LEASE AGREEMENT
(120 North Center Street - CVB Lease)

THIS LEASE AGREEMENT is made and entered into this , 2012, (the “Effective Date”) by and between the City of Mesa, a municipal corporation (“Lessor” or “City of Mesa”) and the Mesa Convention and Visitors Bureau, an Arizona corporation (“Lessee”).

WITNESSETH

1. The Lessor, for and in consideration of the promises, covenants, conditions and agreements hereinafter expressed to be paid, kept and performed by said Lessee, does hereby lease and demise to the Lessee those certain premises at 120 North Center Street, being situated in Maricopa County, State of Arizona, and more particularly described as follows (“Leased Premises”):

The East 159.00 feet of the North 68.00 feet of Lot 1
and the East 159.00 feet of Lot 8, Block 3, Mesa City,
a subdivision according to Book 3 of Maps, Page 11,
Records of Maricopa County, being a part of the Northwest
quarter of Section 22, Township 1, North, Range 5 East
of the Gila and Salt River Base and Meridian, Maricopa
County, Arizona, except the north 12 feet thereof.

The Leased Premises include the office building, parking facilities, and appurtenances shown on the site plan as outlined in the attached Exhibit “A.” The purpose of Exhibit “A” is to show the approximate location of the office building, parking facilities and appurtenances on the site. Lessee shall not make any alteration or addition to the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Subject to the other provisions of this Lease, the Lessor shall have the right, but not the obligation, to change the size, nature or layout of the building, parking facilities and appurtenances.

2. The term of this Lease shall be for a period of ten (10) years from the Effective Date, with two additional five (5) year extensions upon written request of Lessee and written approval of Lessor, unless otherwise terminated earlier. Lessor may terminate this Lease, for any reason or for no reason whatsoever, upon not less than one year’s prior written notice to the
Lessee; such a termination shall be deemed to be the end of the term of this Lease, and Lessee shall not receive any compensation or other consideration from Lessor.

3. Rental Amount and Taxes:
   A. The Lessee covenants and agrees to pay to the Lessor, as rental for the Leased Premises, the sum of Four thousand seven hundred dollars ($4,700) per month, payable on the first day of each month. Rental payments shall be paid by the Lessee to the Lessor in lawful money of the United States of America, without deduction, offset, prior notice or demand. Furthermore, Lessee shall be responsible for payment of all taxes and assessments pertaining to the Leased Premises and this Lease during the term of this Lease. This Lease is currently subject to certain city and state sales taxes, Lessee is advised that the lease payment, with such city and state taxes, as of the Effective Date of this Lease is $4,805.75. Lessor and Lessee acknowledge that taxes and assessments pertaining to this Lease and the Leased Premises are subject to change from time to time depending upon the actions of various taxing and assessing jurisdictions.
   
   B. Any amount due to Lessor under this Lease which is not paid within ten (10) days after the date due shall bear interest from the date due until paid at a rate of 1½% per month. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.
   
   C. If Tenant commences and continues to complete the improvements described in the attached Exhibit “B” within the timeframes described in such Exhibit, and so long as Tenant is not in default under this Lease and this Lease is not terminated, Lessor agree that the monthly rental amount (i.e., $4,700) for the first three years (i.e., the first 36 months) of the Term shall be fully abated so that each month’s rental amount is reduced to zero ($0.00) for the first three years. Lessor shall have no obligation to pay for or complete the improvements described in the attached Exhibit “B.”

4. The Lessee covenants and agrees that it shall not suffer nor permit any lien to be attached to or upon the Leased Premises or any portion thereof arising out of any work performed materials furnished, or obligations incurred by or on behalf of Lessee. Lessee covenants and agrees to save and hold harmless the Lessor from or against any such lien or claim of lien.
5. In the event any taxes or assessments are levied or assessed against the Leased Premises during the term of this Lease, the Lessee agrees to pay same before they become delinquent and to hold the Lessor harmless therefrom. In addition, in the event the Lessee or the Leased Premises are assessed in any special improvement district for the City of Mesa or in any economic development activity supported by the City of Mesa, the Lessee agrees to pay, before same become delinquent, all such special improvement district or economic development assessments.

6. The Lessee agrees to pay, from the date hereof, and before the same become delinquent, all water, gas, electric and power charges for water, gas, electric light and power used on the Leased Premises, together with all sewer, garbage collection and other municipal service charges during the term of this Lease. Lessee shall use the City of Mesa as the solid waste provider for the Leased Premises.

7. The Lessee covenants and agrees to use the Leased Premises for Convention and Visitors Bureau and related activities exclusively and the Lessee also covenants and agrees not to make nor suffer any unlawful, improper or offensive use of the Leased Premises, nor any use or occupancy thereof contrary to any law of the State of Arizona, nor any ordinance of the City of Mesa, now or hereafter made. The building located upon the Leased Premises and all improvements thereon shall be kept and maintained by the Lessee in good condition during the term of this lease agreement, it being the agreement of the parties that the Lessee shall pay, and shall hold Lessor harmless from, any expense or obligation whatsoever in connection with the repair or maintenance of the building or improvements on the Leased Premises.

8. Lessee shall place all refuse or trash in receptacles provided for the Leased Premises by Lessor.

9. The Lessee further covenants and agrees that at the expiration of the term of this Lease it will peaceably yield up to the Lessor the Leased Premises and all buildings and improvements thereon in a safe and clean condition and in good order and repair, reasonable wear and tear excepted.

10. The Lessor agrees that the Lessee on paying the rentals herein specified and keeping and performing all the covenants and agreements herein set forth on Lessee's part to be kept and performed, shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the term of this lease.
11. Lessee shall not convey, transfer, assign, hypothecate, encumber or otherwise dispose of this lease or any right, title or interest therein, whether voluntarily or by operation of law. Lessee may sublease a portion or portions of the Leased Premises upon first securing the written consent of the Lessor.

12. A. Lessee agrees to procure and maintain during the term of this lease comprehensive general liability insurance, with a broad form general liability endorsement in an amount not less than $1,000,000.00 per occurrence, and property damage insurance in an amount not less than $600,000.00 or the full replacement cost (as that may change from time to time) of the buildings and other improvements to the Property, whichever is greater, which insurance shall be acceptable to Lessor for the protection of the Lessor against any hazard or liability that may or might arise from any accident, damage, injury or death of any person. Nothing in this Lease shall prevent Lessee from obtaining additional insurance for its own account. Lessee further agrees to furnish Lessor with certificates of insurance or other evidence that the insurance required under this Lease is in effect. All policies of insurance required of Lessee under this Lease shall contain an endorsement providing that written notice be given to the City of Mesa prior to termination, cancellation, reduction in coverage, or any material change in any policy. If Lessee fails to procure and maintain the insurance required under this Lease, or to deliver the certificates of insurance required above, Lessor shall be entitled, but is not required, to obtain comparable insurance coverage at Lessee's expense. The insurance requirements of this paragraph shall not be construed to conflict with or otherwise limit the obligations of the Lessee concerning indemnification. All insurance policies shall include a waiver of subrogation in favor of the City of Mesa, and its employees, officers, officials, agents, and volunteers.

B. With respect to the casualty and fire insurance required of Lessee pertaining to the Leased Premises, all fund payable as a result of damage to the Leased Premises under those policies shall be payable to the Lessor and Lessee (Lessor shall be a Loss Payee) and the proceeds of such insurance shall be used in accordance with paragraph 13 below. Such insurance policy shall name Lessor and Lessee as named insureds, shall contain a severability of interest clause pertaining to the coverage afforded by such policy, and shall be primary to any City of Mesa insurance policy or program.
C. With respect to the comprehensive general liability insurance required of Lessee pertaining to the Leased Premises, the policy shall name Lessor, Lessee and any first mortgagee or first beneficiary under a deed of trust against the Leased Premises as named insured parties. Such insurance shall be primary to any City of Mesa insurance policy or program.

13. If the Leased Premises are damaged or destroyed by fire or other casualty, Lessee at its sole cost and expense shall proceed with reasonable diligence to repair, restore, or rebuild the same as nearly as possible to its value, condition, and character immediately prior to such damage or destruction; provided however that Lessee’s foregoing obligations shall be limited to the amount of insurance proceeds available for such repair, restoration, or rebuild and any deductible thereto (if Lessee fails to maintain the insurance required by this Lease, Lessee shall be responsible to pay the amount that insurance would have provided in such circumstances). Unless otherwise agreed to by Lessor and Lessee in writing, Lessee shall use all insurance proceeds plus the amount of any deductible for such insurance to repair, restore, or rebuild the Leased Premises. Lessee’s obligation to pay rent and any other amounts owing under this Lease shall continue regardless of any partial, substantial, or total destruction of the Leased Premises; provided, however, if the insurance proceeds and any deductible amount are not sufficient to restore the Leased Premises to a condition that would allow Lessee to use the Premises as reasonably intended or if the parties agree in writing to not use such proceeds to restore the Leased Premises, then Lessee may terminate this Lease through the following: (i) payment by Lessee to Lessor of all insurance proceeds for the Premises (except proceeds to cover loss for Lessee’s personal property) plus any deductible amount (or if Lessee fails to maintain the insurance required by this Lease, Lessee shall pay the amount that insurance would have provided in such circumstances); and (ii) thirty (30) days written notice to Lessor. Such a termination shall be deemed to be the end of the term of this Lease and the final month’s rent shall be prorated on a daily basis. Lessor shall have no responsibility or liability for any damage or destruction by fire or other casualty and shall have no obligation to repair, restore, or rebuild the Leased Premises in such event.

All repairs performed pursuant to this paragraph 13 shall be performed in a good and workmanlike manner, in accordance with plans and specifications approved by Lessor (which shall be substantially similar to the plans and specifications used when the damaged or destroyed improvements were initially constructed), and in compliance with applicable laws,
regulations and building codes. Lessor shall have the right to designate or approve the contractor(s) performing repairs required to be made by Lessee and shall have the right to require Lessee to post such bonds as Lessor reasonably deems necessary, including furnishing to Lessor evidence of compliance with Section 33-1003 Arizona Revised Statutes, successor statute as may then be in effect.

14. If the Lessee shall fail or default in the faithful keeping or performance of any of the terms, conditions or covenants to be kept and performed by it during the term of this Lease, and such default shall continue for a period of sixty (60) days after written notice of such a default has been given by the Lessor to the Lessee, and if the default has not been corrected within said 60-day period, the Lessor shall have the right at its election to terminate and end this Lease and all rights of the Lessee hereunder and to re-enter the Leased Premises and remove all persons and property therefrom, or Lessor at its option may exercise all rights, powers and remedies which it might have by reason of the terms of this lease and under the statutes of the State of Arizona. It is understood that the rights and remedies of the Lessor are cumulative and not restrictive.

15. The Lessee agrees to indemnify and save harmless the Lessor and the Leased Premises from and against any and all damage, loss, cost or expense arising out of or resulting from the use or occupancy of the Leased Premises by Lessee, or from any accident resulting in injury to any person whomsoever or property whatsoever as a result of the use of the Leased Premises or any part thereof.

16. Subject to Lessee's reasonable security and operational requirements, and provided that Lessor shall not unreasonably interfere with the conduct of Lessee's business, Lessor shall be entitled to enter onto or into the Leased Premises for any lawful purpose. No entry by Lessor pursuant to this paragraph shall entitle Lessee to terminate this Lease or to a reduction or abatement of rental or other amounts owed by Lessee hereunder.

17. No notice, consent, approval or other communication given in connection with this Lease shall be validly given, made, delivered or served unless in writing and personally delivered or sent by United States mail (registered, certified or express), postage prepaid, to the following address or such other addresses as either party may from time to time designate in writing to the other party in accordance herewith:
LESSOR: City of Mesa
P.O. Box 1466
Mesa, Arizona 85211-1466
Attention: Real Estate Administrator

LESSEE: Mesa Convention and Visitors Bureau
120 North Center Street
Mesa, Arizona 85201

Notices, consents, approvals or communications shall be deemed given or received upon
delivery if personally delivered, or forty-eight (48) hours after deposit in the mail as
hereinabove provided.

18. No delay or omission of Lessor to exercise any right or power or arising from
any default or breach hereunder shall impair any such right or power, nor shall it be construed to
be a waiver of any such default or breach, or an acquiescence therein.

[Signatures on following page]
IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

CITY OF MESA,
A municipal corporation

City Manager

MESA CONVENTION AND VISITORS BUREAU, an Arizona Corporation

Chairman

STATE OF ARIZONA )
) ss.
County of Maricopa )

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this 3rd day of July, 2012, by Gary Tennis in his capacity as Chairman of the Mesa Convention Visitors Bureau, an Arizona corporation.

Perla C. Anderson
Notary Public

My Commission Expires:
January 24, 2014

STATE OF ARIZONA )
) ss.
County of Maricopa )

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 3rd day of July, 2012, by Christopher Brady in his capacity as City Manager of the City of Mesa.

Perla C. Anderson
Notary Public

My Commission Expires:
January 24, 2014
**Exhibit B**

**Tenant Improvements**

<table>
<thead>
<tr>
<th>Improvements</th>
<th>Approximate Cost</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior remodel to Class &quot;A&quot; type level</td>
<td>$311,000</td>
<td>January 2014</td>
</tr>
<tr>
<td>Including design fees for board room, public meeting room, lobby, 4 restrooms, kitchen, general office space</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior – repair stucco and repaint</td>
<td>$31,000</td>
<td>June 2015</td>
</tr>
<tr>
<td>Parking lot reseal</td>
<td>$3,000</td>
<td>June 2015</td>
</tr>
<tr>
<td>Landscaping</td>
<td>$10,000</td>
<td>June 2015</td>
</tr>
</tbody>
</table>
RESOLUTION NO. 10065

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH THE MESA CONVENTION AND VISITORS BUREAU FOR THE USE OF CITY-OWNED PROPERTY LOCATED AT 120 NORTH CENTER STREET, MESA, ARIZONA.

WHEREAS, part of the City-owned property identified as APN 138-33-003A located at 120 North Center Street has been identified as available for use and the lease of this property is appropriate.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

The City Manager, Christopher J. Brady, or his designee, is hereby authorized and directed on behalf of the City of Mesa to execute the necessary documents to enter into a Lease Agreement and lease City-owned property, as depicted on Exhibit A, attached hereto and by this reference made a part hereof, and that the City Clerk is authorized and directed to attest to the signature of the City Manager, or other designees thereon.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona, this 25th day of June, 2012.

APPROVED:

Mayor

ATTEST:

City Clerk
EXHIBIT 'A'

LEGAL DESCRIPTION
of
120 North Center Street, Mesa, Arizona
APN 138-33-003A

The East 159.00 feet of the North 68.00 feet of Lot 1 and the East 159.00 feet of Lot 8, Block 3, Mesa City, a subdivision according to Book 3 of Maps, Page 11, Records of Maricopa County, being a part of the Northwest quarter of Section 22, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, except the north 12.00 feet thereof.