EXHIBIT 13

Final Version of the Lease
Approved March 24, 2019.

ONE DAY PRIOR TO SIGNING.
Landlord's Work Prior to
delivery specified in:
Exhibit B-2 Page 32.
Page 33 has some text.
There are NO blank pages.



hanna nilsson <hannaarizona@gmail.com>

Re: Bece Sun Lakes Lease

1 message

Exhibit 13

hanna nilsson <hannaarizona@gmail.com> To: Michael Robson < Michael. Robson@robson.com > Sun, Mar 24, 2019 at 12:31 PM

24 hours prior to signing the lease guarantee

hi Mike

The lease is OK, the exibit B is missing the icemaker replacement, but I guess we can get a used one, not a big deal. As to the furniture. It is very specific, what needs to be replaced, when we were discussing the furniture it was supposed to be a tenant improvement allowance in the amount of roughly \$9.000-\$10.000 so we could decide where and what to buy. Could you please make a note in the lease about it. see you tomorrow

On Fri, Mar 22, 2019 at 6:43 AM Michael Robson < Michael.Robson@robson.com > wrote

Good morning,

I have attached the lease documents for review and signature. Please let me know of any comments or questions.

Thanks,

Mike

Mike Robson Vice President Robson Communities, Inc. (D) 480-895-4223 (C) 602-363-6356

Begin forwarded message:

Michael,

Attached is a clean and redline of the two changes that you requested. As can be seen in the redline, the first change is in Exhibit B-1 and the second change is in Section 11(a). As always, let me know any comments or questions. Because the guaranty needs to be signed at the same time as the lease, I am attaching a copy of that as well. In addition, don't forget that the attached lease still needs Exhibit A and B-1 attached before it is signed.

Best Regards

Pam

Pamela H. Gulsvig, Esq.

Legal Department-General Counsel

Robson Communities, Inc.

Robson Homes, LLC

9532 E. Riggs Road

Sun Lakes, Arizona 85248

Exhibit 13

RETAIL TRIPLE NET LEASE

THIS LEASE is made this ____ day of March, 2019 by and between R.N.S. CENTER LIMITED PARTNERSHIP, an Arizona limited partnership ("Landlord") and BECE KITCHEN LLC, an Arizona limited liability company ("Tenant").

Landlord is the owner of a building consisting of approximately 3,300 square feet, which formerly housed a fast casual restaurant with drive through service (the "Building") situated upon the real property located at located at 9542 E. Riggs Road in Chandler, Arizona and legally described in Exhibit A (the real property with all improvements thereon including without limitation the drive through, parking lot, landscaping and Building are herein after collectively referred to as the "Premises").

Therefore, Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord, SUBJECT TO all covenants, conditions, easements and other matters of record, and to all matters that would be disclosed by an inspection or an accurate ALTA survey of the Premises, and FURTHER SUBJECT TO the term and on the conditions and agreements set forth in this Lease:

1. TERM

(a) The term of this Lease shall commence on the date Landlord has delivered actual possession of the Premises to Tenant, broom clean and free of all leases and occupants, other than this Lease; and Landlord's Work has been substantially completed, subject to the provisions of Exhibit B (the "Delivery Date" and also referenced herein as the "Commencement Date"). The estimated Delivery Date is three (3) months from the date of mutual execution of this Lease. The term of this Lease shall be one hundred and twenty (120) full calendar months following the Commencement Date plus the fractional calendar month, if any, in which the Commencement Date occurs.

Tenant shall have no right to use, including without limitation commencing any Tenant Improvements, or occupy the Premises prior to the Commencement Date. In the event Landlord fails to deliver possession of the Premises to Tenant with Landlord's Work substantially complete (subject to the provisions of Exhibit B) on or before the date that is six (6) months after the Estimated Delivery Date (the "Outside Delivery Date"), Tenant may, as its sole and exclusive remedy, terminate this Lease upon written notice to Landlord at any time prior to such delivery and Landlord has failed to cure the same within the cure period provided for in Section 21 below, in which event Landlord and Tenant shall be released from all liability hereunder accruing thereafter. If Tenant elects to exercise this option to terminate, the Security Deposit paid by Tenant pursuant to Section 4 below shall be refunded to Tenant by Landlord within thirty (30) days of Landlord's receipt of such termination notice.

(b) Provided Tenant is not then in default under the Lease, Tenant shall have the right and option to extend the term of this Lease two (2) additional periods of sixty (60) months each

by providing written notice to Landlord not less than six (6) months prior to the expiration of the initial term of the Lease. Tenant's failure to provide timely written notice of its exercise of its option to extend the term of the Lease shall conclusively be deemed to be a waiver of such option and Tenant shall have no further option to extend the term of the Lease.

2. RENT

(a) <u>Base Rent</u>. Tenant shall pay to Landlord, in advance, on the first day of each calendar month, beginning on the date ten (10) months following the Commencement Date (the "Rent Commencement Date") and throughout the Term of this Lease, annual base rent in equal monthly installments, in the amount of \$52,800 per annum (\$4,400.00 per month). However, the first month's Base Rent shall be due and payable by Tenant to Landlord concurrent with the execution of this Lease. All such rent payments shall be paid by Tenant to Landlord at the office of Landlord or at such other place designated by Landlord, in advance, without notice, demand, deduction or set-off. Base Rent payable with respect to a period consisting of less than a full calendar month shall be prorated based upon a 30-day month. Base rent for the first month of the term shall be considered a full month and rent for the second month of the term shall be pro-rated based upon the Rent Commencement Date determined as set forth above. Commencing on the anniversary of the Commencement Date and on each year thereafter the annual base rent (and therefore the monthly installments) shall increase an amount equal to three percent (3%) per annum. Therefore, the Base Rent for the balance of the Term of the Lease shall be:

| Period | <u>\$/SF</u> | Estimated Monthly Base Rent | Estimated Annual Base Rent |
|---------------|--------------|-----------------------------|----------------------------|
| Lease Year 2 | \$16.48 | \$4,532.00 | \$54,384.00 |
| Lease Year 3 | \$16.89 | \$4,644.75 | \$55,737.00 |
| Lease Year 4 | \$17.40 | \$4,785.00 | \$57,420.00 |
| Lease Year 5 | \$17.92 | \$4,928.00 | \$59,136.00 |
| Lease Year 6 | \$18.46 | \$5,076.50 | \$60,918.00 |
| Lease Year 7 | \$19.01 | \$5,227.75 | \$62,733.00 |
| Lease Year 8 | \$19.58 | \$5,384.58 | \$64,614.99 |
| Lease Year 9 | \$20.17 | \$5,546.75 | \$66,651.00 |
| Lease Year 10 | \$20.78 | \$5,714.50 | \$68,674.00 |

- (b) <u>Additional Obligations are Rent.</u> All amounts payable to Landlord under this Lease constitute rent, whether or not so designated, and shall be payable without notice, demand, deduction or offset to such person and at such place as Landlord may from time to time designate by written notice to Tenant.
- (c) <u>Late Charges and Interest.</u> Landlord and Tenant agree that when Tenant fails to pay rent on time, the actual cost to Landlord is difficult or impossible to ascertain, but the parties agree that Landlord does, in such event, incur certain additional costs, such as additional bookkeeping and administrative charges, bank charges, lost opportunity costs, costs and inconveniences of special handling and disruption of cash flow, etc. The parties agree that Tenant shall pay to Landlord a late charge, as additional rent, equal to 5% (but in no event greater than the maximum amount permitted by Arizona law) of any Base Rent or other amount payable under this Lease that is not paid within five days after the date it is due as liquidated damages. The assessment or collection of a late charge shall not constitute the waiver of a default and shall not bar the exercise of other remedies for nonpayment. In addition to the late charge, all amounts not paid within ten days after the date due shall bear interest from the date due (i) until the happening of an Event of Default, at the rate of 12% per annum and (ii) thereafter, at the rate set forth in Section 22(b).
- (d) <u>Tenant's Gross Sales Reporting</u>. Notwithstanding the fact that there is no percentage rent, within twenty (20) days after the end of each calendar year, Tenant shall furnish to Landlord a statement in writing, certified by Tenant to be correct, showing the total gross sales (calculated according to generally acceptable accounting procedures) made from the Premises during the preceding calendar year.

3. **DELIVERY**

Tenant agrees to accept the Premises in its current "As Is" condition, other than the respective obligations of Landlord ("Landlord's Obligations"), and of Tenant ("Tenant's Obligations") with respect to the initial construction, alteration and improvement of the Premises as set forth on Exhibit B attached hereto and incorporated herein by this reference. Each party shall timely perform and pay for its respective obligations. If the performance of any of Landlord's obligations as specified in Exhibit B is defective, Tenant's acceptance of the condition of the Premises shall be subject to, and shall only be subject to, the correction of any defects specified in a written punch list delivered to Landlord prior to the date Tenant takes possession. Landlord shall promptly correct any such defects; provided however that the existence of punchlist items shall not entitle delay delivery of possessoin of the Premises to Buyer or the Commencement Date or the Rent Commencement Date, except for defects which make the Building uninhabitable. Items that do not render the Building uninhabitable include but are not limited to failure of operation of any appliances, electrical outlets or fixtures; touch-up painting; and other non-structural construction imperfections. Tenant acknowledges and agrees that after the Commencement Date, Landlord shall have no further responsibility for periodic inspection, replacement, maintenance or repair of the Premises, except for the correction of items listed on the punchlist inspection form in accordance with this Paragraph, or as expressly set forth in the provisions of this Lease. No promise of Landlord to alter, remodel or improve the Premises and no representation respecting the condition of the Premises has been made by Landlord to Tenant, other than as specifically set forth in this Lease.

4. SECURITY DEPOSIT AND GUARANTY

Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of Four Thousand and Four Hundred Dollars (\$4,400) as security for the full and faithful performance of every provision of this Lease to be performed by Tenant and shall deliver guaranty of this Lease executed by Hanna Gabrielsson, who is the Manager of Tenant, and her spouse, Marek Kowalski. If Tenant defaults with respect to any provision of this Lease, Landlord may apply all or any part of the security deposit for the payment of any sum in default, or for the payment of any other 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 the security deposit is so applied, Tenant shall, within five days after written demand therefore, 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 material breach of 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 the deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by Tenant, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term or extension thereof, or any period of holding over under Section 7.

5. USE

(a) <u>Permitted Use and Required Occupancy.</u> Tenant shall continuously use and occupy the Premises during the term of this Lease for the operation of an American and European inspired fast casual restaurant, and for no other purpose whatsoever, and shall be open for business during normal business hours Monday through Sunday.

(b) <u>Restrictions.</u> Tenant shall:

- (i) Not use or permit upon the Premises anything that would invalidate any policies of insurance now or hereafter carried on the Premises or any portion thereof or that will increase the rate of insurance on the Premises;
- (ii) Pay all extra insurance premiums which may be caused by the use which Tenant shall make of the Premises;
- (iii) Not use or permit upon the Premises anything that may be dangerous to life or limb, nor use the Premises for any hazardous purpose, nor use the Premises for lodging or sleeping purposes or for any immoral or illegal purpose or conduct or permit to be conducted

upon the Premises any activity contrary to law or ordinance of any federal, state or local governmental authority,

- (iv) Not in any manner deface or injure the Premises or any part thereof or overload any floor of the Premises;
- (v) Not permit any objectionable odors to emanate from the Premises or permit any radios, television, loudspeakers or amplifiers to be placed on the exterior roof or to be heard outside the confines thereof;
- (vi) Not use or permit the Premises to be used (A) to conduct or permit any auction or bankruptcy sale, or (B) to burn paper, trash or garbage or any kind;
- (vii) Not use or permit the Premises to be used for the operation of a bank, savings and loan, stock broker's, mortgage broker's, mortgage banker's or insurance broker's office;
- (viii) Not do anything or permit anything to be done in or about the Premises in any way tending to create a nuisance, or tending to disturb any other Tenant or the occupants of neighboring property, or tending to injure the reputation of the Premises;
- (ix) Not use or permit the Premises to be used for any of the following: massage parlor, adult bookstore or adult video, cocktail lounge (except incidental to the operation of a restaurant), bar, night club, place of recreation including, but not limited to, theaters, bowling alleys, gyms, pool hall, skating rink, bingo parlor, video and pinball arcades, and health spas including dance or aerobic studios, churches and other religious institutions, car washes, automobile or motorcycle sales, maintenance or service facilities or gas stations, or training or educational facility which shall include, without limitation, a beauty school, barber college, reading room, place of instruction or any other operation catering primarily to students or trainees as opposed to customers;
- (x) Not use or permit the Premises to be used for the operation of a convenience store nor for the operation of a filling station;
 - (xi) Not commit or permit to be committed any waste upon the Premises;
- (xii) Not violate or permit to be violated any recorded restriction or covenant affecting the Premises.
- (c) Tenant, at Tenant's expense, shall comply with all present and future federal, state and local laws, ordinances, orders, rules, regulations and restrictions, including without limitation the Americans with Disabilities Act (collectively, "Laws"), and shall procure all permits, certificates, licenses and other authorizations required by applicable Laws relating to Tenant's business or Tenant's use or occupancy of the Premises or Tenant's activities on the Premises.

Tenant shall make all reports and filings required by applicable Laws. Tenant shall defend, indemnify and hold harmless Landlord, its affiliates and their respective present and future officers, directors, employees, owners, trusts, trustees, partners, beneficiaries, representatives, successors and agents (collectively "Landlord's Affiliates") for, from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, and reasonable attorneys' fees, arising out of or relating to any failure of Tenant to comply with applicable Laws, including without limitation any modifications to the building or other improvements required under the Americans with Disabilities Act. Without limiting the foregoing, Tenant shall comply with all Laws relating to environmental matters, and shall defend, indemnify and hold harmless Landlord and Landlord's present and future officers, directors, employees, partners and agents from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, clean-up costs and reasonable attorneys' fees, arising from or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or hazardous or toxic material, substance or matter from, on or at the Premises as a result of any act or omission on the part of Tenant. Tenant's indemnification obligations shall survive the expiration or termination of this Lease.

Environmental Laws. Without limiting the foregoing, Tenant shall comply with (d) all Laws pertaining to health or the environment ("Environmental Laws"), including, without limitation, the comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA") and the Resource Conservation and Recovery Act of 1987, as amended ("RCRA"), water quality, air quality, and handling, storage, treatment or disposal of solid, special or hazardous wastes, hazardous substances, hazardous materials, and petroleum products or otherwise concerning protection of the environment or the regulation of any wastes, petroleum products, or other harmful contaminants including without limitation, material or substance having characteristics of ignitability, corrosivity, reactivity, or toxicity or substances or materials which are listed on any of the Environmental Protection Agency's lists of hazardous wastes or which are identified in Arizona Department of Environmental Quality (ADEQ) regulations as the same may be amended from time to time (collectively, "Regulated Substances") as well as Arizona UST Act, ARS Sec. 49-1001 et seq, and all obligations concerning the ownership and operation of the petroleum underground storage tanks (USTs) and related equipment, monitoring, compliance testing, and record keeping, and shall defend, indemnify and hold harmless Landlord and Landlord's Affiliates for, from and against all claims, demands, liabilities, fines, penalties, losses, costs and expenses, including but not limited to costs of compliance, remedial costs, clean-up costs and reasonable attorneys' fees, arising from or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or hazardous or toxic material, substance or matter from, on or at the Premises in violation of Environmental Laws as a result of any act or omission on the part of Tenant. Tenant's indemnification obligations shall survive the expiration or termination of this Lease.

Landlord shall have the right to enter upon and inspect the Premises and to conduct tests, monitoring and investigations. If such tests indicate the presence of any environmental condition which occurred during the Term of this lease, Tenant shall reimburse Landlord for the cost of conducting such tests. The phrase "environmental condition" shall mean any adverse condition relating to any Hazardous Materials or the environmental, including surface water, groundwater, drinking water supply, land, surface or subsurface strata or the ambient air and includes air, land and water pollutants, noise, vibration, light and odors. In the event of any such environmental condition, Tenant shall promptly take any and all steps necessary to remediate the same to Landlord's reasonable satisfaction or shall, at Landlord's election, reimburse Landlord, upon demand, for the cost of Landlord of performing remediation work. The reimbursement shall be paid to Landlord in advance of Landlord's performing such work, based upon Landlord's reasonable estimate of the cost thereof; and upon completion of such work by Landlord, Tenant shall pay to Landlord any shortfall within thirty days after Landlord bills Tenant therefore or Landlord shall within thirty days refund to Tenant any excess deposit, as the case may be.

(e) Tenant acknowledges that:

- (i) Pima Utility Company ("Utility Company") provides sewer services for the Premises;
- (ii) Utility Company treats wastewater and other materials discharged into Utility Company's sewer system (the "System") to produce water of sufficient quality to be beneficially reused ("Effluent");
- (iii) Utility Company or its assigns reuses, discharges or recharges the Effluent on the land surface or in underground aquifers;
- (iv) In order to discharge or reuse the Effluent for the intended purposes, the Effluent must be of sufficient quality to comply with all federal, state and local regulations applicable to such use of the Effluent;
- (v) The quality of Tenant's wastewater of any other material discharged into the System by Tenant will have a direct impact on the quality of the Effluent. Tenant therefore agrees to subject Tenant's wastewater, and all other materials that Tenant discharges into the System, to the limitations imposed by Utility Company from time to time in order to maintain the quality of the Effluent for the purposes specified by Utility Company from time to time. Tenant further agrees not to discharge into the System any wastewater, or any other material, which could cause damage to the System through one discharge or through the cumulative effect of multiple discharges.
- (f) Tenant agrees to indemnify and hold harmless Landlord and Landlord's Affiliates for, from and against all claims, demands, liabilities, damages, costs and expenses, including but not limited to reasonable attorneys' fees and court costs, suffered or incurred by any of them arising out of or relating to a breach by Tenant of any of the provisions of this paragraph. This

indemnification obligation shall survive the termination or expiration of the term of the Lease and is not limited to the insurance limits that Tenant is required to carry under the terms of this Lease. Landlord and Tenant agree that Utility Company shall be third party beneficiary of Tenant's agreements contained in this paragraph.

6. CONDITION OF PREMISES

Except as set forth in Section 3 above, Tenant accepts the Premises AS IS, No promise of Landlord to alter, remodel or improve the Premises and no representation respecting the condition of the Premises has been made by Landlord to Tenant, other than as specifically set forth in this Lease.

7. HOLDING OVER

If Tenant holds over without Landlord's consent, Tenant shall, at Landlord's election, be a tenant at will or a tenant from month-to-month. In either case rent shall be payable monthly in advance at a rate equal to twice the rate in effect immediately before the holdover began. A holdover month-to-month tenancy may be terminated by either party as of the first day of a calendar month upon at least ten days' prior notice. A holdover tenancy at will is terminable at any time by either party without notice, regardless of whether rent has been paid in advance. Upon a termination under this Section, unearned rent shall be refunded following the surrender of possession provided Tenant is not otherwise in breach of this Lease.

8. TAXES

- (a) Real Estate Taxes and Assessments. Tenant shall be responsible for the payment of all real property taxes and assessments which may be levied or assessed by any lawful authority against the Premises with respect to any period wholly or partially within the term of this Lease starting as of the Commencement Date ("Real Property Taxes"). However, as a courtesy to assist Tenant with cash flow, Tenant shall pay to Landlord an estimated monthly advance charge one twelfth of all such Real Property Taxes, which at Landlord's option, may be adjusted semiannually to reflect Landlord's estimate of Real Property Taxes which actually will be incurred. Tenant shall pay the first month's estimated monthly advance charge upon execution of this Lease and thereafter, on or before the first day of each calendar month during the term commencing on the month after the Commencement Date. Because the Premises is a separate tax parcel Tenant's pro rata share of Real Property Taxes is 100%. All taxes for the year in which this Lease commences or terminates shall be apportioned so that Tenant shall not be responsible for real property taxes and assessments that relate to periods prior to or subsequent to the term of this Lease except any period of holding over.
- (b) <u>Personal Property Taxes.</u> Tenant shall pay, prior to delinquency, all taxes assessed against or levied upon Tenant's fixtures, furnishings, equipment and other personal property, and Tenant shall cause such items to be assessed and billed separately from the real property of which the Premises form a part. In the event any or all of Tenant's fixtures, furnishings, equipment and

other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord that portion of the tax related to Tenant's property.

(c) <u>Excise Taxes.</u> Tenant shall, simultaneously with the payment of any sums required to be paid under this Lease as rent, additional rent or otherwise, reimburse Landlord for any federal, state or local excise, sales, rental, transaction privilege or other tax imposed or levied on, or measured by, the amount paid.

9. OPERATING COSTS AND UTILITIES

Operating Costs. Because Tenant is the sole tenant of the Premises and there is no (a) common area, Tenant acknowledges, understands and agrees that this is a triple net lease and therefore Tenant is responsible for any and all ongoing expenses whatsoever relating to or arising from the Premises, including without limitation building insurance, and maintenance, in addition to paying the rent and utilities. Such Premises Operating Costs (the "Operating Costs"), consisting of all costs and expenses incurred in managing, operating, maintaining and repairing the Premises including, without limitation, the following: (i) salaries, wages and other amounts paid or payable for personnel including the manager, superintendent, operation and maintenance staff, and other employees of Landlord involved in the maintenance and operation of the Premises, including contributions and premiums towards fringe benefits, unemployment and worker's compensation insurance, pension plan contributions and similar premiums and contributions and the total charges of any independent contractors or managers engaged in the repair, care, maintenance and cleaning of any portion of the Premises; (ii) utilities (if any) and refuse collection; (iii) cleaning, including sweeping, washing, sealing and any other maintenance of parking or other area of the Premises; (iv) premiums for property, casualty, liability, rent interruption or other insurance maintained by Landlord for the Premises; (v) landscaping, including repair and maintenance of any water features, irrigating, trimming, mowing, fertilizing, seeding, and replacing plants; (vi) exterior painting and roof maintenance; (vii) maintaining, operating, repairing and replacing equipment; (viii) supplies, materials, tools, parts, and equipment; (ix) equipment rental charges; (x) costs of alterations or modifications to any portion of the Premises necessary to comply with requirements of applicable law; (xi) repair and maintenance, including the roof, any skylights, and exterior walls; (xii) bookkeeping, accounting, legal and other professional charges and expenses; (xiii) fees for permits and licenses; (xiv) administrative expenses; (xv) taxes other than real property taxes; (xvi) service and maintenance contracts; and (xvii) costs of capital expenditures incurred for the purpose of reducing Operating Costs, and costs of improvements, repairs, or replacements which otherwise constitute Operating Costs under this Article but which are properly charged to capital accounts shall not be included in Operating Costs in a single year but shall instead be amortized over their useful lives, as determined by the Landlord in accordance with generally accepted accounting principles, and only the annual amortization amount shall be included in Operating Costs. Operating Costs shall **not** include the replacement of or structural repairs to the extent covered by warranty or insurance proceeds nor shall it include utilities or other expenses paid directly by Tenant to such third parties, General overhead and administrative expenses of Landlord not directly related to the operation of the Premises, or construction of the tenant improvements.

Notwithstanding the above, as a courtesy to assist Tenant with cash flow and management of maintenance of the Premises, Landlord shall maintain the exterior of the Building and all parts of the Premises outside the Building as set forth in Section 11 below, and Tenant shall maintain the interior of the Building as set forth in Section 11 below. In exchange for Landlord performing the maintenance described in Section 11 below, Tenant shall pay to Landlord an estimated monthly advance charge one twelfth of all such Operating Costs, which may be adjusted from time to time by Landlord to reflect its revised estimates. Such Operating Costs and the above monthly advance shall also include a management fee not exceeding 10% of the Operating Cost charged at Landlord's discretion as part of the Operating Costs. Tenant shall pay the first month's estimated monthly advance charge upon execution of this Lease and thereafter, on or before the first day of each calendar month during the term commencing on the month after the Commencement Date.

- (b) <u>Annual Statement.</u> Annually, within one hundred twenty days after the close of each calendar year, Landlord shall provide to Tenant a statement showing the actual amount of the Operating Costs for that calendar year, and the difference between the monthly estimate previously paid by Tenant and the actual costs shall be paid or refunded, as the case may be, within thirty days after receipt of the statement.
- (c) <u>Utilities.</u> Notwithstanding anything to the contrary in this Lease, any utilities provided to the Premises shall be arranged directly by Tenant with the utility supplier, including the posting of any required deposits, paying any additional capacity or connection fees based upon Tenant's use and paid directly to the utility supplier when due (or promptly reimbursing Landlord upon request for any such costs billed directly to Landlord). Tenant shall use the refuse container provided by Landlord in accordance with rules and regulations established by Landlord; provided however, Landlord may, in its sole discretion, at any time and from time to time, change Tenant's use of any common refuse containers or require Tenant to instead directly arrange and pay for refuse disposal. Landlord shall not be liable, in damages or otherwise, for any discontinuance, failure or interruption of service to the Premises of utilities

10. ASSIGNMENT AND SUBLETTING

Tenant shall not, either voluntarily or by operation of law, assign, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Tenant or Tenant's employees, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. No hypothecation, assignment, sublease or other transfer to which Landlord has consented shall be effective for any purpose until such time as fully executed documents of such transaction have been provided to Landlord, and, in the case of an assignment, the assignee has attorned directly to Landlord, and in the case of a sublease, the sublessee has acknowledged that the sublease is subject to all of the terms and conditions of this Lease. Any assignment, mortgage, transfer or subletting of this Lease

which is not in compliance with the provisions of this Section shall be voidable and shall, at the option of Landlord, terminate this Lease. The consent by Landlord to an assignment or subletting shall not be construed as relieving Tenant from obtaining the express written consent of Landlord to any further assignment or subletting or as releasing Tenant from any liability or obligation hereunder, whether or not then accrued.

Landlord shall be under no obligation to decide whether consent will be given or withheld unless Tenant has first provided to Landlord: (i) the name and legal composition of the proposed assignee or subtenant and the nature of its business; (ii) the use to which the proposed assignee or subtenant intends to put the Premises; (iii) the terms and conditions of the proposed assignment or sublease and of any related transaction between Tenant and the proposed assignee or subtenant; (iv) information related to the experience, integrity and financial resources of the proposed assignee or subtenant; (v) such information as Landlord may request to supplement, explain or provide details of the matters submitted by Tenant pursuant to subparagraphs (i) through (iv); and (vi) reimbursement for all costs incurred by Landlord, including attorneys' fees, in connection with evaluating the request and preparing any related documentation. Tenant shall remain fully liable for performance of this Lease, notwithstanding any assignment or sublease, for the entire Lease Term.

11. MAINTENANCE AND REPAIR OF PREMISES

(a) Tenant's Duties. Tenant shall maintain the interior of the Building and all improvements therein in good condition and repair and shall promptly repair all damage to the Premises and to improvements thereon, including without limitation replace or repair all glass, doors, fixtures, equipment, interior walls, fire sprinkler monitoring, grease trap maintenance, interior pipes and utility lines within the Building. Tenant also shall make such repairs and alterations within the Building that may be necessary to comply with the requirements of any governmental or quasi-governmental authority having jurisdiction. If Tenant does not do so, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof forthwith upon being billed. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make any repairs to the Premises, to the building on the Premises as Landlord shall desire or deem necessary or as Landlord may be required by the order of decree of any court or by any governmental authority. Upon expiration or termination of this Lease in accordance with its terms, or in the event that Landlord exercises its right to take over any maintenance as provided herein, at Landlord's request, Tenant shall transfer or assign to Landlord all warranties, express or implied, under any contract or subcontracts relating to any improvements or equipment Tenant built or installed within the Premises to serve the Premises exclusively. Tenant shall obtain and keep in effect a regularly scheduled (at least quarterly) preventative maintenance service contract for all heating, air conditioning, ventilation and water heating equipment with a qualified contractor approved by Landlord. Tenant shall maintain written records of maintenance and repairs, as required by any applicable law, ordinance, or regulation, and shall use certified technicians to perform such maintenance and repairs, if so required. If Tenant does not comply with its obligations under this Article, Landlord may, but need not, make such repairs and replacements or obtain such service contracts, and Tenant shall

pay Landlord the cost upon demand, together with a service fee in the amount of 10% of the cost. Moreover, as long as Tenant, at Tenant's expense, has the above referenced quarterly regular scheduled preventative maintenance service performed on all heating, air conditioning, and ventilation equipment (and provides documentation evidencing the same to Landlord), Landlord shall, at Landlord's expense, pay for any other necessary repair or replacement of such heating, air conditioning, and ventilation equipment that occurs during the first twelve (12) months of the Term.

Landlord's Duties. Tenant shall have no right to make any repair at Landlord's expense. Although Tenant is also responsible for the cost of any and all maintenance of the entire Premises, including without limitation the exterior of the Building and all parts of the Premises outside the Building, in order to assist Tenant with cash flow, Landlord will maintain, at Tenant's expense (as set forth in Section 9), the exterior of the Building and all parts of the Premises outside the Building, including without limitation replace or repair all canopies, drainage facilities, exterior wall surfaces (other than glass), structural parts of the Building (excluding plate glass and doors), exterior pipes, conduit, roof, paved surfaces, landscaping, utility lines above and below grade, heating, air-condition and ventilation systems for the Premises, in good condition and repair in accordance with standards then prevailing for comparable shopping centers of like age and character. Tenant shall promptly notify Landlord of any items on the exterior of the Building and outside the Building that are in need of repair. Landlord shall not be responsible to make any repairs or to perform any maintenance unless written notice of the need for such repairs or maintenance is given to Landlord by Tenant. There shall be no abatement of rent and no liability of Landlord by reason of any entry to or interference with Tenant's business arising from the performing any maintenance or the making of any repairs by or on behalf of Landlord.

12. ALTERATIONS

Tenant shall not make or suffer to be made any alterations, additions or improvements to the Premises without the prior written consent of Landlord. Landlord may condition its consent upon Tenant providing a payment bond in amount and form reasonably satisfactory to Landlord covering the work to be done by Tenant's contractor. Tenant shall not install any antenna, satellite dish or other fixture or equipment on the roof or exterior of the Building. All alterations, additions or improvements to the Premises, including signs, but not including movable furniture, equipment, personal property and trade fixture, shall at the termination of this Lease become a part of the real property and belong to Landlord. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, they shall be made by Tenant at Tenant's sole cost and expense, shall conform to plans and specifications approved by Landlord, be carried out only during hours approved by Landlord by licensed contractors selected by Tenant and approved in writing by Landlord, who shall deliver to Landlord before commencement of the work performance and payment bonds as well as proof of workers' compensation and general liability insurance coverage, including coverage for completed operations and contractual liability, with Landlord and its affiliates and their respective present and future officers, directors, employees, owners and agents named as additional insureds, in amounts, with companies, and in form

reasonably satisfactory to Landlord (using ISO CG 2010 and CG 2037 or their combined equivalent and including a waiver of right of recovery under such general liability and worker's compensation insurance), which shall remain in effect during the entire period in which the work shall be carried out, shall be built from new materials, shall conform to all applicable building codes and all applicable laws, rules and regulations, shall be constructed in a good workmanlike manner, and shall be commenced only after all required permits have been obtained and copies thereof furnished to Landlord. Tenant shall not permit any mechanics' or materialman's lien to stand against the Premises for any labor or materials provided to the Premises by any contractor or other person hired or retained by Tenant.

Tenant shall place no signs on the Building, in the windows of the Building or outside the Building, except as specifically approved in advance by Landlord. All signs shall be installed by a license contractor approved by Landlord. Tenant, at Tenant's expense, shall obtain all municipal permits and approvals required for its signs.

No locks shall be changed without the prior written consent of Landlord. Landlord shall not have any responsibility or liability for the design of any alterations or of the safety thereof, notwithstanding any approval of the plans and specifications for the alterations.

Tenant shall defend, indemnify, and hold Landlord harmless for, from and against any mechanics' or materialman's lien. If Tenant fails to discharge such a lien, by bonding or otherwise, within ten days after written demand, Landlord shall be entitled, but shall have no obligation, to pay the lien or otherwise cause it to be discharged, in which case Tenant shall immediately reimburse Landlord for all amounts so expended and all related expenses, including attorneys' fees.

13. DAMAGE TO PROPERTY; INJURY TO PERSONS; INSURANCE

Indemnity. Tenant shall defend, indemnify and hold Landlord and Landlord's (a) Affiliates harmless, regardless of any negligence imputed to Landlord as owner of the real property involved in an injury, for, from and against any and all loss, demands, penalties, costs, claims, actions, damages, liability and expense in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising directly or indirectly from or out of this Lease, or any occurrence in, from, upon or at the Premises, or the occupancy or use by the Tenant of the Premises, or any act or omission of Tenant, its agents, servants, employees or invitees, including without limitation, costs of compliance, remedial costs, and reasonable attorneys' fees, arising out of or relating to any failure of Tenant to comply with applicable Laws. Tenant shall not be required, however, to indemnify Landlord against a claim arising from Landlord's sole active negligence or willful misconduct. Landlord shall not be liable and Tenant hereby waives all claims for any damage to any property in or about the Premises or injury or inconvenience to Tenant's business, by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, pipes, plumbing works or appliances). Tenant acknowledges that it is protecting itself against loss by maintaining appropriate insurance coverage. If any action or proceeding is brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel satisfactory to Landlord.

- (b) <u>Losses.</u> Tenant as a material part of the consideration to Landlord, Tenant hereby assumes all risk of damage or injury, from any cause, to property or persons in, upon, or about the Premises or otherwise relating to or arising out of Tenant's business or use of the Premises, and Tenant hereby waives all claims in respect thereof against Landlord.
- (c) <u>Limitations.</u> Landlord shall not be liable for any damage to property entrusted to agents or employees of Landlord, or for loss of or damage to any property by theft or otherwise, or for any injury or damage to persons or property resulting from dampness or any other cause whatsoever. Landlord shall not be liable for any latent defect in the Premises, or in the building on the Premises, or in any other improvements on the Premises. Tenant shall give prompt notice to Landlord of any fire, accident or defect discovered within or on the Premises, the building on the Premises, or in any other improvements on the Premises.
- (d) <u>Tenant Insurance.</u> During the term of this Lease, Tenant shall, at its expense, take out and keep in full force and effect the following insurance:
 - (i) Types of Insurance. Tenant shall maintain the following policies
- (1) Special form property insurance including sprinkler leakage in an amount equal to the full replacement cost of all improvements on the Premises, including without limitation any and all Tenant Improvements (whether constructed by or on behalf of Tenant or Landlord) and of Tenants fixtures, trade fixtures, equipment or other personal property located on the Premises and shall name Landlord as loss payee;
- (2) Business interruption insurance with a limit sufficient to insure not less than a six month loss of income;
 - (3) Plate glass insurance coverage;
- (4) Commercial general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant, including coverage for "premises/operations", "products and completed operations", and "blanket contractual" liabilities, written on an occurrence basis with limits not less than \$1,000,000, naming Landlord and Landlord's Affiliates as additional insureds through ISO form CG 20 11 or its equivalent for the full amount of the policy. This coverage can be met by a combination of commercial general liability insurance policy and excess liability policies as long as Landlord and Landlord's Affiliates are named as additional insureds per above on any such policy;
- (5) Workers' compensation insurance in accordance with applicable law and employer's liability insurance with a limit not less than \$1,000,000 bodily injury each accident; \$1,000,000 bodily injury by disease each person; and \$1,000,000 bodily injury by disease policy limit.
 - (ii) Policy Requirements. Tenant's insurance policies shall:

- (1) where applicable, contain the mortgagee's standard mortgage clause and in any event a waiver of any subrogation rights which Tenant's insurers may have against Landlord and against those for whom the Landlord is in law responsible;
- (2)be taken out with insurers reasonably acceptable to Landlord and be in a form satisfactory from time to time to Landlord to Landlord, subject to, however, that such insurers shall have an AM Best Rating of no less than A-VIII;
- (3) be non-contributing and apply as primary and not as excess to, any other insurance available to the Landlord;
- (4) not be invalidated with respect to the interests of the Landlord and the holder of any encumbrance on the Premises by reason of any breach or violation by Tenant of any warranties, representations, declarations or conditions contained in the policies;
- (5) notify the Landlord, and the holder of any encumbrance on the Premises designated by Landlord, in writing not less than thirty days prior to any material change, cancellation or termination; and
- (6) otherwise be reasonably satisfactory in form, substance, limits, deductibles and retentions to Landlord.
- (iii) Evidence of Coverage. Tenant shall deliver to Landlord certificates of insurance or, if required by Landlord, certified copies of each such insurance policy as well as copies of all applicable additional insured endorsements: (a) as soon as practicable after the placing of the required insurance; however, Tenant shall not take possession of the Premises prior to delivery of such certificates, endorsements or policies and (b) periodically thereafter before expiration, renewal or replacement of the policies then in force. No review or approval of any such insurance certificate by Landlord shall derogate or diminish Landlord's rights or Tenant's obligations. Tenant shall not take possession of the Premises without having complied with the requirements of this Section.
- (iv) Use of Insurance Proceeds. Tenant shall use the proceeds from any property form insurance policy or policies of insurance for the repair or replacement of the insured property. No insurable interest is conferred upon Tenant under any policies of insurance carried by Landlord, and Tenant shall not be entitled to share or receive proceeds of any insurance policy carried by Landlord.

14. ACCESS

Landlord and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspection, showing to prospective purchasers or tenants of the building, making such alterations, repairs, improvements or additions to the Premises as Landlord may deem necessary or desirable, for the purpose of ensuring compliance with the Laws or for any other reasonable purpose. If Tenant shall not personally be present to open and permit an entry into the Premises at any time when such entry by Landlord is necessary or permitted hereunder, Landlord may enter by means of a master key or may enter forcibly, without liability to Tenant. For this purpose, Landlord shall be entitled to retain at all times, and to use in appropriate instances, copies of keys to all doors within and into the Premises. Without limiting the foregoing, Landlord shall have access to the Premises for purposes of decorating and making repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Shopping Center or any part thereof and, during the continuance of any such work, to temporarily close doors, entryways, public space and walkways outside the building and to interrupt or temporarily close or suspend services and facilities, all without abatement of rent or affecting any of Tenant's obligations hereunder so long as the Premises are reasonably accessible. Landlord shall provide 24 hours' notice to Tenant before entering the Premises in order to make significant repairs or alterations which may disrupt Tenant's business or for any purpose outside Tenant's normal business hours, provided, however, that Landlord may enter the Premises at any time for emergency repairs and may enter the Premises for minor repairs or another permitted purpose while Tenant is open for business without requirement of notice.

15. FIRE AND CASUALTY

- (a) <u>Termination Rights</u>. If all or part of the Premises is rendered untenantable by damage from fire or other casualty which in Landlord's opinion cannot be substantially repaired (employing normal construction methods without overtime or other premium) under applicable laws and governmental regulations within 180 days from the date of the fire or other casualty, then either Landlord or Tenant may elect to terminate this Lease as of the date of such casualty by written notice delivered to the other not later than ten days after notice of such determination is given by Landlord.
- (b) Restoration. If in Landlord's opinion the damage caused by the fire or casualty can be substantially repaired (employing normal construction methods without overtime or other premium) under applicable laws and governmental regulations within 180 days from the date of the fire or other casualty, or if neither party exercises its right to terminate under Section (a), Landlord shall, but only to the extent that insurance proceeds are available therefor, repair such portion of the Building and Premises originally constructed as part of Landlord's Work to substantially the condition they were in immediately prior to such damage or destruction ("Landlord's Restoration"). In no event shall Landlord's Restoration include any personal property, furniture, chattels or trade fixtures which do not belong to the Landlord. Tenant at its own expense shall repair damage to any personal property, furniture, chattels or trade fixtures which do not belong to the Landlord as well as any Tenant Improvements or Alterations constructed by Tenant.
- (c) <u>Insurance Proceeds</u>. All proceeds of Tenant's fire or other casualty insurance shall be received and held by Landlord and Landlord shall have the right to use for any restoration and repair of the Premises. Proceeds of insurance payable with respect to a fire or other casualty shall be received and held by Landlord.

- (d) <u>Complete Agreement.</u> This Section constitutes the complete agreement of the parties with respect to fire or casualty affecting the Premises, and no rule or provision of law inconsistent with this Section 15 shall apply.
- (e) <u>Abatement.</u> During any period of Landlord's Restoration, the Base Rent payable by Tenant shall be proportionately reduced to the extent that the Premises are thereby rendered untenantable from the date of casualty until completion by Landlord of the repairs to the Premises (or the part thereof rendered untenantable) or until Tenant again uses the Premises (or the part thereof rendered untenantable) in its business, whichever first occurs.

16. CONDEMNATION

- (a) <u>Termination.</u> In the event any portion of the Premises on which the Building or the drive through is located shall be appropriated or taken under the power of eminent domain, this Lease shall terminate and expire as of the date of such taking. In the event more than twenty-five percent of the Premises is taken under the power of eminent domain, either Landlord or Tenant shall have the right to terminate this Lease.
- (b) <u>Restoration.</u> If this Lease is not terminated as provided above, then Landlord, at Landlord's cost and expense, as soon as reasonably possible, shall restore the building to a complete unit of like quality and character as existed prior to such taking, provided that Landlord shall not be obligated to spend more for such restoration than Landlord receives for the taking.
- (c) <u>Awards.</u> All awards or compensation for any taking of any part of the Premises are hereby assigned to and shall belong to Landlord. Notwithstanding anything to the contrary contained herein, Tenant shall be entitled to seek and recover on its own account any portion of an award or compensation relating to damage to or loss of Tenant's trade fixtures or other personal property belonging to Tenant.
- (d) <u>Sale in Lieu of Condemnation.</u> For the purposes of this Section 16, a voluntary sale or conveyance in lieu of condemnation shall be deemed an appropriation or taking under the power of eminent domain.

17. ABANDONMENT

Tenant shall not vacate or abandon the Premises at any time during the term. If Tenant shall abandon, vacate or surrender the Premises or be dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall conclusively be presumed to be abandoned and may be kept or disposed of by Landlord as provided in Section 22. Tenant's absence for a period of ten consecutive business days during the term of this Lease shall automatically be deemed an abandonment of the Premises.

18. SALE BY LANDLORD

In the event of a sale, conveyance or other transfer of the Premises by Landlord, the transferor or assignor shall automatically be released from any further liability upon any of the covenants or conditions, express or implied, herein contained in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. This Lease shall not be affected by any sale, and Tenant agrees to attorn to the successor in interest. If any security deposit has been made by Tenant, the successor in interest shall be obligated to return it in accordance with the terms hereof and Landlord shall be discharged from any further liability in reference thereto.

19. ATTORNEYS' FEES

In the event of any legal proceeding brought by either party against the other arising out of this Lease, the prevailing party shall be entitled to recover its reasonable attorneys' fees. In the event Landlord engages an attorney to collect any money amounts due hereunder or otherwise to enforce any of the terms or provisions of this Lease, Tenant shall pay reasonable attorneys' fees and expenses incurred by Landlord, regardless of whether or not suit is instituted.

20. WAIVER OF SUBROGATION

To the fullest extent permitted by law, Tenant, on its own behalf and on behalf of its insurers, waives all right of recovery against Landlord and Landlord's Affiliates for, and waives all claims against Landlord and Landlord's Affiliates and release the Landlord and Landlord's Affiliates from liability for, loss or damage to the extent that any such claims are or would be covered by the insurance which Tenant does or is required to maintain under this Lease. THE FOREGOING WAIVER SHALL BE EFFECTIVE REGARDLESS OF THE FAULT OF THE LANDLORD PARTIES, INCLUDING WITHOUT LIMITATION, THE NEGLIGENCE OF THE LANDLORD PARTY AGAINST WHOM CLAIMS ARE BEING WAIVED. If the release of Landlord and Landlord's Affiliates, as set forth above, should contravene any law with respect to exculpatory agreements, the liability of Landlord and Landlord's Affiliates in question shall be deemed not released but shall be secondary to the liability of Tenant's insurer. Tenant shall cause to be included in its insurance policies relating to its operations in the Project a waiver by the insurer of all right of subrogation against Landlord and Landlord's Affiliates in connection with any loss or damage thereby insured against. A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity (i) would otherwise have a duty of indemnification, contractual or otherwise, (ii) did not pay the insurance premium directly or indirectly, and/or (iii) has (or does not have) an insurable interest in the property damaged.

21. ESTOPPEL CERTIFICATE

(a) Tenant shall at any time within ten days after written request 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 rent and other charges are paid in advance, if any; (b) confirming the commencement and expiration dates of the term; (c) confirming the amount of the security deposit held by Landlord; (d) 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 (e) confirming such other matters as to which Landlord may reasonably request confirmation. Any such statement may be conclusively relied upon by a prospective purchaser or lender. Tenant shall deliver to Landlord or to any lender or prospective purchaser designated by Landlord financial statements of Tenant for the previous three years. All such financial statements shall be received in confidence.

(b) In the event of Tenant's failure to deliver such statement within such time, Landlord, shall have the right, but not the obligation, upon written notice to Tenant, to declare that the Tenant's lack of timely response is conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that the commencement and expiration dates of the term are as represented by Landlord, (iii) that the amount of the security deposit held by Landlord is as represented by Landlord; (iv) that there are no uncured defaults in Landlord's performance, and (v) that not more than one month's rental has been paid in advance.

22. LANDLORD'S REMEDIES

- (a) Events of Default. The following shall constitute events of default:
- (i) Tenant's failure to pay any installment of the minimum rent within five days after the date the installment is due, or Tenant's failure to pay any other amount due under this Lease within five days after notice of nonpayment.
- (ii) Tenant's failure to execute, acknowledge and return an estoppel certificate pursuant to Section 21 above or a subordination agreement pursuant to Section 26 below, within ten days after request.
- (iii) Tenant's failure to perform any other obligation under this Lease within fifteen days after notice of nonperformance; provided, however, that if the breach is of such a nature that it cannot be cured within fifteen days, Tenant shall be deemed to have cured if cure is commenced promptly within fifteen days and diligently pursued to completion within forty-five days after notice of nonperformance; and provided further, that in the event of a breach involving an imminent threat to health or safety, Landlord may in its notice of breach reduce the period for cure to such shorter period as may be reasonable under the circumstances.
- (iv) Tenant vacates, abandons, or otherwise ceases to use the Premises for a period of ten consecutive business days, except temporary absence excused by reason of fire, casualty, or other reason approved by Landlord.

- (b) <u>Remedies.</u> Upon the occurrence of an event of default, Landlord, at any time thereafter without further notice or demand, may exercise any one or more of the following remedies concurrently or in succession:
- (i) Terminate Tenant's right to possession of the Premises by legal process or otherwise, with or without terminating this Lease, and retake exclusive possession of the Premises.
- (ii) From time to time relet all or portions of the Premises, using reasonable efforts to mitigate Landlord's damages. In connection with any reletting, Landlord may relet for a period extending beyond the term of this Lease and may make alterations or improvements to the Premises without releasing Tenant of any liability. Upon a reletting of all or substantially all of the Premises, Landlord shall be entitled to recover all of its then prospective damages for the balance of the Lease term measured by the difference between amounts payable under this Lease and the anticipated net proceeds of reletting. In no event shall Tenant be entitled to receive any amount representing the excess of avails of reletting over amounts payable hereunder.
- (iii) From time to time recover accrued and unpaid rent and damages arising from Tenant's breach of the Lease, regardless of whether the Lease has been terminated, together with applicable late charges and interest at the rate of 18% per annum or the highest lawful rate, whichever is less.
 - (iv) Enforce the statutory Landlord's lien on Tenant's property.
- (v) Recover all costs, expenses and attorneys' fees incurred by Landlord in connection with enforcing this Lease, recovering possession, reletting the Premises and collecting amounts owed.
- (vi) Perform the obligation on Tenant's behalf and recover from Tenant, upon demand, the entire amount expended by Landlord plus 20% for special handling, supervision, and overhead.
 - (vii) Pursue other remedies available at law or in equity.
- (c) <u>Subleases.</u> Upon a termination of Tenant's right to possession, whether or not this Lease is terminated: (a) subtenancies and other rights of persons claiming under or through Tenant shall be terminated or (b) Tenant's interest in such subleases or other arrangements shall be assigned to Landlord. Landlord may separately elect termination or assignment with respect to each such subtenancy or other matter.
- (d) <u>Limitation on Tenant Remedies</u>. Notwithstanding the provisions of subsection (b) above or any other provision in this Lease, in no event shall Tenant be entitled to recover special, consequential or punitive damages from Landlord or any of Landlord's Affiliates.

- (b) <u>Remedies.</u> Upon the occurrence of an event of default, Landlord, at any time thereafter without further notice or demand, may exercise any one or more of the following remedies concurrently or in succession:
- (i) Terminate Tenant's right to possession of the Premises by legal process or otherwise, with or without terminating this Lease, and retake exclusive possession of the Premises.
- (ii) From time to time relet all or portions of the Premises, using reasonable efforts to mitigate Landlord's damages. In connection with any reletting, Landlord may relet for a period extending beyond the term of this Lease and may make alterations or improvements to the Premises without releasing Tenant of any liability. Upon a reletting of all or substantially all of the Premises, Landlord shall be entitled to recover all of its then prospective damages for the balance of the Lease term measured by the difference between amounts payable under this Lease and the anticipated net proceeds of reletting. In no event shall Tenant be entitled to receive any amount representing the excess of avails of reletting over amounts payable hereunder.
- (iii) From time to time recover accrued and unpaid rent and damages arising from Tenant's breach of the Lease, regardless of whether the Lease has been terminated, together with applicable late charges and interest at the rate of 18% per annum or the highest lawful rate, whichever is less.
 - (iv) Enforce the statutory Landlord's lien on Tenant's property.
- (v) Recover all costs, expenses and attorneys' fees incurred by Landlord in connection with enforcing this Lease, recovering possession, reletting the Premises and collecting amounts owed.
- (vi) Perform the obligation on Tenant's behalf and recover from Tenant, upon demand, the entire amount expended by Landlord plus 20% for special handling, supervision, and overhead.
 - (vii) Pursue other remedies available at law or in equity.
- (c) <u>Subleases.</u> Upon a termination of Tenant's right to possession, whether or not this Lease is terminated: (a) subtenancies and other rights of persons claiming under or through Tenant shall be terminated or (b) Tenant's interest in such subleases or other arrangements shall be assigned to Landlord. Landlord may separately elect termination or assignment with respect to each such subtenancy or other matter.
- (d) <u>Limitation on Tenant Remedies</u>. Notwithstanding the provisions of subsection (b) above or any other provision in this Lease, in no event shall Tenant be entitled to recover special, consequential or punitive damages from Landlord or any of Landlord's Affiliates.

23. SURRENDER OF POSSESSION

Upon the expiration or termination of this Lease or of Tenant's right to possession, Tenant shall surrender the Premises in a clean undamaged condition and remove all personal property therefrom. If possession is not immediately surrendered, Landlord may forthwith re-enter the Premises and remove all persons and effects, using such force as may be reasonably necessary, without being liable for the re-entry or the use of force. All alterations, decorations, additions or improvements upon the Premises made by either party, including (without limiting the generality of the foregoing) all wall coverings, built-in appliances, cabinet work and the like, shall, unless Landlord elects otherwise, become the property of Landlord and shall remain upon, and be surrendered with, the Premises, as a part thereof, at the end of the term hereof, except that Landlord may, by written notice to Tenant, require Tenant to remove any such improvements or fixtures, and Tenant shall repair or, at Landlord's option, shall pay to the Landlord all costs arising from such removal. Without limiting the generality of the foregoing, at the termination of this Lease, Tenant, at Tenant's sole cost and expense, shall remove all trade fixtures, movable furniture, equipment, and personal property, together with any signage, alterations, improvements or additions as Landlord shall designate 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 and restore the Premises and the portion of any wall to which a sign was attached to a condition reasonably comparable to its condition at the commencement of the Lease. Notwithstanding the immediately preceding sentence, Landlord shall have the right to designate by written notice to Tenant that all or any portion of any fixtures or improvements remain on the Premises upon surrender of possession of the Premises upon termination of this Lease. All damage to the Premises arising out of Tenant's moving of property in or out of the Premises, including damage to floors due to overloading, shall be fully repaired at Tenant's sole cost and expense. If Tenant shall fail or refuse to remove all such property from the Premises, then, at Landlord's option: (a) Tenant shall conclusively be presumed to have abandoned the same, and the title hereto shall pass to Landlord without any cost to Landlord either by set-off, credit allowance or otherwise and Landlord may accept the title to such property, or, (b) Landlord, at Tenant's expense, may remove the same or any part thereof in any manner that Landlord shall choose and store or dispose of the same without incurring liability to Tenant or any other person.

24. NOTICES

Any notice from one party to the other shall be in writing and shall be deemed duly served: (a) if delivered personally, sent via overnight courier services (such as UPS & Federal Express) or mailed by certified mail addressed to Tenant at the address set forth at the end of this Lease or such other address as Tenant may designate in writing or (b) if delivered personally, sent via overnight courier services (such as UPS & Federal Express) or mailed by certified mail to Landlord at the address set forth at the end of this Lease or such other address as Landlord may designate in writing. Any notice shall be deemed to have been given when deposited in the mail, if mailed, and when delivered, if personally delivered or via overnight courier services; except in the case of a party that has relocated and has not served upon the other party a notice of a new address for service

of notices as specified above, or in the case if a party to whom the notice is addressed that refuses to accept delivery of the notice, in either of which cases the notice shall be deemed effective upon the first date of attempted delivery.

25. INABILITY TO PERFORM

This Lease and the obligation 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 any strike, lockout, civil commotion, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, act of God or other case beyond the control of the Landlord.

26. SUBORDINATION AND ATTORNMENT

- (a) Landlord expressly reserves the right at any time to place ground leases, liens and encumbrances of, on and against the Premises, or any portion thereof, superior in lien and effect to this Lease and the estate created hereby; provided however, that the holder of the lien or encumbrance and the landlord under the ground lease shall agree in writing to recognize Tenant's rights under this Lease, notwithstanding any foreclosure of the lien or encumbrance or termination of the ground lease. Tenant shall attorn to any successor to Landlord's interest by foreclosure, trustee's sale, or otherwise.
- (b) Upon a termination of a ground lease or a transfer in connection with foreclosure or trustee's sale proceedings or in connection with a default under an encumbrance, whether by deed to the holder of the encumbrance in lieu of foreclosure or otherwise, Tenant, upon request, shall in writing attorn to the transferee, but the transferee shall not be:
- (i) subject to any offsets or defenses which Tenant might have against Landlord; or
- (ii) bound by any prepayment by Tenant of more than one month's installment of rent; or
- (iii) subject to any liability or obligation of Landlord except those arising after the transfer.
- (c) Landlord shall have the right to grant such easements, to establish such restrictive covenants, and to grant such dedications of portions of the Premises as may be necessary or convenient for the development or operation of the Premises or other property; provided, however, that no such matter shall materially interfere with the use of Premises for the purposes set forth in this Lease nor impose any additional monetary obligations on Tenant. This Lease shall be subject and subordinate to any such matter.

(d) The subordination provisions of this Section shall be self-operating and no further instrument shall be necessary. Nevertheless Tenant, on request, shall execute and deliver instruments further evidencing such subordination.

27. LANDLORD LIABILITY

Notwithstanding anything to the contrary in this Lease, neither Landlord nor Landlord's Affiliates shall be personally responsible or liable for any representation, warranty, covenant, undertaking or agreement contained in the Lease, and the sole right and remedy of the Tenant or any subsequent sublessee or assignee shall be satisfied only out of the current rents and revenues of the Premises, net of all current operating expenses, liabilities, reserves and debt service and that no real or personal property of Landlord, Landlord's Affiliates, or their successors or assigns shall be subject to levy on any judgment obtained against Landlord. Neither Tenant nor any subsequent sublessee or assignee shall seek to obtain any judgment imposing personal liability against Landlord, Landlord's Affiliates, or their successors or assigns nor execute upon any judgment or place any lien against any property other than Landlord's interest in the Premises.

In the event Landlord fails or refuses to perform any of the provisions, covenants or conditions of this Lease on Landlord's part to be kept or performed, Tenant, prior to exercising any other right or remedy Tenant may have against Landlord on account of any such default, shall provide thirty (30) days written notice to Landlord of such default, specifying in reasonable detail the alleged nature of the default and specifically referencing each paragraph and subparagraph which Tenant believes to be in default. Notwithstanding any other provision hereof, Tenant agrees that if said default is of such a nature that the same can be rectified or cured by Landlord but cannot with reasonable diligence be rectified or cured within said thirty (30) day period, then such default shall be deemed to be rectified or cured if Landlord within said thirty (30) day period shall have diligently commenced the rectification or curing thereof and shall diligently continue thereafter to cause such rectification or curing to proceed to completion.

28. MISCELLANEOUS

- (a) Parties understand, acknowledge and agree that SRS Real Estate Partners West LLC has acted as Landlord's broker and will be paid by Landlord as set forth in a separate written agreement between Landlord and that SRS Real Estate Partners West LLC. Tenant warrants and represents that no broker or other person is entitled to claim a commission, broker's fee or other compensation in connection with this Lease except: (i) brokers or other persons that Landlord may have retained or employed directly by separate written agreement. Tenant shall defend, indemnify and hold Landlord and Landlord's Affiliates harmless for, from and against all claims or liabilities arising from any breach of the foregoing representation and warranty.
 - (b) Tenant hereby represents and warrants that:

- (i) None of Tenant, Guarantors, or their respective constituents or affiliates are Prohibited Persons in violation of any laws relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act").
- (ii) None of Tenant, Guarantors, any of their respective constituents or affiliates, any of their respective brokers or other agents acting or benefiting in connection with the Lease or the Premises is a "Prohibited Person" which is defined as follows:
- (1) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and related to the Executive Order;
- (2) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;
- (3) a person or entity with whom Landlord is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order and the Patriot Act;
- (4) a person or entity who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;
- (5) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/ofac/t11sdn.pdf or at any replacement website or other replacement official publication of such list; and
 - (6) a person or entity who is affiliated with a person or entity listed above.
- (iii) None of Tenant, Guarantors, any of their respective affiliates or constituents, any of their respective brokers or other agents acting in any capacity in connection with the Lease or the Premises, is or will (i) conduct any business or engage in any transaction or dealing with any Prohibited Person, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Prohibited Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order or the Patriot Act.
- (iv) Tenant covenants and agrees to deliver to Landlord any certification or other evidence requested from time to time by Landlord in its sole discretion, confirming Tenant's compliance with this Section.
- (c) The provisions hereof shall apply without regard to the number or gender of words and expressions used herein.

- (d) Subject to the provisions of Section 11, each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit, not only of Landlord and of Tenant, but also their respective heirs, legal representatives successors and assigns. In the event more than one person and/or entity executes this Lease as the tenant, then all such persons and entities shall be jointly and severally liable for all obligations of Tenant under this Lease.
- (e) No payment by Tenant or receipt by Landlord of a lesser amount than the monthly payment of rent herein stipulated is deemed to be other than on account of the earliest stipulated rent, nor is any endorsement or statement on any check or any letter accompanying any check or payment of rent deemed an acknowledgment of full payment or accord and satisfaction, and Landlord may accept and cash any check or payment without prejudice to Landlord's right to recover the balance of the rent due and pursue any other remedy provided in this Lease.
- (f) If any term, covenant or condition of this Lease, or the application thereof, is to any extent held or rendered invalid, it shall be and is hereby deemed to be independent of the remainder of the Lease and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of the Lease or any part thereof.
- (g) Submission of this instrument for examination shall not bind Landlord in any manner, and no Lease or obligation of Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant.
- (h) No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.
- (i) Clauses, plats, exhibits and riders, if any, signed by Landlord and Tenant and endorsed on or affixed to this Lease are a part hereof.
- (j) Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.
- (k) The Section captions contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.
- (l) 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 agreement or understanding pertaining to any matter 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.
- (m) No waiver by Landlord of any provision of this Lease or any breach by Tenant hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act

by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. No act or thing done by Landlord or Landlord's agent during the term of this Lease shall be deemed an acceptance of surrender of the Premises, and no agreement to accept surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

| LANDLORD: | ADDRESS: | |
|--|--|--|
| RNS CENTER LIMITED PARTNERSHIP, an Arizona limited partnership | 9532 E. Riggs Rd Sun Lakes, AZ 85248-7411 | |
| By: East State Street Limited Partnership, an Arizon Its: General Partner | a limited partnership | |
| By: East State Street, Inc., an Arizona corporation Its: General Partner | | |
| Paula Robinson, Vice President | | |
| Date | | |
| TENANT: | ADDRESS: | |
| BECE KITCHEN LLC, Arizona limited liability company | 745 W. Baseline Rd., Suite Mesa, AZ 85210 | |
| By: Hanna Gabrielsson, Manager | | |
| Date: | | |

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

EXHIBIT B

- 1. **Preliminary Space Plan**. Attached to this Lease as **Exhibit B-1** is a preliminary space plan approved by Landlord and Tenant showing the size, nature and location of the improvements to be constructed in the Premises (the "Initial Improvements").
- 2. Working Drawings. Based upon the preliminary space plan Tenant shall cause its licensed architect, and other applicable consultants to prepare working drawings and specifications and a complete set of plans showing all proposed tenant improvements ready for application to the applicable governmental authority having jurisdiction (collectively, the "Tenant's Plans") for the Initial Improvements. The Tenant's Plans shall be subject to approval by Landlord Tenant to provide Tenant's Plans to Landlord no later than ten (10) days after lease execution for review & approval by Landlord. Landlord shall on or before the date 10 business days from the date of Landlord's receipt from Tenant of any Tenant Plans, including without limitation Tenant's revisions to the initial Tenant Plans in response to Landlord's required changes, approve said plans or require changes on such plans. Tenant's Plans shall be modified to satisfy any reasonable objection of Landlord and resubmitted to Landlord for review. Once Landlord approves Tenant's Plans (the "approved Tenant Plans"), Tenant shall, within 3 business days, submit the approved Tenant's Plans to the applicable governmental authority having jurisdiction and other applicable government agencies with discretion over the project and then diligently proceed to obtain permits as soon as possible.
- 3. Construction. Tenant shall cause the Tenant Improvements to be constructed within the Premises set forth in the approved Plans in a good, workmanlike manner and in substantial accordance with the Plans. The contractor employed by Tenant and all subcontractors shall be subject to Landlord's reasonable prior approval. Prior to commencement of construction, Tenant shall obtain all required building permits, provide copies to Landlord, and provide to Landlord certificates showing that Tenant's contractors and subcontractors have procured the insurance coverage required by this Lease. Tenant shall cause construction of the Initial Improvements to be commenced within forty five (45) days of the Commencement Date, and shall diligently pursue such construction to completion with commercially reasonable best efforts and in accordance with the Landlord approved Tenant's Plans, in compliance with all applicable laws and

building codes, in a good workmanlike manner, and otherwise in compliance with the requirements of Article __.

Landlord reserves the right to change which spaces Tenant may utilize as a staging area at any time provided that such new location complies with the first sentence of this paragraph. The construction staging area shall be fenced and screened from view and kept in a clean and safe condition at all times, at Tenant's expense. All materials must be stored inside a construction bin or inside the Premises. No storage is allowed anywhere else on in the Shopping Center. Sidewalks, Tenant staging area, and any other areas outside of Premises must be kept clean at all times, and swept clean at least once at the end of each day. All sidewalks and drive aisles must remain open at all times. Construction debris and other trash associated with the construction of tenant improvements shall be promptly removed by Tenant at Tenant's expense. Tenant shall have no rights to common area trash except for normal office operations once Tenant has opened for business.

Tenant shall only be allowed to set up staging area upon issuance of a building permit from the applicable governmental authority having jurisdiction for Tenant's Initial Improvements, and Landlord may terminate Tenant's ability to utilize the construction staging area if Tenant's Initial Improvements are not completed on or before May 1, 2017. Any construction staging area would be subject to applicable governmental authority having jurisdiction approval. Tenant's indemnification and insurance requirements in the Lease shall apply to this staging area

- 4. Cost. Tenant shall pay all Costs of Construction of the Tenant Improvements. "Costs of construction" of the Tenant Improvements as used in this Paragraph means all costs and expenses incurred in connection with the design and construction of the Tenant Improvements, including, without limitation, permit and inspection fees, management and supervision fees, taxes, amounts paid to contractors, subcontractors, and suppliers, architects' fees, engineering costs, premiums for bonds and insurance, utilities, equipment rental, demolition, labor, materials, and supplies. "Costs of Construction" shall not include of Landlord's Work, as defined in Exhibit D-2, all of which shall be performed by Landlord at its sole cost and expense.
- 5. Landlord's Work. Landlord, at its expense, shall perform the work, if any, described on the attached Exhibit B-2 ("Landlord's Work"). Tenant shall not

permit any supplier, installer, contractor, or other person employed by Tenant to interfere in any way with the progress of Landlord's Work. Access by Tenant's suppliers, contractors and installers before Landlord's Work is complete shall be subject to coordination of scheduling with Landlord.

EXHIBIT B-1

("Preliminary Space Plan")

EXHIBIT B-2

("Landlord's Work")

Landlord shall have no obligation to make any improvements or alterations to the Premises or the Shopping Center whatsoever, and Tenant accepts the Premises in an AS IS condition, with all faults, subject only to Landlord's performance of the following Landlord's Work:

- A. Power wash and paint exterior stucco, awnings, bollards, trash enclosure and gate.
- B. Acquire and install the following fixtures/furniture:
 - 1. 10 booths
 - 2. 32 chairs
 - 3. 1 high table top
 - 4. \10 table tops 24 X 18
 - 5. 4 tops 24 X 42
 - 6. 18 high chairs
- C. Perform the following HVAC work: Service 3 x 5 ton units, repair pressure controls and service panels. Clean evaporator and coils for 3 package units. Repair cut wires. Recharge R22 Freon. Replacement and rewire of all thermostats. Service 2 walk-in Cooler and 1 walk in Freezer. Install 1 new compressor. Recharge Freon on one Cooler. Install new controller. Clean evaporators and coils for both Cooler and Freezer.
- D Perform the following plumbing work: Install new valve and flex gas line to gas stove. Install new grate and sink filter basket for floor drain. Install new flush-ometer valve. Install new fisher wall mount faucet at mop sink and compartment commercial sink. Install new waste valve for compartment sink. Repair foot pedal valve hot/cold. Install 2 new 50 gal water heaters and repair copper pipe where rusted and leaking. Install new stop valve and flex connection at sink.
- E. Replace damaged ceiling tiles

Delay. If completion of construction of the Landlord's Work is delayed by Tenant Delay, then the Commencement Date shall be deemed to have occurred and rent shall begin to accrue as of the date when they would have done so but for the Tenant Delay. "Tenant Delay" means delay as a result of: (a) Tenant's failure to meet with the architect and to provide all required information and make necessary selections for the expeditious development of Tenant's Plans; (b) Tenant's failure to cause Tenant's Plans to be modified in a timely manner in response to Landlord's comments;

(c) Tenant's change in any Tenant's Plans after approval by Landlord; or, (d) performance or completion by any person employed by Tenant. Landlord shall not be liable for any direct or consequential damages resulting from delayed delivery of the Premises (by reason of delayed construction, failure or refusal of a prior tenant of the space to vacate the Premises in accordance with its lease, or otherwise) or delayed performance of Landlord's Work, and the scheduled Commencement Date shall be postponed until Landlord delivers possession of the Premises to Tenant.