AGREEMENT TO PROVIDE ECONOMIC BENEFITS

This Agreement ("**Agreement**") is entered into as of August __, 2022 ("**Effective Date**") by and between COURTYARD EVENTS, LLC dba THE GRAND AT GIBSON COURT, an Arizona limited liability company ("**LLC**") and Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the "**District**"). The LLC and the District are sometimes referred to in this Agreement collectively as the **"Parties"** or individually as a **"Party."**

RECITALS:

A. The real property located at 33 S. 6th Avenue, Tucson, Arizona, 85701 (**"The Grand at Gibson Court" or "Premises"**) is owned by the City of Tucson, a municipal corporation. The Premises is situated on a portion of two adjacent Parcels (the "**Property**") bounded by 6th Avenue to the south, Congress Street to the west, Arizona Avenue to the north, and Broadway Boulevard on the east. The Property is legally described on Exhibit A hereto, which also depicts the site of the Premises on the Property.

B. The Property is the subject of a Land and Improvements Lease dated April 5, 2016 between the City of Tucson as a Government Lessor under A.R.S. § 42-6201(1), and the Gibson Family, LLC, an Arizona limited liability company as the Prime Lessee under A.R.S. § 42-6201(4). The Lease is a Government Property Lease Excise Tax Lease Agreement ("GPLET") scheduled to terminate on April 5, 2024.

C. Courtyard Events, LLC is an Arizona limited liability company formed to improve the Premises by constructing and operating a commercial conference and event center as "The Grand at Gibson Court." The LLC will own and operate the business known as The Grand at Gibson Court, but it will occupy the Premises at 33 S. 6th Avenue pursuant to a Lease between the LLC and the Gibson Family, LLC. A copy of the Lease between the LLC and the Gibson Family, LLC as Primary Lessor of the Property is attached hereto as Exhibit B.

D. The LLC requested the District's financial assistance to improve the Premises by constructing an event center for weddings, corporate meetings and large gatherings, which the LLC will operate as the Grand at Gibson Court or the "Event Center."

E. The LLC anticipates that completion and operation of the Event Center will bring approximately 37 new jobs to downtown Tucson, increase foot traffic in downtown Tucson, and provide capacity to serve up to 250 customers. It is projected to generate additional taxable revenue of approximately $6,450,000 during its first four years of operation.

F. The District's Board has determined that the construction and development of the Premises and operation of the Event Center will generate substantial taxable revenue, appreciably increase employment opportunities, and will therefore benefit the downtown Tucson area and the Rio Nuevo District the District in general.

G. This Agreement is to detail the economic incentive that the District has agreed to provide the LLC to assist it in completing construction of the Event Center.

AGREEMENTS

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

1) **Recitals.** The Parties hereby acknowledge the accuracy of the Recitals, which are incorporated herein by this reference.

2) **Definitions**. In this Agreement, unless a different meaning clearly appears from the context:

a) **"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.

b) **"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 Property from time to time.

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

3) **LLC's Minimum Requirements**. To be entitled to the economic benefits provided by the District herein, the LLC shall at all times satisfy the following "**Minimum Requirements."**

a) **Occupancy of Property and Performance of the Lease**. The LLC will fulfill all terms of the Gibson Court Standard Triple Net Commercial Lease with the Gibson Family, LLC ("Gibson Family Lease ") as the Landlord for the initial lease term of eleven years, including but not limited to completing the construction and other improvements necessary to begin operating the Event Center, maintaining occupancy of the Premises and continuing the operation of the Event Center at the Premises. The LLC will perform all obligations required by the Gibson Family Lease including without limitation the payment of all rent and other amounts payable under the Lease, subject to force majeure and/or reasonable delays caused by construction of improvements enlargement of the patio as contemplated in this agreement.

b) **Timing of Premises Improvements.** Improvements at the Premises contemplated by this Economic Benefit Agreement must be completed, and a Certificate of Occupancy for the Event Center issued, before expiration of the Prime Lessee's Lease term with the City of Tucson.

c) **Conditions Precedent**. These Minimum Requirements are express conditions precedent to the District's obligation to provide funding through this Agreement for the improvements and expansion of the Premises.

4) **District's Findings**. The District has determined that the LLC's satisfaction of the Minimum Requirements (i) will benefit the District and the City of Tucson ("**City**") in numerous ways, including, without limitation, (A) increasing transaction privilege tax revenues and other revenues, (B) increasing the City's employment base, (C) stimulating further economic development, and (D) otherwise improving or enhancing the economic welfare of the District's primary component, the Tucson Convention Center; (ii) is not likely to occur (or to occur at this time and/or in this manner and/or at the New Premises) 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 these benefits.

5) **Economic Incentive for the LLC**. Based upon the District's findings and the LLC's continuing satisfaction of the Minimum Requirements, the District will pay an "**Economic Incentive**" to the LLC of no more than $500,000. Payments will be made on a draw basis for reimbursement of the work completed by the LLC at the Premises for the Event Center.

a) The Economic Incentive funds will be available to the LLC commencing on or before September 1, 2022, and terminating on completion of the project or on December 31, 2023, whichever comes first.

b) The LLC covenants and agrees to use the Economic Incentive solely to defray the LLC's actual cost for improving the Premises and constructing the Event Center.

6) **Default, Cure & Remedies**.

a) 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 (a **"Default"**); 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 30 day period and diligently proceeds to complete such performance. Any notice of an alleged Default shall specify the nature of the alleged Default and the manner in which said Default may be satisfactorily cured. If a Default is not cured within the Cure Period, the non-defaulting Party shall have the remedies set forth in Section 7(b) or Section 7(c) of this Agreement, as applicable.

b) **District Remedies**. Whenever a Default occurs and is not cured (or, if appropriate, cure undertaken) by the LLC in accordance with this Agreement, the District's sole and exclusive remedies shall consist of and be limited to the following:

i) The District may recover from LLC any Economic Incentive payments made during the period of any properly noticed and uncured Default and cease all future Economic

Incentive payments if such Default continues for 30 days or more after the Cure Period unless additional time is required to cure such Default as set forth herein.

ii) All such remedies shall be cumulative and not exclusive of one another except as provided in this Agreement and the exercise of any one or more of the remedies shall not constitute a waiver or election with respect to any other available remedy.

c) **LLC's Remedies**. Whenever a Default occurs and is not cured (or, if appropriate, cure undertaken) by the District in accordance with the notice period and Cure Period provisions of this Agreement, the District expressly acknowledges and agrees that LLC 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 LLC may seek damages from the District limited to the amount of any undisbursed funds that a court determines should properly be disbursed to LLC 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 District and LLC each hereby waive any and all rights to seek or receive punitive, multiple, exemplary 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) LLC represents, warrants and covenants to the District that:

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

ii) **Performance.** LLC will 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.

iii) **Litigation.** As of the date of this Agreement, LLC knows of no litigation, proceeding or official investigation contesting the powers of LLC or its officers with respect to this Agreement, including LLC'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 LLC 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 LLC's performance or failure to perform its obligations under this Agreement, whether or not LLC is a party to such claim, action or proceeding, and whether or not negligence or gross negligence by the District is alleged, LLC shall cause such action or proceeding (including all claims against the District, its directors, officers or employees) to be timely defended by counsel selected by LLC 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 LLC's counsel, at LLC'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, LLC 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 the LLC's breach of any covenant, representation, warranty or term contained in this Agreement. Notwithstanding anything in this Agreement to the contrary, the obligations set forth in this Section 8(a)(v) shall survive termination or expiration of this Agreement for a period equal to the applicable statute of limitations period.

vi) **No Consideration to Third Parties**. LLC 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 contained 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 LLC.

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 LLC, its managers, members, representatives, agents and employees, harmless for, from and against any liability, loss, claim, action or demand, including attorneys' fees and costs that may arise out of or is connected with the District's breach of any covenant, representation, warranty or term contained in this Agreement. The District's indemnification provided in this Agreement shall survive the 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 the District nor the LLC, as the case may be, shall be considered to have caused a Default, nor shall the LLC be deemed to have failed to satisfy the LLC 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 or 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 Property by any governmental entity; (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 the LLC, from labor shortages, nor from the unavailability for any reason of particular materials or other supplies, contractors, subcontractors, vendors, investors or lenders desired by the LLC. It is understood and agreed that the LLC 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 8 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 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 attorneys' fees incurred prior to 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 contained 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 ("**Notice**") that any Party may desire or may be obligated to give to any other Party shall be in writing and may be given by personal delivery, registered or certified mail (return receipt requested), email transmission (with delivery receipt) or by commercial courier to the Party, or its successors or assigns, to whom the Notice is intended at the address of the Party set forth below or at any other address as the Parties may later designate. Change of address by a Party shall be given by Notice as follows:

i) *If to the District:* Rio Nuevo Multipurpose Facilities District, 1703 E. Broadway Boulevard, Tucson, Arizona 85719, with a copy to Mark Collins, Esq., Gust Rosenfeld P.L.C. , One South Church Avenue, Suite 1900, Tucson, Arizona 85701.

ii) *If to LLC:* Courtyard Events, LLC dba The Grand at Gibson Court, 33 S. 6th Avenue, Tucson, AZ 85711, attention: Kelly Abbott, Manager with copy to James M. Woodrow, Esq., 7440 N. Oracle, Building 5, Tucson, AZ 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 the LLC'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 the LLC, 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, 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, this Agreement shall terminate without further action upon the earlier of (i) the completion date of the improvements at the Premises anticipated herein, or (ii) December 31, 2023 (the "Term"). Notwithstanding the foregoing, if the work anticipated under this Economic Incentive agreement has not commenced by December 31, 2022, 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 contained in this Agreement shall create, or be deemed to create, any partnership, joint venture or other similar arrangement between the District and the LLC. 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 10(p).

q) **No Liability of District Officials**. No director, officer, official, representative, agent, attorney or employee of the District shall be personally liable to the LLC, or to any successor in interest to the LLC, in the event of any Default by the District, or for any amount which may become due to the LLC 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 ARS § 35-393 et seq.is applicable, the LLC 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 ARS § 35-393.

COURTYARD EVENTS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

By: Kelly A Abbott
Name: Kelly A. Abbott
Title: Member/Manager
Date: 8/26/2022

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: _____
Fletcher McCusker, Chairman
Date: 8/30/22

By: _____
Edmund Marquez, Secretary
Date: _____

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By:_____
Fletcher McCusker, Chairman
Date:_____

By:_____
Edmund Marquez, Secretary
Date: 8/24/2022

EXHIBIT A

Legal Description of Property and Depiction of the Premises at 33 N. 6th Avenue, Tucson, AZ

PROPERTY

LEGAL DESCRIPTION
EXHIBIT "A"

Parcel 1:

All of Lot 7, in Block 92 of the CITY OF TUCSON according to the official survey, field notes, and map as made and executed by S. W. Foreman and approved and adopted by the Mayor and Common Council of said City (then Village) of Tucson on June 26, 1872, a certified copy of which 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; AND that portion of Lot 6 in said Block 92 quitclaimed unto John Ivancovich et ux., in that certain Boundary Line Agreement recorded in Book 14 of Miscellaneous Records at page 336; and EXCEPTING THEREFROM all that portion of Lot 7 quitclaimed to Selim M. Franklin et ux., in that certain Boundary Line Agreement recorded in Book 14 of Miscellaneous Records at page 336.

Parcel 2:

Lot 10, in Block 92 of the CITY OF TUCSON according to the official survey, field notes, and map as made and executed by S. W. Foreman and approved and adopted by the Mayor and Common Council of said City (then Village) of Tucson on June 26, 1872, a certified copy of which 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.

PREMISES

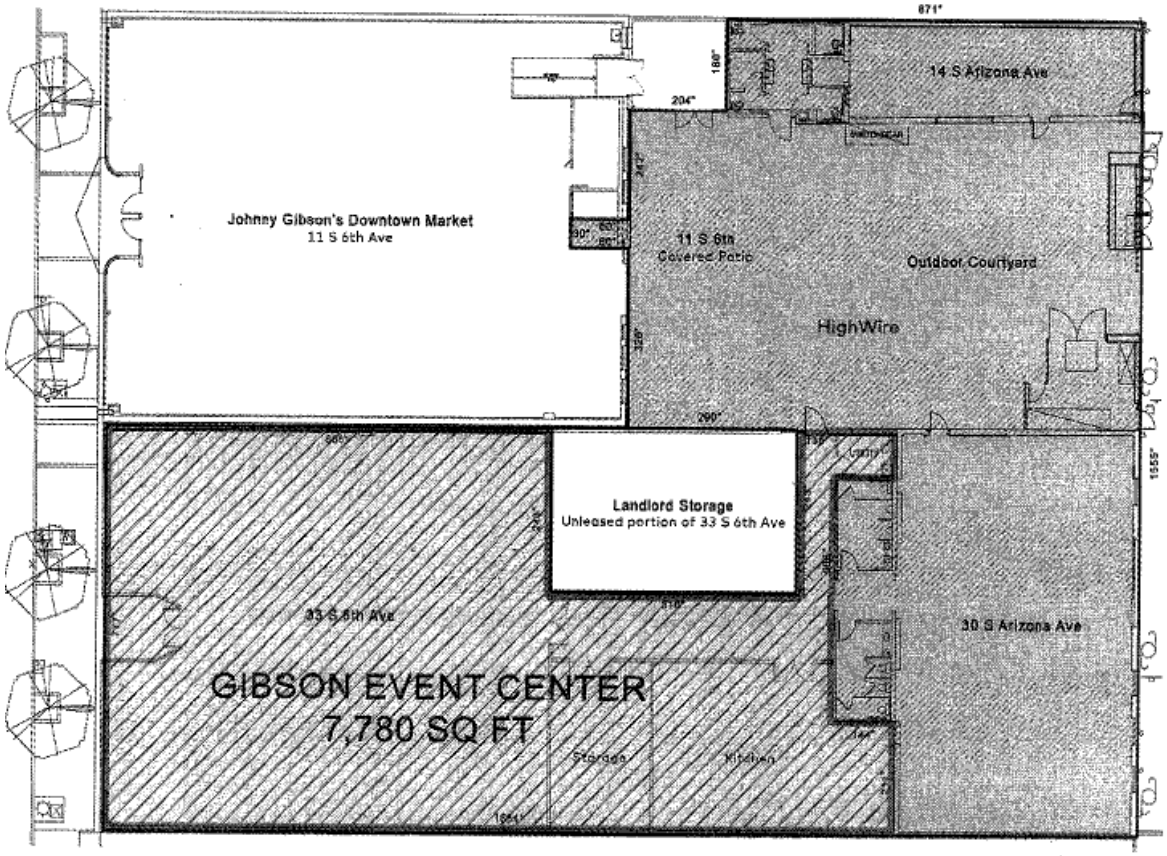


EXHIBIT B

Lease Between Courtyard Events, LLC and Gibson Family, LLC

GIBSON COURT STANDARD TRIPLE NET COMMERCIAL LEASE

1. PARTIES.

This Lease, dated as of this 24TH day of August, 2022, is made by and between Gibson Family, LLC, an Arizona limited liability company ("Landlord") and Courtyard Events, LLC, an Arizona limited liability company ("Tenant").

1. LEASE OF PREMISES.

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises shown on Exhibit "A" and further described in Section 3(h).
(b) This Lease is subject to the terms, covenants and conditions herein set forth and each party covenants as a material part of the consideration for this Lease to keep and perform each and all of its terms, covenants and conditions.

3. DEFINITIONS.

As used in this Lease, the following terms have the following meanings:

(a) Annual Percentage Rental Rate (Section 7): N/A

(b) Broker(s):

There are not any Brokers or Real Estate agents a part of this transaction/lease.

(c) Common Areas: The common area associated with the Premises per Exhibit "A" hereof.

(d) Index (Section 4(d)): Intentionally deleted

(e) Landlord's Mailing Address: Gibson Family, LLC, 5211 North Calle La Cima, Tucson, Arizona 85718

(f) Lease Term: The Lease Term shall commence as of the Lease Term Commencement Date and shall continue thereafter for a period of Eleven (11) years and any applicable Lease Term Extensions.

(g) Lease Term Commencement Date: The date is the date the parties execute this Lease.

(h) Initial Minimum Base Rent (Section 4): $1,700.00 per month, to be adjusted as hereinafter provided together with all current and future taxes applicable to the payment of Tenant's Minimum Rent imposed from any taxing authority.

(i) Premises: That portion of The Gibson Court containing approximately 7,780 rentable square feet of floor area, as shown on Exhibit "A" and commonly designated as 33 South 6th Avenue, City of Tucson, Arizona.

Please Initial Below:

Landlord

Tenant

(j) Rental Adjustment Date See Rent Schedule attached hereto as First Addendum attached hereto and made a part hereof.

(k) Security Deposit (Section 5): $12,000.00

(l) The Gibson Court: The real property and all buildings and other improvements located thereon, as illustrated on Exhibit "A", located at 33 South 6th Avenue, 11 South 6th Avenue, 30 South Arizona Avenue and 14 South Arizona Avenue, City of Tucson, County of Pima, Arizona of which the Premises is a part. The Property is known as "The Gibson Court ". The Property consists of approximately 24,000 square feet of rentable area. Pima County Assessor Parcel Numbers: 117-06-1910 & 117-06-195A.

(m) Tenant's Mailing Address: 11 South 6th Avenue, Tucson, Arizona 85701.

(n) Tenant's Proportionate Share: 32.4% as to Tenant's proportionate share for additional charges/adjustments per Section 8 herein. The percentage equivalent of a fraction, the numerator of which is the rentable area of the Premises (7,780 square feet), and the denominator of which is the total rentable area of The Gibson Court as determined by Landlord (24,000 square feet).

(o) Lease Term Extensions: The periods of time this Lease may remain in effect after the expiration of the Lease Term pursuant to a provision therefor in the First Addendum to The Gibson Court Standard Triple Net Commercial Lease.

(p) Use: Tenant shall use the Premises for operation of an event, convention center and restaurant and related uses with an Arizona Liquor License issued by DLLC.

(q) Leasehold Improvements: Landlord and Tenant's initial improvements as set out in Exhibit "B" and Section 11 herein.

(r) Exhibits: The following exhibits are attached to and herein incorporated into this Lease and may be amended in writing therein:

Exhibit "A" Site Plan
Exhibit "B" Leasehold Improvements
Exhibit "C" The Gibson Court Rules and Regulations
Exhibit "D" Not applicable
Exhibit "E" Tenant's Property

(s) Trade Name: The use of the trade name "Gibson Court" or the trade name "The Grand at (or @) Gibson Court" is assigned to Tenant for Tenant's exclusively use so long as Tenant occupies the Premises. The name Johnny Gibson or

Please Initial Below:

Landlord

Tenant

Johnny Gibson's or any image or any inference to the life and legacy of Johnny Gibson is exclusively owned by Landlord. Any use by Tenant of the Johnny Gibson name or Gibson Court other than those related specifically to the marketing of Johnny Gibson's Downtown Market or The Grand at Gibson Court shall be reviewed and approved in Landlord's sole discretion and may be subject to licensing and or royalty arrangements between the Tenant and the Gibson Family

(t) Applicable Building Laws – All Federal, state, county, city and local laws, rules, regulations and codes, including but not limited to those involving building, fire, health and liquor agencies; and The Gibson Court Rules and Regulations.

(u) Tenant's Personal Property – Limited to items listed in Exhibit "E".

4. USE

A. Permitted Use.
(a) The Premises are to be used only for the Permitted Use specified in Section 3(p) above and for no other business or purpose whatsoever without the prior written consent of Landlord, which consent may not be unreasonably withheld, conditioned or delayed. In making its determination as to whether or not to consent to a proposed change in use, Landlord may consider all relevant matters, including the compatibility of the new use with the general nature of The Gibson Court, Landlord's plans for the future use and development of The Gibson Court, the businesses of the other tenants of The Gibson Court, including but not limited to any exclusive rights contained in their leases, and the current businesses and future plans of any of the other tenants. If Landlord consents to any change in use, and as a result thereof Tenant's primary use of the Premises no longer falls within the definition of the Permitted Use, then any exclusive rights Tenant may have under this Lease with regard to the Permitted Use shall be deemed terminated. (b) Tenant agrees to operate its business in compliance with all applicable covenants, conditions and restrictions of record, all applicable federal, state and local zoning, environmental, safety, liquor and other pertinent laws, rules, regulations and ordinances, including without limitation The Americans With Disabilities Act, and the rules of any public or private body having jurisdiction over insurance rates (collectively, "Applicable Building Laws"), and that any alterations necessary to the Premises by reason of such Applicable Building Laws shall be at Tenant's sole cost and expense. Tenant shall indemnify, defend and hold harmless Landlord from and against any claim, liability, expense, lawsuit, loss or other damage, including reasonable attorneys' fees, arising from or relating to Tenant's use of the Premises or Tenant's activities within The Gibson Court or any violations of Applicable Building Laws due to the use of the Premises by Tenant, its employees, subtenants, agents or contractors. Notwithstanding the foregoing, Landlord represents that the Permitted Use does not violate the terms of any other lease in effect in The Gibson Court and, to the best of its knowledge, complies with Applicable Building Codes. Landlord shall be responsible to ensure that the Common Areas and the Premises, as delivered to Tenant, are in compliance with Applicable Building Laws.
(c) Landlord represents that The Gibson Court has been developed as, and covenants and agrees that it shall be maintained as a location for an outstanding type of predominantly service business occupancy. In consideration thereof, Tenant covenants and agrees that at all times:
(i)Tenant's use of the Premises throughout the Term will be consistent with the character and dignity of The Gibson Court; (ii) the business to be conducted at, through and from the Premises will be reputable in every respect; (iii) the sales and service methods employed in said business, as well as all other elements of merchandising, display and advertising, will be dignified and in conformity with the highest standards of practice for this type of Permitted Use, and (iv) the appearance of the Premises (including the lighting and other appurtenances), the appearance and deportment of all personnel employed therein, and the appearance, number, location, nature and subject matter of all displays and exhibits placed or installed in or about the Premises which are visible from the outside, and of any signs, lettering, announcements, or any other kind or forms of inscriptions displayed in or about the Premises which are visible from outside will be consistent with the foregoing standards.
(d) Without the express written consent of Landlord, which Landlord will not unreasonably withhold or delay, the Premises shall be used and occupied only under the Trade Name(s) specified in 3(s) above. Tenant warrants that it has the right to use this Trade Name and that such use will not infringe on the rights of others.

Please Initial Below:

Landlord 

Tenant 

(e) During the Term, Tenant shall continuously occupy and use the entire Premises for the purpose or purposes specified herein.

B. LIMITATIONS ON USE.

(a) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the Permitted Use of the Premises, which will in any way increase the existing rate of or affect any fire or other insurance upon The Gibson Court or any of its contents, or cause a cancellation of any insurance policy covering The Gibson Court or any part thereof or any of its contents. In the event of a breach of this covenant, Tenant shall pay to Landlord any and all increases in insurance premiums resulting from such breach upon demand, and Landlord shall have all additional remedies provided for herein to redress such breach. Notwithstanding the foregoing, Tenant shall have the right, at its sole cost and expense, to contest the decision of the insurer, but unless such contest postpones the effectiveness of the insurer's decision, Landlord must proceed in accordance with it as if it were a valid decision. If Tenant is successful in whole or in part, Landlord shall reimburse Tenant for any amounts recovered from the insurer which it has paid to Landlord under this section. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of The Gibson Court or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. If any of Tenant's machines or equipment unreasonably disturbs any other tenant of The Gibson Court or its employees or customers, then Tenant shall promptly provide adequate insulation, or take such other reasonable action as may be necessary in Landlord's judgment to reduce the noise or disturbance.
(b) In addition to the foregoing, and not in limitation thereof, Tenant shall not: (i) Conduct any auction, fire, going out of business or bankruptcy sales; provided that a legitimate going out of business sale may be held within ninety (90) days prior to the end of the Term, if it is conducted in a dignified manner and Landlord is first given the opportunity to approve all advertising, which approval will not be unreasonably withheld, delayed or conditioned. (ii) Abuse the walls, ceilings, partitions, floors, wood, stone or iron work, or otherwise injure or impair the structural strength of the Premises, perform any roof penetration except as set forth iin Tenant's plans approved by Landlord whose approval shall not be unreasonably withheld, use the plumbing for any purpose other than that for which constructed, or permit vibration or noise from any mechanical apparatus to be transmitted beyond the confines of the Premises. (iii) Make or permit any noise or odor to emit from the Premises which may be objectionable to the public, to other occupants of The Gibson Court or to Landlord, other than such noises and odors which are generally emitted in connection with the Permitted Use. (iv) Place or permit any radio or television antenna, satellite dish, loud speaker or sound amplifier, or any phonograph or other similar devices on the roof or outside of the Premises or at any place inside where the same may be seen or heard outside of the Premises, except in the normal display and support of its permitted use. Notwithstanding the foregoing, Tenant, at its sole cost and expense, shall have the right to install antennas and/or satellite dishes on the roof of the Premises. All such external equipment must be constructed in accordance with plans and specifications previously approved by Landlord and at the location specified by Landlord, and tastefully screened from view. No roof penetrations shall be made without Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall, at its expense, promptly repair any damage to the roof resulting in whole or in part from such use or caused by penetrations made during installation or by vibration of Tenant's equipment, and in connection with any such roof penetrations and repairs. In making any penetrations or repairs, Tenant shall use the roofing contractor specified by Landlord. Tenant shall be solely responsible for obtaining any governmental approvals or permits necessary to install the equipment and for complying with all applicable codes. (v) Change the exterior color of the Premises or of any part thereof, or the color, size, location or composition of any exterior sign or advertisement that may have previously been approved by Landlord, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. (vi) Commit or allow to be committed any waste in or upon the Premises.

5. MINIMUM RENT AND ADJUSTMENTS TO MINIMUM RENT.

(a) Beginning September 1, 2022 Tenant agrees to pay Landlord the Minimum Rent, per the terms of the First Addendum attached hereto without notice or demand, in advance, on or before the first day of each and every successive calendar month during the Lease Term, commencing on the Lease Term Commencement Date, except the first month's rent shall be paid upon the Date the Lease is fully executed by the parties hereto..

Please Initial Below:

Landlord

Tenant

(b) Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment herein based upon a thirty (30) day month. All rentals shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.

(c) Tenant shall pay, as additional rent all sums required to be paid pursuant to the terms of this Lease. All amounts required to be paid by Tenant hereunder are sometimes collectively referred to as "rent" or "rental."

(d) The Minimum Rent set forth at Section 3(h) shall be adjusted commencing on the First Rental Adjustment Date and thereafter as set forth in the First Addendum. The Minimum Rental shall increase at the commencement of the 13th month to $2,000.00, and thereafter as set forth in the Rent Schedule attached and apart of The First Addendum.

6. SECURITY DEPOSIT.

Concurrently with Tenant's execution of this Lease, Tenant has deposited with Landlord the Security Deposit. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provision of this Lease, including, but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied Tenant shall, within Ten (10) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within ten (10) days following expiration of the Lease Term or Extended Term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest and thereafter shall be relieved of all responsibility with respect to the Security Deposit.

7. ADDITIONAL CHARGES - PERCENTAGE RENT. Intentionally deleted

8. ADDITIONAL CHARGES - ADJUSTMENTS.

1. In addition to the Minimum Rent provided in Section 3(h) herein above, commencing on the Lease Commencement Date, Tenant shall pay to Landlord the following items, herein called Adjustments:

(i) All real estate taxes and insurance premiums relating to the Premises, including land, buildings, and improvements thereof. Said real estate taxes shall include all real estate taxes and assessments that are levied upon and/or assessed against the Premises, including any taxes which may be levied on rents. Said insurance shall include all insurance premiums for fire, extended coverage, liability, and any other insurance that Landlord deems necessary on the Premises. Such taxes and insurance premiums for purposes of this Section 7(a) (1) shall

Please Initial Below:

Landlord 

Tenant 

be reasonably apportioned in accordance with the total rentable area of the Premises as it relates to the total rentable area of The Gibson Court.

(ii) All usual and customary costs to supervise and administer the Premises including a property management fee in connection with same. Such costs and fees shall be limited to a maximum of Three Percent (3%) of the Tenant's minimum rent paid monthly and will be subject to a lower adjusted percentage amount at Landlord's sole discretion over the term of the Lease.

(iii) Tenant shall reimburse Landlord directly for Tenant's proportionate share of repairs and maintenance to The Gibson Court and therefore those costs shall not be included in Adjustments.

(iv) Any parking charges, utilities surcharges, rental occupancy or sales tax or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations, or interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the Premises.

(v) Any costs to inspect, repair, maintain or replace the heating, air conditioning and fire protection systems and equipment (including fire sprinklers) serving the Premises, including the cost of a preventive maintenance contract providing for the regular inspections and maintenance of same. Tenant may engage a vendor of its choosing for maintenance of the heating, ventilating and cooling systems serving the Premises. Absent Tenant engaging a vendor, Landlord shall do so and Tenant shall reimburse Landlord per the terms of this article 8. Any charges due to Landlord from Tenant for repair, replacement or maintenance of the heating ventilating and air conditioning systems shall be paid to Landlord within Ten (10) days of receipt of Landlord's invoice.

(b) Upon the Lease Term Commencement Date, Landlord shall submit to Tenant a statement of the anticipated monthly adjustments for the period between the Lease Term Commencement Date and the following January (2023) and Tenant shall pay these Adjustments on a monthly basis concurrently with the payment of Minimum Rent. Tenant shall continue to make said monthly payments until notified by Landlord of a change thereof. By March 1 of each year Landlord shall endeavor to give Tenant a statement showing the total Adjustments for The Gibson Court for the prior calendar year and Tenant's allocable share thereof, prorated from the Lease Term Commencement Date. In the event the total of the monthly payments which Tenant has made for the prior calendar year is less than Tenant's actual share of such Adjustments then Tenant shall pay the difference in a lump sum within Thirty (30) days after receipt of such statement from Landlord. Tenant shall concurrently pay the difference in monthly payments made in the then calendar year and the amount of monthly payments which are then calculated as monthly Adjustments based on the prior year's experience. Any over-payment by Tenant shall be credited towards the monthly Adjustments next coming due.

Please Initial Below:

Landlord

Tenant

(c) The actual Adjustments for the prior year shall be used for purposes of calculating the anticipated monthly Adjustments for the then current year with actual determination of such Adjustments after each calendar as above provided. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's share of said Adjustments for the year in which this Lease terminates, Tenant shall immediately pay any increase due over the estimated Adjustments previously paid and, conversely, any overpayments shall be immediately rebated by Landlord to Tenant, provided however in no event shall payments representing reserves be required to be rebated. Failure of Landlord to submit statements as called for herein shall not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided. Landlord shall reconcile the previous year's Adjustments charges no later than sixty (60) calendar days following the expiration of the previous year and deliver copy to Tenant upon completion. Tenant reserves the right to have the Adjustments charges reviewed and audited by its own accountant. In the event a Landlord overcharge is discovered of the Adjustments charges then Landlord hereby agrees to reimburse the Tenant in the exact amount of overpayment within ten (10) days.

9. USE PROHIBITED, HAZARDOUS MATERIALS.

To the best of the Landlord's actual knowledge, the Premises are free of the presence of hazardous material and will be so at the time of the signing of this Lease. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the Premises which will in any way increase the existing rate of or affect any fire or other insurance upon The Gibson Court or any of its contents, or cause a cancellation of any insurance policy covering The Gibson Court or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of The Gibson Court or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the city and county in which the Premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Arizona Department of Environmental Quality, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

A. Tenant agrees not to introduce any Hazardous Material in, on or adjacent to the Premises without (i) obtaining Landlord's prior written approval, (ii) providing Landlord with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such Hazardous Materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of Hazardous Materials, including, but not limited to, the obtaining of all

Please Initial Below:

Landlord

Tenant

proper permits. Tenant may, in the normal course of operation, introduce de minimus quantities of paints, solvents, dilute acids and other materials to the Premises. Tenant covenants that disposal of any such materials shall be accomplished according to all applicable regulatory statutes and rules governing such materials. Tenant shall store any and all Hazardous Material, including propane and propane tanks and other Hazardous Materials, in a designated area within the Premises approved for said storage by Landlord.

B. Tenant shall immediately notify Landlord of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Tenant or the Premises concerning a Hazardous Material. Tenant acknowledges that Landlord, as the owner of the Premises, shall have the right, at its election, in its own name or as Tenant's agent, to negotiate, defend, approve, and appeal, at Tenant's expense, any action taken or order issued with regard to a Hazardous Material by any applicable governmental authority.

C. If Tenant's storage, use or disposal of any Hazardous Material in, on or adjacent to the Premises results in any contamination of the Premises, the soil, surface or groundwater there under or the air above and around the Premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Landlord, in Landlord's sole and absolute discretion, Tenant agrees to clean-up the contamination immediately, at Tenant's sole cost and expense. Tenant further agrees to indemnify, defend and hold Landlord harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to Hazardous Materials currently or hereafter used, stored or disposed of by Tenant or its agents, employees, contractors or invitees on or about the Premises, and (ii) the use, storage, disposal or release by Tenant or its agents, employees, contractors or invitees of any Hazardous Materials on or about the Premises.

D. Notwithstanding any other right of entry granted to Landlord under this Lease, Landlord shall have the right to enter the Premises or to have consultants enter the Premises throughout the Term at reasonable times for the purpose of determining: (1) whether the Premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the Premises; (2) whether Tenant has complied with this Paragraph 8; and (3) the corrective measures, if any, required of Tenant to ensure the safe use, storage and disposal of Hazardous Materials. Tenant agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the Premises with machinery for the purpose of obtaining laboratory samples. Landlord shall not be limited in the number of such inspections during the Term. If, during such inspections, it is found that Tenant's use of Hazardous Materials constitutes a violation of this Lease, Tenant shall reimburse Landlord for the cost of such inspections within ten (10) days of receipt of a written statement therefore. If such consultants determine that the Premises are contaminated with Hazardous

Please Initial Below:

Landlord 

Tenant 

Materials or in violation of any applicable environmental law, Tenant shall, in a timely manner, at its expense, remove such Hazardous Materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Landlord and any applicable governmental agencies. If Tenant fails to do so, Landlord, at its sole discretion, may, in addition to all other remedies available to Landlord under this Lease and at law and in equity, cause the violation and/or contamination to be remedied at Tenant's sole cost and expense. The right granted to Landlord herein to inspect the Premises shall not create a duty on Landlord's part to inspect the Premises, or liability of Landlord for Tenant's use, storage or disposal of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith.

10. COMPLIANCE WITH LAW.

Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now and hereafter constitute relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirements, shall be conclusive of that fact as between Landlord and Tenant.

11. LEASEHOLD IMPROVEMENTS, ALTERATIONS AND ADDITIONS.

(a) Attached hereto as **Exhibit "B"** is a list of the alterations and improvements which are initially to be made to the Premises in order to allow Tenant to operate its business therein (the "**Leasehold Improvements**"). Landlord and Tenant shall have the following obligations with respect to the Leasehold Improvements:

(i) Landlord's Obligations. Landlord shall perform that portion designated as "**Landlord's Work**" in **Exhibit "B"** concurrent to the time that Landlord delivers possession of the Premises to Tenant and if necessary concurrent with or after Tenant' Work and Construction is complete.

(ii) Tenant's Obligations. Tenant shall perform that portion designated as "**Tenant's Work**" in **Exhibit "B"** concurrent with Landlord. Tenant shall perform Tenant's Work in accordance with the Construction Agreement, if any, attached to **Exhibit "B"**.

Please Initial Below:

Landlord

Tenant

Except as may otherwise be provided in **Exhibit "B"**, the Construction Agreement or an addendum attached hereto, each party shall be responsible to pay the costs of completing its portion of the Leasehold Improvements.

(b) Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof at a cost exceeding Two Thousand Five Hundred Dollars ($2,500.00) without first obtaining the written consent of Landlord which consent shall not be unreasonably withheld. Any alterations, additions or improvements to or of said Premises, including, but not limited to wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense, in a good and workmanlike manner in accordance with all applicable laws (including laws relating to the use of hazardous materials such as asbestos-containing materials) and diligently completed. Any alteration or improvement to the Premises undertaken by the Tenant in excess of Two Thousand Five Hundred Dollars ($2,500.00) shall be performed by licensed and insured contractors and Tenant or Tenant's contractor shall obtain building permits as required by the City of Tucson and the International Building Code. Upon the expiration or sooner termination of the Lease Term, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the Lease Term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

12. REPAIRS.

(a) By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as hereinafter provided with respect to Landlord's obligation) including without limitation, the maintenance, replacement and repair of any storefront, doors, window casements, glazing, plumbing, pipes, roof drainage pipes, electrical wiring and lighting fixtures and conduits, heating, ventilating, air conditioning and evaporative cooling systems and maintenance of the roof surface. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to Landlord in good condition, broom clean, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

(b) Tenant shall provide Landlord with documentation of semi-annual inspections of all HVAC systems that are both contained within the Premises or servicing the Premises. Tenant shall provide certification of said inspections and of

Please Initial Below:

Landlord 

Tenant 

all maintenance and repairs involving the HVAC system(s), including a minimum of semi-annual replacement of all HVAC filters. Tenant must repair the HVAC systems as specified in the semi-annual inspections.

(c) Landlord at its expense shall maintain and repair the structural portions of The Gibson Court (unless provided in writing to the contrary within the Lease or attachments thereof), including the exterior walls and the roof, unless such maintenance and repair are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees, invitees, or any damage caused by breaking and entering, in which case Tenant shall pay to Landlord the actual cost of such maintenance and repairs. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Section 25 thereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of The Gibson Court or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

(d) LEASE TERMINATION REPAIRS and OBLIGATIONS: Landlord and Tenant each acknowledges and agrees that the Lease and all of the Parties' right, title and interest under the Lease and any estate created thereby shall be deemed terminated effective on the Termination Date; provided, however, that the following obligations of the Tenant shall not be released and shall survive termination of the Lease: (i)Tenant's obligation to return the Premises in good operating condition and state of repair, broom clean, ordinary wear and tear excepted; (ii) Tenant's obligation to remove all of Tenant's personal property, trash, hazardous substances and other removable items; (iii) Tenant's obligation to repair any damage to the Premises causes by Tenant's removal of Trade Fixtures, Personal Property and Lessee Owned Alterations; (iv) Any and all damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant; (v)Tenant's obligation to pay the rent, expenses, real estate taxes, triple net charges and other amounts due from Tenant under the Lease through the Termination Date; and (vi) Tenant's obligations under Paragraph 16 of the Lease which arise on or prior to the Termination Date, including defense of personal injury and property claims.

Tenant shall not (i) remove any Landlord or Lessee improvements, (ii) remove or replace any Utility Installations, and/or (iii) remove any other improvements to the Premises without Landlords written consent.

13. LIENS.

Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien waiver from any vendor or contractor providing services in or about the Premises on behalf of Tenant and a completion bond in an amount equal to one and one half (1-½) times the estimated cost of any improvements, additions, repairs or alterations in the

Please Initial Below:

Landlord 

Tenant 

Premises which Tenant desires to make, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.

14. ASSIGNMENT AND SUBLETTING.

(a) Except as specifically provided herein, Tenant shall not, voluntarily, involuntarily or by operation of law, assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's officers, agents, employees and invitees) to occupy or use all or any part of the Premises, without first obtaining Landlord's written consent which consent shall not be unreasonably withheld. Any assignment, encumbrance, or sublease without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a Default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph.

The following provisions shall apply to all such assignments and subleases:

(i) If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary, or by operation of law, of any partner(s) or member(s) owning more than 20 % of the partnership or company, or the dissolution of the partnership or company, shall be deemed a voluntary assignment, unless said change is to or from a current member or current member's immediate family. (ii) If Tenant consists of more than one person, a purported assignment, voluntary, involuntary, or by operation of law, from any one person to any other(s) shall be deemed an assignment, unless said assignment is to or from a current member or current member's (iii) If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of 20% of the capital stock of Tenant, or the sale of more than 20 % of the value of the assets of Tenant, shall be deemed a voluntary assignment unless is to or from a current member or current member's, (iv) Tenant irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any subletting of all or a part of the Premises as permitted by this Lease, and Landlord, as assignee, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default by Tenant, only Tenant shall have the right to collect such rent, (v) Not applicable, (vi) If Tenant requests Landlord to consent to a proposed assignment or subletting, Tenant shall pay to Landlord, whether or not consent is ultimately given, Landlord's reasonable attorneys' fees and other expenses incurred in connection with each such request in an amount not to exceed Seven Hundred Fifty Dollars ($750.00), (vii) No request to assign or sublease will be approved if, at either the time the request is made or at the effective date of the assignment or sublease, there is an uncured Default by Tenant under the terms of this Lease or if an event has occurred which would constitute a Default if uncured after any applicable notice and cure period and Landlord has already given such notice, unless the proposed assignee or subtenant provides Landlord reasonably adequate assurances that any such existing Default or event will be promptly cured after the assignment or sublease takes effect, (viii) A transfer of Tenant's interest under this Lease through the foreclosure of an approved encumbrance shall be deemed to be an assignment subject to the provisions of this section and the transferee shall be subject to Landlord's approval as provided herein, (ix) Landlord shall be supplied with a copy of any assignment, sublease or encumbrance, and any amendments thereto, promptly upon execution, and with such financial or other information regarding the proposed assignee or subtenant as it may reasonably request.

Please Initial Below:

Landlord 

Tenant 

(b) Landlord may not unreasonably withhold condition or delay its consent to an assignment or sublease. In making its determination as to whether or not to consent to a proposed assignment or sublease, Landlord may take into consideration all relevant matters, including but not limited to: (i) The financial condition, reputation, quality of merchandising, and experience of the proposed assignee or subtenant, (ii) The factors referred to in Permitted Uses above (Section 4) if the nature of the business which the proposed assignee or subtenant intends to conduct on the Premises is not within the Permitted Use, (iii) Whether, as a result of such assignment or subletting, the Premises would be subject to alteration or other requirement to bring the same into compliance with then-applicable laws, unless Tenant and/or the assignee pay(s) for all costs and expenses related to such compliance, (iv) The Personal Guarantee of the assignee and respective spouse.

(c) No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by will or intestacy). Each of the following acts shall be considered an involuntary assignment: (i) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Code in which Tenant is the debtor; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors, (ii) If a writ of attachment or execution is levied on Tenant's interest in this Lease and not released within sixty (60) days, (iii) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

(d) An involuntary assignment shall constitute a Default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

15. HOLD HARMLESS.

(a) Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause other than Landlord's negligence; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Premises.

(b) Landlord or its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the building or from the pipes,

Please Initial Below:

Landlord

Tenant

appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with the light, air, or for any latent defect in the Premises.

16. INSURANCE; INDEMNITY LIABILITY INSURANCE. Tenant shall, at Tenant's expense, obtain and keep in force during the Term a policy of commercial general liability insurance, sometimes known as comprehensive public liability insurance, written on an occurrence basis insuring Tenant against any liability arising out of the use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be primary and not contributing with any insurance maintained by Landlord, shall have a combined single limit of liability of $2,000,000.00 and shall name Landlord as an additional insured. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Said insurance shall have a Landlord's Protective Liability; Liquor Liability and Business Interruption endorsements attached thereto, and shall contain a contractual liability endorsement covering all indemnification obligations of Tenant hereunder. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to, procure and maintain the same, but at the expense of Tenant.

16.1 PROPERTY INSURANCE. Landlord shall obtain and keep in force during the Term a policy of insurance covering loss or damage to the Building, any other improvements on the Land in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (special form) subject to reimbursement by the Tenant as set forth in Article 8(a) (i) herein.

16.2 Tenant shall at Tenant's expense, maintain a policy of insurance on the personal property, merchandise, stock in trade, fixtures and equipment located on the Premises from time to time,

16.3 OTHER INSURANCE. Landlord may, at its option and sole expense, obtain and keep in force during the Term: (i) a policy of business interruption insurance payable to Landlord in an amount sufficient to cover any loss of rental income from the Premises for a period of twelve (12) months; and (ii) a policy of flood insurance in an amount and upon such other terms as are acceptable to Landlord.

16.4 INSURANCE POLICIES. Insurance required hereunder shall be in companies rated "A-XII" or better by A. M. Best Co., in *Best's Key Guide*. On or prior to the Commencement Date, Tenant shall deliver to Landlord copies of the policy of liability insurance required under this Section 15 and the policy of casualty insurance required by this Section 15, or certificates evidencing the existence and amounts of such insurance, and indicating that Landlord has been named an additional insured there under. All such policies and certificates of insurance shall state explicitly that such insurance shall not be cancelable or subject to reduction of coverage or other modification except upon at least thirty (30) day's advance written notice by the insurer to Landlord. Tenant shall furnish

Please Initial Below:

Landlord

Tenant

Landlord with renewals or "binders" thereof. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this Paragraph. Tenant may provide any required insurance under a so-called blanket policy or policies covering other parties and locations and may maintain the required coverage by a so-called umbrella policy or policies, so long as the required coverage is not thereby diminished.

16.5 WAIVER OF SUBROGATION. Tenant and Landlord mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage, all risks or other insurance required hereunder or now or hereafter for the benefit of the respective party. Each insurance policy shall show that subrogation rights are waived in accordance with the terms hereof.

16.6 INDEMNITY. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all claims arising from Tenant's use of the Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in or about the Premises or elsewhere, and shall further indemnify, defend and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease or arising from any negligence of the Tenant, or any of the Tenant's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises arising from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

17. UTILITIES AND OTHER SERVICES

Tenant shall arrange for and pay for all water, gas, heat, light, power, sewer charges, telephone service and all other services and utilities supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges jointly metered with other premises. Tenant shall arrange and pay for refuse removal and maintenance of grease trap installed by Landlord to serve the Premises.

18. PERSONAL PROPERTY TAXES.

Tenant shall pay, or cause to be paid, before delinquency any and all taxes levied or assessed and which become payable during the Lease Term upon all of Tenant's leasehold improvements, equipment, furniture, fixtures and any other personal property located in the Premises. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

Please Initial Below:

Landlord

Tenant

19. RULES AND REGULATIONS.

Tenant shall faithfully observe and comply with the rules and regulations that Landlord may from time to time promulgate, as such may be modified by Landlord from time to time in its sole discretion, provided that they shall be reasonable (within the exercise of Landlord's business judgment), uniformly administered throughout The Gibson Court, and they may not affect Tenant's rent, access, visibility, Permitted Use, any exclusive use rights Tenant may have, or any restrictions on uses by other tenants which are for Tenant's benefit. The rules and regulations and all modifications thereof shall be binding upon Tenant upon delivery of a copy of them to Tenant. A copy of the rules and regulations in effect on the date of execution of this Lease is attached hereto as **Exhibit "C"**. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants, but Landlord shall use reasonable efforts to enforce them.

20. HOLDING OVER.

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Lease Term with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental in the amount of 150% of the last monthly Minimum Rent, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month to month tenancy.

21. ENTRY BY LANDLORD.

Landlord reserves, and shall at any and all times during reasonable business hours, with 24 hour notice, have, the right to enter the Premises to inspect the same, to submit said Premises to prospective purchasers or tenants, to post notices of non-responsibility, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be unreasonably blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, Landlord at any and all times shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Please Initial Below:

Landlord 

Tenant 

22. TENANT'S DEFAULT.

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

(a) The vacating or abandonment of the Premises

(b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof by Landlord to Tenant. Rent is due on or before the first of each month of the Lease Term or extension thereof per the terms of this Lease.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in (b), above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

23. REMEDIES UPON TENANT'S DEFAULT.

In the event of a Default by Tenant, Landlord may exercise any of the following remedies at any time thereafter, in its sole discretion, with or without notice or demand, and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such Default or breach:

(a) Subject to any legal duty to mitigate its damages, Landlord may continue this Lease in full force and effect, and the Lease will continue in effect as long as Landlord does not elect to terminate it, and Landlord shall have the right to collect rent when due (including an estimated of any percentage rent that would have been payable based on a projection from the prior two years' history of gross sales). So long as there is an uncured Default, Landlord can enter the Premises by

Please Initial Below:

Landlord

Tenant

any lawful means and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable to Landlord for all damages incurred by Landlord as a result thereof, including without limitation all costs Landlord incurs in retaking possession of and re-letting the Premises (e.g., reasonable attorneys' fees and court costs, brokers' commissions, and expenses of removing Tenant's personal property, cleaning, and repairing the Premises as required for the re-letting). Re-letting can be for a period shorter or longer than the remaining Term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any re-letting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate this Lease.

If Landlord elects to re-let the Premises as provided in this paragraph, rent that Landlord receives from re-letting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including for maintenance, incurred by Landlord in re-letting;

Third, rent due and unpaid under this Lease. After deducting the payments referred to in this paragraph, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this Lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this Lease, the rent received from the re-letting is less than the rent due on that date; Tenant shall pay to Landlord, in addition to the remaining rent due, all costs payable hereunder remaining unpaid after applying the rent received from the re-letting as provided in this paragraph.

(b) Landlord may terminate this Lease at any time after Tenant's Default. No act by Landlord other than giving notice thereof to Tenant shall terminate this Lease. Landlord's entry and taking possession of the Premises, acts of maintenance, efforts to re-let the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of the Lease. On termination, Landlord has the right to recover from Tenant:

(i) The unpaid rent that had been earned at the time of termination of this Lease;

(ii) All costs Landlord incurs in retaking possession of the Premises (e.g., reasonable attorneys' fees and court costs); and

(iii) The unamortized portion of (i) any leasing commissions paid by Landlord in connection with this Lease and (ii) any amounts paid by Landlord directly or furnished to Tenant as an allowance for Leasehold Improvements, determined by multiplying the total of such commission, expenditure, and allowance by a fraction, the numerator of which is

Please Initial Below:

Landlord 

Tenant 

the number of months remaining in the Lease Term at the time of termination and the denominator of which is the total number of months in the Lease Term;

Together with interest until paid at the rate of twelve percent (12%) per annum on item (i) from the date due, on item (ii) from the date paid by Landlord, and on item (iii) from the date of termination.

(c) If Tenant fails to perform any of its obligations under this within any permitted cure period, Landlord shall have the right, but not the obligation, upon giving Tenant at least five (5) days' prior written notice (provided that no notice shall be required in the event of an emergency) to perform such obligations on behalf of and for the account of Tenant. In that event, Landlord's costs and expenses incurred therein shall be paid by Tenant as additional rent upon written demand therefor, with interest at the rate of one and one-half percent (12%) per month from the date incurred until paid.

(d) Landlord may pursue any other remedy or combination of remedies now or hereafter available to Landlord under the laws or judicial decisions of the State of Arizona.

24. DEFAULT BY LANDLORD.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation. If the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction.

25. RECONSTRUCTION.

(a) In the event the Premises are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the Minimum Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by Tenant in the Premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent.

(b) In the event the Premises are damaged to any extent as a result of any cause other than the perils covered by fire and extended coverage insurance, Landlord shall have the option: (1) to repair, reconstruct or restore the Premises

Please Initial Below:

Landlord 

Tenant 

in which event this Lease shall continue in full force and effect but the Minimum Rent shall be proportionately reduced as hereinabove provided in this Section during the period of such repair, reconstruction or restoration; or (2) to give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction, based upon the extent, if any, to which such damage interfered with the business carried on by Tenant in the Premises, shall be paid up to date of said such termination.

(c) Anything to the contrary contained in this Section 25 notwithstanding, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section occurs during the last twenty-four months of the Lease Term or any extension thereof.

(d) Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any leasehold improvements, fixtures, or other personal property of Tenant.

26. EMINENT DOMAIN.

If more than twenty-five percent (25%) of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, within sixty (60) days after said taking, to terminate this Lease upon thirty (30) days written notice. If either less than or more than 25% of the Premises are taken (and neither party elects to terminate as herein provided), the Minimum Rent thereafter to be paid shall be equitably reduced. If any part of the building other than the Premises may be so taken or appropriated, Landlord shall within sixty (60) days of said taking have the right at its option to terminate this Lease upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given on account of the reduction in the value of the leasehold, the taking of the fee or otherwise and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. Nothing contained in this Section shall be deemed to give the Landlord any interest in or require Tenant to assign to landlord any separate award made expressly to Tenant for: (a) the taking of personal property and fixtures belonging to Tenant; (b) the interruption of or damage to Tenant's business or profession; (c) the cost of relocation expenses incurred by Tenant: (d) Tenant's unamortized cost of leasehold improvements.

27. COMMON AREAS.

Landlord shall keep the Common Area in a neat, clean and orderly condition and shall repair any damage to the facilities thereof, but all expenses in connection with said Common Area shall be charged and prorated in the manner as set forth in Section 8 hereof.

Please Initial Below:

Landlord

Tenant

28. SIGNS.

Tenant may affix and maintain upon the glass panes and supports of the show windows and within twelve (12) inches of any window and upon the exterior walls of the Premises only such signs, advertising placards, names, insignia, trademarks and descriptive material as shall have first received the written approval of Landlord as to type, size, color, location, copy nature and display qualities. Anything to the contrary in this Lease notwithstanding, Tenant shall not affix any sign to the roof. Tenant shall, however, erect one sign on the front of the Premises not later than the date Tenant opens for business. The design of such sign shall be prepared by Tenant in accordance with The City of Tucson Sign Code and applicable ordinances and the Landlord's sign criteria and shall be subject to the approval of Landlord which shall not be unreasonably withheld.

29. DISPLAYS.

Tenant may not display or sell merchandise within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Premises any advertising medium which may be heard or seen outside the Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

30. AUCTIONS.

Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

31. HOURS OF BUSINESS.

(a) Subject to the provisions of Section 25 hereof, Tenant shall continuously during the entire Lease Term conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the Premises is located to be open for business; provided, however, that this provision shall not apply if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar causes beyond the reasonable control of Tenant. Temporary closure of the Premises for remodeling purposes shall not be cause of default so long as such closure shall not continue for an unreasonable period of time.

(b) In the event of breach by Tenant of any of the conditions contained in this Section, Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the Minimum Rent herein provided,

Please Initial Below:

Landlord 

Tenant 

but additional rent at the rate of one-thirtieth (1/30) of the Minimum Rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided; said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of Tenant's failure to conduct its business as herein provided.

32. GENERAL PROVISIONS.

(a) Plats and Riders. Clauses, exhibits, schedules, plats, riders and addenda, if any, affixed to this Lease are a part hereof.

(b) Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such rent.

(c) Joint Obligation. If there be more than one Tenant the obligations hereunder imposed shall be joint or several.

(d) Marginal Headings. The marginal headings and section titles to the sections of this Lease are not a part of this Lease and shall have no further effect upon the construction or interpretation of any part hereof.

(e) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(f) Successor and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(g) Recordation. Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded at the request of, or with the permission of, Landlord.

(h) Quiet Possession. Upon Tenant's paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Lease Term, subject to all the provisions of this Lease.

(i) Late Charges... Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to processing and accounting charges, and

Please Initial Below:

Landlord 

Tenant 

late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any sum due from Tenant shall not be postmarked within five (5) days of due date, then Tenant shall pay to Landlord a late charge equal to ten percent of the rent and additional charges due. If rent and additional charges and late fee are not paid within twenty (20) days of its original due date, an additional charge of Fifteen Dollars ($15.00) per day shall be due until that month's charges are paid in full, plus any attorneys; fees incurred by Landlord by reason of Tenant's failure to pay rent and/or other charges when due hereunder. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Checks not paid and not honored by Tenant's bank will be considered as rent not paid and subject to the same charges plus One Hundred Dollars ($100.00) fee.

(j) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(k) Inability to Perform. This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of Landlord.

(l) Partial Invalidity. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

(m) Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

(n) Choice of Law. This Lease shall be governed by the laws of the State and County in which the Premises are located, Pima County, Arizona.

(o) Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease the prevailing party shall be entitled to recover its expenses and costs, including its attorneys' fees and expert witness fees in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable.

Please Initial Below:

Landlord

Tenant

(p) Sale of Premises by Landlord. In the event of any sale of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to be assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

(q) Subordination; Attornment. Upon request of Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust, to any bank, insurance company or other lending institution, now or hereafter in force against the Premises, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought to foreclosure or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease. The provisions of this Section to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof and as it may be extended per the terms herein.

(r) Notices. Whenever this Lease requires or permits notice or demand to be given by either party to the other, such notice or demand shall be in writing and given or served either personally or in writing forwarded by certified mail, return receipt requested, addressed to the parties at the addresses specified in Sections 3(e) and (m) hereof. Either party may change such address by written notice to the other as herein provided.

(s) Tenant's Statement (Estoppel Certificate). Tenant shall at any time and from time to time, upon not less than three days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the Lease Term. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

(t) Authority of Tenant. If Tenant is a corporation or LLC, each individual executing this Lease on behalf of Tenant represents and warrants that he or she has full authority to do so and that this Lease binds the corporation or LLC. If Tenant is a partnership, each individual executing this Lease for Tenant represents and warrants that he, she or it is a general partner of the partnership, that he, she or it has full authority to sign for the partnership and that this Lease binds the partnership and all general partners of the partnership.

Please Initial Below:

Landlord 

Tenant 

33. BROKERS.

Tenant warrants that it has had no dealings with any real estate brokers or agents in connection with the negotiation of this Lease, and it knows of no individual, real estate broker or agent who is entitled to a commission in connection with this Lease.

34. COMPLIANCE.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Americans with Disability Act.

LANDLORD:

Gibson Family, LLC, an Arizona limited Liability company

By: _____

Title: MEMBER

Date: 8-24-22

TENANT:

Courtyard Events, LLC, an Arizona limited liability company

By: _____

Title: Manager

Date: 8/24/2022

Please Initial Below:

Landlord _____

Tenant _____

The following First Addendum and Exhibits are attached to and herein incorporated into this Lease and may be amended in writing therein:

FIRST ADDENDUM TO THE GIBSON COURT STANDARD TRIPLE NET COMMERCIAL LEASE

EXHIBIT "A"
THE GIBSON COURT AND PREMISES
Attached Premises Drawing

Exhibit "B"
LEASEHOLD IMPROVEMENTS w/ attached Landlord and Tenant Initial Layouts

EXHIBIT "C"
GIBSON COURT LANDLORD'S RULES AND REGULATIONS

EXHIBIT "E"
TENANT'S PERSONAL PROPERTY

Exhibit "D" Not applicable

Please Initial Below:

Landlord

Tenant

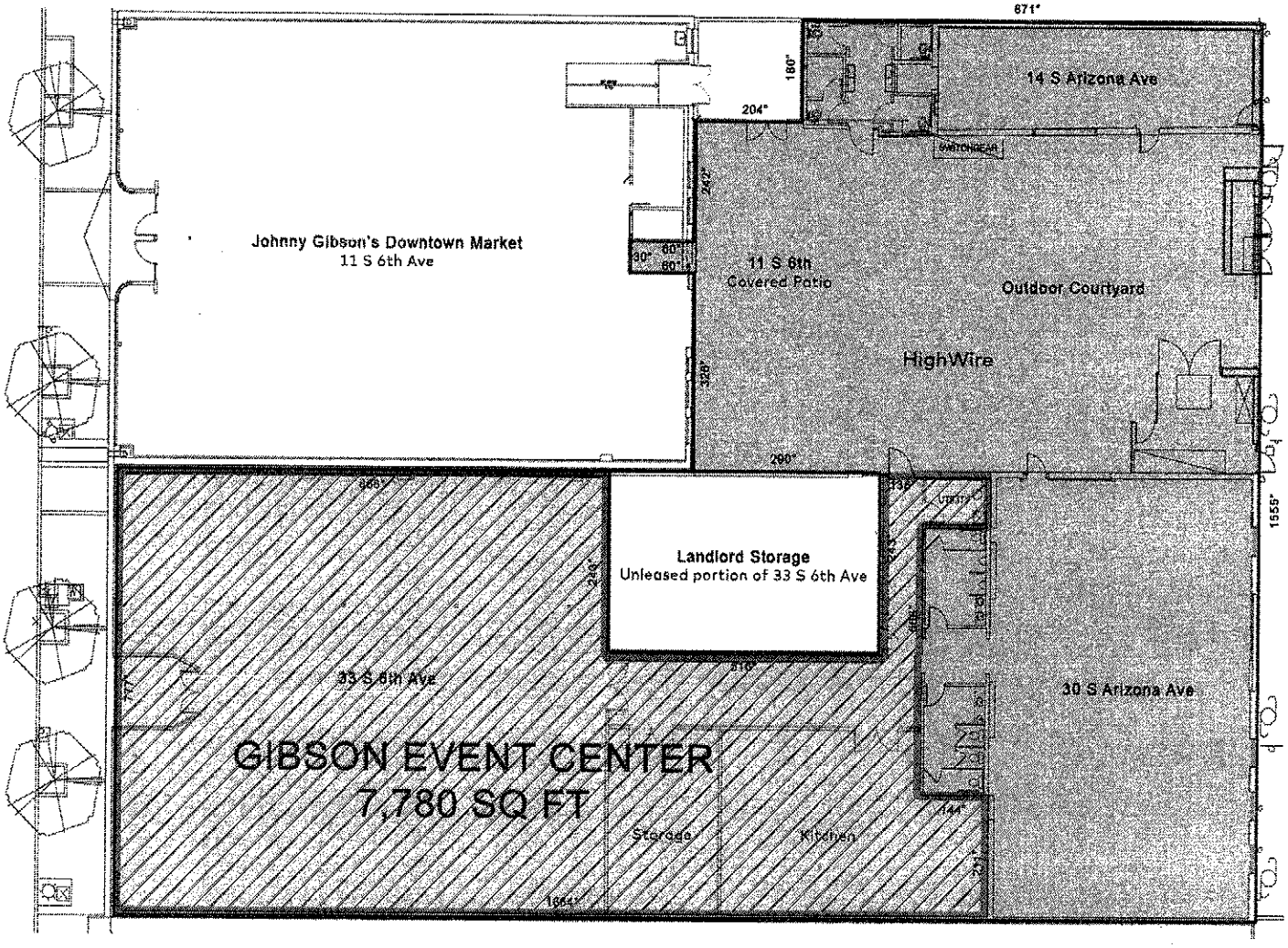
INTENTIONALLY LEFT BLANK

Please Initial Below:

Landlord

Tenant

EXHIBIT A
THE GIBSON COURT



EMG

Exhibit "B"

LEASEHOLD IMPROVEMENTS

THE GIBSON COURT – "THE GRAND at GIBSON COURT"

Except as to the work referred to below
Tenant accepts Premises in "as is" condition.

Landlord's Work and Improvements

Landlord shall coordinate the transfer of services for all utilities supplied to Premises to Tenant.

Landlord shall grant to Tenant the use of the 400 amp electrical service recently paid for by Landlord and installed to the Premises.

1. Landlord's Work is set out in the Landlord Improvement Plans, dated 3-29-22, which are incorporated herein by reference.

2. Landlord Work:

A. Landlord shall be solely responsible for the design, construction and installation/application of the both the Johnny Gibson Collection Display and the Johnny Gibson Mural on Vinyl, and or Pictures. Any Landlord funds shall be applied to improvements as set out in the First Addendum for the completion of the Johnny Gibson Collection Display and Mural.

B. Landlord shall complete the following work, at Landlord expense, to the Premises and service to the Premises to include:

1. Transfer of 400 amp Electric Service to Tenant.
2. Install (apply) Johnny Gibson Mural on Vinyl or Pictures to the parallel exterior walls of the Tenant's premises (located in corridor of Premises). (See Landlord Improvement Plans).
3. Design and construct the Johnny Gibson Collection Display within the exterior walls of the Landlord's Premises of both the South entry way hallway and the east/west corridor exterior walls.
4. Donate material (wood, brick and other building materials) to Tenant for use in Tenant Improvements.

Tenant's Work and Improvements

Tenant shall be responsible for all other improvements to the Premises which it deems to be necessary for the operation of its business therein. Prior to Landlord's delivery of

SMG

possession of the Premises to Tenant, Tenant shall submit reasonably detailed plans and drawings detailing Tenant's Work for the approval of Landlord, which approval shall not be unreasonably withheld, delayed or conditioned.

1. Tenant's Work is set out in the _____ plan(s) dated _____, which are by this reference incorporated herein.

2. Tenant, at its sole cost and expense, shall be responsible for all improvements to and construction within the Premises including architectural services and construction permits. All plans for Tenant improvements shall be reviewed and approved by Landlord prior to the commencement of any work in or about the Premises, which approval shall not be unreasonably withheld. Tenant shall be responsible for the cost of any new electrical service panels and circuit breakers required to provide electric service to the Premises (see Landlord's grant of service in B(1) above). Any contractor working within the Premises on behalf of Tenant shall provide Landlord with evidence of contractor's policy of general commercial liability insurance. Tenant shall indemnify Landlord against any injury or damage occasioned by work being performed at The Gibson Court or within the Premises by Tenant's employees or any agent or party employed by Tenant.

3. Tenant shall arrange for and pay for the removal of the acoustic drop ceiling, all evaporative coolers, existing duct work and ceiling insulation located within the Premises. Plans and costs for the new ceiling, insulation, lighting, painting/staining of exposed wood rafters and beams and interior walls shall be reviewed and mutually approved by Landlord and Tenant.

4. Tenant shall arrange for the construction of new restrooms and HVAC system to serve the entire Premises. Tenant shall pay for the costs associated with the design, installation and construction of said restrooms and HVAC per architect plans. Tenant shall patch, stain and seal all floors throughout the Premises . Tenant shall construct and integrate with the existing fire sprinkler system for the entire premises to be in compliance with all local, state and federal laws and codes. Plans and costs for the new restrooms, HVAC, fire sprinkler system and floors shall be reviewed and mutually approved by Landlord and Tenant.

5. Tenant shall arrange for the construction of the 6th Avenue entryway, foyer, facade and signage to serve the Premises. Plans and costs for design and construction of the new entryway, foyer/vestibule, facade, windows, doors, and signage shall be reviewed and mutually approved by Landlord and Tenant. The facade shall be designed, and constructed with material, consistent with the historical nature and presence of its original construction. Tenant shall pay for the costs associated with the design, installation and construction of said entryway and facade.

6. The outside facade signage shall prominently and exclusively contain the wording "THE GRAND at (or @) GIBSON COURT". Tenant shall pay for the costs associated with the design and installation of the signage.

SMG

7. As to the corridor/hallway (in addition to Tenant's Work above):
Tenant shall arrange for the design and construction of the exterior parallel corridor walls consistent with Landlord's requirements to apply the Landlord's Johnny Gibson Mural(s) (JGM). Tenant shall repair defects, finish and paint interior walls and ceilings; remove old duct work and wires and patch any defects; install new lighting and light fixtures; and patch, stain and seal all floors consistent with the Main Event Room. All plans shall be reviewed and mutually approved by Landlord and Tenant.

LANDLORD:

Gibson Family, LLC, an Arizona limited liability company.

By: _____

Title: MEMBER

Date: 8-24-22

TENANT:

Courtyard Events, LLC, an Arizona limited liability company.

By: _____

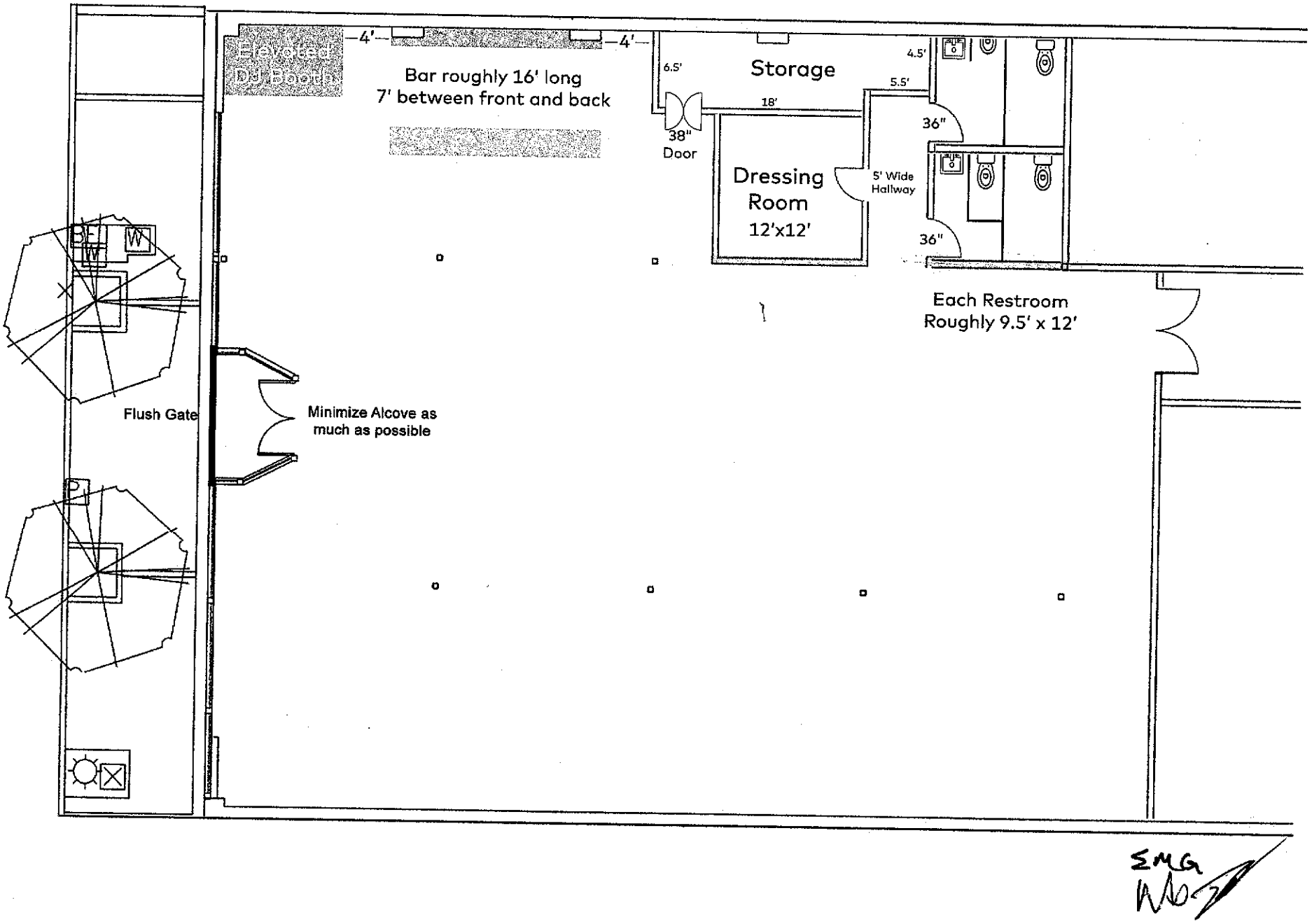
Title: manager

Date: 8/24/2022 6/24/22

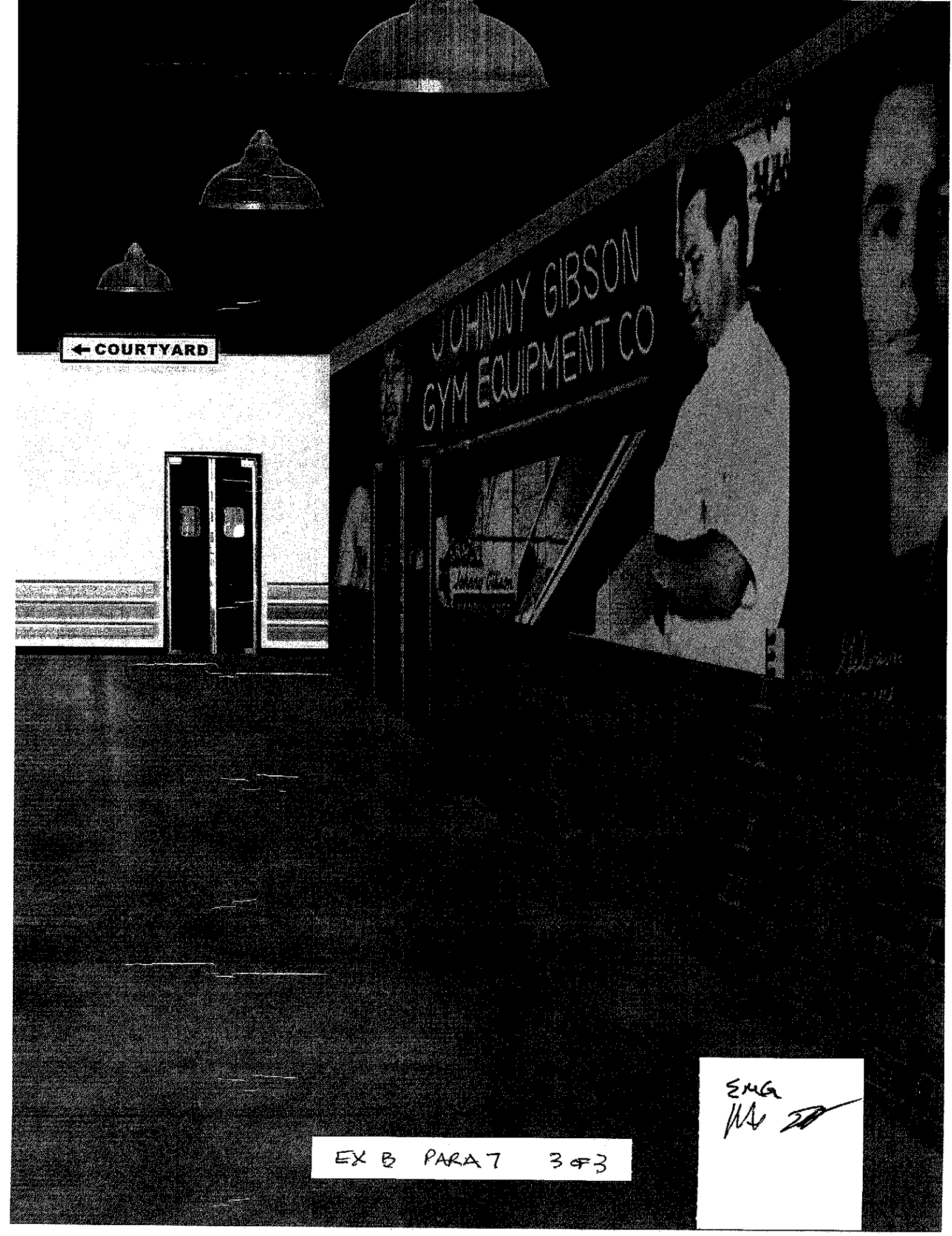
EMG
MA

EXHIBIT B

TENANT LAYOUT

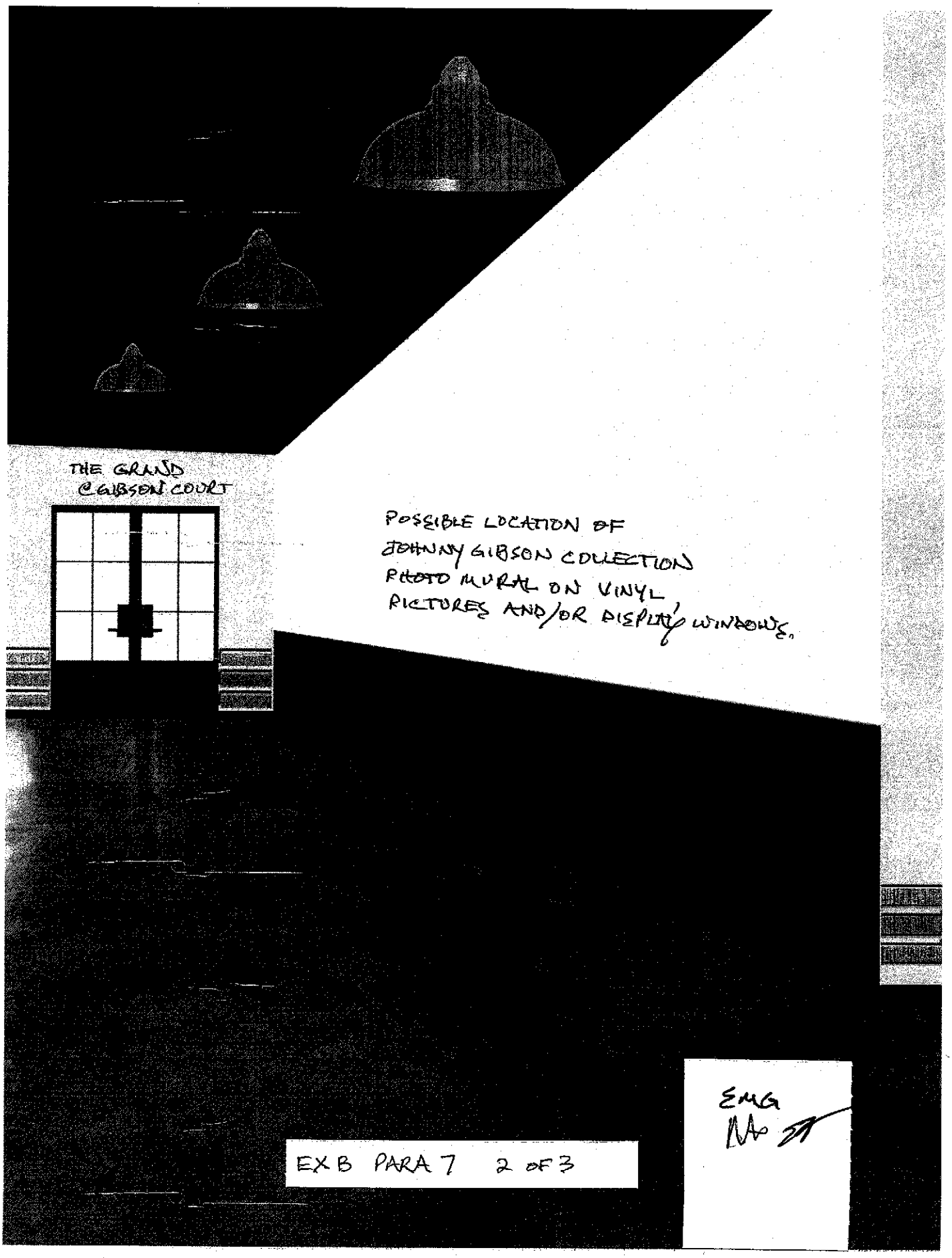


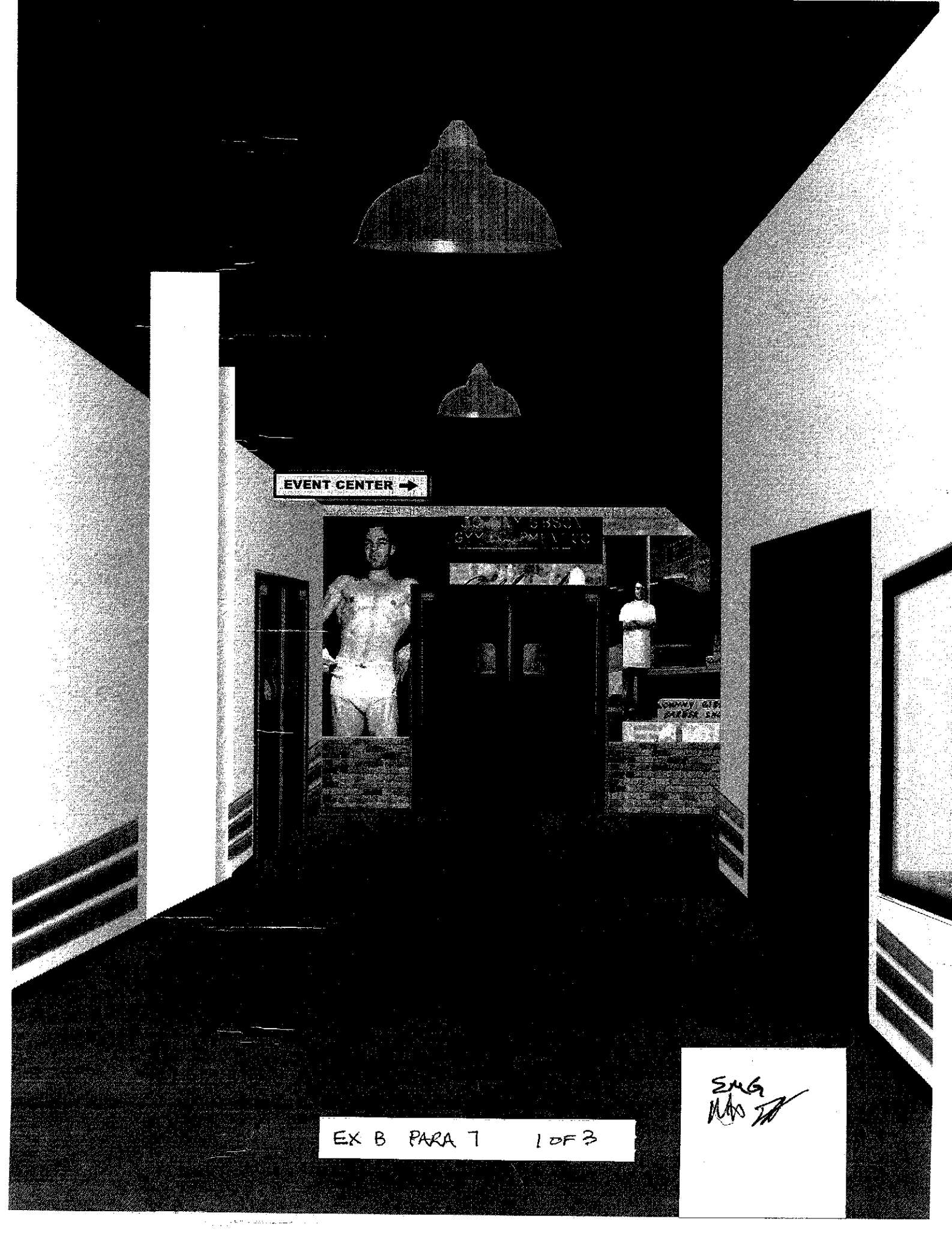
EMG



EX B PARA 7 3 of 3

EMG


THE GRAND
@GIBSON COURT
POSSIBLE LOCATION OF
JOHNNY GIBSON COLLECTION
PHOTO MURAL ON VINYL,
PICTURES AND/OR DISPLAY WINDOWS.
EXB PARA 7 2 OF 3
EMG
NA



EX B PARA 7 1 OF 3

SMG

EXHIBIT "C"
GIBSON COURT
LANDLORD'S RULES AND REGULATIONS

1. **GIBSON COURT PREMISES:** These Rules and Regulations pertain to all the property (two parcels, consisting of four separate addresses, common area, including the courtyard bathrooms and storage, commonly referred to as the Gibson Court ("GC Premises"), located in Tucson, Arizona and owned, operated and leased to various Tenants by the Gibson Family LLC ("Landlord"); as set out in diagram of GC Premises, Exhibit "A".

2. **INGRESS/EGRESS:**

(a) Landlord reserves the right to exclude unauthorized parties from the GC Premises at all times other than the reasonable hours of generally recognized days of operation of the Tenants as determined by Landlord; however, Landlord shall not be liable for any damages incurred as the result of the exclusion of any person(s) to the GC Premises. The common areas are not for the use of the general public, and Landlord shall in all cases retain the right to control or prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation or interest of the Landlord, GC Premises and Tenants; provided that nothing herein shall be construed to prevent such access by persons with whom the Tenant normally deals in its ordinary course of its business, unless such persons are engaged in illegal activities. Landlord reserves the right to exclude or expel from the GC Premises any person who, in the judgment of Landlord, is under the influence of alcohol or drugs, or who is in any manner in violation of the rules and regulations of the GC Premises. In the case of an emergency or unruly gathering that impacts the safety of the GC Premises property and/or the public the Landlord reserves the right to prevent any access to the GC Premises.

(b) Tenant, its employees, agents, contractors and invitees shall not enter any mechanical, air handler, electrical or janitorial rooms or area, or access the roof of the GC Premises without the written consent of the Landlord. Tenant, its employees, agent, contractors or invitees shall comply with all security regulations established by Landlord.

c) All sidewalks and entrances shall not be obstructed or used for any purpose other than ingress or egress. Tenant may not display or sell merchandise, install flooring , door mats or planters, etc., or allow carts, portable signs, devices or any other object to be stored or to remain outside the exterior walls or permanent doorways of he GC Premises without the prior written consent of the Landlord.

(d) The transportation and movement in, out or upon the GC Premises of large or bulky equipment and fixtures, special handling items or of a large volume of inventory or equipment shall be coordinated with the Landlord to ensure the safety of all the Tenant's property, employees and invitees. The Tenant and Landlord shall prearrange such transportation and movement, including the determination of time, method and routing of the movement. Tenant shall hold Landlord harmless and indemnify Landlord against all risks, claims and damage to persons and properties arising from said movement.

SMG

3. **DELIVERY AND PICK-UP**: No delivery and or pick-up vehicles are permitted on the GC Premises. All deliveries and pick-ups of Tenant's inventory, supplies and materials shall be during regular business hours and such delivers and pick-ups are to occur in designated areas as approved in writing by Landlord. Hand trucks (two wheelers), small carts and pallet jacks are permitted for such deliveries and pick-ups. The movement of fixtures, furniture or other large objects must be made with advanced written notice to and approval from Landlord. Landlord reserves the right to prohibit or to impose conditions upon the storage or installation of heavy objects on the GC Premises that may cause undo stress on the floor, walls or ceiling of the GC Premises.

4. **PARKING**: Parking of any and all vehicles are strictly prohibited on the GC Premises, except for the temporary parking of emergency medical, fire and police vehicles. Non-motorized bicycles are permitted on the GC Premises, however, only in designated areas as specified by Landlord.

5. **REFUSE AND GARBAGE**: All refuse, garbage, recycling material and hazordous materials shall not be stored on the GC Premises without the prior written consent of the Landlord as to the specific material, volume and area of storage. All refuse, garbage and recycling material shall be removed from the GC Premises at such times and over such routes of egress as Landlord may designate.

6. **RESTROOMS**: The common area toilets, wash basins and other plumbing fixtures shall be used solely for the purpose of service to the customers, invitees and guests ("patrons") of the Tenants, and not for the use of the general public. Tenants shall monitor the access, including security code entrance, of the common area bathrooms to comply with the stated purpose of use only by Tenant's patrons, unless such persons are engaged in illegal activities. No refuse or garbage shall be disposed of therein. All damage resulting from any misuse of such fixtures shall be the responsibility of the Tenant or its employees, agents, contractors, suppliers or invitees whom caused the damage.

7. **AWNINGS, SIGNS and ELECTRICAL FIXTURES** : No awnings or other projections shall be attached to the outside walls, roof or floor of the GC Premises nor any window shades, blinds, drapes or other window coverings shall be hung in the GC Premises, without the prior written consent of the Landlord. Any and all signs, displays planters or other structures attached to the exterior of GC Premises must have prior written consent of the Landlord and must comply with all State, City and County laws, rules and regulations. All electrical ceiling fixtures, both interior and exterior (roof and walls), must have prior written consent of the Landlord.

8. **IMPROVEMENTS and FLOORING**: Tenant shall acquire prior written consent from the Landlord for any and all improvements to the GC Premises. The use of cement or other similar adhesive materials used to install flooring that is not easily removed with water is expressly prohibited.

9. **DEFACEMENT**: No Tenant, its employees, agents, contractors, suppliers or invitees shall in any way deface any part of the GC Premises, including, but not limited to the boring or cutting for

EMG
MZ

wires, stringing of wires, laying or hanging of cable, satellite or telephone wires, installation of satellite dishes, laying of flooring, or graffiti without the prior written consent of Landlord. Any equipment (including cable, internet or television) affixed to the GC Premises shall have the prior written consent of Landlord.

10. **FIREARMS, EXPLOSIVES and HAZARDOUS MATERIAL**: No explosives, flammables, firearms or hazardous material are permitted on the GC Premises without the prior written consent of the Landlord. Tenant shall ensure that the storage of explosives, flammables, firearms or hazardous material on their Premises or on the Common Area are in compliance with Federal, State and City (TPD and TFD) rules and regulations. Any and all Landlord approved hazardous material stored in or on the Common Area shall not be accessible to the public.

11. **STOLEN PROPERTY**: Landlord is not responsible for lost or stolen merchandise, trade fixtures, furniture, furnishing, personal property, equipment, money, jewelry or and other property owned or controlled by Tenant, its employees, agents, contractors or invitees, irrespective of where said property was located or whether such property was in a secured area.

12. **SOLICITORS**: Soliciting, canvassing or peddling (including, panhandling and begging) of any goods, material or information are strictly prohibited; and all Tenants shall cooperate to prevent said activity.

13. **PROHIBITED ACTIVITIES**: No illegal or immoral activity is permitted on the GC Premises. No animals (except licenced special needs approved) or alcoholic beverages (unless in Tenant's State of Arizona liquor licensed designated area) are permitted on GC Premises. Smoking of tobacco products or other substances are strictly prohibited in any GC Premise area including the common areas. Smoking is permitted on public property outside of the GC Premises (ie. Arizona Avenue, 5th Street) if in compliance with all government rules and regulations. No cooking (except microwave) shall be permitted on GC Premises without the prior written consent of Landlord, except the preparation of coffee, tea and other beverages for the Tenant, its employees and invitees. The GC Premises shall not be used for lodging or sleeping. No Tenant shall make, or permit to be made, any unseemly or disturbing noise, sound, vibration, lighting, or otherwise disturb or interfere with other Tenants and their employees and invitees. No Tenant, its employee, agents, contractors or invitees shall dispose of any material (except in approved trash receptacles) onto the common area.

14. **FOOD ESTABLISHMENT**: Unless ancillary to a restaurant or other food service use specifically authorized in Tenant's Lease, Tenant, its employees, agents, contractors or invitees shall not place, install, or operate on the GC Premises or in any Common Area any engine, stove or machinery, or conduct mechanical operations or cook thereon or therein, or place or use in or about the GC Premises or Common Area any explosives, gasoline, kerosene, oil, acids, casuistic, or any flammable, explosive or hazardous material without the prior written consent of the Landlord.

15. **OPERATING MACHINES**: Tenant shall not permit the use or operation of any coin operating machine on the GC Premises, including without limitation, vending machines, video games, pinball machines, pay telephones without the prior written consent of the Landlord.

EMG

16. **GOVERNMENTAL LICENSE**: The Tenant shall acquire and maintain any and all governmental license and or permit required for the proper and lawful conduct of Tenant's business prior to the occupancy of the GC Premises and during the conduct of said licensed/permitted activity; and provide a copy to Landlord. Tenant shall at all times comply with all the rules and regulations of any said license or permit.

17. **USE OF COMMON AREA COURTYARD**: The specific area of the GC Premises within the common area referred to as the "Courtyard", as set out in Exhibit "A", is to be maintained and controlled by Landlord for the beneficial interests of all the Tenants and the Landlord. Landlord reserves the right to permit any single Tenant or group of Tenants or any third party the exclusive use of the Courtyard for specific dates and events. Landlord shall consider the wishes and desires of all the Tenant's in permitting such exclusive use.

18. **ACCESS AND SECURITY:** Landlord will provide each Tenant with keys (and security codes if applicable) to the Arizona Avenue back gate. Each Tenant will be responsible for control of the key(s) to the back gate and provide Landlord with the name of each of Tenant's designated employee who has access to the keys. The last Tenant (or employee of Tenant) to leave the GC Premises each day shall insure that the back gate is locked and secured. Tenant shall ensure that access, ingress and egress to the GC Premises during any Tenant's operating hours are in compliance with safety and security rules and regulations of the State of Arizona, City of Tucson (including Tucson Police Department and Tucson Fire Department) and is in compliance with ADA. Tenant shall not obstruct utility companies from access to their equipment located on or adjacent to the Premises.

Tenant shall instruct and monitor their employees to limited parking (for access, drop off and pick up only) on Arizona Avenue. In addition, Tenant shall instruct and monitor their vendors to ensure vendor delivery vehicles are not obstructing the flow of traffic or safety on Arizona Avenue. Tenant shall not obstruct or hinder access by another Tenant to any other Tenant's Premises or the Common Areas.

Landlord reserves the right to install, maintain and share information of any security system, including cameras, to monitor the outside CG Premises. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Landlords's use of the security system.

19. **PERMITTED CHANGES**: It is the Landlords's desire to maintain the GC Premises in the highest standard of dignity and good taste consistent with comfort and convenience for the Tenants. Any action or condition not meeting this high standard should be reported directly to the Landlord. The Tenant's cooperation will be mutually beneficial and sincerely appreciated, Landlord reserves the right to change, modify or make such other and further reasonable rules and regulations as in its judgment may from time to time be necessary, for the safety, care and cleanliness of the Premise and for the protection of the Tenant's good will.

Kelly Abbott

TENANT

LANDLORD

EMG

EXHIBIT E

Personal Property

- Tables
- Chairs
- Dressing room vanities and furniture
- Linens, napkins
- Drapery
- Plates, utensils, serving items
- Catering trays, stands
- Mirrors and wall décor
- Bar equipment including cocktail stations, dishwasher, coolers, freezers and any item that can be unplugged
- Bar inventory
- DJ equipment including speakers, laptops, and any lighting and sound that can be unplugged (this does not include house LED lights/tracks that are hardwired)
- Bronze statue
- Chandeliers and crystal lighting fixtures
- Grand piano
- Any décor items that are not integrated into space

FIRST ADDENDUM TO THE GIBSON COURT STANDARD TRIPLE NET COMMERCIAL LEASE

The Parties agree that this First Addendum shall be incorporated and made a part of the Lease by and between Gibson Family, LLC, an Arizona limited liability company ("Landlord") and Courtyard Events, LLC, an Arizona limited liability company ("Tenant") dated, for reference purposes only, August 24, 2022 .

1. The Premises shall be named "THE GRAND at (or @) GIBSON COURT".

2. Tenant Possession Date:
Tenant shall be granted possession of the Premises upon full execution of the Lease.

3. Schedule of Rents and Lease Term Extension Periods:

A. As of the commencement date of the execution of this Lease, Tenant shall monthly pay one twelfth of its proportionate share of estimated real estate taxes, liability and property insurance, maintenance charges and management fee (Additional Charges, specified in para. 8 of the Lease) estimated at $512.70 per month. Upon date Tenant takes possession of the Premises Tenant shall commence payment for consumption of utility services to the Premises. Tenant shall transfer all utility services used by Tenant into Tenant's name.

4. Schedule of Rents: Attached Rental Schedule Exhibit "1".

5. Lease Term Extension:
Provided Tenant is not in default of any of the terms and conditions of this Lease, Tenant may extend the Term of the Lease for two (2) additional consecutive Five (5) year terms. Tenant shall provide landlord with written notice via certified mail of its intention to extend the Term of the Lease or any extended Term not less than Six (6) months prior to the end of the then current Lease Term.

6. Extended Lease Term Base Rent:
The minimum base rent for the First Lease Term Extension Period shall be the minimum base rent of the 11th year of the Lease Term increased by the cumulative increase in the Consumer Price Index for years 7-11 of the initial Lease Term, not to exceed Twenty Percent (20%). The schedule set forth herein below uses the maximum permissible increase (20%) for purposes of illustration only. At the time the Tenant exercises each option to extend the term, the actual increase in the preceding five years will be calculated and applied to the rent of the last year of the initial term. The same process will apply for the Second Lease Term Extension Period. The minimum base rent for the Second Lease Term Extension Period shall be the minimum base rent of the 16th year of the Lease Term increased by the cumulative increase in the Consumer Price Index for years 12-16 Lease Term, not to exceed Twenty Percent (20%).

7. Extended Term Base Rent Schedule: Attached Rental Schedule Exhibit "2".
The attached Exhibit 2 is based upon the maximum increase of Twenty Percent (20%). The actual

increase/decrease will not be determined until the corresponding increase/decrease factor is calculated at years 11 and 16.

8. Landlord Tenant Improvement:
The Landlord is permitted and shall be solely responsible for the design, construction and installation/application of the both the Johnny Gibson Collection Display and the Johnny Gibson Wall Mural on Vinyl and or Pictures installed against/within the exterior walls of the hallway/corridor of the Premise as set out in Leasehold Improvements, Exhibit "B".

9. Third Party Funds: Rio Nuevo Multipurpose Facilities District:
Landlord and Tenant shall coordinate both for the application and the use and accounting of any and all funds granted to Tenant and or Landlord by any third party, including Rio Nuevo, for any and all improvements to the Premises or adjacent Premises.

10. Hazardous Materials Storage:
Landlord shall contract for and provide an independent Hazardous Material Storage Analysis for the Premises and coordinate with the Tenant to specify and designated a Haz Mat Storage area either within the Premises or other Premises within the Gibson Court.

The Parties agree that this First Addendum shall be incorporated and made a part of the Lease by and between Gibson Family, LLC, an Arizona limited liability company ("Landlord") and Courtyard Events, LLC, an Arizona limited liability company ("Tenant") dated, August ___ 2022.

LANDLORD:

Gibson Family, LLC, an Arizona limited liability company

By: _____

Title: MEMBER

Date: 8-24-22

TENANT:

Courtyard Events, LLC, an Arizona limited liability company

Kelly Abbott

By: _____

Manager

Title: Manager

8/24/2022

Date: 8/24/22

KA
EMG

EXHIBIT 1

COURTYARD EVENTS, LLC **8/24/2022**

SCHEDULE OF RENTS - 33 SOUTH 6TH AVE

7,780 **SQ FT**

LEASE YEAR	RENT MONTHLY	RENT ANNUAL	PSF ANNUAL	PSF MONTH
YEAR 1	$1,700	$20,400		
YEAR 2	$2,000.00	$24,000.00	$3.08	0.26
YEAR 3	$7,780.00	$93,360	$12.00	$1.00
YEAR 4	$10,373.33	$124,480	$16.00	$1.33
YEAR 5	$12,966.67	$155,600	$20.00	$1.67
YEAR 6	$14,263.33	$171,160.00	$22.00	$1.83
YEAR 7	$14,691.23	$176,294.80	$22.66	$1.89
YEAR 8	$15,131.97	$181,583.64	$23.34	$1.94
YEAR 9	$15,585.93	$187,031.15	$24.04	$2.00
YEAR 10	$16,053.51	$192,642.09	$24.76	$2.06
YEAR 11	$16,535.11	$198,421.35	$25.50	$2.13

SMG
LA JH

EXHIBIT 2

COURTYARD EVENTS, LLC 8/24/2022
EXTENDED TERMS RENTS - 33 SOUTH 6TH AVE
7,780 SQ FT

LEASE YEAR	RENT MONTHLY	RENT ANNUAL
YEAR 12-16	$19,842.11	$238,105.32
YEAR 17-22	$23,810.50	$285,726.00

EMG

8/24/2022

GIBSON FAMILY, LLC
11 & 33 SOUTH 6TH AVENUE/14 & 30 SOUTH ARIZONA AVENUE
TUCSON, AZ 85701
THE GIBSON COURT - DOWNTOWN TUCSON

2022 C.A.M. PROJECTION

COURTYARD EVENTS, LLC
11 S 6TH AVE
TUCSON, AZ 85701

33 SOUTH 6TH AVE

LEASE TERM: 2022

ANNUAL EXPENSES -	ACTUAL PAID	PROJECTED					
TOTAL REAL ESTATE TAXES	$ 5,126.20	$5,500.00	TENANT %	ANNUAL	MONTHS	MONTHLY
TOTAL INSURANCE	$ 9,545.15	$ 10,000.00				
FIRE SPRINKLER INSPECTION/MONITORING	$ 1,567.00	$ 1,600.00				
	$ 16,238.35	$17,100.00				
			NEW	32.4%	5540.40	12	461.70 (1)

MONTHLY EXPENSES -

PROPERTY MGMT FEES	PER LEASE AGREEMENT	20400.00	3%	51.00	
				51.00 (2)	
		2022 MONTHLY CAM PROJECTION		512.70 (1) + (2)	

EMG