

**REAL PROPERTY LEASE  
BETWEEN  
THE TOWN OF FOUNTAIN HILLS  
AND  
FOUNTAIN HILLS CULTURAL AND CIVIC ASSOCIATION, INC.**

THIS REAL PROPERTY LEASE (this "Lease") is made and entered into as of September 15, 2016, by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Landlord"), and Fountain Hills Cultural and Civic Association, Inc. ("FHCCA"), an Arizona non-profit corporation (the "Tenant").

RECITALS

A. The Landlord owns that certain undeveloped parcel of real property located east of the northeast corner of North La Montana Drive and East El Lago Boulevard, Fountain Hills, Arizona (the "Real Property"). The Real Property is depicted on the Map attached hereto as Exhibit A and incorporated herein by reference.

B. The Landlord desires to provide to its residents a community garden in which the residents may cultivate small plots of land (the "Community Garden") for growing crops that are (i) for personal use (not for resale), and (ii) legally permitted to be grown and consumed pursuant to State and Federal law (the "Permitted Uses"). The Permitted Uses do not include the keeping, raising, or breeding of any animals.

C. Tenant is a nonprofit corporation that engages in various civic programs, including supporting the group commonly referred to as the "Greening Committee." The Landlord has determined that leasing the Real Property to the Tenant will (i) lower the Landlord's administrative burden in connection with operating the Community Garden and (ii) engage the experience of the Greening Committee in the project.

D. The Landlord desires to enter into this Lease with the Tenant in order for the Tenant to administer a program to provide Fountain Hills residents with the opportunity to participate in the Community Garden (the "Community Service").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Landlord and the Tenant hereby agree as follows:

1. Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Property, including the necessary access across to Landlord's parking area immediately adjacent to the Real Property, and all improvements on the Real Property (the "Leased Premises") to be used solely for the Permitted Uses.

2. Rent. The Landlord hereby leases the Leased Premises to the Tenant in exchange for the Tenant paying to the Landlord an annual rental of \$1.00 (the “Rent”) and providing the Community Service at the Leased Premises at no cost to the Landlord. The Tenant agrees and understands that the reduced-rate rent under this Lease is contingent upon the Tenant providing the Community Service at the Leased Premises during the entire term of this Lease. The Rent shall be due on or before September 1, 2016, and shall constitute payment in full by the Tenant for the use of the Leased Premises from September 1, 2016 through June 30, 2017.

3. Term; Extension.

3.1 Term. The original term of this Lease shall commence on September 1, 2016 and expire on June 30, 2017 (the “Initial Term”), unless terminated sooner in accordance with Subsection 18.2 below.

3.2 Extension. Subject to the Town’s early termination rights and provided that no Default (as set forth below in Section 18) has occurred during the Initial Term, this Lease may be renewed for additional, successive one-year terms (each, an “Extension Term”) if (A) it is deemed in the best interests of the Landlord, (B) at least 30 days prior to the end of the then-current Lease Term, the Tenant requests, in writing, to extend this Lease for an additional one-year term and (C) the Landlord approves the additional one-year term in writing, as evidenced by the Town Manager’s signature thereon, which approval may be withheld by the Landlord for any reason. The Tenant’s failure to seek a renewal of this Lease shall cause this Lease to terminate at the end of the then-current term of this Lease; provided, however, that the Landlord may, at its discretion and with the agreement of the Tenant, elect to waive this requirement and renew this Lease. The Initial Term and any Extension Term(s) are collectively referred to herein as the “Lease Term.” Upon renewal, the terms and conditions of this Lease shall remain in full force and effect.

4. Utilities; Additional Charges.

4.1 Water Meter. Landlord shall, at no cost to the Tenant, cause to be installed on the Leased Premises a separate water meter prior to commencement of the Initial Term. The account established for the water meter shall be established in Tenant’s name.

4.2 Power. Landlord shall provide a service connection for power to the Leased Premises at the location shown on Exhibit A.

4.3 Utilities and Waste Disposal. Tenant agrees to pay for all water, power and other utilities, if any, used by the Tenant or by the Tenant’s agents, employees, volunteers, beneficiaries, contractors, subtenants and licensees upon the Leased Premises during the Lease Term. Tenant shall provide for the regular removal of all trash, rubbish and garbage from the Leased Premises resulting from Tenant’s activities and any activities of sublessees or invitees on the Leased Premises during the Lease Term.

4.4 Additional Charges. Tenant also shall pay from time to time during the Term of this Lease as additional charges all amounts and obligations other than Rent which Tenant herein assumes or agrees to pay.

5. Use of Leased Premises.

5.1 Site Preparations. Landlord shall be responsible for such clearing or grubbing on the Leased Premises as necessary for Tenants use for the Community Service; provided, Landlord shall not be obligated to provide soil preparation or soil conditioning for individual planting areas.

5.2 Limited to Community Service Use. Tenant shall use the Leased Premises solely to provide the Community Service thereon. Landlord makes no representation or warranty with respect to the condition of the Leased Premises or its fitness or availability for any particular use. Tenant will not commit, omit or permit any act, condition or event which is contrary to any Legal Requirement or Insurance Requirement, as defined below.

5.3 Hours of Operation. Tenant shall not permit gardeners or invitees to enter the Leased Premises before 6:00 a.m. or be on the Leased Premises after 10:00 p.m. Tenant shall also require gardeners to conduct their activities on the Leased Premises in a manner that does not disturb the peaceful and quiet enjoyment of the residents who live in the neighborhood or the activities occurring on the adjacent Landlord property. Tenant shall not create or allow to exist on the Leased Premises any nuisances as prohibited by the applicable law or Town Code.

5.4 “Dark” Periods. Landlord utilizes space adjacent to the Leased Premises for its events and for rental to third parties for events. Tenant agrees and understands that (i) some of the uses of Landlord’s adjacent space are incompatible with concurrent use of the Community Garden and (ii) the proximity of the Community Garden to the Landlord’s adjacent space will require the Community Garden to be closed during certain events. Landlord shall, by the 15th of each month, provide Tenant with a listing of the dates and times during the following month that the Community Garden must be closed to avoid conflict with uses on the Landlord’s adjacent property. Tenant shall ensure its officers, employees, agents and invitees do not utilize the Leased Premises during the periods designated by the Town.

5.5 Reserved Plot. Tenant shall reserve a “communal plot” for the Town’s benefit and use. The Town’s use of the reserved plot shall be at no cost or expense to the Town.

6. Existing Conditions; Maintenance and Repairs.

6.1 As-is Condition. Tenant has inspected and is fully familiar with the physical condition of the Leased Premises and accepts the Leased Premises in an “as-is, where-is” condition, including Landlord’s site preparation as set forth in Section 5.1 above.

6.2 Care of Premises. Tenant, at Tenant’s sole cost and expense, agrees to keep the Leased Premises in a neat and clean condition, shall refrain from permitting any

nuisance or fire hazard thereon, shall permit no unlawful or immoral practice to be carried on within the Leased Premises within its knowledge or consent by it or any person and shall at all times comply in its occupancy and use of the Leased Premises with all Town and County ordinances and with all State and Federal laws and regulations relating thereto.

7. Tenant's Equipment. All of Tenant's personal property and equipment hereafter on or about the Leased Premises or any part thereof, which are the property of the Tenant or any permitted sublessee or assignee of Tenant (the "Tenant's Equipment") shall remain the property of Tenant, subject to Subsections 7.1 and 7.2 below:

7.1 Removal; Repair. Tenant shall have the right at any time during the Lease Term to remove from the Leased Premises all or any part of Tenant's Equipment in or on the Leased Premises without regard to the manner placed on or affixed to the Leased Premises, provided that Tenant, at its sole expense, immediately will repair or be obligated for all costs and expenses in connection with all damage to the Leased Premises caused by the removal of Tenant's Equipment therefrom.

7.2 Abandoned Equipment. Any of Tenant's Equipment not removed by Tenant at its expense within 30 days after the expiration or earlier termination of this Lease or the Lease Term shall be considered abandoned by Tenant and may be appropriated, sold, destroyed or otherwise disposed of by Landlord without any further notice to Tenant, and without obligation to account therefor; provided, however, that after such 30th day, Tenant will pay Landlord, upon demand, all reasonable costs and expenses incurred by Landlord in removing, storing, or disposing of any of Tenant's Equipment. Tenant at its expense will immediately repair or be obligated for all costs and expenses in connection with all damage to the Leased Premises caused by any removal of Tenant's Equipment therefrom. Landlord shall not be responsible for any loss of or damage to Tenant's Equipment. Tenant's expenses related to its obligations in this Section 7.2 shall be capped at \$2,000.00

8. Alterations and Additions. Tenant shall have the right at any time during the Lease Term, at Tenant's sole cost and expense, to make changes, alterations or improvements (collectively, "Alterations", or singularly, an "Alteration") in or to the Leased Premises, subject to the following:

8.1 Consistency with Lease Purpose. All Alterations shall be consistent with the Community Service and the operation of a Community Garden.

8.2 Prior Consent. No Alteration shall be made without the prior, written consent of Landlord, which consent shall not be unreasonably withheld or delayed if the Alteration would not materially and adversely affect the Leased Premises.

8.3 Requirements. The provisions and conditions of Section 9 hereof shall apply to any work performed by Tenant under this Section 8.

8.4 No Reimbursement. Tenant hereby expressly agrees and understands that it shall not be entitled to any reimbursement from the Landlord for the cost of any portion of such Alterations.

9. Compliance with Requirements. Tenant, during the Lease Term, will promptly and diligently:

9.1 Legal and Insurance. Comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to all or any part of the Leased Premises or any use or condition thereof (the "Legal Requirements"), and all terms of an insurance policy covering or applicable to the Leased Premises or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting all or any part of the Leased Premises or any use or condition thereof (the "Insurance Requirements").

9.2 Permits and Licenses. Procure, maintain and comply with all permits, licenses, franchises and other authorizations required for the use of the Leased Premises or any part thereof then being made by Tenant, and for the proper erection, installation, operation and maintenance of the Alterations and Tenant's Equipment or any part thereof.

9.3 Recorded Instruments. Comply with any instruments of record at the time in force affecting the Leased Premises or any part thereof.

10. Liens. If the Leased Premises, or any part thereof, shall at any time become subject to a claim for any vendor's, mechanic's, laborer's or materialmen's lien based upon any Alteration or the furnishing of material, labor or professional services to Tenant or the Leased Premises and contracted for by Tenant or its contractors or subcontractors, Tenant shall cause the same, at Tenant's expense, to be discharged or bonded over (pursuant to ARIZ. REV. STAT. § 33-1003 or § 33-1004) within 20 days after notice thereof, and Tenant shall indemnify and hold Landlord harmless from all liability, loss, costs and expenses arising from such a lien.

11. No Claims Against Landlord. Nothing contained in this Lease shall constitute any consent (except where consent is expressly required and given under this Lease) or request by Landlord, express or implied, for the performance of any labor or services or the furnishings of any materials or other property in respect of the Leased Premises or any part thereof, or as giving Tenant any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit any claim against Landlord. Any labor, services or material furnished to the Leased Premises in connection with the fulfillment of Tenant's obligations hereunder shall be the sole responsibility of Tenant.

12. Indemnification by Tenant. To the fullest extent permitted by law, the Tenant shall indemnify, defend and hold harmless the Landlord and each councilmember, officer,

employee or agent thereof (the Landlord and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with use of the Leased Premises by the Tenant, its invitees, its officers, employees, agents, or any tier of subcontractor in the performance of this Lease. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

13. Insurance.

13.1 Landlord's Risks to be Insured. Landlord shall, during the Lease Term, maintain in full force and effect, primary coverage with respect to the Leased Premises against loss or damage by fire or other risks.

13.2 Tenant's Risks to be Insured. Tenant at its expense during the Lease Term will maintain the following insurance for the Leased Premises with reputable insurers authorized to do business in Arizona and rated at least A- by A.M. Best Company:

A. General commercial public liability and property damage insurance, and together with excess liability insurance coverage, each in the minimum amount of \$1,000,000.00 combined single limit on a per occurrence basis.

B. Appropriate workers' compensation or other insurance against liability arising from claims of workmen in respect of and during the period of any work on or about the Leased Premises.

13.3 Policy Provisions. All insurance maintained by Tenant pursuant to this Section shall:

A. Except for workers' compensation insurance, name Landlord and Tenant as additional insureds, as their respective interests may appear.

B. Provide that all insurance proceeds, if any, from losses shall be adjusted with Landlord and Tenant.

C. Pay any losses notwithstanding any act or failure to act or negligence of Landlord or Tenant or any other person or entity relating to any act, omission or other event causing such losses, if reasonably available.

D. Provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by Landlord and Tenant of written notice thereof.

13.4 Deductibles; Delivery of Evidence of Insurance. Except in the case of workers' compensation insurance, any insurance maintained by any Tenant pursuant to this Section 13 may provide coverage that contains deductible amounts. Such deductibles shall not be applicable with respect to the policy limits provided to the Landlord. Tenant shall be solely responsible for any such deductible amount. After written request by Landlord, upon the commencement of the Lease Term and thereafter not less than 30 days prior to the expiration date of any policy to be obtained by Tenant pursuant to this Section, Tenant will deliver to Landlord a certificate of the insurer and a copy of the declaration page(s) of the insurance policies as required by this Lease, as to the issuance and effectiveness of such policy and the amount of coverage afforded thereby.

14. Storage and Use of Regulated Products. The Tenant shall not, and shall not permit any of Tenant's agents, employees, volunteers, beneficiaries, contractors, subtenants, and licensees to, store or use any hazardous materials, fuels or other petroleum products, chemicals, herbicides, pesticides, fertilizers, paint or other such regulated projects on the Leased Premises without the prior written approval of the Landlord. In the event of any contamination of property or loss or damage to persons arising from any hazardous or toxic materials introduced by Tenant onto the Leased Premises, whether with or without Landlord's consent, Tenant shall (i) notify Landlord immediately of any contamination, claim of contamination, loss or damage, (ii) after consultation and approval by Landlord, clean up the contamination in a full compliance with all applicable statutes, rules and regulations and (iii) indemnify, defend and hold Landlord harmless from and against any liabilities, claims, suits, causes of action, costs and expenses, including reasonable attorneys' fees, arising from or connected with any such contamination, claim of contamination, loss or damage. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

15. Damage to or Destruction of Leased Premises.

15.1 Tenant to Give Notice. In case of any material damage to or destruction of the Leased Premises or any part thereof, Tenant will promptly (and in no event later than the fifth day after such occurrence) give written notice thereof to Landlord generally describing the nature, extent and cause of such damage or destruction.

15.2 Restoration. In case of any damage to or destruction of the Leased Premises or any part thereof at any time during the Lease Term, Tenant shall, at its cost and expense, promptly commence and complete (subject to unavoidable delays) the restoration of the Leased Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction (such restoration together with any temporary repairs and property protection pending completion of the work, being herein called "Restoration").

15.3 Application of Insurance Proceeds. All insurance proceeds received by Landlord or Tenant on account of any damage to or destruction of the Leased Premises or any part thereof (less the costs and expenses incurred by the Landlord and Tenant in the collection thereof, including, without limitation, adjusters fees and expenses) shall be paid only for the Restoration.

16. Performance on Behalf of Tenant. If Tenant shall fail to perform any act required hereunder to be made or performed by Tenant, and provided Landlord has given Tenant 30 days written notice of its intent to do so and Tenant has failed during said period to perform the act required to be performed by Tenant, then Landlord may, but shall be under no obligation, to perform such act with the same effect as if made or performed by Tenant. Notwithstanding the immediately preceding sentence, Landlord may proceed immediately in the event of an emergency without any notice to Tenant other than bona fide attempts to contact by telephone as soon as reasonably possible under the circumstances Tenant's representative (whom Tenant may change from time to time) whose name and telephone number Tenant has furnished in writing to Landlord prior to such emergency. Entry by Landlord upon the Leased Premises for such purpose shall not waive or release Tenant from any obligation hereunder. Tenant shall reimburse Landlord for all sums so paid by Landlord and all costs and expenses incurred by Landlord in connection with Landlord's payment or performance under this Section, and no such payment or performance by Landlord pursuant hereto, shall be deemed to limit any right of Landlord or relieve Tenant from any Default hereunder.

17. Assignments and Subleases. Tenant may sublet the Leased Premises, or any part thereof, without the prior written consent of Landlord if such subletting furthers the operation of the Community Garden. However, Tenant shall not assign this Lease without the prior, written consent of Landlord. Landlord's consent shall not be unreasonably withheld if (i) Tenant is not in Default of this Lease; and (ii) the financial status, business experience and reputation of the proposed assignee or sublessee is as good as or better than that of the original Tenant. Any such assignment for which Landlord has given its consent shall not release Tenant hereunder, and any assignee or sublessee shall expressly be bound by all of the Tenant's obligations hereunder.

18. Events of Default; Termination.

18.1 Events of Default. Any one or more of the following specified events shall be a "Default":

A. If either party fails to perform any obligation pursuant to this Lease and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Lease immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Landlord to the Tenant for the undisputed portion of its fee due as of the termination date.

B. If Tenant makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy, or is adjudicated bankrupt or insolvent, or files a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation due to its bankrupt or insolvent financial status.

C. If, as a result of any proceeding against Tenant, a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Tenant or of or relating to all or substantially all of its property, or for the winding-up or liquidation of its affairs or for the supervision of the business or affairs of Tenant, shall have been entered, and such decree or order shall have remained in force undischarged or unstayed for a period of more than 60 days.

D. Tenant fails to maintain its tax exempt status during the entire Lease Term.

18.2 Termination. Should a Default occur, Landlord may resort to any or all of the following remedies:

A. Retain or take possession of any property on the Leased Premises pursuant to Landlord's statutory lien, with or without legal process.

B. Enter or re-enter the Leased Premises and remove all persons and property therefrom, with or without legal process.

C. Declare this Lease at an end and terminated.

D. Sue for and receive any and all damages sustained by Landlord, with or without terminating this Lease; continue this Lease in effect and lease or relet the Leased Premises or any part thereof, from time to time, for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its reasonable discretion may deem advisable, with the right reserved to Landlord to make reasonable alterations and repairs to said Leased Premises at Tenant's expense. No such re-entry or taking possession of the Leased Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

E. Any and all remedies available to Landlord at law or in equity.

18.3 Cumulative Remedies. Each right, power and remedy of Landlord and Tenant provided for in this Lease or now or hereafter existing at law or in equity or by statute or

otherwise shall be, cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights, powers or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all such other rights, powers or remedies.

18.4 Recovery of Costs and Expenses. If any action, whether at law or equity, is instituted by either party for default by the other under this Lease, the prevailing party shall be awarded all costs and expenses incident thereto.

18.5 Early Termination by Landlord. If Landlord determines, in its sole legislative discretion, to terminate its participation in the Community Service, it may immediately terminate this Lease.

18.6 No Relocation Benefits. Upon termination of this Lease, Tenant acknowledges and agrees that it is not entitled to receive any relocation benefits or assistance under federal and state relocation laws and regulations and shall make no claim for such relocation benefits.

19. Subordination and Attornment. Landlord may convey or otherwise dispose of the Leased Premises and Landlord shall have the absolute right to mortgage or encumber by deed of trust the Leased Premises. This Lease, at Landlord's option, shall be subordinate to any mortgage or deed of trust which may be placed on the Leased Premises and to any and all advances made or to be made pursuant to any such mortgage or deed of trust, and to all renewals, replacements and extensions of any such mortgage or deed of trust; provided that each such subordination shall be on the condition that the mortgagee or deed of trust beneficiary and trustee shall execute and deliver to Tenant an agreement ("Nondisturbance Agreement") to the effect that, so long as a Default caused by Tenant is not occurring hereunder, such mortgagee, beneficiary or trustee will recognize this Lease and not disturb or otherwise interfere with Tenant's leasehold and other rights under this Lease. Subject to the Nondisturbance Agreement, Tenant shall execute and deliver such further instrument evidencing this subordination as Landlord may reasonably request.

20. Right of Entry. Landlord may, at all reasonable times and during usual business hours, enter upon the Leased Premises for the purpose of inspecting, repairing or preserving the same.

21. Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to Landlord: Town of Fountain Hills  
16705 East Avenue of the Fountains  
Fountain Hills, Arizona 85268  
Attn: Grady E. Miller, Town Manager

If to Tenant: Fountain Hills Cultural & Civic Association  
Post Office Box 18254  
Fountain Hills, Arizona 85269  
Attn: H. Jerome Butler, FHCCA Treasurer

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (i) when delivered to the party, (ii) five business days after being placed in the U.S. Mail, registered or certified, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

22. Surrender. Upon the expiration of the Lease Term, or upon the earlier termination of this Lease, Tenant shall surrender up peaceable possession of the Leased Premises including all Alterations in good condition and repair, reasonable wear and tear excepted.

23. Waiver. Any waiver by Landlord of any Default, breach or failure by Tenant shall not constitute a waiver of any other Default, breach or failure by Tenant hereunder. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing by Landlord.

24. Severability. Should any provision of this Lease be declared invalid by a court of competent jurisdiction, the remaining terms shall remain effective, provided that elimination of the invalid provision does not materially prejudice either party with regard to its respective rights and obligations.

25. Holding Over. No holding over by Tenant of the Leased Premises after the expiration of the Lease Term shall operate to extend the Lease Term or this Lease, and Tenant shall indemnify, defend and hold Landlord harmless from all costs and expenses and claims for damages by any other tenant to whom Landlord may have leased to Leased Premises effective upon the expiration of the Lease Term or termination of this Lease.

26. Benefits and Burdens. The covenants, terms and conditions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

27. Attorney's Fees. In the event of any litigation or arbitration arising out of this Lease, the substantially prevailing party in such litigation or arbitration shall be entitled to recover its attorneys' fees, expert witness fees and other costs of litigation.

28. Entire Agreement. This Lease constitutes the entire agreement of the parties with respect to the subject matter hereof and may be amended, waived or discharged only by an instrument in writing signed by the party against which enforcement of such amendment, waiver or discharge is sought.

29. Further Acts. Each of the Parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Lease.

30. Headings. The headings in this Lease are for purposes of reference only and shall not control, limit or define the meaning or construction of any provision hereof.

31. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Arizona.

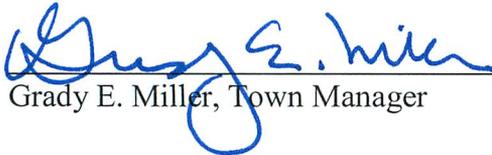
32. Conflict of Interest. The Landlord may cancel this Lease pursuant to ARIZ. REV. STAT. § 38-511 without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Lease on behalf of the Landlord is, at any time while the Lease or any extension of the Lease is in effect, an employee of the Tenant in any capacity or a consultant to the Tenant with respect to the subject matter of the Lease. The cancellation shall be effective when written notice from the Landlord is received by the Tenant, unless the notice specifies a later time.

[SIGNATURES ON FOLLOWING PAGES]

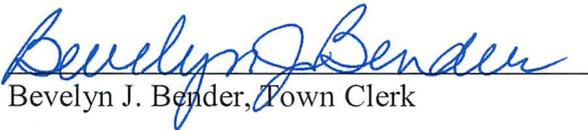
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first written above.

**“Landlord”**

TOWN OF FOUNTAIN HILLS,  
an Arizona municipal corporation

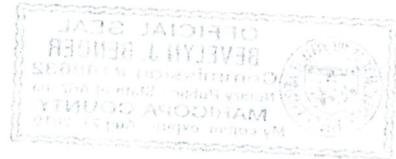
  
Grady E. Miller, Town Manager

ATTEST:

  
Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )



On 9/16, 2016, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.

  
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

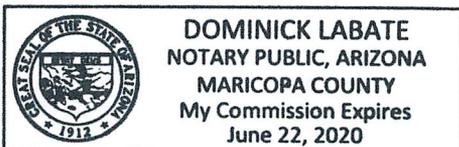




EXHIBIT A  
TO  
REAL PROPERTY LEASE  
BETWEEN  
THE TOWN OF FOUNTAIN HILLS  
AND  
FOUNTAIN HILLS CULTURAL & CIVIC ASSOCIATION

[Map]

See following page.

# TOWN OF FOUNTAIN HILLS

## EXHIBIT A

