AGREEMENT TO PROVIDE ECONOMIC BENEFITS
267 South Avenida Del Convento

This Economic Benefit Agreement (this "**Agreement**") is effective as of the date set forth on the signature page hereof ("**Effective Date**") between GHG Annex, LLC, an Arizona limited liability company ("**Annex**"), and Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the "**District**"). Annex and the District are sometimes referred to in this Agreement, collectively, as the "**Parties**" or, individually, as a "**Party**."

RECITALS

A. The District is a Tax Increment Finance District ("**TIF**") which is funded in part through a share of the Transaction Privilege Taxes ("**TPT**") collected by the Arizona Department of Revenue ("**AZDOR**") from retail sales within the District's boundaries. To receive such funds, the District relies on the proper reporting of TPT by merchants within the District as further set forth in Section 3(c) herein.

B. MSA Annex, LLC, an Arizona limited liability company ("**Annex Landlord**"), owns fee title to the real property and building located at 267 South Avenida Del Convento, Building 13, Tucson, Arizona 85745 (such real property and improvements thereon, the "**Annex Premises**"), Pima County Assessor parcel number 116-206-36B, which is legally described and depicted in Exhibits A-1 and A-2, attached hereto.

C. The Annex Premises is subject to a commercial lease agreement ("**Annex Lease**") between Annex and Annex Landlord. The Annex Premises is comprised of land and improvements, including, without limit, the approximately 860 square feet of rental space leased by Annex pursuant to the Annex Lease.

D. A minimum of $232,000.00 will be invested to renovate and remodel the Annex Premises as described and depicted in Exhibit B (the construction proposal, architectural drawings, and renderings—all of which shall be consistent in all material respects with the presentation made by Annex's representatives at the District's July 23, 2024 board meeting—collectively, the "**Construction Proposal**") to create a shared kitchen space known as the "Annex Commissary" on the Annex Premises (the "**Annex Project**").

E. After the Annex Project's completion, Annex anticipates that the Annex Premises will immediately generate substantial revenue that will produce TPT revenues for the District.

F. At the Rio Nuevo District's public meeting on July 23, 2024, Annex requested the District's financial assistance to complete construction, remodeling, and repurposing of the Annex Premises. Annex has already begun construction in the Annex Premises, and its goal is to complete development and commence its expanded operations before April 1, 2025.

G. The District's board members (the "**Board Members**") have determined that the remodeling, repurposing, and development of the Annex Premises and the District's support of the Annex Project in the Annex Premises will generate substantial taxable revenue, appreciably increase employment opportunities, and will therefore benefit downtown Tucson, the Convention Center, and the District, in general.

H. During the public meeting on July 23, 2024, the District approved as a matter of convenience a combined cost-reimbursement grant to up to a maximum amount of $232,000 (the "**Total Economic Incentive**") to be used collectively by Annex and a separate project underway by an Affiliate under common control with Annex, namely GHG Monier, LLC, an Arizona limited liability company, doing business as Herbert's Deli ("**Deli**"). More specifically, the Total Economic Incentive is to be used as follows: (i) to reimburse Annex for as-completed hard construction draw costs (*i.e.*, costs other than architectural/design work, legal fees, permits, and furniture, fixtures, or equipment) and/or other improvements to the Annex Project in compliance with the Construction Proposal in an amount not to exceed $116,000 (the "**Annex Economic Incentive**") which is the subject of this Agreement; and (ii) to reimburse GHG Monier, LLC for as-completed hard construction draw costs and/or other improvements for another project located at 160 South Avenida Del Convento, Tucson, Arizona 85745 in an amount not to exceed $116,000, which is the subject of a separate Economic Benefit Agreement between the District and Deli.

I. The Parties agree that the purpose of this Agreement is to detail the terms and conditions of the Annex Economic Incentive that the District has agreed to provide Annex for assistance with completing the Annex Project in the Annex Premises, and to generally describe the terms and conditions that the Parties will incorporate into their relationship thereafter with respect to the Annex Project.

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.

"**Annex Economic Incentive**" has the meaning given in Recital H but subject to other language and restrictions herein.

"**Annex Project**" has the meaning given in Recital D but subject to other language and restrictions herein.

"**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 Annex Premises from time to time.

"**Architect**" means the architect engaged by Annex to complete the formal plans and specifications for the Annex Project as detailed in the Construction Proposal.

"Causes of Loss – Special Form" means the insurance coverage form that provides protection against a broad range of risks including, but not limited to, fire, theft, vandalism, and accidental damage, except for those causes of loss specifically excluded under the terms of the policy. This form typically covers all risks of physical loss or damage to property unless the damage is specifically excluded by the policy's terms.

"**Certificate of Occupancy**" means an official document issued by the local governing authority certifying that a building or property complies with all applicable building codes, zoning laws, and other regulatory requirements, and is authorized for its intended use and occupancy. The Certificate of Occupancy confirms that the property has passed all necessary inspections (including, but not limited to, safety, electrical, plumbing, fire, and structural) and meets all legal and safety standards required for occupation.

"**City**" means the City of Tucson, Arizona.

"**Contractor**" means Annex's general contractor engaged for completion of the Annex Project, at all times in accordance with the accepted Construction Proposal.

"**Convention Center**" means the Tucson Convention Center, constituting the primary component of the District as that term is defined in A.R.S. § 48-4201.

"**Cure Period**" has the meaning assigned in Section 6(a) hereof.

"**Default**" means a default by a Party of any term, condition, obligation, warranty, representation, or covenant of this Agreement that: (i) is not reasonably capable of being cured or (ii) otherwise remains uncured after expiration of the applicable Cure Period.

"**Draw Notice**" has the meaning assigned in Section 5(c)(i) hereof.

"**Effective Date**" has the meaning assigned in the Preamble.

"**Enforced Delay**" has the meaning assigned in Section 8(a) hereof.

"Improvements" means Annex's planned improvements to the Annex Premises, in compliance with the descriptions, plans, and other information in the Construction Proposal.

"**Material Change**" means a change in the scope of the Construction Proposal made by Annex to the District at the July 23, 2024, public meeting (e.g., a change in the concept from a supporting kitchen and prep area to a bakery) **or** a change in the scope of the Construction Proposal for the Annex Project of more than Five Thousand Dollars ($5,000).

"**Minimum Requirements**" means certain continuing obligations and requirements of Annex, applicable at all times during the Term of this Agreement and as specifically set forth in Section 3(a), Section 3(b) and Section 3(c) of this Agreement.

"**Notice**" means any objection, approval, disapproval, demand, document, or other notice permitted or required under this Agreement.

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

"**Permitted Assignee**" has the meaning given in Section 9(m) hereof.

"Property Insurance" means insurance coverage purchased to protect against loss, damage, or destruction of property due to risks such as fire, theft, vandalism, natural disasters, or other perils as specified in the applicable insurance policy. Property Insurance may include coverage for real property, personal property, equipment, inventory, and other assets, and shall be maintained by the Party responsible for the property as required under the terms of this Agreement.

"**Term**" means the term of this Agreement, beginning upon the Effective Date and terminating in accordance with Section 9(n) hereof.

"**Third Party**" means any person or entity other than a Party or an Affiliate of a Party.

"**TPT Forms**" has the meaning given in Section 3(c).

"**Total Economic Incentive**" has the meaning given in Recital H but subject to other language and restrictions herein and in the separate Economic Benefit Agreement between the District and Deli.

3. Recipient's Minimum Requirements. To be eligible for the Annex Economic Incentive provided by the District, Annex shall at all times satisfy the following Minimum Requirements:

(a) Timing of Improvements. The Improvements contemplated by this Agreement must be completed, and a Certificate of Occupancy issued, no later than April 1, 2025.

(b) Insurance. In addition to any insurance required under the Lease, Annex 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 the existing and new improvements and betterments on the Annex Premises, written at replacement cost value and with a replacement cost endorsement, covering the Annex Premises for the Lease's term (as provided in the Lease); 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 Annex 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 Annex 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) Tax Reporting. Annex shall file with the AZDOR a Form TPT-EZ on a monthly basis, and a Form TPT-1 on an annual basis (collectively, the "**TPT Forms**"), until the latter of: (a) the District sunsets (i.e., is no longer authorized to operate); or (b) Annex stops operating within the District, in which case Annex shall no longer be required to file the TPT Forms. For each of these filings, Annex shall identify the region code as "PAD." Annex also acknowledges, agrees, and understands that for the District to receive TIF funding, it is imperative that Annex properly files all tax forms to memorialize all appropriate sales made within the District's district. In the event that it is determined by the District, the AZDOR, or the City of Tucson that Annex has failed to properly and timely file any of the TPT Forms, such failure shall be considered an event of Default hereunder, and the District shall have all rights available to it pursuant to <u>Section 6(b)(i)</u> including, without limit, the right to claw back from Annex all Annex Economic Incentive payments made to Annex at the time of such Default for the Annex Project. Further information regarding TPT funds and tax filings is included in <u>Exhibit C</u>.

(d) Conditions Precedent. For the duration of this Agreement and the Annex 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 Annex Economic Incentive funding for the construction, renovation, and remodeling of the Annex Premises.

4. <u>The District's Findings</u>. The District has determined that Annex's satisfaction of the Minimum Requirements: (a) will benefit the District, the Convention Center, and the City in numerous ways including, without limitation, (i) increasing transaction privilege tax revenues and other revenues, (ii) increasing the District's and City's employment base, (iii) stimulating further economic development in and around the Convention Center and within the District's district, and (iv) otherwise improving or enhancing the economic welfare of the downtown Tucson area, the Convention Center, and the District, in general; (b) is not likely to occur (or to occur at this time and/or in this manner and/or in the Annex Premises) without the benefits provided in this Agreement; and (c) 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. <u>Annex Economic Incentive for Recipient</u>.

(a) Release of Funds. Based upon the District's findings in <u>Section 4</u>, and subject to Annex's continuing satisfaction of the Minimum Requirements and the other language and restrictions herein, the District will pay the Annex Economic Incentive as described in this Section 5.

(b) Amounts & Limitations. Subject to the distributions procedures set forth in Section 5(c) and the other terms and conditions herein, the maximum Annex Economic Incentive eligible to be paid to Annex for the Annex Project shall not exceed the lesser of: (i) 50% of the total construction costs actually paid by Annex to complete the Improvements and Annex Project, as described in the Construction Proposal; or (ii) $116,000.00.

(c) Distribution Procedure. For the avoidance of doubt, the Annex Economic Incentive will be payable in *pro rata* installments, proportional to actual work and construction progress completed on the Annex Project. Accordingly, the District will release each installment of funds in an amount consistent with the latest construction draw submitted by Annex's Contractor and only upon completion of the following required conditions:

(i) Annex and/or Contractor shall deliver to the District a signed construction draw (a "**Draw Notice**") proving the Improvements have been made in the Annex Premises in compliance with the applicable Draw Notice and Construction Proposal;

(ii) For each Draw Notice submitted by Annex or Contractor, as the case may be, Annex (or its Architect) shall further provide written verification that: (X) certain improvements and work consistent with the applicable Draw Notice number have been made in the Annex Premises in compliance the Construction Proposal, and (Y) proof of payment to Contractor and each of the applicable subcontractors and suppliers for Annex Economic Incentive draws previously paid by the District. For the avoidance of doubt, the requisite proof of payment shall include the lien waivers as elsewhere described in this Section;

(iii) Upon completion of the foregoing, the District shall have 10 business days from date of receipt of Annex's applicable Draw Notice to inspect the construction work and confirm such work is in accordance with the Construction Proposal, if applicable, and the submitted Draw Notice. Within 7 business days of such inspection, the District shall notify Annex in writing if the work (or any portion thereof) is not approved in the District's reasonable, sole, and absolute discretion, and the District may withhold any Annex Economic Incentive payment to Annex until such time as the work has been corrected or performed in accordance with the District's notice and to its reasonable, sole, and absolute satisfaction. If the District fails to inspect the property or provide notice within the time periods specified, the District will conclusively be deemed to have approved the Draw Notice; and

(iv) As a further condition for release of each installment, Annex shall provide applicable lien waivers including, without limit, conditional lien waivers from all contractors, subcontractors, and suppliers with each Draw Notice as a condition for release of any money by the District, and unconditional lien waivers evidencing such payments for each subsequent Draw Notice. All such lien waivers shall be in the form prescribed in A.R.S. § 33-1008.

Subject to the other terms and conditions in this Agreement, if Annex satisfies each of the foregoing conditions in this Section 5(c), as well as the other applicable terms and conditions in Section 5, the District shall release the applicable installment of Annex Economic Incentive funds. For any work approved by the District, each such installment shall be released no later than 14 business days following the date the District inspects and approves the construction work in the Annex Premises and work pursuant to Section 5(c)(iii), above.

(d) **Sole Use**. Annex hereby irrevocably covenants and agrees to use the Annex Economic Incentive solely to defray Annex's actual costs for the construction, renovation, and repurposing in the Annex Premises in compliance with the Annex Project and Construction Proposal.

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

(f) **Tax Filings**. Annex hereby understands and agrees that a condition to its eligibility for the Annex Economic Incentive is Annex's obligation to file the Tax Forms according to the terms and procedures set forth in Section 3(c) and Schedule C hereof.

(g) **No Material Change in Scope**. Annex agrees that it shall not materially change the scope of the Annex Project without first notifying the District in writing and negotiating with the District before any Material Change is made to the Annex Project.

(h) **Termination of Right to Annex Economic Incentive**. In addition to such other restrictions and conditions expressly contained in this Agreement, Annex's right to the Annex Economic Incentive funds will terminate at the earlier of: (i) the completion date of the Improvements and payment by the District of the Annex Economic Incentive pursuant to Section 5(b), or (ii) April 1, 2025.

6. Default, Cure & Remedies.

(a) **Party Default**. If either Party fails to perform its obligations under this Agreement and such failure continues for a period of 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 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) The District's Remedies. Whenever a Default occurs and is not cured (or, if appropriate, cure undertaken) by Annex in accordance with this Agreement, the District's remedies shall include, without limit, the following:

(i) Upon any Default which continues for 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 shall—without incurring any penalty or liability whatsoever—be entitled to, in all cases, recover from Annex any and all Annex Economic Incentive payments made during the period of any properly noticed and uncured Default, and immediately cease all future Annex Economic Incentive payments to Annex for the Annex Project;

(ii) In addition to all other rights and remedies available to the District, the following uncured events of Default shall give the District the right to claw back from Annex all Annex Economic Incentive payments previously disbursed to Annex for the Annex Project:

(x) Misuse or misappropriation, or material misrepresentation or omission as to the use or purpose, of any Annex Economic Incentive funds received hereunder, irrespective of when during the Term such misuse, misappropriation or misrepresentation occurred;

(y) Failure to properly and timely file TPT Forms as set forth in Section 3(c); and/or

(z) Material misrepresentation or omission on the part of Annex regarding the Construction Proposal.

(iii) 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). For the avoidance of doubt, the foregoing rights and remedies of the District shall be available after the Term for any Default unless otherwise expressly agreed in a separate writing signed by the District.

(c) Annex's Remedies. Whenever a Default by the District occurs and remains uncured (or, if appropriate and applicable, a cure is being undertaken in good faith in accordance with the requisite notice and Cure Period provisions of this Agreement), the District expressly acknowledges and agrees that Annex 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 Annex may seek damages from the District limited to the amount of any undisbursed funds that a court determines should properly be disbursed to Annex and not for any other damages of any kind or nature.

(d) Limitation on Damages. Except as limited herein, 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 nor 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 and Covenants.

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

(i) Organization. Annex is a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Arizona, and Annex has the power, right, and authority to enter into this Agreement, and 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 Annex, enforceable against it in accordance with the terms and conditions herein.

(ii) Performance. Annex 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 Lease and this Agreement.

(iii) Litigation. As of the date of this Agreement, Annex knows of no litigation, proceeding, or official investigation contesting the powers of Annex or its officers with respect to this Agreement including Annex'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 Annex 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 Annex's performance or failure to perform its obligations under this Agreement, whether or not Annex is a party to such claim, action, or proceeding, and whether or not negligence or gross negligence by the District is alleged, Annex 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 Annex 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 Annex's counsel at Annex'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, Annex shall indemnify, defend, and hold the District, its Board Members, officers, representatives, agents, attorneys, 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 (A) with Annex's breach of any covenant, representation, warranty, or term in this Agreement; or (B) to the Improvements to the Annex Project or the Annex Economic Incentive provided by the District to Annex. Notwithstanding anything in this Agreement to the contrary, Annex's obligations in this Section 7(a)(v) shall survive termination and/or the expiration of this Agreement.

(vi) No Consideration to Third Parties. Annex 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 Annex.

(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 and defend Annex, its managers, members, representatives, agents, attorneys, and employees from and against any liability, loss, claim, action, or demand, including reasonable attorneys' fees and costs, which arise out of or is connected with the District's breach of any covenant, representation, warranty, or term in this Agreement. The District's indemnification obligation above 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. <u>Enforced Delay</u>.

(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 Annex be deemed to have failed to satisfy Annex 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 (or failures to act) of the Federal, State or City 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 Annex Premises and property by any governmental entity; or

(ii) any 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 Annex, from labor shortages, nor from the unavailability for any reason of particular materials or other supplies, contractors, subcontractors, vendors, investors, or lenders desired by Annex. It is understood and agreed that Annex will bear all risks of delay that 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 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 for 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 (as appliable) and their respective permitted 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 purposes of this Agreement and to effectuate the provisions of this Agreement and the rights of each Party.

(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 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 provided in this Section:

If to District:	Rio Nuevo Multipurpose Facilities District Attn: Edmund Marquez 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 Annex:	Gadsden Hospitality Group, LLC Attn: Alex Phaneuf 127 West Franklin Street Tucson, Arizona 85701 Email: alex.phaneuf@ghgconcepts.com
With a copy to (which shall not constitute notice):	Elizabeth Parsons, PLLC Attn: Elizabeth Parsons, Esq. 7400 North Oracle Road, Suite 150-201 Tucson, Arizona 85704

(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 Annex'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 Annex; 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 any express provision to the contrary, the Term shall automatically expire and terminate, without further act or notice required, upon the occurrence of the events contemplated in Section 5(g). Following the Term, the Parties shall have no rights or obligations hereunder; *except* that, notwithstanding anything in this Section or Agreement to the contrary, the Parties' indemnification obligations set forth in Section 7 shall survive along with any other rights and obligations of the Parties as may be otherwise expressly provided in this Agreement.

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

(r) **The District Expenditures**. Notwithstanding anything to the contrary herein, the District's cumulative financial responsibility for all payments, expenses, and costs incurred under this Agreement shall, in all cases, be less than the expenditure thresholds set forth in A.R.S. §§ 48 4203(E) and 48-4204(C).

(s) **Sunset Provision**. Notwithstanding anything to the contrary herein, under no circumstances shall District be subject to any liability to Annex under this Agreement that arises or results from District's termination or dissolution pursuant to applicable law and/or any actions taken by District in compliance with any applicable statutory mandate (including, without limit, those set forth in A.R.S. § 48-4202) or intergovernmental agreement relating to the District.

(t) Construction with Applicable Law. This Agreement shall be at all times construed in a manner consistent with the Arizona laws including, without limit, those applicable to multipurpose facilities districts at A.R.S. § 48-4201 *et seq.*

(u) 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.

(v) No Offer. The Parties acknowledge and agree that this Agreement shall not constitute an offer or be binding upon either Party until it is fully executed and delivered by the District.

(w) Israel Boycott. If and to the extent that A.R.S. § 35-393 *et seq.* is applicable, Annex 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.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth with their respective signatures, effective as of the Effective Date below.

Effective Date: 02/19/2025

GHG ANNEX, LLC

DocuSigned by:

By: ______________________

DFD236836C29478...

Name: Adam Weinstein

Title: Manager

Date: 2/18/2025

DocuSigned by:

By: Jerry Dixon

FA87EBD52B7C483...

Name: Jerry Dixon

Title: Manager

Date: 2/18/2025

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: ______________________

Name: Fletcher McCusker

Title: Chairman

Date: ______________________

By: ______________________

Name: Taunya Villicana

Title: Secretary

Date: ______________________

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth with their respective signatures, effective as of the Effective Date below.

Effective Date: 02/19/2025

GHG ANNEX, LLC

By: ______________________
Name: Adam Weinstein
Title: Manager

Date: ______________________

By: ______________________
Name: Jerry Dixon
Title: Manager

Date: ______________________

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: ______________________
Name: Fletcher McCusker
Title: Chairman

Date: 02 / 18 / 2025

By: ______________________
Name: Taunya Villicana
Title: Secretary

Date: 02 / 19 / 2025

EXHIBIT A-1
LEGAL DESCRIPTION

A portion of Block 5 of the Mission District, Blocks 1-5, Common Area "A", a sub-division of record in the office of the Pima County, Arizona Recorder in Sequence Number 20110840249, lying within Section 14, Township 14 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona. Said portion being more particularly described as follows;

COMMENCING at the Northwest corner of said Block 5;

THENCE S 04°40'17" E, along said westerly line, a distance of 332.89 feet to the beginning of a tangent curve concave to the East;

THENCE Southerly, along said Westerly line, along said curve to the left, having a radius of 348.00 feet, through a central angle of 2°37'36", the chord of which bears S 03°21'29" W, for a distance of 15.95 feet, for an arc length 15.95 feet to the **POINT OF BEGINNING;**

THENCE Southerly, along said Westerly line, continuing along said curve to the left, having a radius of 348.00 feet, through a central angle of 17°10'49", the chord of which bears S 06°28'14" W, for a distance of 103.06 feet, for an arc length 103.44 feet;

THENCE S 14°59'08" E, continuing along said westerly line, a distance of 175.72 feet to the beginning of a tangent curve concave to the Northeast;

THENCE Southeasterly, along said Westerly line, along said curve to the left, having a radius of 25.00 feet, through a central angle of 85°17'13", the chord of which bears S 57°37'45" W, for a distance of 33.87 feet, for an arc length 37.21 feet to a point on the Southerly line of said Block 5;

THENCE N 79°43'39" E, along said Southerly line, a distance of 24.18 feet to the beginning of a tangent curve concave to the South;

THENCE Easterly, along said Southerly line, along said curve to the right, having a radius of 510.00 feet, through a central angle of 19°57'13", the chord of which bears N 89°42'15" E, for a distance of 176.71 feet, for an arc length 177.61 feet to a point of non-tangency;

THENCE N 09°40'52" E, along said Southerly line, a distance of 25.00 feet to the beginning of a tangent curve concave to the Southwest;

THENCE Southeasterly, along said Southerly line, along said curve to the right, having a radius of 535.00 feet, through a central angle of 4°24'34", the chord of which bears S 78°06'51" E, for a distance of 41.16 feet, for an arc length 41.17 feet to the Southeast corner of said Block 5;

THENCE N 00°44'32" E, along the East line of Said Block 5, a distance of 264.59 feet;

THENCE departing said Easterly line, N 89°15'28" W a distance of 334.11 feet to the **POINT OF BEGINNING.**

Said parcel contains 85,509 sq. ft. or 1.963 acres more or less.

Prepared by:
THE WLB GROUP, INC.

Peter D. Cote, RLS 44121

REGISTERED LAND SURVEYOR
CERTIFICATE
44121
PETER D.
COTE
6-26-14
Date Signed
ARIZONA, U.S.A.

EXPIRES 3-31-2015

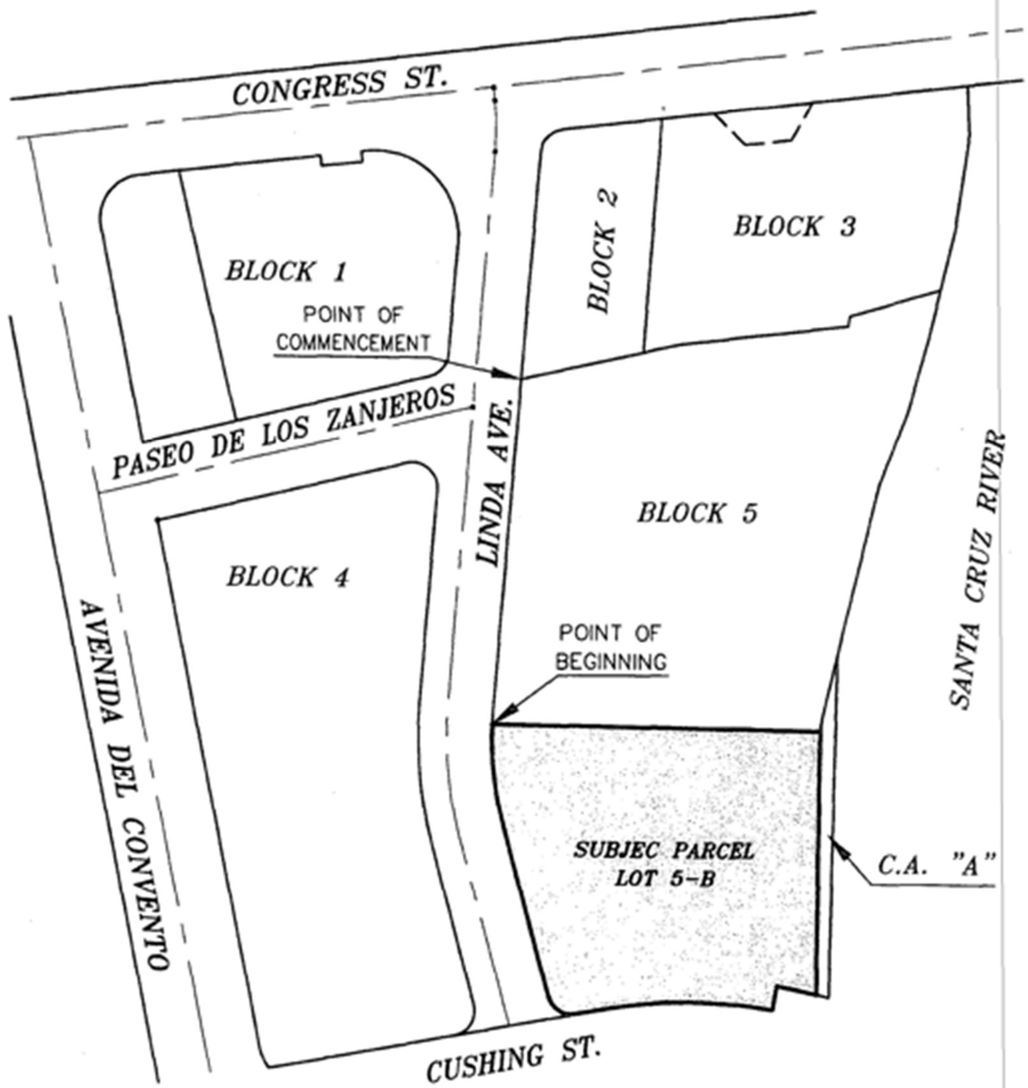

EXHIBIT TO ACCOMPANY DESCRIPTION OF
LOT 5-B
A PORTION OF BLOCK 5, MISSION DISTRICT
SEQ. NO. 20110840249
SECTION 14, T-14S, R-13E, G.S.R.M.,
PIMA COUNTY, ARIZONA

1"=150'

The WLB Group

WLB No. 103010-F001-1003
N:\103010\F-001-West End Station\survey\legal base.dwg

SHEET 3 OF 3

EXHIBIT A-2
DEPICTION OF ANNEX COMMISSARY

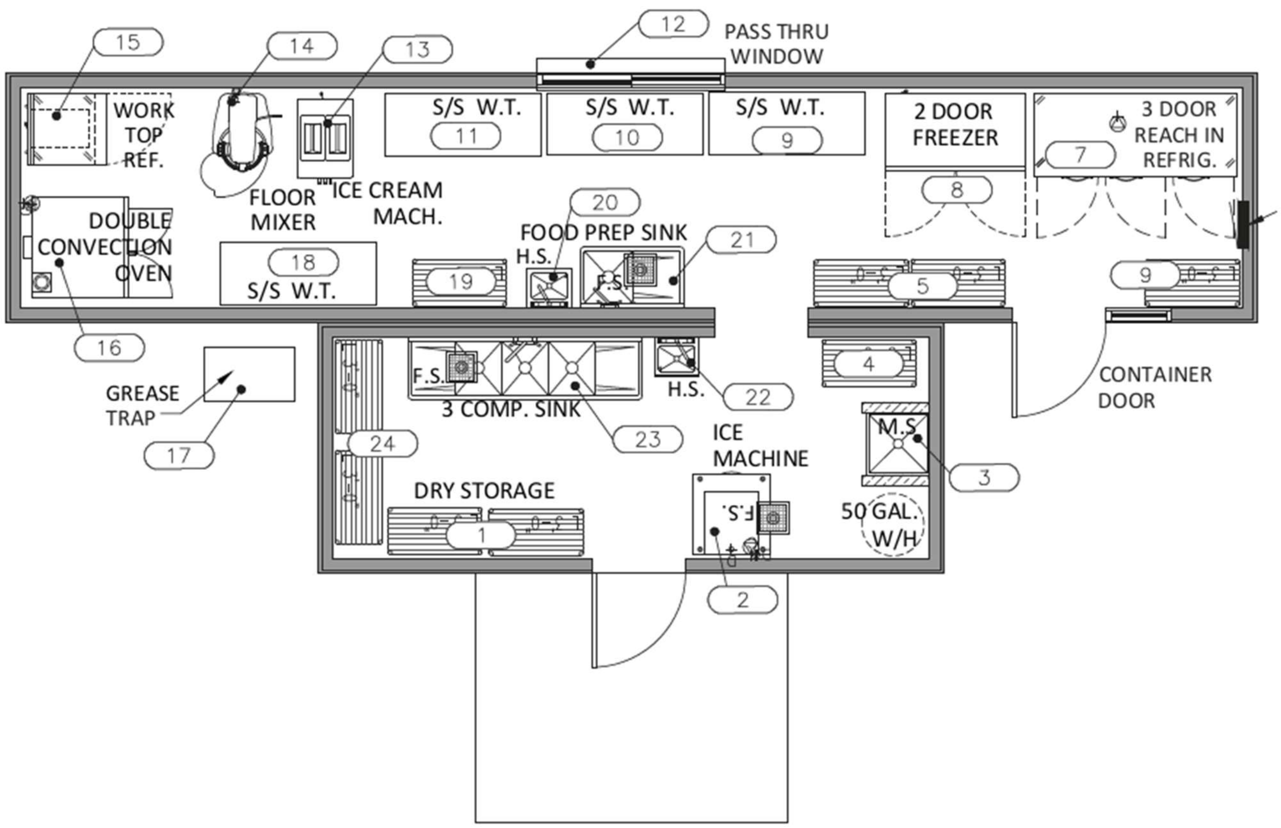

EXHIBIT B
CONSTRUCTION PROPOSAL PLANS AND DOCUMENTS

GHG

Gadsden Hospitality Group

COMPANY PRESENTATION

TABLE OF CONTENTS

THECOMPANY

G H G | ANNEX

G H G | MONIER

Gadsden Hospitality Group is committed to the vibrant spirit of the Public Market District through exceptional hospitality experiences that celebrate community, culture, and culinary excellence. Our mission creates welcoming spaces where locals and visitors can gather and connect. Through dedication to outstanding service, sustainability, and innovation, we strive to foster a sense of belonging that contributes to the dynamic and thriving heart of the Mercado District.

TWO NEW CONCEPTS
Herbert's Deli + Annex Commissary

Inspired by Jewish and Italian New York Delis, Herbert's Deli will serve thoughtfully prepared and creative food that pays homage to tradition while offering provisions for the home kitchen as well. The decor will reflect a modern style while nodding to the old world with hints of brass, leather booths, wooden seating, custom shelving, sculptural lighting, and patterned tile. The Deli is nestled along the Paseo that connects the Mercado District Single Family Neighborhood to the Santa Cruz River Park. The expansive courtyard is surrounded by retail shops and wellness services, offering guests ample seating and spaces to relax along the Paseo.

The Annex Commissary will serve as a shared studio kitchen space serving the brand's banquet and catering clientele. District businesses will also have the option to use the space for storage, baking, or cooking in order to expand their offerings.

HISTORY

Herbert's Deli was inspired by the owners', Adam and Kira's, NYC roots and pays tribute to Adam's dad.

In 2023, the Gadsden Hospitality Group, helmed by Executive Chef, David Solorzano and General Manager, Justin Skoda, developed a food and beverage concept that combines elements of traditional NYC Deli's with a modern flare. The combined efforts of Herbert's Deli and Annex Commissary will allow for scaled dining from banquets to individual prepared meals to cook at home.

VISION

01 Sliced Meats

02 Espresso

03 Salads, Bagels, Lox

VISION

04 Stocked Shelving

05 Pantry + Specialty Items

06 Meats + Cheeses

ORGANIZATION & MANAGEMENT

Justin Skoda - General Manager

David Solorzano - Executive Chef

BIO's + Statement In Progress

PRODUCTS & SERVICES

Catering

Dine In/Take Out

Ready Made Meals

Cocktails/Wine/Beer

Commissary Kitchen with Hood

STATUS

Budget Amount
Total Allotted Funds
Funds Used to Date
Funds Remaining

ITEM	CONTRACTOR	CATEGORY	MEMO	BUDGET	COST
Construction					
Construction	Hidden Hollow	Construction Cost	*Possibly increase by 30k for structrual/hood*		$176,320.32
Container Stabilization	Hidden Hollow	Construction Cost			$10,359.36
Utility Connections	Hidden Hollow	Construction Cost			$19,900.00
Concrete	Agustin Valdez CC	Construction Cost		$34.88/sf	$10,917.44
Walk In/Corten Clad	Hidden Hollow	Construction Cost			$35,550.00
				TOTAL	**$253,047.12**
				GRAND TOTAL	**$253,047.12**

Estimate

Date	Estimate #
5/22/2024	631

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
preliminary budgets for the commissary kitchen ,,,		0.00	0.00
no budgets for any of the foundation work or connection the two units together,, 11 new helicoils and big footings and attachments		0.00	0.00
does not if plumbing issues getting all under the box??		0.00	0.00
no hood , make up air or kitchen equipment		0.00	0.00
		0.00	0.00
does not include getting any utilities/fire riser to the buildings		0.00	0.00
plans and permits by owner		0.00	0.00
5 new openings thru boxes for windows, doors and passage by our welder,, bot certified		2,800.00	2,800.00T
black steel trims at each exterior openings		675.00	675.00T

Subtotal	
Sales Tax (5.6%)	
Total	

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Estimate

Date	Estimate #
5/22/2024	631

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
store front allowance for windows and door sidelight		6,000.00	6,000.00T
170 lin ft of fur out walls mat ,l;abor		4,465.00	4,465.00T
ceiling framing		1,800.00	1,800.00T
2000 sq ft drywall,, fire taped for frp,,smooth ceiling		4,622.00	4,622.00T
paint ceilings only		483.00	483.00T
hollow metal south door and hardware		1,500.00	1,500.00T
wall and ceiling insulation R -11 R- 19		2,463.00	2,463.00T
electrical as per plan ,, lighting will not pass inspection as shown		26,430.00	26,430.00T
hvac as shown ,, no hood or make up air		29,250.00	29,250.00T
plumbing as per plan,, we can deduct 4700 wit couple spec changes		42,880.00	42,880.00T
2 small roof openings,, structural detail is for small size of a hole,, might get harder??		500.00	500.00T
hood strengthen allowance,,none shown for make up air		525.00	525.00T

Subtotal	
Sales Tax (5.6%)	
Total	

Estimate

Date	Estimate #
5/22/2024	631

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
no roof screening or fall protection shown		0.00	0.00
exterior digging, back fill etc		557.00	557.00T
pad for Ac unit only ,,no other exterior concrete		378.00	378.00T
moving materials in and trash out		725.00	725.00T
dump trailer 1 load		615.00	615.00T
parking assumed on site ??		0.00	0.00
FRP walls 44 sheets	44	125.00	5,500.00T
fire sprinklers,, no riser ,, only interior work		6,200.00	6,200.00T
overlay floor with 1/4 inch wonder board		1,625.00	1,625.00T
6x6 quarry tile in standard color and base boards 640 sq ft	640	9.00	5,760.00T
roof patch's		612.00	612.00T
rough clean up//final clean buy owner		318.00	318.00T
gas and travel		650.00	650.00T
supervising/inspections		5,200.00	5,200.00T
hhc related insurance,, no theft		2,187.00	2,187.00T

Subtotal	
Sales Tax (5.6%)	
Total	

Estimate

Date	Estimate #
5/22/2024	631

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
hhc profit and overhead		12,250.00	12,250.00T
does not include any work not listed above		0.00	0.00
approved plans will need to be reviewed and confirmed all budgets		0.00	0.00
special inspections billed at cost		0.00	0.00
QUESTIONS, PAN SHOWS A TYPE 1 HOOD FOR A OVEN,, NOT REQUIRED AND 4 TIMES THE PRICE OF A TYPE 2,, would NOT NEED A FIRE system, OR MAKE UP AIR??		0.00	0.00
LIGHTING WILL NOT PASS CODE		0.00	0.00
NEED TO BUDGET TO remove CONTAINERS,, ADD FOUNDATION AND RESET UNITS????		0.00	0.00
NEED TO BUDGET TO GET ALL UT'S to BUILDINGS,, PROPANE,, FIRE line and RISER,, POWER, SEWER,, INFO , LOW VOLTAGE		0.00	0.00

Subtotal	
Sales Tax (5.6%)	
Total	

Estimate

Date	Estimate #
5/22/2024	631

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
NO FIRE ALARM		0.00	0.00
		0.00	0.00

Subtotal	$166,970.00
Sales Tax (5.6%)	$9,350.32
Total	$176,320.32

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Estimate

Date	Estimate #
7/4/2024	635

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
budgets for the container kitchen and misc related not in original budgets,, like; all utilities to box???		0.00	0.00
open up flooring for 11 new footings	15	45.00	675.00T
digging all down 16 inch's,, dispose of dirt on site	22	45.00	990.00T
from and set up rebar,, material		575.00	575.00T
labor	14	45.00	630.00T
pour materials 6.5 yards,, truck		1,275.00	1,275.00T
pour above,, all wheeled	24	45.00	1,080.00T
11 base plates		865.00	865.00T
on site welding,, not certified		1,000.00	1,000.00T
strip,clean, redo flooring	16	45.00	720.00T
hhc insurance on above		125.00	125.00T
supervising,,inspections		500.00	500.00T
NO SP[ECIAL INSPECTIONS ARE ALLOTTED FOR IF NEEDED?????		0.00	0.00
hhc profit and over head		1,000.00	1,000.00T

Subtotal	
Sales Tax (5.6%)	
Total	

Estimate

Date	Estimate #
7/4/2024	635

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
mats in //trash out		225.00	225.00T
guys,,gas n travel		150.00	150.00T
OTHER ITEMS to BE THOUGHT OF,, BUDGETED ETC??		0.00	0.00
PROPANE LINE to building,, REGULATOR ETC???		0.00	0.00
EITHER THE SMALLER OR THE 200 AMP FEEDERS TO BUILDING ????		0.00	0.00
FIRE LINE AND RISER TO BUILDING???		0.00	0.00
FIRE ALARM TO BUILDING AND RELATED		0.00	0.00
ANY EXTERIOR NORTH OR SOUTH CONCRETE???		0.00	0.00
ROOF EQUIPMENT SCREEN WALLS OR FALL PROTECTION???		0.00	0.00
SPECIAL INSPECTIONS??		0.00	0.00

Subtotal	
Sales Tax (5.6%)	
Total	

Estimate

Date	Estimate #
7/4/2024	635

Name / Address
Gadsden

Project

Description	Qty	Cost	Total
CERTIFIED WELDING??		0.00	0.00
ANY ITEMS NOT LISTED ON THIS OR OTHER BUDGETS???		0.00	0.00

Subtotal	$9,810.00
Sales Tax (5.6%)	$549.36
Total	$10,359.36

North Dodge
Contracting, Inc.
520-977-6717
PROPOSAL

ATTN: TED

Page No. 1 of 1 Pages

PROPOSAL SUBMITTED TO		PHONE	DATE
HIDDEN HOLLOW CONSTRUCTION		520-977-6499	2-13-25
STREET		JOB NAME	
		MSA ANNEX BLD. #13	
CITY, STATE AND ZIP CODE		JOB LOCATION	
		267 S AVENIDA DEL CONVENTO	
ARCHITECT	DATE OF PLANS		JOB PHONE
		ROC #072805 & 057865	

We hereby propose to furnish materials and labor necessary for the completion of:

ALLOWANCE FOR SEWER LINE INSTALLATION: $7,950

INCLUDES: TIE INTO EXISTING SEWER AT GREASE INTERCEPTOR, 25' – 4" SDR-35, TIE INTO EXISTING 4" CLEANOUT, IMPORT MATERIAL FOR BACKFILL

ALLOWANCE FOR FIRE LINE INSTALLATION: $9,275

INCLUDES: TIE INTO EXISTING 4" LINE, 4" VALVE, 25' – 4" C-900, 2 – 4" BENDS, 4" DIP RISER OUTSIDE EXISTING BUILDING, IMPORT FOR BACKFILL, PRESSURE TEST, AND FLUSH

ALLOWANCE FOR DOMESTIC WATER: $2,675

INCLUDES: TIE INTO EXISTING WATER, 25' – 1" SCH 40 PVC, 1" VALVE IN BOX, STUB WITHIN 5' OF EXISTING BUILDING, IMPORT FOR BACKFILL

EXCLUDES: ANY PERMIT OR FESS, COMPACTION TESTING, REPAIR OF OR DOWN TIME FEES CAUSED BY ANY UN-MARKED UTILITIES, RE-LOCATION OF ANY EXISTING UTILITIES DUE TO CONFLICT WITH DEPTHS FOR CROSSING, ANY BRICK REPLACEMENT, ANY RE-LANDSCAPING, REPAIR, REPLACEMENT, OR COVERING EXISTING WINDOWS OF EXISTING BUILDING TO EAST OF TRENCH, ANY NIGHT OR WEEKEND WORK, LABOR OR MATERIALS FOR ANYTHING NOT LISTED ABOVE, AND SALES TAX

*DUE TO UNKNOWN FIELD CONDITIONS, ABOVE NUMBERS ARE ONLY ESTIMATES

WE PROPOSE hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

*ANY DIGGING REQUIRING JACKHAMMERING WILL REVERT TO A PER HOUR CHARGE

dollars ($)

Payment to be made as follows:

NINTEEN THOUSAND NINE HUNDRED AND 00/100-------------------------------------- 19,900.00

WITHIN 30 DAYS OF COMPLETION OF WORK

All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration of deciation from above specifications involving extra costs will be executed only upon written orders, and will become and extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature ______

Note: This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

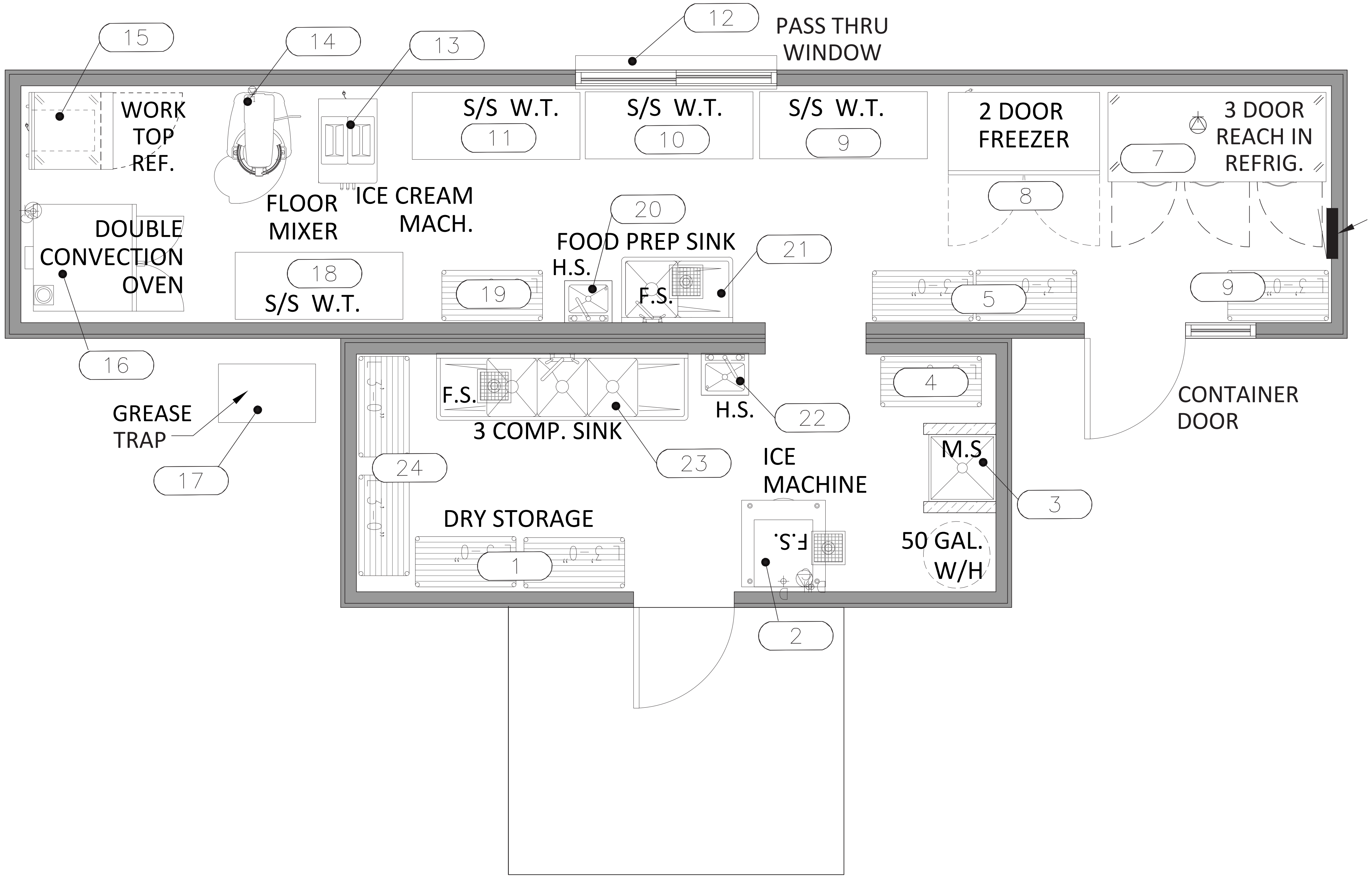
STEVE HEBERT PRESIDENT

Signature ______

Date of Acceptance: ______

Signature ______

ANNEX COMMISSARY FLOOR PLAN



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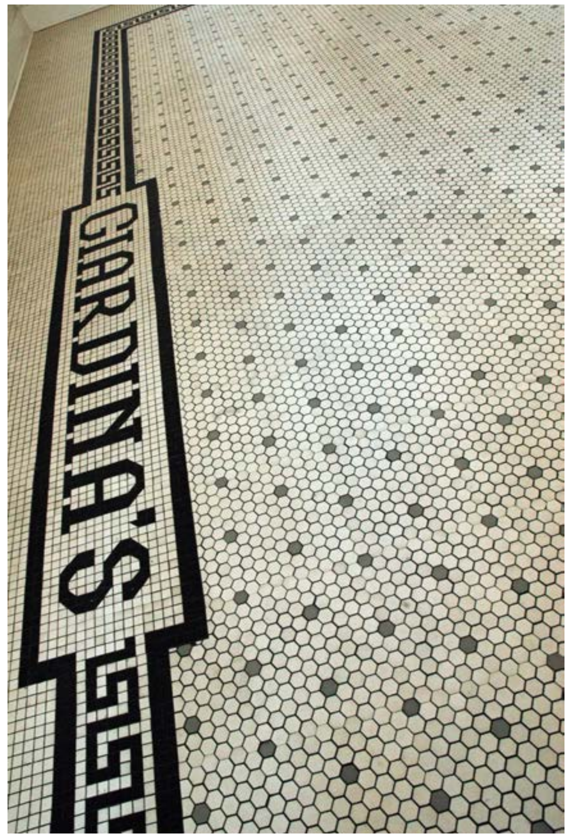
VISUAL BOARD INTERIOR ELEMENTS



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CONTACT US

E-mail

Website

Phone

EXHIBIT C
MERCHANT INFORMATION GUIDE

Rio Nuevo District
Sales Tax Reporting Information

TPT AND TIF INFORMATION FOR RIO NUEVO DISTRICT MERCHANTS

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

(520) 623-7336 | 1703 E. Broadway Blvd., Tucson, AZ 85719 | www.RioNuevo.org

TABLE OF CONTENTS

The Rio Nuevo District is an economic development agency that provides long-term growth by helping defray the steep costs of major projects, new development, and property improvements, benefiting the Tucson community.

ABOUT

The Rio Nuevo District is a Tax Increment Finance District (TIF) funded by a share of state sales tax dollars and held accountable to the Arizona State Legislature for use of the funds. In 1999 voters approved the creation of the district that allows TIF funds to be reinvested into the Tucson community. TIF funds are managed by the Rio Nuevo District Board of Directors who as of 2010 are appointed by the State Governor, President of the Senate, and Speaker of the House of Representatives.

In partnership with private sector developers, commercial lenders, real estate investment firms and others, Rio Nuevo invests in projects that expand the tax base and bring people and new businesses to downtown Tucson and the Sunshine Mile. This investment helps to defray the steep costs of projects, events, new development, and property improvements.

Rio Nuevo District's mission is to revitalize downtown Tucson and the Sunshine Mile to create a vibrant, urban environment where residents and visitors can live, stay, work and play.

TAX INCREMENT FINANCE (TIF)

A tax increment finance district (TIF) is a public financing method that is used for redevelopment, infrastructure, and other community-improvement projects in many states. TIF funding is generated by growth in sales tax revenues, called the tax increment.

TIF's help local governments attract private development and new businesses by adding more jobs, more customers, and more private investment. TIF's create short- and long-term benefits for communities including:

• No tax increases • Increased property values • Private investment and development • New jobs • Job retention • Stronger, broader tax base • Stronger economic base • Locally controlled development • Incremental revenue reinvested into the TIF district • Stimulates investment outside TIF district boundaries

TIF DISTRICT BOUNDARIES

The TIF District, https://rionuevo.org/about/tif-district/district-map/, approximately 7 miles in length, encompasses the Mercado on the west side of I10, downtown Tucson, and Broadway Blvd from downtown to Park Place Mall.

YOUR ROLE

A majority of Rio Nuevo funding is generated by a splitting of the transaction privilege taxes (TPT) paid by District merchants to the Arizona Department of Revenue. Merchants within the District complete sales tax reports by using the code ‘PAD’ in the Region Code section of the sales tax form. By using code ‘PAD’ on the form, this instructs the Arizona Department of Revenue to direct funds to Rio Nuevo, which are invested into the community.

Per the Arizona Department of Revenue:

“Effective October 1, 2002, taxable activity and collections occurring in the Rio Nuevo District must be reported separately. The code ***PAD*** *should be used in place of PMA for all business activity occurring within Rio Nuevo in the Business Classes listed below. Activity will continue to be reported by TPT class. The tax rate applied to* ***PAD*** *Business Classes will remain the same as that applied to PMA Business Classes.*

For example, if your business has activity within the Rio Nuevo District in Pima County and it has taxable retail transactions, that activity should be listed on the TPT-EZ return in ***PAD*** *017 instead of PMA 017. All transactions not located in the Rio Nuevo District should continue to be filed under the specific county code. If your business has multiple locations within Pima County, only the taxable transactions at the locations within the Rio Nuevo District should be filed under* ***PAD****. All remaining taxable activity should be filed under PMA.”*

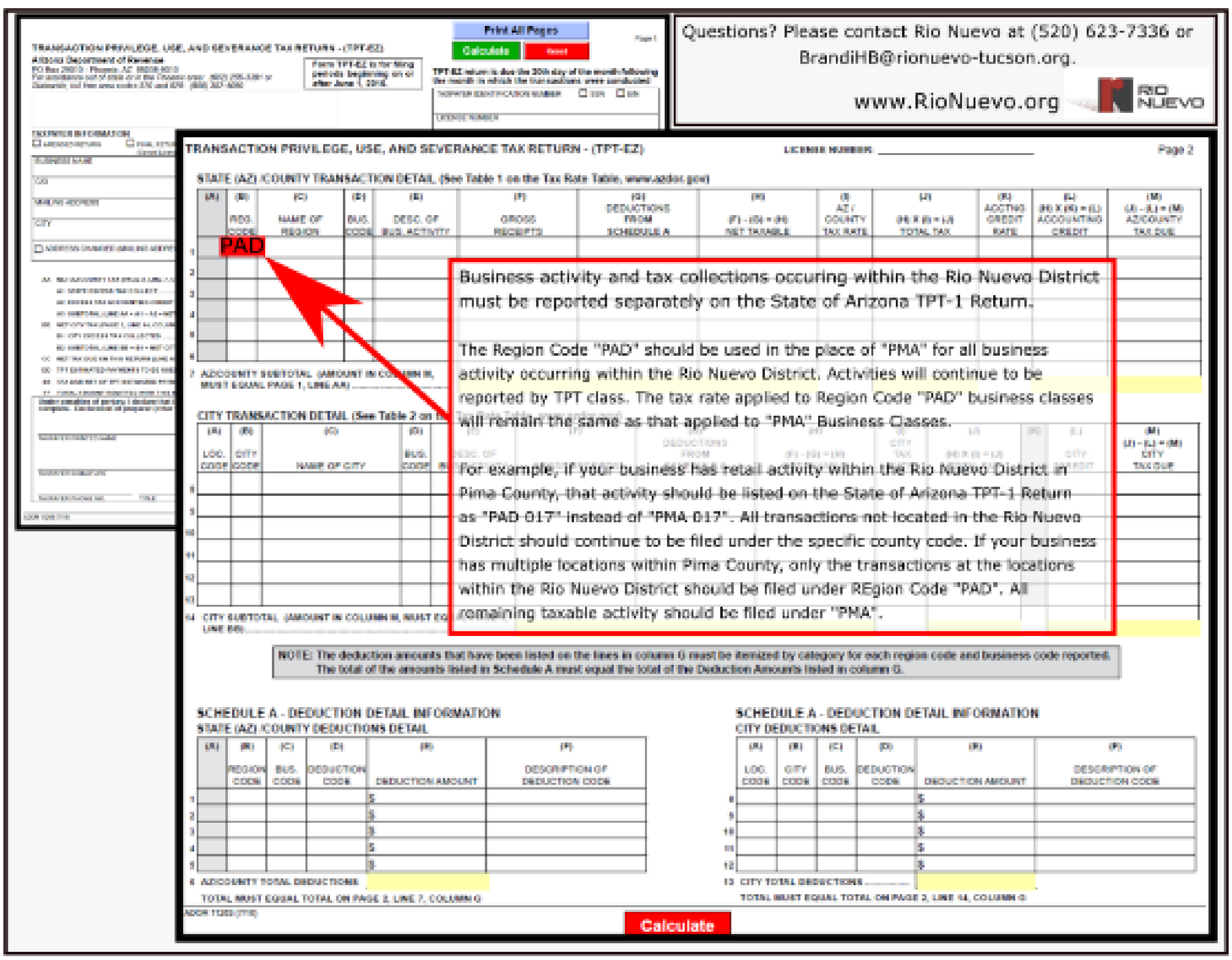
This does not increase your tax and does not raise rates.

SALES TAX (TPT)

Transaction Privilege Tax (TPT) is commonly referred to as sales tax and is a tax on a vendor for the privilege of doing business in the state. Various business activities are subject to sales tax and must be licensed.

Form TPT-EZ, [https://azdor.gov/forms/tpt-forms/tpt-ez-transaction-privilege-use-and-severance-tax-return,](https://azdor.gov/forms/tpt-forms/tpt-ez-transaction-privilege-use-and-severance-tax-return) is the form that merchants must submit to the Arizona Department of Revenue. And is where the code 'PAD' will be used in the Region Code section.

If you are correctly completing your sales tax reports, we sincerely thank you. If for some reason you are not, we strongly encourage you to correctly complete the TPT Form. Rio Nuevo District staff are available to assist you if you have any questions. You can also amend prior filings for up to four years.


Questions? Please contact Rio Nuevo at (520) 623-7336 or BrandiHB@rionuevo-tucson.org.

www.RioNuevo.org

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-EZ)

STATE (AZ) /COUNTY TRANSACTION DETAIL

PAD

Business activity and tax collections occuring within the Rio Nuevo District must be reported separately on the State of Arizona TPT-1 Return.

The Region Code "PAD" should be used in the place of "PMA" for all business activity occurring within the Rio Nuevo District. Activities will continue to be reported by TPT class. The tax rate applied to Region Code "PAD" business classes will remain the same as that applied to "PMA" Business Classes.

For example, if your business has retail activity within the Rio Nuevo District in Pima County, that activity should be listed on the State of Arizona TPT-1 Return as "PAD 017" instead of "PMA 017". All transactions not located in the Rio Nuevo District should continue to be filed under the specific county code. If your business has multiple locations within Pima County, only the transactions at the locations within the Rio Nuevo District should be filed under REgion Code "PAD". All remaining taxable activity should be filed under "PMA".

CITY TRANSACTION DETAIL

NOTE: The deduction amounts that have been listed on the lines in column G must be itemized by category for each region code and business code reported. The total of the amounts listed in Schedule A must equal the total of the Deduction Amounts listed in column G.

SCHEDULE A - DEDUCTION DETAIL INFORMATION
STATE (AZ) /COUNTY DEDUCTIONS DETAIL

SCHEDULE A - DEDUCTION DETAIL INFORMATION
CITY DEDUCTIONS DETAIL

Calculate

ONLINE FILING

If your business reports sales tax online and is not currently using code "PAD" please use the following link to update the Region code: **AZDOR – Updating a TPT Account** https://azdor.gov/transaction-privilege-tax/tpt-license/updating-tpt-account

Detailed instructions to fix your code online is available at: **Step By Step Instructions** https://azdor.gov/sites/default/files/2023-03/PUBLICATION_TPT_TPT2-stepbystep.pdf

AMENDMENTS

Amendments to sales tax reports can be made by using the TPT-1 form and placing a checkmark in the 'Amended Return' box: **AZDOR TPT-1** https://azdor.gov/forms/tpt-forms/tpt-1-transaction-privilege-use-and-severance-tax-return-filing-periods-june-1-2016

The TIF keeps money in Tucson and allows Rio Nuevo to invest in the community.

OUR ASK

We ask that you assist the Rio Nuevo District by correctly completing your TPT form by using the code 'PAD'.

RESOURCES

- Arizona Department of Revenue – Taxpayer Education and Information https://azdor.gov/taxpayer-education/online-tutorials/tpt-tutorials
- Arizona Department of Revenue Tax Rate Table https://modelcitytaxcode.az.gov/Tax_rate/PDF/201909.pdf
- Arizona Department of Revenue – Determine if you are in the Rio Nuevo District https://www.aztaxes.gov/Home/Address?Length=13
- Arizona Department of Revenue – Update Online State/Region Code https://azdor.gov/transaction-privilege-tax/tpt-license/updating-tpt-account

- Arizona Department of Revenue – Amendments to Sales Tax Reports TPT-1 Form
  https://azdor.gov/forms/tpt-forms/tpt-1-transaction-privilege-use-and-severance-tax-return-filing-periods-june-1-2016

- Rio Nuevo District - Learn more about Rio Nuevo District projects
  www.RioNuevo.org

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If you would like updates on Rio Nuevo projects, please sign up for our board meeting agenda notification at www.RioNuevo.org.