANTIES OF ANY KIND OR TYPE WHATSOEVER WITH RESPECT TO THE PREMISES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THOSE OF MARKETABILITY, MERCHANTABILITY AND TITLE, FITNESS FOR A PARTICULAR PURPOSE, TENANTABILITY, HABITABILITY, OR USE, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL ACCEPT THE EXISTING PREMISES "AS-IS" AND "WHERE-IS" AT THE EFFECTIVE DATE, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN. EXCEPT AS EXPRESSLY SET FORTH HEREIN, LANDLORD MAKES NO REPRESENTATION OR WARRANTY AS TO THE PHYSICAL CONDITION OR SAFETY OF THE PREMISES.

ARTICLE 22 QUIET ENJOYMENT

§ 22.1. Quiet Enjoyment. Subject to all the conditions, terms, and provisions contained in this Lease, Landlord covenants that Tenant, upon paying the Net Rent and Additional Payments and observing and keeping all terms, covenants, agreements, limitations,

and conditions hereof on its part to be kept, shall quietly have and enjoy the Premises during the Rental Period, without hindrance or molestation by Landlord.

§ 22.2. Protection of Subtenants. Landlord covenants that, notwithstanding any default under or termination of this Lease or of Tenant's possessory rights, Landlord: (i) so long as a subtenant within the Premises complies with the terms and conditions of its sublease, shall not disturb the peaceful possession of the subtenant under its sublease, and in the event of a default by a subtenant, Landlord may only disturb the possession or other rights of the subtenant as provided in the tenant's sublease, (ii) shall recognize the continued existence of the sublease, (iii) shall accept the subtenant's attornment, as subtenant under the sublease, to Landlord, as landlord under the sublease, and (iv) shall be bound by the provisions of the sublease, including all options, and shall execute documents as may be reasonably required by such subtenants to evidence these agreements. Notwithstanding anything to the contrary in this Lease, no act or agreement between or on the part of Landlord or Tenant to cancel, terminate, surrender or modify this Lease or Tenant's right to possession shall be binding upon or effective as against any subtenant without its prior written consent.

ARTICLE 23 ESTOPPEL

§ 23.1. Estoppel Certificates. Landlord or Tenant (including Tenant's assignees and subtenants) may request a certificate (benefiting itself, its successors and lenders) evidencing whether or not:

- A.** The Lease is in full force and effect along with the amount and current status of the Net Rent and Additional Payments due hereunder;
- B.** The Lease has been modified or amended in any respect or describing such modifications or amendments, if any;
- C.** There are any existing defaults thereunder, to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any;
- D.** Such other information as may be reasonably required by a Lender; and
- E.** The party receiving such a request shall cooperate with the requesting party and shall deliver a written response within twenty (20) days of such request.

ARTICLE 24 CONSENTS

§ 24.1. Parties and Notice. Whenever the consent or approval of a party to this Lease is required or reasonably requested under this Lease, if they fail to notify the other party in writing within 30 days (except where a longer period is otherwise specified herein for the giving of such consent or approval) after the giving of a written request therefor in the manner

specified herein for the giving of notice, it shall be concluded that such consent or approval has been given.

§ 24.2. No Unreasonable Withholding. Wherever in this Lease the consent or approval of either party is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed, except where otherwise specifically provided. The remedy of the party requesting such consent or approval, in the event such party should claim or establish that the other party has unreasonably withheld, conditioned or delayed such consent or approval, shall be limited to injunction or declaratory judgment and in no event shall such other party be liable for a money judgment.

ARTICLE 25 LANDLORD NOT LIABLE

§ 25.1. Limitation of Liability. Landlord shall not be responsible or liable for any damage or injury to any property, fixtures, merchandise, or decorations or to any person or persons at any time on the Premises from steam, gas, electricity, water, rain, or any other source whether the same may leak into, issue or flow from any part of the Premises or from pipes or plumbing work of the same, or from any other place or quarter; nor shall Landlord be in any way responsible or liable in case of any accident or injury including death to any of Tenant's employees, agents, subtenants, or to any person or persons in or about the Premises or the streets, sidewalks or vaults adjacent thereto; and Tenant agrees that it will not hold Landlord in any way responsible or liable therefor.

ARTICLE 26 ENFORCED DELAY

§ 26.1. Enforced Delay; Extension of Time of Performance. Whether stated or not, all periods of time in this Lease are subject to this Article 26. Neither the Landlord nor Tenant shall be considered to have caused an Event of Default with respect to its obligations under this Lease (or to have failed to meet the required dates of performance thereunder) in the event of enforced delay (an "Enforced Delay") due to:

A. causes beyond its reasonable control and without its negligent or intentional failure to comply with the terms hereof, including, but not restricted to, acts of God (including, without limitation, by pandemic (such as, for example, COVID-19) or endemic or matters stemming from the same), acts of public enemy, acts of the Federal, state or local government, acts of the other Party, litigation or other action authorized by law concerning the validity and enforceability of this Lease or relating to transactions contemplated hereby (including the effect of petitions for initiative or referendum), fires, floods, epidemics, pandemics, quarantine, restrictions, strikes, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, act of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, declaration of national emergency or national alert, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain, condemnation, or other taking by the action of any governmental

body on behalf of any public, quasi-public, or private entity, or declaration of moratorium or similar hiatus directly affecting the Property (whether permanent or temporary) by any public, quasi-public or private entity;

B. the discovery of Regulated Substances (defined in Article 27 below) on, at or affecting the Property not disclosed by any applicable environmental assessment or otherwise known by or disclosed to the Party or Parties affected thereby; the discovery of funerary objects or archaeological resources or artifacts on, at or affecting the Property requiring repatriation, study, removal or further acts mandated by federal or state law; or the discovery of Endangered Species on, at or affecting the Property;

C. the order, judgment, action, or determination of any court, administrative agency, governmental authority or other governmental body (collectively, an “Order”) which delays the completion of the work or other obligation of the Party claiming the delay; or the suspension, termination, interruption, denial, or failure of renewal (collectively, a “Failure”) of issuance of any permit, license, consent, authorization, or approval necessary to Tenant’s or Landlord’s undertakings pursuant to this Lease, unless it is shown that such Order or Failure is the result of the failure to comply with Applicable Laws or to fully comply with the applicable application requirements by the Party claiming the delay; provided, however, that the contesting in good faith of any such Order or Failure shall not constitute or be construed or deemed as a waiver by a Party of Enforced Delay;

D. the denial of an application, failure to issue, or suspension, termination, delay or interruption (collectively, a “Denial”) other than by or from the Tucson Mayor and City Council or one of the City’s departments, divisions, agencies, commissions or boards, which is addressed in subparagraph E below, in the issuance or renewal of any permit, approval or consent required or necessary in connection with Tenant’s or Landlord’s undertakings pursuant to this Lease, if such Denial is not also the result of the failure to comply with Applicable Laws or to fully comply with the applicable application requirements by the Party claiming the delay; provided that the contesting in good faith or the failure in good faith to contest any such Denial shall not constitute or be construed or deemed as a waiver by a Party of Enforced Delay;

E. unreasonable delay by the City of Tucson in processing any application, request for approval, plan or submittal by Landlord or Tenant including, but not limited to, granting an abatement of excise taxes or the imposition of any unreasonable requirement by the City in connection with any approval process provided that all initial submittals by Tenant are completed and that all subsequent submittals address all comments made by City reviewers and are made in a timely manner; and

F. the failure of any contractor, subcontractor or supplier to furnish services, materials or equipment in connection with Tenant’s or Landlord’s undertakings pursuant to this Lease, if such failure is caused by Enforced Delay as defined herein, if and to the extent, and only so long as the Party claiming the delay is not reasonably able, after using its best efforts, to obtain substitute services, materials or equipment of comparable quality and cost.

§ 26.2. Enforced Delay Exceptions and Notice. In no event will Enforced Delay include any delay resulting from general economic or market conditions, nor from the unavailability for any reason of contractors, subcontractors, vendors, investors or lenders desired by Landlord or Tenant in connection with the Premises. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided that the Party seeking the benefit of the provisions of this Article 26 shall, within 30 days after such Party knows of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; provided, however, that either Party's failure to notify the other of an event constituting an Enforced Delay shall not alter, detract from or negate its character as an Enforced Delay if such event of Enforced Delay were not known or reasonably discoverable by such Party.

ARTICLE 27

COMPLIANCE WITH ENVIRONMENTAL LAWS

§ 27.1. Definitions.

A. "Environmental Laws": Those laws promulgated for the protection of human health or the environment, including but not limited to the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Arizona Environmental Quality Act, Title 49 of the Arizona Revised Statutes; the Occupational Safety and Health Act of 1970, as amended, 84 Stat. 1590, 29 U.S.C. §§ 651-678; Pima County Air Pollution Control Regulations; Title 41, Chapter 4.1, Article 4, Archaeological Discovery, Arizona Revised Statutes; Landfill Ordinance of City of Tucson, Chapter 29, Article IX of the Tucson Code; regulations promulgated thereunder and any other statutes, laws, regulations, rules and ordinances (whether enacted by the local, county, state or federal government), and any environmental judgment or order of any governmental agency or judicial entity with proper jurisdiction, now in effect or hereinafter enacted that deal with the regulation or protection of human health and the environment, including but not limited to the ambient air, ground water, surface water, and land use, including substrata soils.

B. "Regulated Substances":

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

(2) Any substance identified or listed as a hazardous substance, pollutant, toxic pollutant, petroleum, or as a special or solid waste in the Arizona Environmental Quality Act, A.R.S. § 49-201 *et seq.*; including, but not limited to, the Water Quality Assurance

Revolving Fund Act, A.R.S. § 49-281 *et seq.*; the Solid Waste Management Act, A.R.S. § 49-701 *et seq.*; the Underground Storage Tank Regulation Act, A.R.S. § 49-1001 *et seq.*; and Management of Special Waste, A.R.S. § 49-851 to 49-868.

(3) All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any Environmental Law during the Rental Period.

C. “Release”: Any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping of any Regulated Substance in violation of any applicable Environmental Law.

§ 27.2. Compliance. Tenant shall, at Tenant’s own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, applicable to Tenant’s leasehold and/or operation on the Premises.

Tenant shall not cause or permit any Regulated Substance to be used, generated, manufactured, produced, stored, brought upon, or Released on or under the Premises, or transported to or from the Premises, by Tenant, its agents, employees, sublessees, contractors, invitees or a third party in a manner that would constitute or result in a violation of any applicable Environmental Law.

Tenant may provide for the treatment of certain discharges regulated under the pretreatment ordinances pursuant to the Tucson City Code or such other ordinances as may be promulgated and the Federal Clean Water Act, 33 U.S.C. § 1251 *et seq.*

§ 27.3. Indemnification.

A. To the fullest extent allowed by law, Tenant shall indemnify, defend and hold harmless, on demand, Landlord, its successors and assigns, its officers, directors, employees, boards, and commissions for, from and against any and all liabilities, obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees or costs, arising from or related to any third party claim or action for injury, liability, breach of warranty or representation, or damage to persons, property, the environment or the Premises, alleging or arising in connection with contamination of, or adverse effects on, human health, property or the environment pursuant to or as a result of a violation of any applicable Environmental Law and/or the Release of any Regulated Substance in violation of any applicable Environmental Law, which are incurred or assessed as a result, whether in part or in whole, of any use of the Premises or portion thereof by Tenant or its owners or affiliated entities, agents, employees, invitees, contractors, sublessee, visitors or licensees during the Rental Period (collectively “Landlord’s Indemnified Matters”). Regardless of the date of termination of this Lease, Tenant’s obligations and liabilities under this Article 27 shall continue so long as the Landlord bears any liability or responsibility under Environmental Laws related to Tenant’s occupation and/or use of the Premises during the Rental Period. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work

required or conducted by any federal, state or local governmental agency or political subdivision because of Regulated Substances located on the Premises or present in the soil or ground water on, under the Premises, or that have migrated from the Premises due to Tenant's occupation and/or operations during the Rental Period. The parties agree that Landlord's right to enforce this covenant to indemnify is not an adequate remedy at law for Tenant's violation of any provision of this Article and that Landlord shall also have the rights set forth in this Article in addition to all other rights and remedies provided by law or in equity or otherwise provided for in this Lease.

B. Without limiting the foregoing, if the presence of any Regulated Substance on or under the Premises results in any contamination of the Premises or any adjacent real property due to Tenant's occupation and/or operations during the Rental Period, Tenant shall promptly take all actions at its sole cost and expense as are necessary to mitigate any immediate threat to human health or the environment. Tenant shall then undertake any further action necessary to remediate the Premises to an acceptable condition as required by applicable federal, state and/or local Environmental Laws; provided that Landlord's written approval of such actions shall first be obtained, which shall not be unreasonably conditioned, withheld or delayed. Any remedial activities by Tenant shall not be construed as to impair Tenant's rights, if any, to seek contribution or indemnity from another person.

C. If any claim, action or proceeding is made or brought against Landlord by reason of any event to which reference is made in this Section, then, upon demand by Landlord, Tenant, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Landlord's name, if necessary, by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys selected by Tenant, as approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense at Landlord's sole expense. Landlord shall at all times have the right to accept or reject any offer to compromise or settle, any lawsuit, claim, demand or liability asserted against it. However, Tenant shall not be responsible to indemnify settlements related to any Landlord Indemnified Matter entered into without Tenant's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

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

E. In addition, Landlord shall have the right to access and copies, within 10 days of Tenant's receipt of written request, all records, test results, studies and/or other

documentation, other than trade secrets, regarding environmental conditions relating to the use, storage, or treatment of Regulated Substances by the Tenant on or under the Premises.

F. Tenant shall notify Landlord immediately of any of the following: (1) any correspondence or communication from any governmental agency regarding any alleged violation of Environmental Laws as a result of Tenant's occupancy of the Premises or Tenant's use of the Premises, (2) any change in Tenant's use of the Premises that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under Environmental Laws, and (3) any assertion of a third party claim or other third party occurrence for which Tenant may incur an obligation under this Article.

G. Tenant shall, at its own expense, obtain and comply with any permits or approvals that are required or may become required because of any use of the Premises by the Tenant, its agents, employees, contractors, invitees, assigns and sublessees.

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

§ 27.4. Noncompliance.

A. Tenant shall, at its sole cost and expense, remedy Tenant's failure or the failure of its agents, employees, contractors, invitees, sublessees or of a third party to comply with any of the requirements and obligations of this Article 27 or applicable Environmental Law shall constitute a material default under this Lease. Notwithstanding any other provision in this Lease to the contrary, Landlord shall have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Law on or under the Premises, without waiving any of its rights under this Lease. The exercise by Landlord of any of its rights under this Article shall not release Tenant from any obligation it would otherwise have hereunder.

B. The covenants in this Article 27 shall survive the expiration or earlier termination of this Lease.

ARTICLE 28 PURCHASE OF PREMISES BY TENANT

§ 28.1. Option to Purchase. Landlord hereby grants to Tenant the exclusive option to purchase the Premises ("Purchase Option") according to the terms and conditions hereinafter set forth.

§ 28.2. Exercise of Option. The Purchase Option granted herein shall become effective upon the Commencement Date, and, notwithstanding anything herein to the contrary, Tenant shall have the right to exercise the Purchase Option hereunder at any time and for any reason before or after termination of this Lease (the "Option Period"); provided that the

Purchase Option shall be conditioned upon Tenant curing any Monetary Default under this Lease. The Purchase Option granted herein may be exercised by Tenant at any time during the Option Period by Tenant delivering written notice of exercise to Landlord. If Tenant has not exercised the Purchase Option prior to the expiration or termination of this Lease, pursuant to A.R.S. §42-6206 (C), Tenant shall exercise the Purchase Option so that title vests in Tenant no later than twelve months following the expiration of the Rental Period.

§ 28.3. Conveyance of Premises.

A. Purchase Price. When Tenant elects to exercise the Purchase Option, the purchase price for the Premises shall equal (i) \$10; (ii) the amount of any Uncured Monetary Defaults (defined below) accrued during the Rental Period, which shall be payable to Landlord prior to conveyance of title; and (iii) all closing costs incurred in connection with the conveyance. The term “Uncured Monetary Defaults” means only any unpaid Net Rents pursuant to Article 3 and any unpaid Additional Payments pursuant to Article 4.

B. Conveyance of Title and Delivery of Possession. Landlord shall not grant or create mortgages, deeds of trust or other encumbrances of any kind against the Premises or any rights of Landlord hereunder, and, without limiting the generality of the foregoing, Landlord shall not take any actions that would cause the Premises (including without limitation, Landlord’s fee simple interest in the Premises) to be encumbered in any manner whatsoever, nor take any action that would impair Landlord’s fee simple title to the Premises without the prior written consent of Tenant and any Leasehold Mortgagee, (until such time as the applicable Leasehold Mortgage is satisfied or released), which consent may be given or withheld in Tenant’s and the applicable Leasehold Mortgagee’s sole and absolute discretion. Landlord and Tenant agree to perform all acts necessary for conveyance in sufficient time for the property interest to be conveyed within 60 days after delivery to Landlord of Tenant’s notice of exercise; provided, however, that notwithstanding any language herein to the contrary in no event shall title vest in Tenant later than twelve months from the expiration of the Rental Period regardless of whether Tenant has exercised the Purchase Option. Landlord’s entire interest in the Premises shall be conveyed by Special Warranty Deed in the form of Exhibit E, subject only to those liens, encumbrances, and other title exceptions existing on the Effective Date plus any additional title exception created or approved in writing by Tenant. In addition, upon request by Tenant, Landlord shall execute and deliver (i) a memorandum in recordable form reflecting the termination or partial termination of this Lease; (ii) an assignment of Landlord’s right, title and interest in and to all licenses, permits, guaranties and warranties relating to the ownership or operation of the Premises to which Landlord is a party and which are assignable by Landlord, and (iii) such other reasonable and customary documents as may be required by Tenant or its title insurer including, without limitation, Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”) and mechanic’s lien affidavits, to confirm the termination of this Lease and the reversioning of title to the Premises in all respects in Tenant or its successor. All expenses in connection with conveyance of the Premises to Tenant including, but not limited to, title insurance (if requested by Tenant), recordation and notary fees and all other closing costs (including escrow fees if use of an escrow is requested by Tenant), shall be paid by Tenant. Possession shall be delivered to Tenant concurrently with the conveyance of title. Tenant acknowledges that the title to the Premises may be encumbered by matters that were caused by

Tenant during the Rental Period and that Landlord has no obligation to remove such encumbrance(s).

ARTICLE 29 MISCELLANEOUS

§ 29.1. Landlord's Right of Cancellation. The parties hereto acknowledge that this Lease is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

§ 29.2. Legal Actions. Any legal action instituted pursuant to this Lease shall be brought in the County of Pima, State, or in the Federal District Court in the District of Arizona located in Tucson, Arizona. The prevailing party in such action shall be reimbursed by the non-prevailing party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court. This Lease shall be construed and enforced in accordance with the laws of the State.

§ 29.3. Memorandum. Landlord and Tenant agree that at the request of either, each will execute a short form memorandum of this Lease for recording in the Office of the County Recorder, Pima County, Arizona in the form attached hereto as Exhibit H, and if required by any Lender or the City containing such additional terms consistent with the terms of this Lease as Tenant may request.

§ 29.4. Entire Agreement. This Lease, together with its schedules and Exhibits and all documents incorporated herein by reference contain the entire agreement between Landlord and Tenant and any executory agreement hereafter made between Landlord and Tenant shall be ineffective to change, modify, waive, release, discharge, terminate, or effect an abandonment of this Lease or the Development Agreement, in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination, or the effect of the abandonment is sought.

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

§ 29.6. Execution and Delivery. This Lease shall bind Tenant upon its execution thereof. Landlord shall be bound only after it executes and delivers the Lease to Tenant.

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

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

§ 29.9. No Third-Party Beneficiaries. No third party shall be entitled to rely upon, benefit from or enforce the terms of this Lease. No provision in this Lease is intended to nor shall it in any way inure to the benefit of any third party so as to constitute a third-party beneficiary under this Lease.

§ 29.10. Exhibits and Incorporation. The exhibits that are either attached or referenced herein are incorporated in this Lease as though set forth verbatim.

§ 29.11. Attorneys’ Fees. Except as set forth in §29.2, each party shall bear its own attorneys’ fees in the preparation of this Lease and any other documents related to the Premises.

§ 29.12. Time of Essence. Time is of the essence of this Lease.

§ 29.13. Broker's Commission and Representation. Each party represents and warrants that it has incurred no liabilities or claims for brokerage commissions or finders' fees in connection with the execution of this Lease and that it has not dealt with, and has no knowledge of, any real estate broker, agent, or salesperson in connection with this Lease. The parties acknowledge that Mark Irvin and Chris Sheafe are licensed Real Estate Brokers in the State of Arizona and are also members of the Board of Directors of Landlord. Neither Mr. Irvin nor Mr. Sheafe are receiving any compensation under the terms of this Lease and have no fiduciary duty to Tenant. The parties further acknowledge that Zach Fenton and Steve Fenton, who are affiliated with Tenant, and one or more direct or indirect members of Tenant are licensed Arizona real estate brokers.

§ 29.14. Leasehold Mortgagee Further Assurances. Landlord and Tenant shall cooperate in including in this Lease by suitable amendment from time to time any provision which may be reasonably requested by any proposed Leasehold Mortgagee for the purpose of

implementing the mortgagee-protection provisions contained in this Lease, of allowing that Leasehold Mortgagee reasonable means to protect or preserve the lien of its Leasehold Mortgage upon the occurrence of an Event of Default under the terms of this Lease and of confirming the elimination of the ability of Tenant to modify, terminate or waive this Lease or any of its provisions, except as otherwise expressly stated herein, without the prior written approval of the Leasehold Mortgagee. Landlord and Tenant each agree to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effect any such amendment; provided, however, that any such amendment shall not in any way affect the term or rent under this Lease nor otherwise in any material respect adversely affect any rights of Landlord under this Lease. In the event Leasehold Mortgagee exercises its remedy of foreclosure or takes title to Tenant's leasehold estate in the Premises through deed in lieu of foreclosure or any other means, Leasehold Mortgagee shall have the right to do so without consent of Landlord and, from and after the time Leasehold Mortgagee takes such title, Landlord shall recognize Leasehold Mortgagee (and/or its successors and/or assigns) as the Tenant under this Lease.

SIGNATURES ON FOLLOWING PAGE

In Witness Whereof, the parties have executed this Lease on the date set forth on the first page.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

“Tenant”

1SC PARTNERS SPE LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

LIST OF EXHIBITS

Exhibit "A"	Legal Description
Exhibit "B"	Form of Amendment to Lease
Exhibit "C"	Insurance Requirements
Exhibit "D"	Prohibited Uses
Exhibit "E"	Permitted Exceptions
Exhibit "F"	Form of Landlord's Special Warranty Deed
Exhibit "G"	Form of Tenant's Special Warranty Deed
Exhibit "H"	Form of Memorandum of Lease

EXHIBIT A

(Legal Description of Premises)

PARCEL NO. 1:

A PART OF BLOCK 209, CITY OF TUCSON, AS RECORDED IN BOOK 3 OF MAPS AND PLATS AT PAGE 70, PIMA COUNTY RECORDER'S OFFICE, PIMA COUNTY, ARIZONA, AND BLOCK 506, PUEBLO CENTER, AS RECORDED IN BOOK 20 OF MAPS AND PLATS AT PAGE 83, PIMA COUNTY RECORDER'S OFFICE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY LINE OF CONGRESS STREET A DISTANCE OF 229.26 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 248.93 FEET TO THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID

NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;

THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40 MINUTES 03 SECONDS WEST;

THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 12 DEGREES 41 MINUTES 13 SECONDS FOR AN ARC DISTANCE OF 126.21 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTHEAST;

THENCE WESTERLY AND NORTHERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE WEST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 72 DEGREES 20 MINUTES 07 SECONDS EAST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 652.00 FEET AND A CENTRAL ANGLE OF 14 DEGREES 34 MINUTES 15 SECONDS FOR AN ARC DISTANCE OF 165.81 FEET TO A POINT OF REVERSE CURVATURE OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 86 DEGREES 54 MINUTES 22 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO A POINT OF TANGENCY ON THE NORTH LINE OF SAID BLOCK 506;

THENCE EAST ALONG THE SAID NORTH LINE AND THE SOUTH RIGHT OF WAY

LINE OF CONGRESS STREET A DISTANCE OF 159.52 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE EAST ALONG THE SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 69.74 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 118.00 FEET;

THENCE WEST 85.80 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 35.07 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 14.00 FEET;

THENCE NORTH 00 DEGREES 22 MINUTES 44 SECONDS WEST 82.48 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF BLOCK 209 AND BLOCK 506, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SURVEY MONUMENT AT THE INTERSECTION OF CHURCH STREET AND BROADWAY BOULEVARD;

THENCE NORTH 18 DEGREES 04 MINUTES 40 SECONDS EAST ALONG THE CENTERLINE OF CHURCH STREET A DISTANCE OF 49.05 FEET TO A SURVEY MONUMENT;

THENCE SOUTH 76 DEGREES 19 MINUTES 07 SECONDS EAST 52.14 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTHEAST, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF NORTH 72 DEGREES 20 MINUTES 07 SECONDS WEST, SAID CURVE BEING THE WEST LINE OF SAID BLOCK 506;

THENCE SOUTHEASTERLY ALONG THE SAID WEST LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 89 DEGREES 18 MINUTES 46 SECONDS FOR AN ARC DISTANCE OF 38.97 FEET TO A POINT OF COMPOUND CURVATURE OF A TANGENT CURVE CONCAVE TO THE NORTH, SAID CURVE BEING THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE EASTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 03 DEGREES 48 MINUTES 42 SECONDS FOR AN ARC DISTANCE OF 37.92 FEET TO THE POINT OF BEGINNING ON A NON TANGENT LINE;

THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST 205.58 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 16 SECONDS EAST 3.15 FEET;

THENCE SOUTH 00 DEGREES 22 MINUTES 44 SECONDS EAST 35.07 FEET;

THENCE EAST 85.80 FEET TO THE WEST RIGHT OF WAY LINE OF STONE AVENUE;

THENCE SOUTH 01 DEGREES 22 MINUTES 47 SECONDS EAST ALONG THE SAID WEST RIGHT OF WAY LINE A DISTANCE OF 130.93 FEET TO THE NORTH RIGHT OF WAY LINE OF BROADWAY BOULEVARD;

THENCE NORTH 88 DEGREES 43 MINUTES 40 SECONDS WEST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 150.93 FEET;

THENCE NORTH 00 DEGREES 27 MINUTES 23 SECONDS EAST ALONG THE SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1.68 FEET TO A POINT ON THE ARC OF A NON TANGENT CURVE CONCAVE TO THE NORTH, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT HAVING A BEARING OF SOUTH 05 DEGREES 40 MINUTES 03 SECONDS WEST;

THENCE WESTERLY ALONG THE SAID NORTH RIGHT OF WAY LINE, ALONG THE ARC OF SAID CURVE, TO THE RIGHT, HAVING A RADIUS OF 570.00 FEET AND A CENTRAL ANGLE OF 08 DEGREES 52 MINUTES 23 SECONDS FOR AN ARC DISTANCE OF 88.27 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

A SUBSURFACE EASEMENT AND EASEMENTS FOR ENTRANCE AND EXIT RAMPS AND SIDEWALKS AS SET FORTH IN EASEMENT AND LICENSE RECORDED IN DOCKET 7548 AT PAGE 504 AS AMENDED IN DOCKET 11649 AT PAGE 1752.

PARCEL NO. 3:

EASEMENTS AS SET FORTH IN RECIPROCAL EASEMENT AND OPERATING AGREEMENT RECORDED AT SEQUENCE NO. 20182640800.

EXHIBIT B

(Form of Amendment to Lease)

AMENDMENT TO TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX

THIS AMENDMENT TO TRIPLE NET GOVERNMENT PROPERTY LEASE EXCISE TAX (this "Amendment") is made and entered into as of the Effective Date by and between **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district, having its office at 400 West Congress, Suite 152, Tucson, AZ 85701 (hereinafter "Landlord"), and **ISC PARTNERS SPE LLC**, a Delaware limited liability company, having its office at 6700 N. Oracle Road, Suite 504, Tucson, Arizona 85904 (hereinafter "Tenant"). Landlord and Tenant are referred to collectively as the "Parties." The "Effective Date" shall be the date upon which the last of Landlord and Tenant executed this Amendment, as indicated on the signature pages of this Amendment.

The Parties have previously executed and delivered that certain Triple Net Government Property Lease with an Effective Date of _____ (the "Lease") with respect to certain Premises, which Lease is evidenced by a Memorandum of Lease dated _____ and recorded _____ in _____ of the official records of the Pima County, Arizona Recorder.

Landlord and Tenant have agreed to memorialize the Commencement Date as contemplated by Section 1.2 of the Lease and to the amount of the Net Rent pursuant to Section 3.1 (A) of the Lease.

In consideration of the covenants and agreements contained in this Amendment, the Parties agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease, unless the context expressly requires otherwise.
2. Term. The Commencement Date is _____. The Termination Date of the Lease is _____, unless terminated earlier pursuant to the terms of the Lease.
3. Net Rent. Pursuant to Section 3.1 A, the Net Rent for the Rental Period shall be One Hundred Dollars (\$100) per annum, which amount may be pre-paid.
4. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.
5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument. Signature and acknowledgment pages may be detached from individual

counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Amendment as of the date set forth under the signatures of the Parties below.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

Date of Execution: _____

ATTEST:

By: _____
Name: _____
Its: _____

Date of Execution: _____

“Tenant”

1SC PARTNERS SPE LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

Date of Execution: _____

EXHIBIT C

(Insurance Requirements)

1. Types of Coverage. The most stringent of this Exhibit C, the insurance requirements of any Leasehold Mortgagee and the Condominium Declaration shall apply to Tenant. Tenant at its sole cost and expense shall, during the entire Rental Period hereof, obtain, maintain and keep in full force and effect (or alternatively ensure that its subtenants keep in full force and effect):

(i) A policy for commercial general liability insurance covering Tenant's use and occupancy of the Premises, including bodily injury, property damage, contractual liability under this Lease, independent contractors, products and completed operations liability and owned/non-owned auto liability, occurring on the Premises, minimum combined single limit \$1,000,000 and \$2,000,000 aggregate. Such policy shall include a blanket waiver of subrogation in favor of Landlord and shall include Landlord as an additional insured under a blanket endorsement. Tenant's insurance shall be primary, with any insurance maintained by Landlord to be considered excess. Tenant agrees that it will not keep, use, sell, or offer for sale in or upon the Premises any article which may be prohibited by the standard form of fire insurance policy. Such insurance (i) to be on the "occurrence" form; and (ii) to continue at not less than the aforesaid limit until required to be changed by Landlord in writing to an amount which is then customary and commercially reasonable in relation to the type of operation then being conducted by Tenant in the Premises, by reason of changed economic conditions making such protection inadequate.

(ii) Worker's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the Premises with respect to which claims for death or bodily injury could be asserted against Landlord or the Premises. In lieu of such workmen's compensation insurance, Tenant may provide a program of self-insurance so long as it complies with the rules, regulations and requirements of the appropriate state agency of the State of Arizona, but no less than \$500,000 / \$500,000 / \$500,000.

2. Policies.

(i) All insurance provided for in Subsection 1 hereof shall be obtained under valid and enforceable policies (the "**Policies**" or in the singular, the "**Policy**").

(ii) The Policies maintained pursuant to this Lease shall (a) with respect to all policies of fire, all risk or similar casualty insurance, provide that the insurer waives all rights of subrogation against Landlord, any successor to Landlord's interest in the Premises; (b) provide that in the event of a loss involving more than one insured the Policies shall be deemed to apply separately for the interest of each insured; and (c) be primary and without right or provision of contribution as to any other insurance carried by Landlord.

(iii) The insurance companies must be approved, authorized or licensed to provide insurance in Arizona and have a rating of "A" or better for claims paying ability assigned

by Moody's Investors Service, Inc. and Standard & Poor's Rating Group or a general policy rating of A- or better and a financial class of VIII or better assigned by A.M. Best Company, Inc. Each such insurer shall be referred to herein as a "**Qualified Insurer**." Tenant agrees that certificates of insurance or, if required by Landlord or the mortgagees of Landlord, will be delivered to Landlord as soon as practicable after the placing of the required insurance, but in no event later than 10 days prior to the time Tenant takes possession of all or any part of the Premises, including possession taken pursuant to Section 2.1 of the Lease.

(iv) Tenant shall use commercially reasonable efforts to notify Landlord in writing prior to any, reduction in coverage below the requirements contained in this Lease, cancellation, or other termination thereof.

(v) Tenant may provide any required insurance through an umbrella or blanket liability or casualty Policy (which blanket or umbrella policy may be issued to the parent company of Tenant, if any, so long as Tenant is and remains a named insured under said policy and such blanket policy otherwise complies with the terms of this Lease), provided, in each case, such Policy affords the coverage required above, is issued by a Qualified Insurer.

(vi) All Policies of insurance provided for or contemplated by Section 1 of this Exhibit C shall name Landlord and Tenant as the insured or additional insured, as required by this Exhibit C or as their respective interests may appear.

3. Fire and Other Casualty. In the event that all or any improvements or fixtures within the Premises shall be totally or partially destroyed or damaged by fire or other insurable casualty, then, subject to Tenant's rights to terminate this Lease, whether in whole or in part, this Lease shall continue in full force and effect, and Tenant, at Tenant's sole cost and expense (subject only to the provisions of any Leasehold Mortgage) may, but shall not be obligated to, rebuild or repair the same. Landlord and Tenant agree that the provisions of A.R.S. § 33-343 shall not apply to this Lease. In the event that Tenant elects to repair or rebuild the improvements, any such repair or rebuilding shall be performed at the sole cost and expense of Tenant. If there are insurance proceeds resulting from such damage or destruction, Tenant shall be entitled to such proceeds (subject only to the provisions of any Leasehold Mortgage), whether or not Tenant rebuilds or repairs the improvements or fixtures.

4. Landlord Insurance. Landlord may, but shall not be obligated to, take out and carry any other form or forms of insurance as it may reasonably determine advisable. Tenant acknowledges that it has no right to receive any proceeds from any such insurance policies carried by Landlord. Landlord will not carry insurance of any kind on Tenant's property, furniture or furnishings or on any equipment of Tenant under this Lease and Landlord shall not be obligated to repair any damage thereto or replace the same.

5. Compliance. Tenant shall comply with all the terms and conditions of each insurance policy maintained pursuant to the terms of this Lease. Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or hereafter in effect relating to the Premises.

6. Landlord Protections. If any insurance policy shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced, in any way by reason of the use or occupation of the Premises or any part thereof by Tenant or by any assignee or sub-tenant of Tenant or by anyone permitted by Tenant to be on the Premises and, if Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours after written notice thereof from Landlord, Landlord may, at its option to obtain such Policies and enter upon the Premises and attempt to remedy such condition and Tenant shall forthwith pay the cost thereof to Landlord as additional rent. Notwithstanding the foregoing provisions of this Section 6, if Tenant fails to remedy as aforesaid, Tenant shall be in default of its obligations hereunder and Landlord shall have no obligation to attempt to remedy such default.

7. Waiver of Subrogation. As provided in Subsection 2(ii) above, any policy or policies of fire, all risk or similar casualty insurance, which either party obtains in connection with the Premises and the insurance required to be obtained by Tenant pursuant to the provisions of Subsection 1(ii) above shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. Landlord and Tenant hereby waive any rights of recovery against the other for injury or loss due to hazards covered by any such policy of insurance or which would have been covered under the insurance policies required under this Lease, regardless of whether the negligence of the other party caused such loss or damage and irrespective of whether such policies contain such a waiver of subrogation clause or endorsement.

8. Insurance Coverage Provided by Subtenant. Notwithstanding any language herein to the contrary, if required insurance coverage is provided by a subtenant of Tenant occupying the Premises, then Tenant shall not be required to provide duplicative coverage.

EXHIBIT D

(Prohibited Uses)

The following uses are specifically prohibited in the Premises without the prior written consent of Landlord which Landlord may withhold in its sole and absolute discretion:

(i) betting parlor; gambling casino or gaming activities including but not limited to gambling, electronic gaming machines, slot machines and other devices similar to the aforementioned; provided that legalized sports betting shall be permitted if otherwise permitted by applicable laws and ordinances.

(ii) a carnival or an amusement park, arcade, or a video game parlor.

(iii) funeral parlor; cemetery; crematorium.

(iv) an automobile dealership or a boat dealership, a body and fender shop; motor vehicle storage facility; boat storage facility.

(v) flea market.

(vi) massage parlor, modeling studio; adult bookstore; any establishment primarily engaged in the business of selling, exhibiting or distributing pornographic or obscene materials; a business primarily engaged in displaying live models or dancers, a video store that sells or rents videos that are rated NC-17, X, XX, XXX, or of a rating assigned to works containing material more sexually explicit than XXX, by the film rating board of the Classification and Rating Administration.

(vii) establishment selling or exhibiting materials or paraphernalia for use with illicit drugs; a so- called "head shop."

(viii) business or facility used in growing, delivering, transferring, supplying, dispensing, dispersing, distributing or selling marijuana, whether by prescription, medical recommendation or otherwise, and whether consisting of live plants, seeds, seedlings or processed or harvested portions of the marijuana plant.

(ix) a central laundry or dry-cleaning plant (other than laundry done in the normal course of business in a hotel and a dry-cleaning drop-off facility which does not use dry cleaning fluids or similar chemicals or substances on site in connection with the dry cleaning of clothes).

(x) a house of worship.

(xi) a school (except instructional classes incidental to another primary retail use).

(xii) a day care facility, child care facility, preschool or children's nursery.

(xiii) any business which creates unreasonably or unusually strong or offensive odors, fumes, emissions or sounds which are not usual or customary for a bar. Music typical for a restaurant, bar or nightclub shall be permitted.

EXHIBIT E

Permitted Exceptions

To be added upon the completion of Landlord's due diligence pursuant to Section 6.2 (B) of the Lease.

EXHIBIT F

(Form of Landlord's Special Warranty Deed)

WHEN RECORDED, RETURN TO:

1SC PARTNERS SPE LLC
6700 N. Oracle Road, Suite 504
Tucson, Arizona 85704

SPECIAL WARRANTY DEED

For good and valuable consideration, **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district (“**Grantor**”), does hereby convey to 1SC PARTNERS SPE LLC, a Delaware limited liability company, having its office at 6700 N. Oracle Road, Suite 504, Tucson, Arizona 85704 (“**Grantee**”), that certain real property situated in Pima County, Arizona, and legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements and appurtenant benefits relating thereto and all improvements located thereon (the “**Property**”):

SUBJECT TO: the matters set forth on **Exhibit B** attached hereto and made a part hereof.

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

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

[SIGNATURE AND NOTARY PAGE FOLLOWS]

GRANTOR:

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument, Special Warranty Deed, consisting of _____ pages, including this page and exhibits, was acknowledged before me this _____ day of _____, 20__, by _____, the Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of the district.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A

TO LANDLORD'S SPECIAL WARRANTY DEED

Legal Description of Property on following one_page

Exhibit B

**TO LANDLORD'S
SPECIAL WARRANTY DEED**

Permitted Exceptions

EXHIBIT G

(Form of Tenant's Special Warranty Deed)

WHEN RECORDED, RETURN TO:

Rio Nuevo Multipurpose Facilities District
Attention Chairman Fletcher McCusker
400 W. Congress #152
Tucson, Arizona 85701

SPECIAL WARRANTY DEED

For good and valuable consideration, **ISC PARTNERS SPE LLC**, a Delaware limited liability company ("**Grantor**"), does hereby convey to **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district ("**Grantee**"), that certain real property situated in Pima County, Arizona, and legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements and appurtenant benefits relating thereto and all improvements located thereon (the "**Property**"):

SUBJECT TO: the matters set forth on **Exhibit B** attached hereto and made a part hereof.

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

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

[SIGNATURE AND NOTARY PAGE FOLLOWS]

GRANTOR:

1SC PARTNERS SPE LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of _____)

The foregoing instrument, Special Warranty Deed, consisting of _____ pages,
including this page and exhibits, was acknowledged before me this _____ day of
_____, 20__, by _____, the _____
of 1SC PARTNERS SPE LLC, a Delaware limited liability company, on behalf of the company.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A

TO TENANT'S SPECIAL WARRANTY DEED

Legal Description of Property on following _one page

Exhibit B

**TO TENANT'S
SPECIAL WARRANTY DEED**

Permitted Exceptions

EXHIBIT H

(Form of Memorandum of Lease)

When Recorded Return To:
Mark Collins
Gust Rosenfeld PLC
One S. Church Avenue, Suite 1900
Tucson, AZ 85701-1627

MEMORANDUM OF LEASE

DATE: _____, 20__

PARTIES: **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**,
a tax levying special facilities district of the State of Arizona
400 W. Congress #152
Tucson, Arizona 85701 ("Landlord")

1SC PARTNERS SPE LLC,
a Delaware limited liability company
6700 N. Oracle Road, Suite 504
Tucson, Arizona 85704

("Tenant")

1. Landlord has leased to Tenant, and Tenant has leased from Landlord, pursuant to a Triple Net Government Property Lease dated _____, 20__ (the "Lease"), certain land more particularly described on Exhibit A attached hereto (the "Premises").

2. The Premises will be subject to the Government Property Lease Excise Tax as provided for under A.R.S. §42-6202 (A) and (B) (the "GPLET"). The City of Tucson has agreed to abate the GPLET for the period beginning upon the first day following [_____, 20__] ("Commencement Date") and ending eight (8) years thereafter (the "Abatement Period"), all as provided in A.R.S. §42-6209(A).

3. The term of the Lease is for an Initial Term of 8 years from the Commencement Date under the Lease unless terminated or cancelled earlier in accordance with the terms of the Lease.

4. The Lease contains an option to purchase in favor of the Tenant regarding the Premises.

5. The Lease contains certain protections in favor of leasehold mortgagees, including, without limitation, those provisions set forth in Section 3.4 of the Lease.

6. The Lease further grants the most senior leasehold mortgagee the right upon an Event of Default by Tenant, subject to the satisfaction of certain conditions precedent, to a new lease on the same terms and conditions as the Lease, and provides that such new lease shall have the same priority as the Lease with respect of any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee title to the Property.

7. All other terms, conditions and agreements contained in the Lease are fully incorporated herein by reference as if fully set forth herein. Copies of the Lease are on file at the offices of Landlord and Tenant.

8. In the event of a conflict between the terms of this Memorandum of Lease and the terms of the Lease, the terms of the Lease shall control.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date first above written.

“Landlord”

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,
an Arizona tax levying special facilities district

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument, Memorandum of Lease, consisting of _____ pages, including this page and exhibits, was acknowledged before me this _____ day of _____, 20__, by _____, the Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of the district.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

“Tenant”

1SC PARTNERS SPE LLC, a
Delaware limited liability company

By: _____
Name: _____
Its: _____

STATE OF ARIZONA)
)
County of _____)

The foregoing instrument, Memorandum of Lease, consisting of _____ pages,
including this page and exhibits, was acknowledged before me this _____ day of
_____, 20__, by _____, the _____
of 1SC PARTNERS SPE LLC, a Delaware limited liability company, on behalf of the company.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

Exhibit A to Memorandum of Lease