

AGREEMENT TO PROVIDE ECONOMIC BENEFITS
137 Congress, LLC

This Economic Benefit Agreement (this “**Agreement**”) is effective as of May 11, 2023 (“**Effective Date**”) between 137 CONGRESS, LLC, an Arizona limited liability company d/b/a Empire Pizza & Pub (“**Empire**”), and Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the “**District**”). Empire and the District are sometimes referred to in this Agreement, collectively, as the “**Parties**” or individually as a “**Party**.”

RECITALS

- A.** Empire has two standard Commercial Leases (“**Leases**”) with 145 East Congress, LLC who owns the real property and building with street addresses located at 137 & 145 East Congress Street in Tucson, Arizona (the “**ECS Building**”), Pima County Assessor parcel number Parcel 117-12-1290, which is legally described and depicted at Exhibit A, attached hereto. The ECS Building is comprised of land and improvements, including without limit a certain portion of approximately 4,400 square feet of rental space leased by Empire pursuant to the Leases, and the adjacent space which includes restaurant/bar services, and an outdoor patio (among other improvements).
- B.** Empire will invest \$1,024,032.00 into the first floor and outdoor patio within the ECS Building to develop, remodel, renovate, and repurpose those interior and exterior areas as described and depicted in Exhibit B (the Construction Proposal, architectural drawings, and renderings) to expand its existing Empire Pizza & Pub business into the adjacent space within the ECS Building (collectively, the “**Empire Project**”).
- C.** Empire anticipates that operation of the expanded Empire Pizza & Pub business will immediately generate substantial revenue that will produce transaction privilege tax revenues for the District.
- D.** At the Rio Nuevo District’s public meeting on October 25, 2022, Empire requested the District’s financial assistance to complete construction, remodeling, and repurposing of the above-referenced areas of the ECS Building. Empire’s goal is to complete development and commence its expanded operations at or before February 1, 2024.
- E.** The District’s Board has determined that the remodeling, repurposing, and development of the above-referenced areas of the ECS Building and the expanded operations of the Empire Pizza & Pub at the ECS Building will generate substantial taxable revenue, appreciably increase employment opportunities, and will therefore benefit the downtown Tucson area and the Rio Nuevo District in general.
- F.** During the public meeting on October 25, 2022, the District approved a cost-reimbursement grant equal to half of the total construction costs, but in no event greater than either of \$512,000.00 in total or \$499,000.00 in any single fiscal year (the “**Economic Incentive**”), to Empire for the purpose of reimbursing Empire for as-completed

construction draws/improvements in compliance with Exhibit B (the “**Construction Proposal**”).

- G. The Parties agree that this Agreement is to detail the terms and conditions of the Economic Incentive the District has agreed to provide Empire to assist it in completing its Empire Project to the leased areas of the ECS Building and to generally describe the terms and conditions that the Parties will incorporate into their relationship thereafter with respect to the ECS Building.

AGREEMENT

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

1. **Recitals.** The Parties hereto acknowledge the accuracy of the Recitals, which are incorporated herein by this reference.
2. **Definitions.** Each term defined in the recitals and preamble of this Agreement has its assigned meanings and each of the following terms, unless a different meaning clearly appears from the context, has the meaning assigned to it below:

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

“**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 development of the ECS Building from time to time.

“**City**” means the City of Tucson, Arizona.

“**Contractor**” means Empire’s general contractor engaged for completion of the Empire Project: G & J Development, Inc., or another Contractor selected by Empire; *provided* that, Empire’s must notify District prior to any such change, which is subject to veto by the District’s Executive Officers.

“**Cure Period**” has the meaning assigned in Section 6 hereof.

“Default” means a default by a Party of a term, condition, or covenant of this Agreement that (i) is not reasonable capable of being cured or (ii) otherwise remains uncured after the applicable Cure Period.

“Economic Incentive” has the meaning assigned in the recitals of this Agreement.

“Enforced Delay” has the meaning assigned in Section 8(a) hereof.

“Executive Officers” means the executive officers of the District’s board of directors.

“Minimum Requirements” means certain continuing obligations and requirements of Empire, applicable at all times during the duration of this Agreement and as specifically set forth in Section 3(a) and Section 3(b) of this Agreement.

“Notice” has the meaning assigned in Section 9(l) hereof.

“Order” has the meaning assigned in Section 8(a) hereof.

“Term” has the meaning assigned in Section 9(n) hereof.

“Third Party” means any person other than a Party or an Affiliate of a Party.

3. Empire’s Minimum Requirements. To be entitled to the economic benefits provided by the District herein, Empire shall at all times satisfy the following Minimum Requirements:

(a) Timing of Improvements. Subject to Section 8, the improvements at the ECS Building contemplated by this Agreement must be completed, and a Certificate of Occupancy issued, no later than March 1, 2024.

(b) Insurance. Empire shall maintain at its own cost and expense the following: (i) Causes of Loss-Special Form (formerly “all-risk”) Property Insurance against loss or damage to Tenant’s improvements and betterments to the ECS Building, written at replacement cost value and with a replacement cost endorsement, covering the Premises for the Lease Term (as defined in the Leases) and (ii) builder’s risk insurance to be maintained during the construction by Contractor as contemplated by this Agreement in the full amount of the cost of the improvements, and Empire shall further cause all its contractors and subcontractors to maintain insurance reasonably required by the District. The above-referenced insurance policies shall include an endorsement to provide a waiver of subrogation in favor of the District and shall be endorsed to include the District as “an additional insured,” and Empire and Contractor shall maintain such policies with responsible insurance companies with an A.M. Best’s rating of A-VIII or better, authorized to do business in the State of Arizona.

(c) Conditions Precedent. For the duration of this Agreement and the Empire Project, the foregoing Minimum Requirements are, and shall at all times remain, express conditions precedent to the District’s obligation to provide (or continue to provide) any amount of the Economic Incentive funding for the construction, renovation, and remodeling of the ECS Building.

4. **District's Findings.** The District has determined that Empire's satisfaction of the Minimum Requirements: (i) will benefit the District and the City in numerous ways, including, without limitation, (A) increasing transaction privilege tax revenues and other revenues, (B) increasing the District's and City's employment base, (C) stimulating further economic development, and (D) otherwise improving or enhancing the economic welfare of the downtown Tucson area and the Rio Nuevo District in general; (ii) is not likely to occur (or to occur at this time and/or in this manner and/or at the improved ECS Building) without the benefits provided in this Agreement; and (iii) demonstrates the potential to generate revenues and other benefits (both tangible and intangible) to the District that outweigh, or are not disproportionate to, the costs associated with those benefits.

5. **Economic Incentive for Empire.**

(a) **Release of Funds.** Based upon the District's findings and Empire's continuing satisfaction of the Minimum Requirements, and subject to the terms above, the District will pay a cost reimbursement Economic Incentive to Empire covering half of the total construction costs, but in **no event in an amount** greater than either of \$512,000.00 in total or \$499,000.00 in any single fiscal year, as an economic incentive to complete the Empire Project at the ECS Building.

The foregoing grant of the Economic Incentive will – after the execution of this Economic Incentive Agreement and subject to the terms and conditions herein – be payable in pro rata installments, proportional to actual work and construction progress completed on the Empire Project. Accordingly, District will release each installment of funds in an amount consistent with half of the amount requested in each construction draw submitted by Empire's Contractor and only upon completion of the following required conditions:

i. Empire and/or Contractor shall delivery to District a signed construction draw proving tenant improvements have been made to the ECS Building in compliance with the applicable construction draw and Exhibit B (i.e., the Construction Proposal). For example, if Contractor's Construction Draw #1 affirms that 10% of the Empire Project has been completed and accordingly requests payment of \$102,400.00, then the District shall issue payment equal to half of the requested amount, up to 10% of the Economic Incentive (i.e., \$51,200.00), as long as the other conditions set forth herein have been met;

ii. For each construction draw submitted by Contractor, Empire and its architect shall further provide written verification that (X) certain tenant improvements and work consistent with the applicable construction draw number have been made to the ECS Building in compliance with the architectural drawings and other Construction Proposal documents, (Y) the percentage of Economic Incentive funds released (up to and including the latest construction draw) will be proportional to the overall percentage completion of the Empire Project; and (Z) proof of payment to Contractor and each of the applicable subcontractors and/or suppliers;

iii. Upon completion of the foregoing, the District shall have ten (10) business days from date of receipt of Empire's applicable construction draw to inspect the construction work and confirm such work is in accordance with the Construction Proposal and submitted draw. Within ten (10) business days of such inspection, the District shall

notify Empire in writing if the work (or any portion thereof) is not approved, and the District may withhold any Economic Incentive payment to Empire until such time as the work has been corrected or performed in accordance with the District's notice and to its satisfaction; and

iv. As a further condition to District's release of any funds on a submitted construction draw, Empire shall also provide the District with a complete set of conditional and/or unconditional lien waivers for the full amount set forth on the relevant construction draw from Contractor and from each subcontractor and supplier that performed work on, or provided materials to, the ECS Building under such draw. All such lien waivers shall be in the forms set forth in A.R.S. § 33-1008. Upon completion of each of the foregoing requirements and procedures, and following the applicable inspection and approval periods set forth above, District will release and provide funds to Empire in accordance with this Section, and subject to the other terms and conditions of this Agreement.

Subject to the other terms and conditions in this Agreement, if Empire satisfies each of the terms and conditions in this Section 5(a), the District shall release the applicable installment of funds. For any work approved by the District, each such installment shall be released no later than within fourteen (14) business days following the date on the District inspects and approves the ECS Building and work pursuant to Section 5(a)iii, above.

(b) Sole Use. Empire hereby irrevocably covenants and agrees to use the Economic Incentive solely to defray Empire's hard costs for the construction, renovation, and repurposing of the ECS Building in compliance with the Empire Project and Construction Proposal documents.

(c) Documentation. Empire shall promptly provide the District with any and all documentation and/or evidence the District requests to establish that the Economic Incentive granted herein, and each installment of funds made to Empire hereunder, is used consistently with the District's stated purpose and goals, this Agreement, and the Construction Proposal documents.

(d) No Material Change in Scope. Empire agrees that it shall not materially change the scope of this Empire Project without first notifying the District in writing and negotiating with the District before any material changes are done on the Empire Project.

(e) Fiscal Year. Notwithstanding anything to the contrary herein, **under no circumstances** shall the District be obligated to release Economic Incentive funds in a cumulative amount greater than \$499,000.00 for any single fiscal year of the District. To the extent Empire submits any draw request which would require the District to release funds in excess of the foregoing annual threshold, the District shall delay the release thereof until the following fiscal year.

6. Default, Cure & Remedies.

If either Party fails to perform its obligations under this Agreement and such failure continues for a period of thirty (30) days after written notice thereof from the other Party (the "**Cure Period**"), such failure shall constitute a Default under this Agreement; *provided*, however, that if the failure is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such Party shall have such additional time as may

be necessary to perform its obligations so long as such Party commences performance or compliance within said Cure Period and diligently proceeds to complete such performance. Any notice of a Default shall specify the nature of said Default and the manner in which said Default may be satisfactorily cured, where possible. If said Default is not cured within the Cure Period, or by its nature cannot be cured, the non-defaulting Party shall have the remedies available to them in Section 6(b) or Section 6(c) of this Agreement, as applicable.

(b) District Remedies. Whenever a Default occurs and is not cured (or, if appropriate, cure undertaken) by Empire in accordance with this Agreement, the District's remedies shall include, without limit, the following:

i. Upon any Default which continues for thirty (30) days or more after the Cure Period (unless additional time is required to cure such Default as provided elsewhere in this Section), the District may—without incurring any penalty or liability whatsoever—be entitled to (X) in all cases, recover from Empire any and all Economic Incentive payments made during the period of any properly noticed and uncured Default, (Y) if such Default involves misuse or misappropriation by Empire of any Economic Incentive funds received hereunder, claw back from Empire all Economic Incentive payments previously received thereby, irrespective of when during the term such misuse or misappropriation occurred, and (Z) in all cases, immediately cease all future Economic Incentive payments to Empire.

ii. Upon any Default, the District shall be entitled to any other remedies as may be available at law or in equity. All remedies of the District shall be cumulative and not exclusive of one another, and the District's exercise of any remedy (or remedies) shall not constitute a waiver or election with respect to any other available remedy (or remedies).

(c) Empire's Remedies. Whenever a Default occurs and is not cured (or, if appropriate, cure undertaken) by the District in accordance with the requisite notice and Cure Period provisions of this Agreement, the District expressly acknowledges and agrees that Empire may seek specific performance, an injunction, special action, declaratory relief, or other similar relief requiring the District to undertake and fully and timely perform its obligations under this Agreement and/or Empire may seek damages from the District limited to the amount of any undisbursed funds that a court determines should properly be disbursed to Empire and not for any other damages of any kind or nature.

(d) Limitation on Damages. Claims for damages (when and if permitted) shall be limited to actual damages as of the time of entry of judgment. The Parties each hereby waive any and all rights to seek or receive punitive, multiple, exemplary, consequential, or other damages.

(e) Delays; Waivers. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any Default by the other Party shall not be considered as a waiver of rights with respect to any other Default by the performing Party or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision

will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by the doctrine of waiver.

7. Representations and Warranties.

(a) Of Empire. Empire represents, warrants, and covenants to the District that:

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

ii. Performance. Empire shall execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement and evidence this Agreement and shall timely perform all of its obligations under the Leases and this Agreement.

iii. Litigation. As of the date of this Agreement, Empire knows of no litigation, proceeding, or official investigation contesting the powers of Empire or its officers with respect to this Agreement, including Empire's execution, delivery, and performance hereof, that has not been disclosed in writing to the District.

iv. Contracts. Except as provided in this Agreement, neither this Agreement nor anything required to be done hereunder, violates or shall violate any contract or agreement to which Empire is a party.

v. Indemnification. Upon the filing by any Third Party of any action at law or in equity or the assertion of any claim, cause of action, or judicial or non-judicial proceeding relating or pertaining to Empire's performance or failure to perform its obligations under this Agreement, whether or not Empire is a party to such claim, action, or proceeding, and whether or not negligence or gross negligence by the District is alleged, Empire shall cause such action or proceeding (including all claims against the District, its directors, officers, agents, or employees) to be timely defended by counsel selected by Empire and acceptable to the District in its reasonable discretion. The District shall fully cooperate in the defense of such action or proceeding in coordination with Empire's counsel, at Empire's sole cost and expense. The District may, in its sole discretion, select its own counsel to defend the District, at the District's own cost and expense. In addition to the foregoing, Empire shall indemnify, defend, and hold the District, its Board Members, representatives, agents, and employees, harmless for, from, and against any liability, loss, claim, action, or demand, including attorneys' fees and costs that may arise out of or is connected with Empire's breach of any covenant, representation, warranty, or term in this Agreement. Notwithstanding anything in this Agreement to the contrary, Empire shall not be required to indemnify the District for a Third-Party claim arising out of the District's gross negligence or breach of this Agreement, and Empire's obligations in this Section 7(a)(v) shall survive termination and/or the expiration of this Agreement.

vi. No Consideration to Third Parties. Empire has not paid or given, and will not pay or give, any Third Party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers, and attorneys.

(b) The District.

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

ii. Performance. The District will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement and evidence this Agreement.

iii. Litigation. As of the date of this Agreement, the District knows of no litigation, proceeding, initiative, referendum, or official investigation contesting the powers of the District or its officials with respect to this Agreement, including the District's execution, delivery, and performance hereof, that has not been disclosed in writing to Empire.

iv. Other Contracts. Except as provided in this Agreement, neither this Agreement nor anything required to be done hereunder violates or shall violate any contract or agreement to which the District is a party.

v. Indemnification. The District shall indemnify, defend, and hold Empire, its managers, members, representatives, agents, and employees, harmless for, from, and against any liability, loss, claim, action, or demand, including attorneys' fees and costs, that may arise out of or is connected with the District's breach of any covenant, representation, warranty, or term in this Agreement. The District's above-referenced indemnification shall survive the termination or expiration of this Agreement for a period equal to the applicable statute of limitations period.

(c) Limitation on Representations. Except as expressly stated herein, no Party has made any representation regarding the validity, enforceability, tax effect, or any other aspect of this Agreement.

8. Enforced Delay.

(a) Events Constituting Enforced Delay. Whether stated or not, all periods of time in this Agreement are subject to this Section. Neither Party, as the case may be, shall be considered to have caused a Default, nor shall Empire be deemed to have failed to satisfy Empire Minimum Requirements with respect to its obligations under this Agreement, in the event of a delay (an

“Enforced Delay”) due to causes beyond its control and without its fault, negligence or failure to comply with the Applicable Laws including, but not restricted to:

i. acts of God; acts of the Federal or State government; acts of a Third Party; litigation or other action authorized by law concerning the validity and enforceability of this Agreement or relating to transactions contemplated hereby; fires, floods, pandemics, epidemics, quarantine, restrictions, strikes, embargoes, labor disputes, and unusually severe weather, or the delays of subcontractors or materialmen due to such causes; act of a public enemy; war, terrorism or act of terror (including, but not limited to, bio-terrorism or eco-terrorism); nuclear radiation; declaration of national emergency or national alert; blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence; any exercise of the power of eminent domain by any governmental body on behalf of any public, quasi-public, or private entity; or declaration of moratorium or similar hiatus directly affecting the ECS Building and property by any governmental entity; or

ii. the order, judgment, action or determination of any court, administrative agency, governmental authority or other governmental body (collectively, an **“Order”**) which delays the completion of the work or other obligation of the Party claiming the delay, unless it is shown that such Order is the result of the failure to comply with Applicable Laws by the Party claiming the delay; *provided*, however, that the contesting in good faith of any such Order shall not constitute or be construed or deemed as a waiver by a Party of Enforced Delay. In no event will Enforced Delay include any delay resulting from general economic or market conditions, from the unavailability of financing or financing on terms acceptable to Empire, from labor shortages, nor from the unavailability for any reason of particular materials or other supplies, contractors, subcontractors, vendors, investors, or lenders desired by Empire. It is understood and agreed that Empire will bear all risks of delay which is not Enforced Delay.

(b) Notice of Enforced Delay. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period equal to the duration of the Enforced Delay. The Party seeking the benefit of this Section shall, within thirty (30) days after such Party knows or reasonably should know 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.

9. General Provisions.

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

(b) Construction, Governing Law, and Venue. This Agreement shall be interpreted according to Arizona law and shall be construed as a whole and in accordance with its fair meaning

and without regard to, or taking into account, any presumption or other rule of law requiring construction against the Party preparing this Agreement or any part hereof. Any dispute or controversy relating to this Agreement, including the breach and enforcement thereof, shall take place in the Superior Court of Pima County, Arizona.

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

(d) **No Commission.** Both Parties represent that no unpaid commission is outstanding with respect to this Agreement, and each Party indemnifies the other against brokerage or commission claims arising out of the indemnifying Party's actions.

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

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

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

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

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

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

(k) **Counterparts.** This Agreement may be executed by the exchange of faxed or electronic signatures and in any number of counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

(l) **Approvals and Notices.** Any objection, approval, disapproval, demand, document, or other notice (collectively, a "**Notice**") that any Party may desire or may be obligated to give to any other Party shall be in writing and may be given by personal delivery; registered or certified mail (return receipt requested); email transmission (with delivery receipt); or by commercial courier to the Party, or its successors or assigns, to whom the Notice is intended at the

address of the Party set forth below or at any other address as the Parties may later designate in writing. Change of address by a Party shall be given by Notice as follows:

If to District: Rio Nuevo Multipurpose Facilities District
Attn: Brandi Haga-Blackman & Daniel Meyers
1703 East Broadway Boulevard,
Tucson, Arizona 85719

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

If to Empire: 137 CONGRESS, LLC
Attn: David Furmanski
4729 East Sunrise Drive, #336
Tucson, Arizona 85718

(m) Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties; *provided*, however, that Empire's rights and obligations hereunder may be assigned or transferred only at any time the assignor is not in Default under any provision of this Agreement to a single person or entity that has acquired the entirety of such rights and obligations as a successor in interest to Empire; and *provided further* that the successor has expressly and in writing for the benefit of the District assumed all of the obligations of the assignor under this Agreement. An assignee pursuant to an assignment or transfer made in compliance with all of the terms and provisions of this Agreement may be referred to as a "Permitted Assignee." Any assignment or transfer not made in compliance with all of the terms and provisions of the Agreement shall be void *ab initio*, and not voidable, and shall vest no rights in the purported assignee or transferee.

(n) Term. Subject to the indemnification provisions of Section 7 of this Agreement and the Enforced Delay requirements of Section 8, this Agreement shall terminate without further action upon the earlier of (i) the completion date of the improvements in Exhibit B of the ECS Building, or (ii) March 1, 2024 (the "**Term**"). Notwithstanding the foregoing, if none of the work anticipated under this Economic Incentive Agreement commences by February 1, 2023, then this Agreement, without further act or notice required, shall expire and terminate, and the Parties shall have no rights or obligations hereunder.

(o) No Partnership; Third Parties. Nothing in this Agreement shall create, or be deemed to create, any partnership, joint venture, or other similar arrangement between the Parties. No term or provision of this Agreement is intended to or shall be for the benefit of any person, firm, organization, or corporation not a Party hereto, and no such other person, firm, organization, or corporation shall have any right or standing to any cause of action hereunder; *except* that the protection of the indemnification provisions of this Agreement shall extend to all agents, attorneys, Board members, officers, and employees of the District acting in the course and scope of their

employment or engagement and all such persons shall be, and are intended to be, third party beneficiaries of such indemnification provisions.

(p) Limited Severability. The Parties agree that in the event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring the District to do any act in violation of any Applicable Law), such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement provides essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further shall perform all acts and execute all amendments, instruments, and consents necessary to accomplish and to give effect to the purposes of this Agreement, as and if reformed in accordance with this Section 9(p).

(q) No Liability of District Officials. No director, officer, official, representative, agent, attorney, or employee of the District shall be personally liable to Empire, or to any successor in interest to Empire, in the event of any Default by the District, or for any amount which may become due to Empire or its successors, or with respect to any obligation of the District pursuant to this Agreement.

(r) Conflict of Interest. This Agreement is subject to and may be terminated by the District in accordance with the provisions of A.R.S. § 38-511.

(s) Israel Boycott. If and to the extent that A.R.S. §§ 35-393 *et seq.* is applicable, Empire certifies that it is not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel as that term is defined in A.R.S. § 35-393.

(t) District Expenditures. Notwithstanding anything to the contrary herein, the District's financial responsibility for all payments, expenses, and costs incurred during a fiscal year under this Agreement shall, in all cases, be less than the statutory threshold set forth in A.R.S. §§ 48 4203(E) and 48-4204(C).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below, effective as of the Effective Date.

137 CONGRESS, LLC

By: Novacuria, LLC

Its: Member

By:  _____
Name: Thomas A. Browne
Its: Manager
Date: 05 / 11 / 2023

By: Define Properties, LLC

Its: Member

By:  _____
Name: David Furmanski
Its: Member
Date: 05 / 11 / 2023

**RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT**

By: _____

Name: Fletcher McCusker

Title: Chairman

Date: _____

By: _____

Name: Edmund Marquez

Title: Secretary

Date: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below, effective as of the Effective Date.

137 CONGRESS, LLC

By: Novacuria, LLC

Its: Member

By: _____

Name: Thomas A. Browne

Its: Manager

Date: _____

By: Define Properties, LLC

Its: Member

By: _____

Name: David Furmanski

Its: Member

Date: _____

**RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT**

By: _____

Name: Fletcher McCusker

Title: Chairman

Date: 05 / 11 / 2023

By: _____

Name: Edmund Marquez

Title: Secretary

Date: 05 / 11 / 2023

EXHIBIT A
LEGAL DESCRIPTION AND DEPICTION

The Land referred to herein below is situated in the County of Pima, State of Arizona, and is described as follows:

Parcel 1

All that part of Lots 11 and 12, Block 195 of the City of Tucson, Pima County, Arizona, according to the official survey of said City (then Village) made by S.W. Foreman and approved and adopted by the Mayor of Common Council of said City of Tucson, on June 26, 1872, a copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in Book 3 of Maps and Plats at page 70 thereof, described as follows:

BEGINNING at a point on the South line of said Lot 12 and on the North line of Congress Street, North 87 degrees East, 289.4 feet from the Southwest corner of Lot 13 in said Block from said POINT OF BEGINNING;

THENCE Easterly along the South line of said Lot 12, a distance of 30 feet to a point;

THENCE Northerly at right angles to the South line of said Lot 12, a distance of 106 feet to a point;

THENCE South 87 degrees West, a distance of 30 feet to a point;

THENCE Southerly, a distance of 106 feet to the point in the South line of Lot 12, also being the POINT OF BEGINNING.

AND

All that part of Lots 11 and 12, Block 195 of the City of Tucson, Pima County, Arizona, according to the official survey of said City (then Village) made by S.W. Foreman and approved and adopted by the Mayor of Common Council of said City of Tucson, on June 26, 1872, a copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in Book 3 of Maps and Plats at page 70 thereof, described as follows:

BEGINNING at a point on the South line of said Lot 12 and on the North line of Congress Street, North 87 degrees East, 319.40 feet from the Southwest corner of Lot 13 in said Block from said POINT OF BEGINNING;

THENCE East along the South line of said Lot 12, a distance of 32.87 feet to a point on the West line of Sixth Avenue, as established September 04, 1964;

THENCE Northerly along said West line 2 degrees East, a distance of 106 feet to a point;

THENCE South 87 degrees West, a distance of 43.8 feet to a point;

THENCE Southerly, a distance of 106 feet to a point on the South line of Lot 12, also being the POINT OF BEGINNING.

EXCEPTING any and all parts of portion thereof condemned by the City of Tucson in Civil No. 12416 in the Superior Court of Pima County, Arizona (which incorporates Plan H-110 by reference and which is of record in the office of the City Engineer) and now actually being used and enjoyed by said City of Tucson and the public at large, as set forth in Deed to Ethel May Duffy, a single woman, recorded May 07, 1935 in Book 185 of Deeds at pages 149 and 152.

(Also known as Lots 12 and 13 in Block 195 of the City of Tucson, according to Tucson Manning's Resubdivision thereof)

Parcel 2

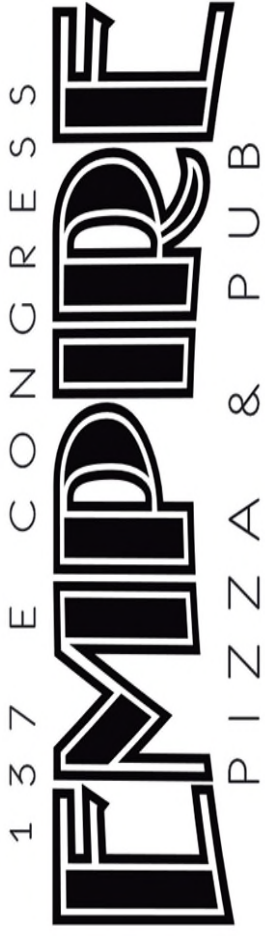
An easement for basement use (underground only) as set forth in Docket 11382 at page 143

EXHIBIT B
CONSTRUCTION PROPOSAL PLANS AND DOCUMENTS

1 3 7 E C O N G R E S S

MPD

P I Z Z A & P U B



145 E Congress Expansion

Existing Empire

1,315 Sq. Ft.

Hydra Building Expansion

3,084 Sq. Ft.

Completed Project

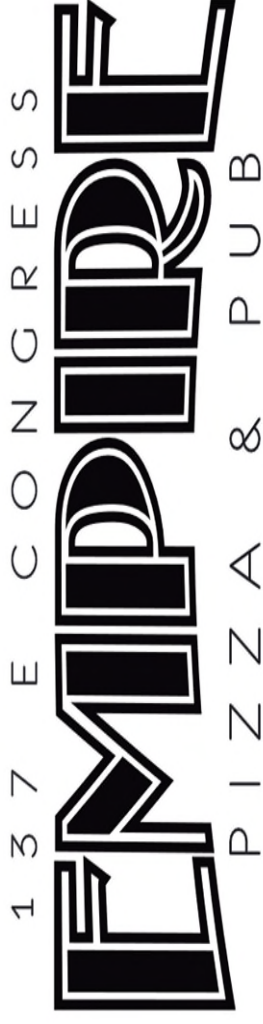
4,399 Sq. Ft.

Incremental Annual Revenue

\$1,697,959

Total Project Cost

\$1,024,032



Revenue Calculations

Existing Empire Footprint

1,315 sq. ft.

2021 Sales

\$1,448,000

2021 Sales/Sq. Ft.

\$1,101

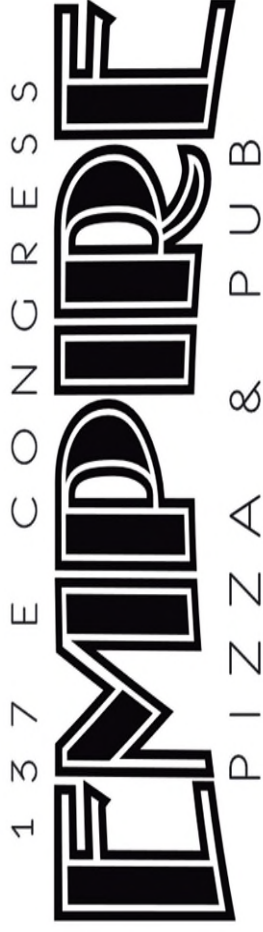
Annual Incremental Revenue for 3,084 Sq. Ft. @:

50% of 2021 Sales/Sq. Ft.

\$1,697,959

100% of 2021 Sales/Sq. Ft.

\$3,395,917



Total Project Cost

\$1,024,032

Empire Pizza Investment

\$512,000

Rio Nuevo Request

\$512,000

Annual Incremental Revenue

\$1,697,959

5 Year Incremental Revenue

\$8,489,795





Proposal



G & J Development, Inc.

P.O Box 18819 Tucson, AZ 85731
(520) 745-1151 FAX: (520) 303-9294
WEBSITE: www.gjdev.com
AZ-COM LIC. #339164-KA #094770 B-1
CA LIC. #746522-B AZ-HVAC LIC. #328046 CR-39
AZ-ELECTRICAL LIC. #275890 CR-11

09/27/22
6-1-11-64
08:47 AM
Garett
Page # 1

Empire Pizza
137 E Congress
Tucson AZ 85701

Empire Pizza Renovations
137 E Congress
Tucson, AZ 85701

Item/Cost Code	Description	Amount
4705 Empire Pizza Renovations		
0 - None		
	None	
This proposal is a preliminary budget to provide interior and exterior renovations as shown on the attached conceptual plans. The work is to provide a new façade, and interior renovations to the new expansion space. Renovating the existing Empire Pizza is not included in the total budget.		
The break down is as follows:		
1 General Requirements		
1310.000	Project Management and Coord	15,052.80
Inner office Project Management.		
1321.000	Architectural Supplies	652.29
Reproduction costs.		
1370.000	Supervision	22,579.20
On site supervision.		
1410.000	Testing Services	5,017.60
Third party inspections for welding and epoxy bolts.		
1500.000	Temporary Facilities And Contr	4,892.16
Dumpster and disposal fees for debris.		
1526.000	Safety/Water	2,148.94
Safety Training and bottled water as required by OSHA.		
1540.000	Small Tools	2,007.04
Small tools and consumable items.		
1710.000	Construction Cleaning Services	2,320.64
Final cleaning after construction is complete.		
1720.000	Progressive Clean-up	13,171.20
Progressive cleaning, masking, and general labor.		
Division Total:		67,841.87
2 Site Work		
2055.000	Demolition	26,091.52
Demo openings in the exterior walls and interior walls as necessary for the new layout.		
Division Total:		26,091.52
3 Concrete		
3150.000	Concrete Cutting & Coring	11,289.60
Cut masonry for the new openings.		
Division Total:		11,289.60
4 Masonry		
4050.000	Basic Masonry Materials and Me	56,448.00
Brick for façade.		
Division Total:		56,448.00

Proposal

Continued

Item/Cost Code	Description	Amount
5 Metals		
5100.000	Structural Metal Framing	17,584.00
Metal stud framing for the new walls.		
5500.000	Metal Fabrications	140,940.80
Structural steel and steel wall panels as shown on the conceptual drawings.		
Division Total:		158,524.80
6 Wood & Plastics		
6415.000	Countertops	25,088.00
Provide stone counters for the bar and exterior windows.		
Division Total:		25,088.00
7 Thermal & Moisture Protection		
7210.000	Building Insulation	10,348.80
Insulate the ceiling to roof space and new interior walls. Ceiling to get scrim paper and be exposed.		
7500.000	Membrane Roofing	28,224.00
Provide a new built up roof system with a reflective coating.		
Division Total:		38,572.80
8 Doors & Windows		
8100.000	Metal Doors and Frames	7,072.13
Supply and install new interior metal doors/frames.		
8360.000	Overhead Doors	78,400.00
Provide glass rollup doors.		
8400.000	Entrances and Storefronts	41,287.68
Provide storefront glass and frames as shown on the attached conceptual drawings.		
8700.000	Hardware	1,058.40
Supply and install door hardware.		
Division Total:		127,818.21
9 Finishes		
9200.000	Plaster and Gypsum Board	15,052.80
Stucco as necessary for the new concept.		
9250.000	Gypsum Board	11,970.56
Provide a gypsum wall board system on the new walls.		
9300.000	Tile	18,816.00
Provide porcelain tile in the new restrooms on the floor and walls up to a height of 5'.		
9510.000	Acoustical Ceilings	12,983.04
Provide acoustical grid and ceiling system as shown on the concept drawings.		
9650.000	Resilient Flooring	35,123.20
Provide flooring (type/style to be determined).		
9700.000	Wall Finishes	3,763.20
Rubber cove base on all walls.		
9900.000	Paints And Coatings	12,042.24
Paint the interior of the space, and clear seal the steel panels.		
Division Total:		109,751.04
10 Specialties		
10800.000	Toilet, Bath, and Laundry Acce	10,035.20
Provide ADA bathroom accessories.		
Division Total:		10,035.20

Proposal

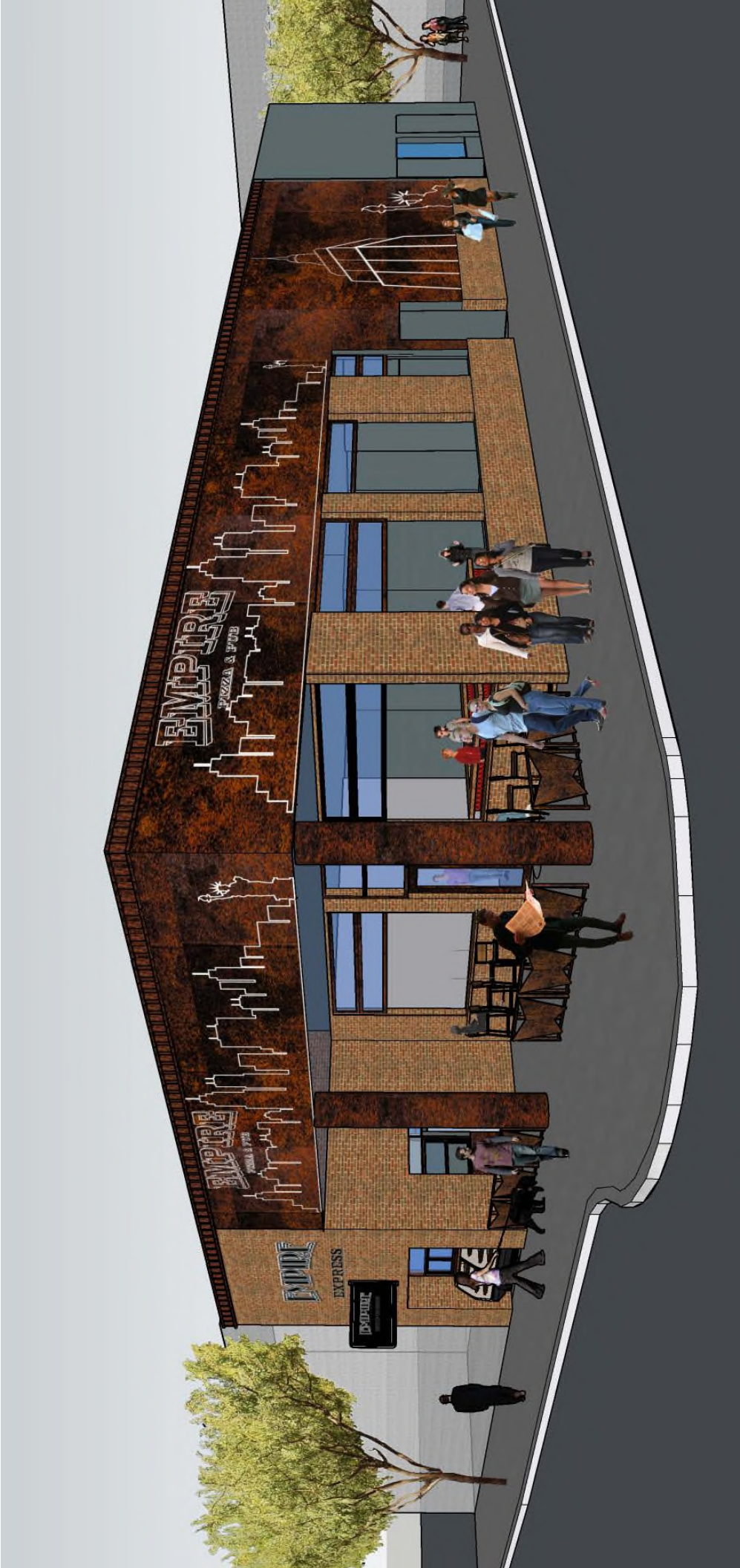
Continued

Item/Cost Code	Description	Amount
13 Special Construction		
13900.000	Fire Suppression Fire sprinkler reconfiguration.	12,544.00
Division Total:		12,544.00
14 Conveying Systems		
14400.000	Lifts Provide a scissor lift for access to construction.	6,397.44
Division Total:		6,397.44
15 Mechanical		
15400.000	Plumbing Fixtures And Equipmen Plumbing for restrooms, bar and prep area.	70,246.40
15700.000	Heating, Ventilating, and Air Provide new HVAC for the entire space.	96,337.92
Division Total:		166,584.32
16 Electrical		
16050.000	Basic Electrical Materials and Electrical for the entire space.	60,318.72
16500.000	Lighting Lighting for the new space.	15,120.00
Division Total:		75,438.72
17 Miscellaneous		
17010.000	Sales Tax Sales Tax	46,655.98
Division Total:		46,655.98
Phase Total:		939,081.50
Grand Total:		939,081.50

Notes:















1214.07

Reflected Ceiling Plan Keynotes

- 1. GNB CLG @ 18'-0" - REFER TO DETAIL 1/A2
- 2. HEADER AT 8'-0" - REFER TO DETAIL 3/A2
- 3. HOOD - REFER TO MECHANICAL SHEETS

Legend

NOTE: AT EXPOSED CEILING PROVIDE PAINTED SCRM SHEET - COORDINATE WITH TENANT

* ACOUSTICAL CEILING TILE (ACT) - USG #3275 @ 11'-0"

GNB CEILING - REFER TO RCP FOR HEIGHTS

SUPPLY AND RETURN MECHANICAL DIFFUSERS @ 4'-0" IN EXPOSED ROOF AREA - REFER TO MECHANICAL SHEETS (COORDINATE WITH LIGHT FIXTURE)

WALL SOUNGE LIGHT FIXTURE - REFER TO ELECTRICAL SHEETS

RECESSED CAN LIGHT FIXTURE - REFER TO ELECTRICAL SHEETS

OCCUPANCY SENSOR

LIGHT FIXTURE @ 12'-0" IN EXPOSED ROOF AREA - REFER TO ELECTRICAL SHEETS (MATCH INDICATES EXISTING FIXTURES) (COORDINATE WITH MECHANICAL DIFFUSERS)

EXIT SIGN - REFER TO ELECTRICAL SHEETS

EXP

0'-0"

Empire Pizza

Tenant Improvements Phase I

137 E Congress
Tucson, Arizona 85701

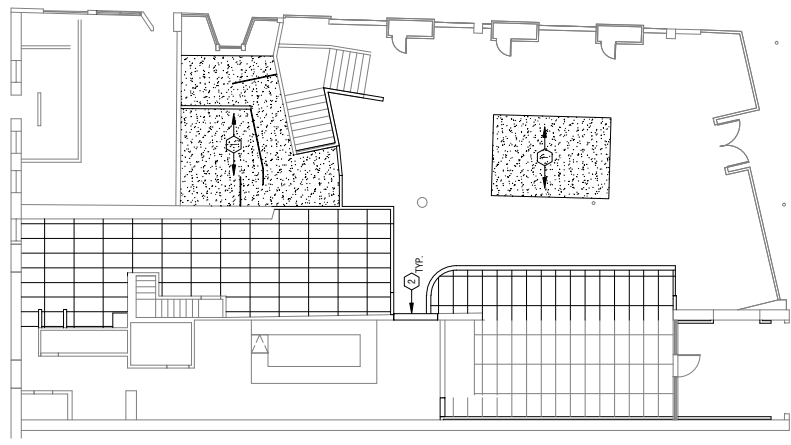
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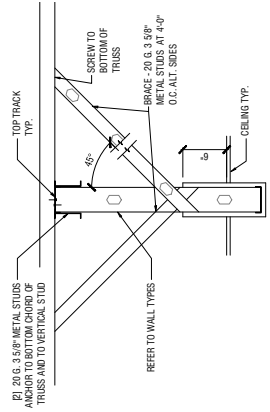
A2

REFLECTED CEILING PLAN DETAILS

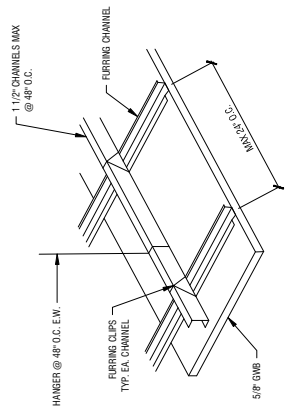
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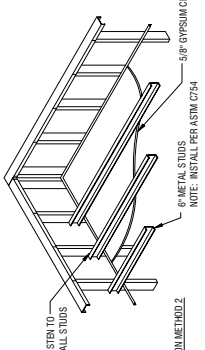
A) Reflected Ceiling Plan
1/8" = 1'-0"



3) GWB Header Detail
1 1/2\"/>



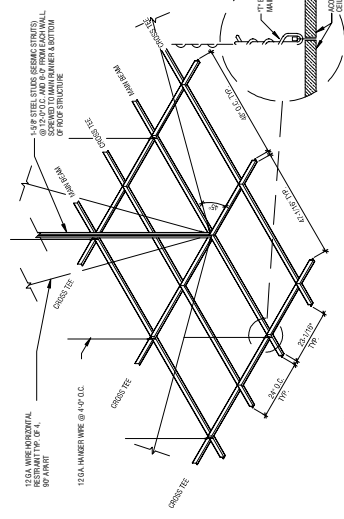
OPTION METHOD 1



OPTION METHOD 2

1) GWB Ceiling Details

NTS

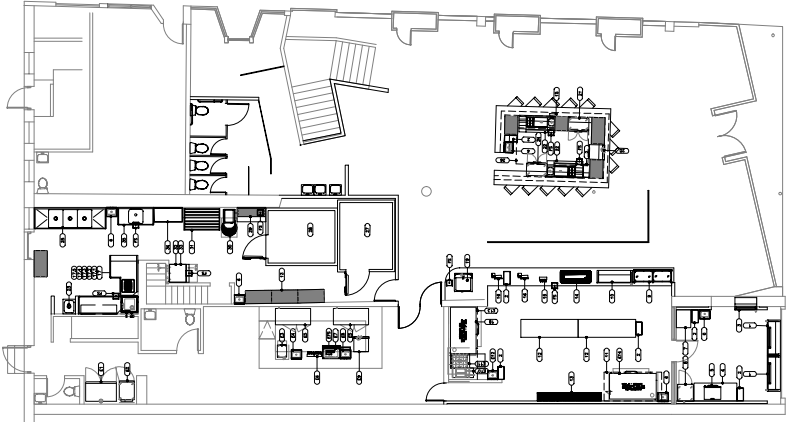


NOTE: THIS DETAIL IS FOR USE WITH 1.5\"/>

2) Suspended Ceiling Detail

NTS

EQUIPMENT SCHEDULE		
ITEM NO.	EQUIPMENT CATEGORY	ITEM
1	DISPLAY CASE, REFRIGERATED	1
2	TRASH	2
3	DISPLAY CASE, REFRIGERATED, DROP-IN	3
4	TABLE WORK, 16 GAUGE, FLAT TOP W/ UNDERSHELF	4
5	OVEN, DECK	5
6	HAND SINK, WALL MOUNT	6
7	TABLE WORK, 16 GAUGE, FLAT TOP W/ UNDERSHELF	7
8	REFRIGERATOR, REACH-IN, GLASS DOOR	8
9	DISPENSER, BEER	9
10	DISPENSER, BEER	10
11	TYPE I HOOD	11
12	TABLE WORK, 16 GAUGE, FLAT TOP W/ UNDERSHELF	12
13	LOT WIRE SHELVING	13
14	DROP-IN, COLD PAN	14
15	BEER DISPENSER	15
16	POS	16
17	POS	17
17.1	DISHTABLE, "Y" SHAPE	17.1
17.2	SHELF, WALL MOUNT	17.2
17.3	WALK-IN COOLER	17.3
17.4	REFRIGERATOR, REACH-IN, GLASS DOOR	17.4
17.5	DISHTABLE, STRAIGHT	17.5
17.6	WALK-IN COOLER	17.6
17.7	REFRIGERATOR, REACH-IN, GLASS DOOR	17.7
17.8	WALK-IN COOLER	17.8
18	WALK-IN COOLER	18
19	DISPENSER, BEVERAGE/CARBONATED & NON-CARBONATED	19
20	REFRIGERATOR, UNDERCOUNTER, LOW TEMP	20
21	REFRIGERATOR, UNDERCOUNTER, COMPACT	21
22	UNDERBAR MIRROR STATION	22
23	SINK, MIXER	23
24	REFRIGERATOR, UNDERCOUNTER, COMPACT	24
25	SINK, NSF, 3 COMP, 16 GAUGE	25
26	OVERHEAD STORAGE	26
27	WALK-IN COOLER	27
28	WALK-IN COOLER	28
29	TABLE WORK, WIRE SHELVING BASE	29
30	MIXER, SPHAL	30
31	DUNNAGE RACK	31
32	ICE MAKER W/O BIN	32
33	SINK, NSF, 3 COMP, 16 GAUGE	33
34	SINK, NSF, 3 COMP, 16 GAUGE	34
35	SINK, NSF, 3 COMP, 16 GAUGE	35
36	SINK, NSF, 3 COMP, 16 GAUGE	36
E1	REFRIGERATOR, REACH-IN	E1
E2	REFRIGERATOR, REACH-IN	E2
E3	UNDERCOUNTER ICE MACHINE	E3
E4	HAND SINK, WALL MOUNT	E4
E5	BACK BAR EQUIPMENT	E5
E6	BEER DISPENSER	E6
E7	UNDERBAR COCKTAIL ICE CHEST	E7
E8	WALK-IN COOLER	E8
E9	WALK-IN COOLER	E9
E10	WALK-IN COOLER	E10
E11	RANGE, HEAVY DUTY, GAS	E11
E12	HAND SINK, WALL MOUNT	E12
E13	TYPE I HOOD	E13
E14	OVEN, PIZZA	E14
EFS	FLOOR SINK	EFS
FS	FLOOR SINK	FS



A) Food Service Plan
1/8" = 1'-0"

REVISIONS

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DATE: 10.29.21

FS1