

**TRIPLE NET
GOVERNMENT
PROPERTY LEASE
(2545-2635 E. BROADWAY)**

BY AND BETWEEN

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

“LANDLORD”

AND

SOL BLOCK LLC,
an Arizona limited liability company

“TENANT”

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LIST OF SCHEDULES

SCHEDULE I

LIST OF EXHIBITS

EXHIBIT A	LEGAL DESCRIPTION
EXHIBIT B	INSURANCE REQUIREMENTS
EXHIBIT C	PROHIBITED USES
EXHIBIT D	FORM OF SPECIAL WARRANTY DEED
EXHIBIT E	FORM OF MEMORANDUM OF LEASE

**TRIPLE NET
GOVERNMENT
PROPERTY LEASE
(2545-2635 E. Broadway Blvd.)**

THIS TRIPLE NET GOVERNMENT PROPERTY LEASE (this “**Lease**”) is entered into as of the 17 day of April, 2023 (the “**Effective Date**”), by and between **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**, an Arizona tax levying special facilities district (“**Landlord**” or “**District**”), and **SOL BLOCK**, an Arizona limited liability company (“**Tenant**” and, together with Landlord, the “**Parties**,” and each, a “**Party**”). Capitalized terms used in this Lease shall have the meanings ascribed to them parenthetically or in Section 2.1 of this Lease.

RECITALS:

A. 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 that commence at A.R.S. § 48-4201 *et seq.* A “**District**” formed under these statutes is defined as “any county stadium district established pursuant to § 48-4202, subsection A, B or C.” § 48-4201(3). The voters who authorized District’s formation authorized it to receive an incremental portion of State-shared funds derived from transaction privilege taxes (*i.e.*, sales tax called TPT Funds) collected from within District’s boundaries, all of which lie within the City.

B. Tenant intends to build a mixed-use commercial project located at 2545-2635 E. Broadway Blvd., Tucson, Arizona (the “**Premises**”), and certain surrounding parcels (the “**Project**”). Tenant’s certain Request for Qualifications for Re-Purposing of the Historic Solot Plaza Project, Solicitation No. RN-2022-05-09, submitted to District on or around June 23, 2022 (the “**Tenant Proposal**”), details the nature of the planned construction, redevelopment, remodeling, and repurposing of the existing improvements and structures on the Premises including, without limit, remodeling and updating of existing structures and substantial structural and nonstructural repairs, among other things (the “**Proposed Work**”). In completing the Proposed Work, Tenant anticipates substantial expenditures as set out in the Tenant Proposal.

C. District desires that Tenant cause the Project to be constructed and developed and the Proposed Work completed on the Premises to further District’s purposes of enhancing Downtown Tucson and District’s Primary Component (as defined in A.R.S. § 48-4201(4)(B)), the Tucson Convention Center. The Project and Proposed Work on the Premises (as defined in Section 2 below) will: (i) provide a significant investment within District; (ii) create new opportunities for employment in District; (iii) enhance retail transaction (sales) tax collections in District; and (iv) provide greater ability for District to promote new development within District boundaries.

D. District has the authority to acquire title to property within District’s boundaries and construct commercial facilities that its board determines are necessary or beneficial to District as Landlord (A.R.S. §§ 48-4201(4)(b) and 48-4204(B)). It may also

“enter into agreements with developers, contractors, tenants, and other users of all or part of such a facility.” A.R.S. § 48-4203(B)(2). District has or will enter into a separate Development Agreement with Tenant for the development of the Project concurrent with this Lease (the “**Development Agreement**”) and for the purchase of an access easement from the adjacent property owner (the “**Easement Purchase Agreement**”), which easement is part of the Premises.

E. A notice has been sent by District to the Pima County Board of Supervisors, the Mayor and Council of the City and the Board of Tucson Unified School District and any other entity required by A.R.S. § 42-6206(B)(1)(a) at least 60 days prior to the date of Landlord’s final meeting to approve the Lease. Such notice contained the name and address of Tenant, the location and proposed use of the Project, and the term of the Lease.

F. The value of constructing and operating the Project on the Premises has been reviewed and analyzed through an economic and fiscal impact analysis that was ordered by District, completed in or around January 2023 by independent third party, Applied Economics (the “**Economic Analysis**”). Based upon the information, projections, and Tenant Proposal from Developer and the analysis set forth in the Economic Analysis, District has determined that the Project would not have been developed in the absence of this Lease. In reliance on the Economic Analysis, the Board of Directors of Landlord determined by simple majority vote at a duly called meeting and without the use of a consent calendar that the economic and fiscal benefits to the State of Arizona, Pima County, and the City of Tucson exceed the benefits to be received by Tenant.

AGREEMENT:

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

ARTICLE 1 LEASE OF THE PREMISES

§ 1.1. **Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon and in consideration of the terms and conditions contained herein, the Premises. The Premises are subject to, and further described by, the following:

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

B. Present and future applicable building restrictions and regulations, zoning laws, ordinances, resolutions and regulations of the municipality in which the Premises lie and all present and future applicable 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 Effective Date.

§ 1.2. **Term.** The Rental Period shall commence upon the Effective Date and, subject to Tenant's Purchase Option and Tenant's Termination Right, shall expire at 12:00 midnight on the Termination Date, unless this Lease is sooner terminated as hereinafter provided.

§ 1.3. **Tenant's Termination Right.** Notwithstanding any provision of this Lease to the contrary, Tenant may terminate this Lease upon 45 days' written notice to District of District's uncured breach of this Lease or the Development Agreement; *provided* that at the time of its delivery of the written notice, Tenant has not exercised its Purchase Option hereunder and is not then in breach of this Lease or the Development Agreement.

ARTICLE 2 DEFINITIONS

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

"**A.R.S.**" means Arizona Revised Statutes.

"**Affiliate**" means, as applied to any person, 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**" means 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, assessments, special assessments, enhanced municipal services district assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, licenses, and permit fees, 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.

“Applicable Laws” means 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.

“Base Rent” means a net annual rent in the amount of \$1,000.00 per annum.

“Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banks in Tucson, Arizona are generally authorized or obligated, by law or executive order, to close.

“City” has the meaning set forth in Recital A.

“Denial” means the denial of an application, failure to issue, or suspension, termination, delay or interruption other than by or from the Tucson Mayor and City Council or by the County and the County’s Board of Supervisors.

“Designated Lender” has the meaning set forth in Section 16.7.

“Development Agreement” as set forth in Recital D, means that certain Development Agreement between the Parties, executed at or before the execution of this Lease. The Parties expressly agree and acknowledge by their execution of this Lease that the terms and conditions of the Development Agreement shall be incorporated herein and made a part of this Lease.

“Easement Purchase Agreement” has the meaning set forth in Recital D.

“Effective Date” has the meaning set forth in the Preamble to this Lease.

“Enforced Delay” has the meaning set forth in Section 25.1.

“Event of Default” has the meaning set forth in Section 17.1.

“Exercise Price” has the meaning set forth in the Development Agreement between the Parties.

“Failure” means a suspension, termination, interruption, denial, or failure of renewal.

“First Designated Lender” has the meaning set forth in Section 20.2.

“GPLET” means government property improvement lease excise tax.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any environmental law.

“Landlord” has the meaning set forth in Preamble.

“Landlord’s Indemnified Matters” has the meaning set forth in Section 26.3(A).

“Lease” has the meaning set forth in Preamble.

“Monetary Default” has the meaning set forth in Section 17.1(A).

“Non-Monetary Default” has the meaning set forth in Section 17.1(B).

“Notice of Default” means a written notice specifying such Event(s) of Default and stating that this Lease and the Rental Period hereby demised shall expire and terminate on the date specified in such notice, which shall be at least 30 days after the giving of such notice.

“Option Period” means the time period after the execution of this Lease and prior to its termination.

“Order” means the order, judgment, action, or determination of any court, administrative agency, governmental authority or other governmental body.

“Party” has the meaning set forth in the Preamble.

“Plans and Specifications” has the meaning set forth in Section 9.3.

“Premises” has the meaning set forth in Recital B.

“Proposed Work” has the meaning set forth in Recital B.

“Project” has the meaning set forth in Recital B.

“Purchase Option” has the meaning set forth in Section 27.1.

“Purchase Price” has the meaning set forth in Section 27.3.

“Recitals” means the Recitals to this Lease set forth in the preceding pages, which the Parties acknowledge and agree are true and correct as of the Effective Date and further which are incorporated herein and made a part of the Lease by this reference.

“Regulated Substances” has the meaning set forth in Section 26.1(B).

“Release” has the meaning set forth in Section 26.1(C).

“Rent” means the Base Rent, Additional Payments, and any other amounts owed or owing under this Lease including, without limit, those specified in Section 3.2.

“Rental Period” means the period beginning on the Effective Date and ending on the Termination Date.

“Tenant” has the meaning set forth in preamble.

“**Tenant Proposal**” has the meaning set forth in Recital B.

“**Tenant Sublease**” has the meaning set forth in Section 16.6.

“**Termination Date**” means 25 years from the Effective Date, subject to the Purchase Option exercised by Tenant in accordance with Section 1.3 and Article 27.

“**Termination Right**” means the right of Tenant to terminate this Lease for Landlord’s breach of the Development Agreement or Easement Purchase Agreement at any time upon not less than 60 days’ written notice to Landlord.

ARTICLE 3 RENT

§ 3.1. Base Rent; Annual Installments. From and after the Effective Date, Tenant shall pay Base Rent to Landlord in legal currency of the United States at the addresses specified or furnished pursuant to Section 20.1, during the Rental Period. All payments of Base Rent shall be made in annual installments in advance, without notice, beginning on the first day of the first month following the Effective Date and in like fashion each year thereafter. Alternatively, Tenant may pay Base Rent for the entire Rental Period on the first day of the first month following the Effective Date.

§ 3.2. Rent Absolutely Net. It is the purpose and intent of Landlord and Tenant that Rent payable hereunder shall be absolutely net to Landlord so that this Lease shall yield to Landlord the Rent herein specified, free of any charges, assessments, Additional Payments, or deductions of any kind charged, assessed, or imposed on or against the Premises and without abatement, deduction or set-off by Tenant, except as hereinafter otherwise specifically provided in this Lease. Landlord shall not be expected, obligated, or in any way required to pay any such charge, assessment or Additional Payment or be under any obligation or liability hereunder except as may be expressly set forth in this Lease. 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 of the foregoing costs, expenses, and obligations.

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

§ 3.4. No Release of Obligations. Except for either a mutual release and waiver of rights and liabilities arising under this Lease, except 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 or the Project) shall relieve Tenant of its liability to pay the Rent, the Additional Payments and other

charges under this Lease, nor shall it relieve Tenant of any of its other obligations under this Lease.

ARTICLE 4 ADDITIONAL PAYMENTS

§ 4.1. Additional Payments. 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 Section 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.

A. If, by law, any Additional Payment may at the option of Tenant be paid in installments (whether or not interest shall accrue on the unpaid balance of such Additional Payment), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Additional Payment) 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.

B. Any Additional Payment (including Additional Payments which have been converted into installment payments by Tenant, as referred to in paragraph (A) of this Section 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 Additional Payment 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 Additional Payment attributable to the Rental Period and Landlord shall pay the remainder thereof. Tenant shall pay to Landlord, with and in addition to annual Rent, all taxes imposed by any governmental unit on the Rent received by Landlord pursuant to the terms of this Lease. Tenant shall pay all other Additional Payments 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 Additional Payment, in which event, Tenant may defer the payment of such Additional Payment during the pendency of such contest; *provided*, that upon Landlord's request after the payment of such contested Additional Payment shall have become due, Tenant shall deposit with Landlord an amount sufficient to pay such contested Additional Payment 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, however, shall be so construed as to allow such contested Additional Payment to remain unpaid for a length of time that permits the Premises or any part thereof, or the lien thereon created by such Additional Payment (which shall not supersede Landlord's Leasehold interest in any way) to be sold for the nonpayment of the same. If the amount so deposited with Landlord shall exceed the amount of such payment (inclusive of any applicable interest and penalties thereon), the excess shall be returned 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 Additional Payment or assessment upon the Premises for the purpose of reducing the amount thereof. However, in such event, Landlord will not be required to cooperate with Tenant and may in fact oppose such endeavor. Tenant shall be authorized to collect any refund payable as a result of any proceeding Tenant may institute for that purpose and any such refund shall be the property of Tenant to the extent to which it may be based on a payment made by Tenant.

§ 4.4. Hold Harmless. Landlord shall not be required to join in any action or proceeding referred to in Sections 4.2 or 4.3 (unless required by applicable law or any applicable 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 Landlord only with Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed). Tenant hereby irrevocably agrees to defend Landlord and shall indemnify and 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 A.R.S. § 42-6206, Tenant is hereby notified of its tax liability under the GPLET provisions of A.R.S., § 42-6201, *et seq.* Failure of Tenant to pay the applicable tax after notice and an opportunity to cure is an Event of Default that could result in termination of this Lease. 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.

§ 4.6. Cost of Economic Study. Upon the execution of this Lease, Tenant will pay to Landlord the cost incurred by Landlord to commission the Economic Analysis 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 sole 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 Tenant, its agents, subtenants, employees, contractors, licensees or invitees in accordance with the insurance requirements set forth in Exhibit B attached hereto. For the avoidance of doubt, District will be a named certificate holder for all such policies.

§ 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 Tenant notice of the payment of such premiums, stating the amounts paid and the names of the insurer(s) and insured(s).

The lapse or cancellation of any policy of insurance required herein, in whole or in part for the benefit of Landlord, shall be an Event of Default. No cure of such default by Tenant can be accomplished unless a new or renewed policy is issued which specifically provides the required coverage to Landlord for any liability arising during the lapsed or previously uncovered period.

ARTICLE 6 LANDLORD'S PERFORMANCE FOR TENANT

§ 6.1. Cures--Rights, Costs, and Damages. If Tenant fails to pay any Additional Payment or make any other payment required to be made under this Lease or defaults 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, immediately and without notice. Bills for any expense required by Landlord in connection therewith, and bills for all such expenses and disbursements of every kind and nature whatsoever, including reasonable attorney's or administrative fees, involved in collection or endeavoring to collect 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 Tenant together with interest at the rate of 12% per annum compounded monthly from the respective dates of 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 7 USES AND MAINTENANCE

§ 7.1. 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. Tenant accepts 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, other than what may already exist on the Effective Date and pursuant to any Easement Purchase Agreement. 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 Premises.

§ 7.2. Permitted Uses. In no event shall the Premises or any part thereof be used for any purpose inconsistent with the description of the Project set forth in Recital B above. Regardless of the uses which would otherwise be allowed pursuant to the zoning classification of the Premises or other ordinances which may be applicable to the Premises at any time during the Rental Period, the uses set forth in Exhibit C are, and shall be, 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.

§ 7.3. 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 the Premises and the sidewalks, curbs, and landscaping in good condition in accordance with City of Tucson standards and 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. Tenant shall keep the Premises free and clear of any and all mechanics' liens or other similar liens or charges incidental to work done or material supplied in or about the Premises or in connection with the Project, subject to the provisions of Article 10 and Tenant's right to contest and appeal any claim. Nothing in this Lease shall be construed as Landlord's consent, express or implied, to the creation of any such liens identified in the preceding sentence against Landlord or Landlord's interest in the Premises as provided in Section 11.3.

ARTICLE 8 COMPLIANCE

§ 8.1. Tenant Obligations. Tenant shall assume and perform any and 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.

ARTICLE 9 OPERATION OF PROJECT

§ 9.1. The Project . As set forth in the Tenant Proposal, the Project will consist of an expansive renovation and overhaul of the Historic Solot Plaza to include mixed-use subtenants, expected to generate substantial TIF Funds and additional economic benefits to the District. To the extent required by law, Tenant shall provide plans and specifications (the “**Plans and Specifications**”) for the Project and Proposed Work on the Premises to the City and obtain all necessary building and other permits for improvements described in the Plans and Specifications.

§ 9.2. Ownership of Buildings and Improvements. Unless Tenant has purchased the Premises during the Rental Period pursuant to the Purchase Option set forth in Article 27 of this Lease, on the expiration or sooner termination of the Rental Period, Tenant shall exercise the Purchase Option within the Option Period defined and described in Section 27.2. Prior to the exercise of the Purchase Option, Tenant agrees to and shall defend, indemnify, and hold Landlord harmless from and against all actual, threatened, or asserted claims, actions, suits, or encumbrances (and any liability, cost, expense, damage, and loss arising therefrom) on or relating to changes or modifications to the scope of the Project or Proposed Work by Tenant or to the buildings and improvements that Tenant has constructed or improved on the Premises; *provided*, however, such duty to indemnify, defend, and hold harmless shall not apply to any claims, actions, suits, or encumbrances which are directly and primarily attributable to the acts or conduct of Landlord. This Section 9.1 shall survive the expiration or earlier termination of this Lease.

§ 9.3. Tenant’s Management and Operating Covenant. During the Rental Period, Tenant shall prudently manage and continuously operate (or cause to be managed and continually operated) the Project and will properly maintain the Project and all other improvements to the Premises in good repair, reasonable wear and tear excepted. Tenant shall, at its expense, maintain the Premises in good condition and repair and shall make all structural repairs and replacements to both exteriors and interiors and to parking surfaces necessitated by any cause. Without limiting the generality of the foregoing, Tenant shall, at its sole cost and expense, be responsible for the care, maintenance, and replacement of all heating and refrigerated air conditioning or evaporative cooling equipment and parts thereof serving the Premises, whether or not such equipment was installed by Tenant or Landlord, and shall replace all cracked, chipped, and broken glass windows, doors and other glass on the Premises. Landlord shall have no obligation to repair, maintain, alter, or modify the Premises or any part thereof, or any plumbing, heating, electrical, air conditioning, or other mechanical installation therein. If Tenant fails to comply with the foregoing requirements, Landlord may (but shall not be obligated to) effect such

maintenance and repair, and its cost shall be due and payable as additional rent to Landlord within 10 days after Landlord's written demand.

ARTICLE 10

[*INTENTIONALLY OMITTED*]

ARTICLE 11 IMPAIRMENT OF LANDLORD'S TITLE

§ 11.1. No Liens. Subject to the right of contest and appeal, 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 30 days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise (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 on a monthly basis 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 Project. In connection therewith, the Parties agree that Tenant is and shall not be the agent of Landlord for any purpose contemplated by this Lease including, without limit, for the operation or maintenance of any improvement on the Premises, which shall be accomplished at the sole expense of Tenant; *provided* that, the foregoing shall be limited only if, and then to the extent that, such agency relationship is intentionally created by the Parties and explicitly stated as such elsewhere in this Lease.

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 shall not interfere with Tenant's business

operations or the operations of any assignee or subtenant; and *further provided* that, except in the event of an health and safety emergency, Landlord shall give Tenant at least 48 hours' written notice prior to any inspection of any building interior.

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. In addition to its other indemnification obligations as provided elsewhere in this Lease, 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 Project, 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 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 or the Development Agreement on its part to be performed or complied with and the exercise by Landlord of any remedy provided in this Lease or the Development Agreement with respect thereto;

(6) any lien or claim which may be alleged to have arisen against or on the Premises or the Project 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 or omissions 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, the Development Agreement or other contracts and agreements affecting the Premises or improvements, the Project or Proposed Work, or any part thereof or any activities performed by Tenant which are required by the terms of this Lease, the Development Agreement 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 the Project at the sole risk of Tenant and indemnify Landlord 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 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 that is subject to indemnification by Tenant under 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. In addition to its other indemnification obligations as provided elsewhere in this Lease, Landlord shall indemnify and save Tenant

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 Tenant by third parties by reason of any of the following:

(1) claims and demands of any nature whatsoever arising out of the injury to or death of any person or damage to property, but solely to the extent caused by the grossly negligent acts or omissions or willful misconduct of Landlord, its employees, agents, guests, licensees, or invitees, and further excluding such claims and demands to the extent caused by Tenant's gross negligence or willful misconduct or omission;

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

(3) any lien or claim which arises against or on the Premises or the Project, or any part thereof or any of the assets of, or funds appropriated to, Tenant or any liability which may be asserted against Tenant with respect thereto to the extent arising, in each such case, out of the acts or omissions of Landlord, its contractors, or agents.

§ 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 OR DESTRUCTION

§ 14.1. Tenant Repair and Restoration. If at any time during the Rental Period the Premises, the Project or any part thereof shall be damaged or destroyed by fire or other occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant, at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, shall proceed with reasonable diligence to repair, alter, restore, replace, or rebuild the same. Anything herein to the contrary notwithstanding, Tenant shall immediately secure the Premises and undertake temporary repairs and work necessary to protect the public and to protect the Premises from further damage.

§ 14.2. Payment of Insurance Proceeds. All insurance proceeds on account of such damage or destruction under the policies of insurance provided for in Article 5, less the cost, if any, incurred in connection with the adjustment of the loss and the collection thereof shall be paid to Tenant.

§ 14.3. Failure to Commence Repairs. If Tenant is required to restore the Premises pursuant to Section 14.1 above and the design work for such restoration shall not have been commenced within 180 days after the date of the damage or destruction, or if such work is not completed within 36 months after completion of such design, Landlord

may terminate this Lease pursuant to Article 17, subject in all events to Tenant's Purchase Option.

§ 14.4. Lease Obligations Continue. In no event shall Tenant be entitled to any abatement, allowance, reduction, or suspension of Rent because part or all of the Premises shall be untenable owing to the partial or total destruction thereof. No such damage or destruction shall affect in any way the obligation of Tenant to pay Rent, Additional Payments, and other charges herein reserved or required to be paid, nor release Tenant of or from obligations imposed upon Tenant hereunder.

§ 14.5. Substantial Damage at End of Term. If 50% or more of the square footage of the structural component of the Project on the Premises is substantially damaged or destroyed by fire or other casualty at any time during the last three years of the Rental Period either Landlord or Tenant may, on 60 days' written notice, terminate this Lease pursuant to Article 17, in which case title to the Premises shall be conveyed to Tenant who shall take the Premises in an "as is" condition, upon exercise of Tenant's Purchase Option.

ARTICLE 15 CONDEMNATION

§ 15.1. Total, Substantial, or Unusable Remainder.

A. If at any time during the Rental Period of this Lease:

(1) Title to the whole or substantially all of the Premises shall be taken in condemnation proceedings or by any right of eminent domain or by agreement in lieu of such proceedings, this Lease shall terminate and expire on the date possession is transferred to the condemning authority and Base Rent and Additional Payments reserved shall be apportioned and paid to such date; or

(2) Title to a substantial portion of the Premises shall be taken in condemnation proceedings or by any right of eminent domain or by agreement in lieu of such proceeding, and the remaining part of the Premises cannot feasibly be used or converted for use by Tenant for the uses set forth in Section 7.2 hereof, Tenant may, at its option, terminate this Lease within 90 days after such taking by serving upon Landlord at any time within said 90 day period, a 30-day written notice of Tenant's election to so terminate accompanied by a certificate of Tenant that the remaining part of the Premises cannot feasibly be used or converted for use by Tenant as contemplated in Section 7.2 hereof.

B. Award. In the event of such taking, Landlord shall be entitled to the portion of the award equal to Purchase Option's Exercise Price (as determined in Section 27.3 below) and any unpaid Monetary Defaults, and Tenant shall be entitled to the balance of the award; *provided*, however, that if Landlord is the condemning authority, then Landlord shall not be entitled to any portion of the award, and Tenant shall be entitled to the entire remaining award.

§ 15.1. Partial Taking--Lease Continues. In the event of any taking of less than the whole or substantially all of the Premises, neither the Rent nor the Rental Period shall be reduced or affected in any way.

A. Award Payment. After payment to Landlord of any unpaid Monetary Defaults, Tenant shall be entitled to all compensation paid by the condemning authority in the event of a partial taking.

B. Restoration of Remainder. If such taking occurs during the Rental Period and the remaining part of the Premises can feasibly be used or converted for use by Tenant as contemplated in Section 7.2 hereof, Tenant, at its sole cost and expense and whether or not the condemnation proceeds shall be sufficient for the purpose, shall proceed with reasonable diligence to repair, alter (including any necessary demolition and reconstruction) and restore the remaining part of the Premises to substantially their former condition, so as to be complete, rentable and usable and of the quality provided for in this Lease for the original construction of the affected building(s).

§ 15.2. Rights of Participation. Each Party shall have the right, at its own expense, to appear in and defend any condemnation proceeding and participate in any and all hearings, trials, and appeals therein.

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

ARTICLE 16 ASSIGNMENT AND SUBLETTING

§ 16.1. Assignment by Tenant. Tenant shall not assign or encumber its interest in this Lease or in the Premises, without first obtaining Landlord's prior written consent, which may be withheld in Landlord's sole, absolute, and unfettered discretion; *except* that, Tenant may encumber its interest to Tenant's Affiliate without Landlord's consent. Except with respect to an encumbrance to an Affiliate or an assignment contemplated in the following paragraph, any other assignment or encumbrance without Landlord's prior written consent shall be voidable, at Landlord's election, and shall constitute an Event of Default.

Notwithstanding anything contained in this Section 16.1 to the contrary but otherwise subject to the provisions of this Lease, Tenant may assign all or any portion of the Premises, without the prior written consent of Landlord, to any of the following: (i) an Affiliate of Tenant; (ii) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, as long as Tenant's obligations hereunder are both (1) assumed by the entity surviving such merger or created by such consolidation and (2) such surviving or created entity has the financial ability, after

the effective consummation of such merger or consolidation, to perform Tenant's obligations under this Lease; and (iii) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of Tenant's assets, so long as such entity has the financial ability after such acquisition to perform Tenant's obligations under this Lease; *provided* that, in all such cases as described in (i), (ii), or (iii) above, Tenant shall and hereby agrees to at all times remain primarily liable under this Lease, and Tenant shall have given Landlord not less than 180 days' prior written notice of such assignment.

§ 16.2. Notice of Proposed Assignment. Tenant shall notify Landlord in writing of Tenant's intent to assign this Lease, the name of the proposed assignee, information concerning the financial responsibility of the proposed assignee and the terms of the proposed assignment, and Landlord shall, within 30 days of receipt of such written notice and after its receipt of additional information reasonably requested by Landlord concerning the proposed assignee's financial responsibility, elect one of the following:

A. Consent to such proposed assignment; or

B. Refuse such consent; *provided* however, that subject to Section 16.1, Landlord shall not unreasonably refuse consent or unreasonably withhold, delay, or condition consent. Landlord's failure to respond within the timeline set forth in this Section 16.2 shall be deemed to be an acceptance of such consent.

§ 16.3. Landlord's Consent. Without limiting Landlord's grounds for disapproval, Landlord's disapproval shall be deemed reasonable if it is based on Landlord's analysis that (i) the proposed assignee's credit is not consistent with the Premises operation obligations under this Lease or (ii) the assignee's use and occupancy of the Premises will be inconsistent with Section 7.2 of this Lease. Landlord's waiver or consent to any assignment shall not relieve Tenant from any primary obligation under this Lease, including payment of the Rent amounts set forth in Article 3. As a condition for granting its consent to any assignment, Landlord may require that the assignee remit directly to Landlord all monies due to Landlord for application in accordance with this Lease. If Landlord consents to an assignment under the provisions of this Section 16.3, Tenant shall pay Landlord's reasonable processing costs and reasonable attorneys' fees incurred in giving such consent.

§ 16.4. 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 Rent and Additional Payments, and no such collection shall be deemed a waiver of the covenant herein against assignment, or an acceptance of the assignee as a Tenant under this Lease, or a release of Tenant from the further performance of the covenants herein contained on the part of Tenant.

§ 16.5. Assignment by Landlord. Landlord shall not assign or encumber its interest in the Lease or in the Premises without Tenant's prior written consent, which may be withheld in Tenant's reasonable discretion. 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 of Arizona, 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.

§ 16.6. Sublease by Tenant. Tenant may sublease (each such sublease, a "**Tenant Sublease**") portions of the Premises in the normal course of Tenant's business for occupancy consistent with the uses permitted by Section 7.2 of this Lease, subject to the rights of Landlord. Neither the consent of Landlord nor the assumption of this Lease shall be required in connection with such Tenant Sublease if all of the conditions set forth below are satisfied:

A. Each Tenant Sublease shall be subject and subordinate to this Lease and the rights of Landlord.

B. Any violation of any provision of this Lease, whether by act or omission by any subtenant, shall be deemed a violation of such provision by Tenant, it being the intention and meaning of the Parties that Tenant shall assume and be liable to Landlord for all acts and omissions of all subtenants with respect to this Lease.

C. Each Tenant Sublease, where applicable, shall obligate Tenant and every subtenant, vendors, tenants, occupants, or the like within the Premises to provide Tenant and Landlord with their TPT License Number and the business name associated with such license as filed with the Arizona Department of Revenue. Tenant may elect to collect and provide such TPT License Numbers and business names to Landlord.

D. Landlord may also require, in its sole discretion, that Tenant deliver to Landlord on or before the 15th day of each calendar month during the Lease Term, commencing on the first full month after the Commencement Date, a calculation showing the aggregate TIF Receipts generated by the subtenants for the previous calendar month, together with copies of the TPT Return of each subtenant with the name of and any other identifying information concerning such subtenant redacted. Notice of the foregoing shall be provided in each Tenant Sublease.

§ 16.7. Rights of Lenders. Tenant is granted the absolute right, without Landlord's consent, to obtain financing or refinancing for acquisition, development, and/or construction of the Project and/or improvements to be constructed on the Premises, in whole or in part, from time to time, by one or more persons (individually a "**Lender**," and collectively the "**Lenders**"), using Tenant's leasehold interest under this lease (and in any subleases and rent, income and profits therefor) to create a security interest in favor of Lender. In the Event of Default or other breach of any provision of this Lease by Tenant, Landlord shall provide notice of such Event of Default, at the same time notice is provided to Tenant pursuant to Article 17, to all Lenders previously designated by Tenant to receive such notice (the "**Designated Lenders**") whose names and addresses were previously provided by written notice to Landlord in accordance with Article 20. Landlord shall give Tenant copies of any such notice provided to such Designated Lenders and, unless Tenant notifies Landlord that the Designated Lenders names or addresses are incorrect (and

provides Landlord with the correct information) within three Business Days after Tenant receives its copies of such notice from Landlord, Landlord will be deemed to have given such notice to the Designated Lenders even if their names or addresses are incorrect. Tenant may provide notices to other Lenders. Landlord shall, at any time upon reasonable request by Tenant, provide to any Lender an estoppel certificate or other document evidencing that this Lease is in full force and effect, reasonably acceptable to Landlord, and that no Event of Default by Tenant exists hereunder (or, if appropriate, specifying the nature and duration of any existing Event of Default). Upon request by a Lender, Landlord will enter into a separate non-disturbance agreement with such Lender reasonably acceptable to Lender, consistent with the provisions of this Section 16.7. If a Lender is permitted under the terms of its non-disturbance agreement with Landlord to cure the Event of Default and/or to assume Tenant's position with respect to this Lease, Landlord agrees to recognize such rights of the Lender and to otherwise permit the Lender to assume all of the rights and obligations of Tenant under this Lease.

§ 16.8. 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.

ARTICLE 17

DEFAULT BY TENANT

§ 17.1. Events of Default. The occurrence of any of the following events (each such event, an "**Event 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 Rent or Additional Payments and such default continues for 10 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 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 30 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 30 days, Tenant's 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**"); or

C. Bankruptcy, Voluntary. If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated as bankrupt or insolvent, or shall take the benefit of any relevant legislation that may be in force for bankrupt or insolvent debtors or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state, or other statute, law or regulation, or if Tenant shall seek or consent to or acquiesce in the

appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall make any general assignment for the benefit of creditors; or

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

E. Insurance, Lapse or Termination. Notwithstanding the provisions of paragraph B, above, the lapse or cancellation of any policy of insurance required herein, in whole or in part for the benefit of Landlord, shall be an Event of Default. No cure of such default can be accomplished unless a new or renewed policy is issued which specifically provides the required coverage to Landlord for any liability arising during the lapsed or previously uncovered period.

F. Default under any Loan with any Lender. If Tenant defaults under any loan to any Lender pursuant to the default terms of any loan document.

§ 17.2. Notice and Termination. Upon the occurrence of one or more of the Events of Default listed in Section 17.1(A) through Section 17.1(F), above, Landlord may (at any time thereafter until such default is cured) deliver a Notice of Default to Tenant, and upon the date specified in such Notice of Default—subject to Tenant’s exercise of its Purchase Option prior to such date—this Lease and the Rental Period shall be 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.

§ 17.3. Tenant Liability. If Landlord terminates this Lease due to an Event of Default of Tenant, 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 abandonment and recover Rent and all other financial obligations of Tenant as they become due.

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

§ 17.5. Remedies Cumulative. Upon any breach by Tenant of any of the covenants, agreements, terms or conditions hereof, Landlord, in addition to any and all

other rights, shall be entitled to enjoin such breach and shall have the right to invoke any right and remedy allowed at law or in equity, or by statute or otherwise for such breach.

§ 17.6. Late Charge; Default Interest. If any 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. Upon Tenant's failure to pay Rent or Additional Payments on the date when due, Tenant shall pay Landlord interest on any such overdue payments and associated late charges at the rate of 1% per month, but in no event an amount greater than permitted by law, but this shall in no way limit any claim for damages for Landlord for any breach or default by Tenant.

§ 17.7. Specific Performance. If a default is not commenced to be cured within 30 calendar days after service of the Notice of Default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, Landlord may, at its option, thereafter (but not before) commence an action for specific performance of the terms of this Lease pertaining to such default.

§ 17.8. Self-Help. If a default is not commenced to be cured within 30 calendar days after service of the Notice of Default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, Landlord may, at its option, 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 fee not to exceed 12% of all such costs, which shall be paid to Landlord within 10 days after receipt of an invoice for such costs.

ARTICLE 18 DEFAULT BY LANDLORD

§ 18.1. Remedies. In the event of any breach by Landlord of any of the covenants, agreements, terms, or conditions hereof, Tenant, in addition to any and all other rights, shall be entitled to enjoin such breach or may terminate this Lease, subject to the exercise of Tenant's Purchase Option hereunder.

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 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 all other terms and obligations in 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, waiver, or consent herein required or permitted to be given in accordance or in connection with this Lease may be delivered by personal delivery, registered or certified mail (return receipt requested), or by commercial courier to the party or its successors or assigns to whom the notice is intended at the address of the party set forth below or at any other address as the Parties may later designate:

If to Landlord/District: Rio Nuevo Multipurpose Facilities District
Attn: Fletcher McCusker
1703 East Broadway Boulevard,
Tucson, Arizona 85719
Telephone: 520-400-9934
Email: fjmccusker@gmail.com

With a copy to: Farhang & Medcoff, PLLC
Attn: Timothy Medcoff, Esq.
100 South Church Avenue, Suite 100
Tucson, Arizona 85701

With copies to: Pima County Facilities Management
Department
c/o Director
150 West Congress Street, 5th Floor
Tucson, Arizona 85701

Pima County Development Services
c/o Director
201 North Stone Avenue
Tucson, Arizona 85701

If to Tenant/Developer: Sol Block, LLC
c/o Larsen Baker, L.L.C.
6298 East Grant Road, Suite 100
Tucson, Arizona 85712
Email: melissa@larsenbaker.com

With a copy to: Ambrosio Law LLC
c/o Christopher Ambrosio
1830 E. Broadway Blvd., Suite 124
Tucson, Arizona 85719
Email: chris@ambrolaw.com

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 to be mailed to any of the aforesaid Parties 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.

§ 20.2. Notice to First Designated Lender of Record. When, under the terms of this Lease, any notice is required or permitted to be given to a Designated Lender, it is the intention of the Parties that such notice shall only be required to be given to the first Designated Lender of record (the “**First Designated Lender**”). Notice to other Lenders shall be the responsibility of Tenant. Should Tenant fail to give notice to other Lenders, such failure shall not affect the validity of any action taken by Landlord. This provision takes precedence over any other provisions of this Lease that may impose a greater notice requirement upon Landlord.

ARTICLE 21 CONDITION

§ 21.1. Condition of Premises. Tenant represents that it has thoroughly examined the Premises and any sidewalks, vaults, the title to the Premises, parking areas adjoining the Premise, any subsurface conditions thereof, and the present uses and non-uses thereof, and that Tenant accepts all of the foregoing in the condition or state in which each and every 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. Tenant hereby accepts the Premises as being in good and satisfactory condition and suitable for Tenant. Tenant hereby accepts 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 PROJECT, 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 THE PROJECT, OR ANY OTHER MATTER WITH RESPECT TO THE PREMISES OR THE PROJECT; 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 AND THE PROJECT, 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 AND THE PROJECT "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 OR THE PROJECT.

ARTICLE 22

QUIET ENJOYMENT

§ 22.1. Quiet Enjoyment. Subject to all of the conditions, terms, and provisions contained in this Lease, Landlord covenants that Tenant, upon paying the 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. In furtherance of Tenant's Purchase Option, Landlord covenants that it shall not cause any lien or encumbrance to attach to the Property during the Rental Period, except for those liens or encumbrances that are caused by Tenant during the Rental Period as may be permitted hereunder. Landlord shall promptly pay any lien or encumbrance not existing as of the Effective Date or otherwise caused by Tenant during the Rental Period.

§ 22.2. 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 17 hereof in which title to the Premises remains in Landlord if: (i) 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 (ii) 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 (1) no default exists under the subtenant's sublease which at such time would then permit Landlord thereunder to terminate the same or to exercise any dispossession remedy provided for therein, and (2) 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 Tenant), or

B. subject to any offsets or defenses which the subtenant may have against any prior landlord (including, without limitation, the then defaulting Tenant), 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 Tenant), 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, or other charges payable under the sublease, or shortens the term thereof, or otherwise materially adversely affects the rights of Landlord thereunder, made without the written consent of Landlord.

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 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; and

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.

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 24 LANDLORD NOT LIABLE

§ 24.1. 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 or the Project 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 the Project 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, the Project 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 25 ENFORCED DELAY

§ 25.1. Enforced Delay; Extension of Time of Performance. Whether stated or not, all periods of time in this Lease are subject to this Section. Neither Landlord nor Tenant, as the case may be, shall be considered to have caused an Event of Default with respect to its obligations under this Lease (or to have failed to meet any required date of performance) in the event of enforced delay due to the following occurrences (each, an **"Enforced Delay"**):

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, acts of public enemy, acts of the federal, state, or local government, acts of the other Party to this Lease, 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, 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 Premises (whether permanent or temporary) by any public, quasi-public or private entity;

B. The discovery of Regulated Substances (defined in Article 26 below) on, at or affecting the Premises 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 Premises requiring repatriation, study, removal or further acts mandated by federal or state law; or the discovery of endangered species on, at or affecting the Premises;

C. An Order which delays the completion of the work or other obligation of the Party claiming the delay; or 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. A Denial 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 or any of the other agreements described herein relating to the Project, 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 a Party contesting in good faith or the accidental 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 or County in processing any application, request for approval, plan or submittal by Landlord or Tenant or the imposition of any unreasonable requirement by the City or County in connection with any approval process; *provided* that all initial submittals by Landlord or Tenant are completed and that all subsequent submittals address all comments made by City or County reviewers; 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.

§ 25.2. Enforced Delay Exceptions and Notice. For the avoidance of doubt, in no event will Enforced Delay include (i) any delay resulting from general economic or market conditions, nor from the unavailability for any reason of particular contractors, subcontractors, vendors, investors or lenders desired by Landlord or Tenant in connection with the Project or (ii) a delay in the payment of money due hereunder, including Rent.

Upon the occurrence of any 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 25 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 26

COMPLIANCE WITH ENVIRONMENTAL LAWS

§ 26.1. Definitions.

A. “Environmental Laws” means those laws promulgated for the protection of human health or the environment, including but not limited to the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*; the Clean Water Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Arizona Environmental Quality Act, Title 49 of the A.R.S.; 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, A.R.S.; 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” means:

(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” means 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.

§ 26.2. 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, Proposed Word, 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.

§ 26.3. 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 26 shall continue for as long as 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 Landlord's demand, Tenant, at its sole cost and expense, shall resist and 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), or 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 matter indemnified under this Lease if District entered such settlement 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.

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

E. 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.

F. Subject to any requisite approval required by this Lease, Tenant shall insert the provisions of this Article 26 in any sublease, assignment, agreement, or contract by which it grants a right or privilege to any person, firm, or corporation under this Lease.

G. Tenant shall, at its own expense, obtain and comply with any permits or approvals that are required or may become required as a result of any use of the Premises by 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.

§ 26.4. Noncompliance.

A. Tenant shall, at its sole cost and expense, shall remedy any breach under this Article 26. 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 26 or applicable Environmental Law shall constitute an Event of 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 26 shall survive the expiration or earlier termination of this Lease.

ARTICLE 27 OPTION TO PURCHASE PREMISES

§ 27.1. 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.

§ 27.2. Exercise of Option. The Purchase Option granted herein shall become effective and Tenant shall have the right to exercise the Purchase Option hereunder at any time for any reason during the Option Period; *provided* that Tenant's right to exercise the Purchase Option shall at all times be subject to (i) Tenant's compliance with the terms and conditions of the Development Agreement and (ii) 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. Without limiting the foregoing, Landlord agrees that if Landlord has exercised its right to terminate this Lease pursuant to Section 17.2, Tenant shall exercise the Purchase Option during the period between delivery of the Notice of Default and the effective date of the termination therein, subject in all cases to the terms and conditions of the Development Agreement. If Tenant has not exercised its Purchase Option prior to the expiration of the Rental Period, Tenant shall be deemed to have exercised the Purchase Option as of the expiration of the Rental Period (*i.e.*, as of the Termination Date), and

pursuant to A.R.S. §42-6206(C), the Parties shall consummate the closing such that title vests in Tenant no later than 12 months following the expiration of the Rental Period.

§ 27.3. Conveyance of Premises.

A. Purchase Price. Upon Tenant's exercise (or deemed exercise) of the Purchase Option—irrespective of manner, timing, or impetus for such exercise—to purchase the Premises, and after Tenant's Base Rent payments have been made, the "**Purchase Price**" payable by Tenant to Landlord for the Premises shall equal the sum of: (i) the Exercise Price set forth and calculated as provided in Section 4(b) of the Development Agreement, along with any other amounts owed thereunder; (ii) the amount of any Rent or other amounts owed by Tenant hereunder and uncured Monetary Defaults accrued during the Rental Period, all of which shall be payable to Landlord prior to conveyance of title; and (iii) all closing costs incurred in connection with the conveyance.

B. Conveyance of Title and Delivery of Possession. Landlord and Tenant agree to perform all acts necessary for conveyance in sufficient time for the property interest to be conveyed within 90 days after delivery to Landlord of Tenant's notice of exercise or on the last day of the Rental Period, whichever first occurs. Landlord's entire interest in the Premises shall be conveyed by Special Warranty Deed, in a form similar to that provided of Exhibit D. 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 and agrees that title to the Premises may be encumbered only by matters that were caused by Tenant during the Rental Period and that Landlord has no obligation to remove any such encumbrance(s). Landlord shall satisfy any liens or encumbrances caused by Landlord or its employees or agents during the Rental period or existing as of the Effective Date, and no other.

ARTICLE 28 MISCELLANEOUS

§ 28.1. 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.

§ 28.2. Legal Actions. Any legal action instituted pursuant to this Lease shall be brought in the County of Pima, State of Arizona, 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 of Arizona.

§ 28.3. 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 E.

§ 28.4. 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, 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.

§ 28.5. 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 they 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.

§ 28.6. 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.

§ 28.7. Singular and Plural, Gender. If two or more persons, firms, corporations, or other entities constitute either Landlord or 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.

§ 28.8. Multiple Parties. If at any time Landlord or Tenant 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.

§ 28.9. 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.

§ 28.10. Recitals, Exhibits, and Incorporation. The Recitals and all exhibits, which are attached hereto or are in the possession of Landlord and Tenant, are incorporated herein by reference as though fully set forth.

§ 28.11. Attorneys' Fees. Except as set forth in Section 28.2, each Party shall bear its own attorneys' fees in the preparation of this Lease and any other documents related to the Premises.

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


§ 28.13. 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 Chris Sheafe is a licensed Real Estate Broker in the State of Arizona and also a member of the Board of Directors of Landlord. Mr. Sheafe is not receiving any compensation under the terms of this Lease and has no fiduciary duty to Tenant.

[Signature to appear on next 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: Fletcher McCusker
Its: Chairman

ATTEST:

By: 
Name: Edmund Marquez
Its: Secretary

“Tenant”

SOL BLOCK LLC
an Arizona limited liability company

By _____
Name: Melissa Lal
Its: Manager

By **AMBRELL CAPITAL LLC,**
an Arizona limited liability company
Its: Manager

By _____
Name: Jeffrey M. Ell
Its: Manager

By _____
Name: Christopher Ambrosio
Its: Manager

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

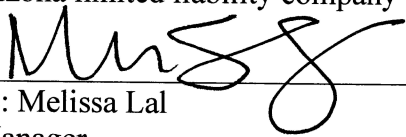
By: _____
Name: Fletcher McCusker
Its: Chairman

ATTEST:

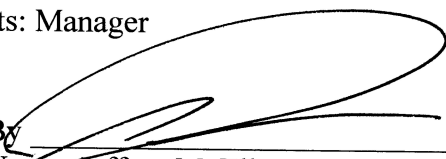
By: _____
Name: Edmund Marquez
Its: Secretary

“Tenant”

SOL BLOCK LLC
an Arizona limited liability company

By:  _____
Name: Melissa Lal
Its: Manager

By AMBRELL CAPITAL LLC,
an Arizona limited liability company
Its: Manager

By:  _____
Name: Jeffrey M. Ell
Its: Manager

By:  _____
Name: Christopher Ambrosio
Its: Manager

**EXHIBIT A TO LEASE
LEGAL DESCRIPTION OF THE PREMISES**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED TUCSON, IN THE COUNTY OF PIMA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

A portion of Lots 1, 2, 3, 4, 5 & 6 of the subdivision of Solot Plaza, as recorded in Book 10 at Page 52 of Maps and Plats at the Pima County Recorders Office and a parcel located in a portion of the southwest quarter of the southeast quarter of Section 8, Township 14 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona.

Said parcel being more particularly described as follows;

Commencing at the South quarter corner of Section 8 at the intersection of Tucson Boulevard and Broadway Boulevard, said point being a set pavement nail with tag "RLS 18211", from this point a found 3/8" brass pin in handhole bears North 0°58'25" West, 5.00 feet at the intersection of the monument line of Broadway Boulevard with the monument line of Tucson Boulevard;

Thence North 89°05'39" East, 330.82 feet along the South line of the southeast quarter of said Section 8, from this point a set pavement nail with tag "RLS 18211" at the southeast corner of Section 8 bears North 89°05'39" East, 2316.23 feet at the intersection of Country Club Road and Broadway Boulevard;

Thence North 0°54'21" West, 94.00 feet to the North right-of-way of Broadway Boulevard according to that certain Right-of-Way Plan R-2015-002 at the City of Tucson Engineers Office, said point being the Point of Beginning;

Thence North 0°57'05" West, 176.00 feet along the West line of Lot 6 of the aforementioned map or plat to the northwest corner of said lot 6;

Thence North 89°05'39" East, 331.15 feet along the North line of Lots 6 thru 1 to the northeast corner of said Lot 1;

Thence North 0°58'51" West, 20.00 feet along the East line of that certain Public Alley according to said map or plat and the West line of that certain parcel described as parcel II in Docket 10155 page 2175 at the Pima County recorders Office;

Thence North 89°05'39" East 67.74 feet along the North line of said portion to the East line of said parcel;

Thence South 0°58'51" East, 215.00 feet along the East line of the aforementioned parcel to the North right-of-way of Broadway Boulevard;

Thence South 89°05'39" West 6.06 feet along said North right-of-way;

Thence North 88°51'46" West, 297.52 feet along said North right-of-way;

Thence North 85°53'27" West, 95.99 feet along said North right-of-way to the Point of Beginning.

The above described parcels contains an area of 76,156 square feet or 1.748 acres, more or less.

Parcel No. 2:

That Access Easement recorded at Sequence #20231040809 on April 14, 2023, in the official records of Pima County, Arizona.

**EXHIBIT B TO LEASE
(Insurance Requirements)**

1. Types of Coverage. Tenant at its sole cost and expense shall, during the entire Rental Period hereof, obtain, maintain and keep in full force and effect, providing at least the coverages set forth herein:

(i) Comprehensive insurance written on the ISO special causes of loss form or equivalent insurance on the Premises, the Project (including all replacements and additions thereto) and its personal property, in each case (i) in an amount equal to 100% of the “**Full Replacement Cost**,” which for purposes of this Lease shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (ii) containing either an agreed amount endorsement or a waiver of all co-insurance provisions; and (iii) if any of the Project or the use of the Premises shall at any time constitute a legal non-conforming structure or use, Tenant shall obtain an “**Ordinance or Law Coverage**” or “**Enforcement**” endorsement, which shall include sufficient coverage for (a) costs to comply with building and zoning codes and ordinances, (b) demolition costs, and (c) increased costs of construction. If any portion of the Premises is currently or at any time in the future located in a federally designated “special flood hazard area,” Tenant shall obtain flood hazard insurance, but in no event less than the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended. Deductibles for properties designated as Special Flood Hazard Areas as defined by the Federal Emergency Management Agency may be subject to higher deductibles based on a percentage of the values of the location and subject to a minimum of \$1,000,000. Any recovery by Landlord or Tenant under any policy of insurance maintained in accordance with Subsection 1.A of this Exhibit B shall be applied in the manner provided in Article 15 of this Lease. Pursuant to Section 5.2 of the Triple Net Government Property Lease dated as of [____], 2023, Landlord at its option may obtain such insurance and bill Tenant the costs of such insurance as additional rent.

(ii) 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 per occurrence limit \$2,000,000 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.

(iii) 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.

(iv) To the extent not covered by a policy required pursuant to Subsection 1.A through 1.C above, (i) at all times during which structural construction, material repairs or alterations are being made with respect to the Project insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (ii) during construction other than cosmetic changes the insurance provided for in Subsection 1.A above, written in a so-called builder's risk completed value form on a non-reporting basis.

(v) If the Premises contains HVAC or other equipment not covered by a policy required pursuant to Subsection 1.A through 1.C above, comprehensive boiler and machinery insurance, in amounts as shall be reasonably required by Landlord.

(vi) Any other form or forms of insurance as Tenant or Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect itself, but in no event shall such increased amounts of insurance or such other commercially reasonable types of insurance be in excess of that then commonly required by landlords of comparable projects in metropolitan Tucson, Arizona.

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 (i) 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; (ii) 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; except with respect to coverage limits; and (iii) 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 B, except for the Policies referenced in Subsection 1.A and 1.C, shall name Landlord and Tenant as the insured or additional insured, as required by this Exhibit B or as their respective interests may appear, and in the case of property damage, boiler and machinery and flood insurance, Landlord shall be named as sole loss payee. If Landlord is named as loss payee, and a blanket property policy is in place, Tenant shall be entitled to participate in any settlement and adjustment with the carrier subject to Landlord's approval which shall not be unreasonably withheld, conditioned or delayed, *provided* that in any case, Landlord shall and hereby is authorized to solely collect and receive any such insurance proceeds with respect to its interests as established by this Lease.

3. Payment of Proceeds on Termination. Notwithstanding anything in this Lease to the contrary, in the event of damage to or destruction of the Premises entitling either Party to terminate this Lease pursuant to Article 14 of the Lease, Tenant will immediately pay to Landlord all of the insurance proceeds (except to the extent related to Tenant's trade fixtures, equipment, furniture or other personal property) covering the Premises. Tenant shall be entitled to any portion of the insurance proceeds which relate to Tenant's trade fixtures, equipment, furniture and other personal property. Upon any such election to terminate the Lease by either Party, Tenant shall be required and automatically deemed to have exercised its Purchase Option under the Lease and accepted the Premises in its then-existing "As-Is" condition.

4. No Separate Insurance. Tenant shall not obtain any separate or additional insurance which is contributing in the event of loss unless Landlord is insured thereunder (as their interests may appear). 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 of 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 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.B 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.C 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.

EXHIBIT C TO LEASE
(Prohibited Uses)

The Premises shall be used only for commercial purposes of the type normally found in a commercial multi-use building including, without limitation, financial institutions, service shops, food and beverage, offices, medical offices, and retail stores. 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.

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

(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) 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.

(vi) a central laundry or dry cleaning plant (other than 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).

(vii) any business which creates unreasonably or unusually strong or offensive odors, fumes, emissions or sounds.

**EXHIBIT D TO LEASE
(Form of Special Warranty Deed)**

When Recorded Mail to:

No Affidavit Required
Pursuant to A.R.S.
§ 11-1134(A)(3)

Space Above Line for Recorder's Use

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 **SOL BLOCK LLC**, an Arizona limited liability company (“**Grantee**”), that certain real property situated in Pima County, Arizona, and legally described on **Exhibit 1** 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 2** 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.

[SIGNATURE AND NOTARY PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed as of _____.

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 _____)

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 Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of District.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

EXHIBIT 1
TO SPECIAL WARRANTY DEED

Legal Description of Property on following _____ pages

EXHIBIT 2
TO SPECIAL WARRANTY DEED
(Permitted Exceptions)

EXHIBIT E TO LEASE
(Form of Memorandum of Lease)

When Recorded Mail to:
Farhang & Medcoff, PLLC
Attn: Timothy Medcoff
100 South Church Avenue
Suite 100
Tucson, Arizona 85701

No Affidavit Required
Pursuant to A.R.S.
§ 11-1134(A)(2)

Space Above Line for Recorder's Use

MEMORANDUM OF LEASE

DATE: _____, 2023

PARTIES: **RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**,
a tax levying special facilities district of the State of Arizona
1703 E. Broadway Blvd.
Tucson, Arizona 85719 (“**Landlord**”)

SOL BLOCK LLC,
an Arizona limited liability company,
6298 E. Grant Road, Suite 100
Tucson, Arizona 85712 (“**Tenant**”)

1. Landlord has leased to Tenant, and Tenant has leased from Landlord, pursuant to a Triple Net Government Property Lease (the “**Lease**”), dated as of _____, 2023 (the “**Effective Date**”), certain land more particularly described on Exhibit M-1 attached hereto (the “**Premises**”).

2. The term of the Lease is the period beginning on the Effective Date and ending on the later of (i) 25 years from the Effective Date, subject to the exclusive option to purchase the Premises exercised by Tenant in accordance with Section 1.3 and Article 27 of the Lease.

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

4. 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.

5. 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.

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: Fletcher McCusker
Its: Chairman

ATTEST:

By: _____
Name: Edmund Marquez
Its: Secretary

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 _____, 2023, by Fletcher McCusker, the Chairman of Rio Nuevo Multipurpose Facilities District, an Arizona tax levying special facilities district, on behalf of District.

WITNESS my hand and official seal.

Notary Public

(Affix Notary Seal Here)

“Tenant”

SOL BLOCK LLC,
an Arizona limited liability company,

By: _____
Name: _____
Its: _____

STATE OF _____)
County of _____)

The foregoing instrument, Memorandum of Lease, consisting of _____
pages, including this page and exhibits, was acknowledged before me this _____ day of
_____, 2023, by _____, the _____ of
Sol Block LLC, a Arizona limited liability company, on behalf of the company.

WITNESS my hand and official seal.

(Affix Notary Seal Here) _____
Notary Public

EXHIBIT M-1
TO MEMORANDUM OF LEASE
(Legal Description)