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GLENDALE

OFFICE LEASE AGREEMENT

BETWEEN THE CITY OF GLENDALE
AND
Administration of Resources and Choices an Arizona Non-Profit Corporation

BANK OF AMERICA PLAZA BUILDING
5800 WEST GLENN DRIVE
GLENDALE, ARIZONA
85301

Master Lease Form
Adopted by Ordinance No. 2632

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OFFICE LEASE AGREEMENT

Administration of Resources and Choices an Arizona Non-Profit Corporation

5800 WEST GLENN DRIVE
GLENDALE, ARIZONA

THIS OFFICE LEASE AGREEMENT, dated this 31st day of December , 2014, is made and entered into by City of Glendale, Arizona, an Arizona municipal corporation (the "Landlord"), and Administration of Resources and Choices an Arizona Non-Profit Corporation, (the "Tenant"). In consideration of the mutual promises and representations set forth in this Lease, the Landlord and Tenant agree as follows:

1. SUMMARY AND DEFINITION OF CERTAIN LEASE PROVISIONS AND EXHIBITS

1.1 The following terms and provisions of this Lease, as amplified and modified by other terms and provisions hereof, are included in this Section for summary and definitional purposes only. If there is any conflict or inconsistency between any term or provision in this Section and any other term or provision of this Lease, the other term or provision of this Lease shall control:

(a) Landlord:	City of Glendale
(b) Address of Landlord for Notices:	MODE Real Estate Management Services, LLC Agent for City of Glendale 4414 N. Civic Center Plaza #100 Attention: Property Manager *with a copy to:* Glendale City Attorney 5850 West Glendale Avenue, Suite 450 Glendale, Arizona 85301 and a copy to: Property Manager, City of Glendale 5850 West Glendale Avenue, Suite 315 Glendale, Arizona 85301
(c) Tenant:	Administration of Resources and Choices
(d) Address of Tenant for Notices:	Before Commencement Date: 3003 S. Country Club Road Suite 219 Tucson, AZ 85726 Attention: Jim Murphy From and after Commencement Date 5800 West Glenn Drive Suite 253

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Glendale, Arizona 85301

(e) *Lease Term:* 12 *months, plus the remainder of any* partial calendar month if the Commencement Date does not fall on the first day of the month, beginning on the Commencement Date and ending on the Expiration Date.

(f) Commencement Date: January 1st 2015 or upon lease execution (see Section 3).

(g) Expiration Date: December 31st 2015 (see Section 3).

(h) Building: The office building located at 5800 West Glenn Drive, Glendale, Arizona, 85301 (the "Building"), containing approximately 57,367 rentable square feet.

(i) Building Manager: The Building Manager for the Landlord is: MODE Real Estate Management Services.

(j) Premises: Suite 253 on the second floor of the Building as shown on Exhibit A, containing approximately 1,398 rentable square feet which includes approximately 1,258 usable square feet based on BOMA standards and a Load Factor of 10.0%. Landlord has the right to measure the Premises following delivery of the Premises to Tenant. If the number of rentable square feet in the Premises, based on BOMA standards and the Load Factor, is more or less than stated herein, the Minimum Monthly Rent set forth in Section 1.1 (k) and Tenant's Pro Rata Share set forth in Section 1.1(l) shall be adjusted by Landlord to conform to the actual rentable square feet.

(k) Minimum Monthly Rent: Rent shall be payable upon the Commencement Date and on the first day of each month thereafter until the Expiration Date (see Section 4) according to the following schedule:

Equal monthly installments of $1,456.25 for 12 months of the Lease Term (rental rate of $12.50 per square foot).

(l) Tenant's Pro Rata Share: Approximately 2.44% (see Section 5). The actual amount of Tenant's Pro Rata Share may be adjusted from time to time thereafter, based upon the actual amount of rentable square feet in the Building and the Premises. Upon any expansion of the Premises, Tenant's Pro Rata Share shall be increased to reflect the inclusion of the additional square feet comprising the expanded Premises. Tenant's Pro Rata Share shall be the percentage calculated as follows: the rentable square feet comprising the Premises divided by the total number of rentable square feet in the Building.

(m) Expense Stop. The Operating Costs for the Building for Operating Year 2015 (the "Base Year"), computed based on the Building being 95% leased and occupied. (See Section 5.2.)

(n) Security Deposit: $ 1,456.25 (see Section 9).

(o) Building Hours: Monday through Friday 7 a.m. to 6 p.m.
Saturday 8 a.m. to 12 Noon
Excluding Sundays and legal holidays. After Hours usage of HVAC shall be billed at the rate of $ 25 per hour.

(p) Parking: (See Section 6).

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(q) Tenant Improvement Allowance: As may be determined by separate agreement. If a separate agreement addressing tenant improvements accompanies this Lease, then this Lease will not become effective until the separate agreement is fully executed by the parties to the agreement.

(r) Tenant Improvements: See Exhibit D.

(s) Substantial Completion: See Exhibit D.

(t) Broker(s): Landlord's broker, Zak Kottler/Levrose Real Estate shall be entitled to receive a brokerage commission in connection with this Lease (see Section 33). The amount of such commission and other matters are addressed in a separate written agreement.

1.2 The following exhibits (the "Exhibits") and addenda are attached hereto and incorporated herein by this reference:

Exhibit A	Floor Plan of the Building indicating Premises
Exhibit B	Rules and Regulations
Exhibit C	Lease Guarantee
Exhibit D	Tenant Improvement Work Letter
Exhibit E	Parking

1.3 The Office Lease Agreement, the Exhibits and any schedules are collectively referred to herein as the "Lease."

2. PREMISES; RIGHT TO USE COMMON AREAS

2.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises, for and subject to the rents, terms, conditions, covenants, and provisions set forth in this Lease. This Lease is subject to all liens, encumbrances, ground leases, easements, restrictions, covenants and other matters of record, the Rules and Regulations described in Section 14.2 and the Parking Rules and Regulations described in Exhibit E.

2.2 Tenant and Tenant's agents, contractors, customers, directors, employees, invitees, officers, and patrons (collectively, the "Tenant's Permittees") have a non-exclusive privilege and license to use, during the Lease Term, the Common Areas in common with all other tenants, occupants, and authorized users thereof and their respective permittees. For purposes of this Lease: (a) "Land" consists of the city block located between Glenn Drive and Palmaire Avenue, and 58th Drive and 58th Avenue, in Glendale, Arizona, of which the Building occupies part, and (b) "Common Areas" consist of those areas within the Building and Land not leased to any tenant and which are intended by Landlord to be available for the use, benefit, and enjoyment of all occupants of the Building. All "Automobile Parking Areas" are Common Areas, but certain parking areas are restricted to use by certain occupants.

2.3 As used in this Lease, "Interior Common Facilities" means lobbies, corridors, hallways, elevator foyers, restrooms, mail rooms, mechanical and electrical rooms, janitor closets, and other similar facilities used by tenants or for the benefit of tenants on a non-exclusive basis.

3. TERM

3.1 The "Lease Term" is the number of months set forth in Section 1, plus the remainder of any partial calendar month if the Commencement Date does not fall on the first day of the month, beginning on the Commencement Date and ending on the Expiration Date. The Commencement Date and the Expiration Date are as set forth in Section 1.

4. MINIMUM MONTHLY RENT

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4.1 Tenant shall pay to Landlord, without deduction, setoff, prior notice, or demand, for the use and occupancy of the Premises, the Minimum Monthly Rent, payable in advance on the first day of each and every calendar month during the Lease Term. If the Lease Term commences on a date other than the first day of a calendar month, the Minimum Monthly Rent for that month (if applicable) shall be prorated on a per diem basis (based on a 30-day month) and be paid to Landlord within five (5) days after the Commencement Date. Tenant's obligation to pay the Minimum Monthly Rent and the Additional Rent are independent of any other term, covenant, condition, or provision herein contained. Minimum Monthly Rent and Additional Rent as defined in Section 5 may be referred to collectively as "Rent".

5. ADDITIONAL RENT; EXPENSE STOP

5.1 Commencing with the calendar year after the Base Year, Tenant shall pay, as "Additional Rent," Tenant's Pro Rata Share of Operating Costs during each Operating Year of the Lease Term, less the Expense Stop. Tenant's Pro Rata Share of Operating Costs shall be the percentage set forth in Section 1.1(l) of the Operating Costs for the applicable Operating Year, and shall be calculated on the basis of the number of rentable square feet included in the Premises. If the Lease Term begins or ends anytime other than the first or last day of an Operating Year, Operating Costs and Tenant's Pro Rata Share thereof shall be prorated accordingly.

5.2 The Minimum Monthly Rent includes an amount equal to one-twelfth (1/12) of the Expense Stop. Prior to the end of each Operating Year, Landlord shall provide Tenant with a written statement of Landlord's estimate of Tenant's Pro Rata Share of Operating Costs for the next succeeding Operating Year. If the estimate of Tenant's Pro Rata Share of the Operating Costs exceeds the Expense Stop, Tenant shall pay Landlord, in addition to and concurrently with each payment of the Minimum Monthly Rent for the next Operating Year, an amount equal to one-twelfth (1/12) of the amount by which Landlord's estimate of Tenant's Pro Rata Share of Operating Costs exceeds the Expense Stop. Landlord may provide Tenant with a revised estimate of Tenant's Pro Rata Share of Operating Costs for the current Operating Year and adjust the required monthly payment to reflect the revised estimate.

5.3 Within ninety (90) days after the end of each Operating Year, Landlord shall provide Tenant with a statement showing the actual Operating Costs incurred by Landlord. If Tenant's Pro Rata Share of the actual Operating Costs paid or incurred by Landlord during such Operating Year exceeds the estimates of Operating Costs paid by Tenant during the same Operating Year, Tenant shall remit the excess at the time the next succeeding payment of Rent is payable (or within ten (10) days if the Lease Term has expired or been terminated). Landlord shall apply any excess to payments next falling due under this Section (or refund the same to Tenant if the Lease Term has expired or been terminated). In no event shall the Minimum Monthly Rent be reduced below that set forth in Section 1.1(k).

5.4 As used herein:

(a) The term "Operating Costs" means and includes:

(1) Those expenses paid or incurred by Landlord (whether directly or through independent contractors) for managing, maintaining, operating, and repairing the Building, the Common Areas and the Land, and the personal property used in conjunction therewith, including, but not limited to, the cost of utilities, (including, but not limited to, electricity, water, sewer, gas, and other utility charges); services, supplies, repairs, and replacements, or other expenses for managing, maintaining, operating, or repairing the Building, the Common Areas and the Land (including, but not limited to, any structural repairs and replacements); costs (including interest) associated with any financing incurred in connection with repairing, replacing or maintaining the Building or other capital repair items amortized in accordance with generally accepted accounting principles; insurance (including, without limitation, the coverage described in Section 20, and all other coverage obtained by Landlord as set forth in this Lease, whether by separate policy, inclusion in a blanket policy, or self insurance, in which case the reasonable value of self

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insurance shall be included in Operating Costs), amortization (over the reasonable life of the item) of the cost of installation of capital investment items which are installed primarily for the purpose of reducing Operating Costs or which may be required by any governmental authority; trash and rubbish removal; janitorial services; management fees, and legal and accounting expenses as may be ordinarily incurred in the operation and maintenance of an office building; and any other expense or charge whether or not hereinabove described which, in accordance with consistently applied generally accepted accounting and management principles would be considered an expense of managing, maintaining, operating, or repairing the Building, the Common Areas and the Land; and

(2) All impositions, taxes, assessments (special or otherwise), and other governmental levies and charges of any and every kind, ordinary or extraordinary, foreseen or unforeseen, assessed or imposed, upon or with respect to the ownership of, or other taxable interest attributable to, the Building, the Common Areas, the Land, and any improvements, fixtures, equipment, and other property of Landlord, real or personal, located in, or used in connection with, the operation of the Building, the Common Areas, and the Land and any tax which shall be imposed on any interest or excise in addition to or in lieu of the foregoing real or personal property taxes. Notwithstanding anything to the contrary contained in this Section, in the event the Building is not occupied to the extent of 95% of its rentable area during any Operating Year, an adjustment shall be made by Landlord in calculating the Operating Costs for such Operating Year so that the Operating Costs shall be adjusted to the amount that would have been incurred had the Building been occupied to a level of 95% occupancy during such Operating Year.

(b) Operating Costs do not include income, estate, and inheritance taxes levied against Landlord, taxes payable by any tenant, depreciation, capital investment items (except as provided in Section 5.4(a)) and debt service, costs of leasing space in the Building, including leasing commissions and leasehold improvement costs, the cost of utilities separately metered to any tenant or resulting from excess consumption and billed directly to that tenant, the cost of special services provided to any tenant and billed directly to that tenant, or repairs and maintenance to the extent paid by proceeds of insurance or from tenants.

(c) The term "Operating Year" means a year beginning January 1 and ending December 31.

5.5 The determination and statement of expenses shall be made by Landlord and a copy of such statement shall be made available to Tenant upon demand, not more frequently than annually.

5.6 Notwithstanding anything in this Lease to the contrary, failure by Landlord to give notices or statements of Operating Costs within the time specified, and grant of "free rent" or fee concessions, shall not waive Landlord's right to require payment (or to recover underpayments) by Tenant of Tenant's Pro Rata Share of Operating Costs in excess of the Expense Stop.

6. PARKING

6.1 Landlord shall operate and maintain or cause to be operated and maintained a retail and parking garage structure, the parking levels of which are the "Automobile Parking Area," for the benefit and use of all tenants of the Building and their Permittees, as well as tenants and permittees of the retail component of the retail and parking garage structure, and the general public. Any area(s) designated by Landlord as being for reserved parking shall not be accessible or available for use by all tenants or by the general public. The Tenant's share of the cost of maintenance, operation, repair, and management of the Automobile Parking Area shall be included in the Operating Costs set forth in Section 5 above, and are shared pro-rata with the tenants of said retail segment of the retail and parking garage structure. Landlord's and Tenant's rights and responsibilities with respect to the Automobile Parking Area are as set forth in Exhibit E.

7. RENT TAX AND PERSONAL PROPERTY TAXES

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7.1 Tenant shall pay to Landlord, in addition to and simultaneously with any other amounts payable to Landlord under this Lease, a sum equal to the aggregate of any municipal, county, state, or federal excise, sales, use, or transaction privilege taxes now or hereafter legally levied or imposed against, or on account of, any or all amounts payable under this Lease by Tenant or the receipt thereof by Landlord (except taxes which are commonly inheritance taxes). This Lease is specifically subject to the municipal property excise tax established under *Arizona Revised Statutes* §42-6201 et seq. Failure by the Tenant to pay the tax after notice and an opportunity to cure is an event of default that could result in divesting Tenant of any interest in or right of occupancy of the Premises.

7.2 Tenant shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment, and personal property placed on the Premises by Tenant. If any or all of Tenant's fixtures, furnishings, equipment, or personal property is assessed and taxed with any assessments or taxes paid by Landlord, Tenant shall reimburse Landlord for such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to the Tenant's property.

8. PAYMENT OF RENT; LATE CHARGES

8.1 Tenant shall pay Rent and all other charges herein specified to Landlord at the address set forth in Section 1.1(b) of this Lease, or to another person and at another address as Landlord from time to time designates in writing.

8.2 Rent or other charges payable by Tenant to Landlord under the terms of this Lease not received within ten (10) days after the date due (the "Delinquency Date") shall automatically (and without notice) incur a one-time late charge of 5% of the delinquent amount. The parties acknowledge that this is a reasonable fee to compensate Landlord for its additional costs to process delinquencies, and is not a penalty. Further, any Rent or other charges payable by Tenant to Landlord and not paid prior to the Delinquency Date shall bear interest from the Delinquency Date at the "Delinquency Interest Rate." As used in this Lease, the term "Delinquency Interest Rate" means the greater of: (a) five percentage points over the interest rate publicly announced as prime rate from time to time by the federal reserve bank (if such term is no longer utilized, the interest rate utilized by banking institutions to replace the prime rate), or (b) fifteen percent (15%) per annum. Notwithstanding the above, if the Delinquency Interest Rate exceeds the maximum interest rate allowed by law, the Delinquency Rate shall be reduced to the highest rate allowed by law.

8.3 Landlord's right to receive (and receipt of) late charges or interest for delinquent amounts shall not limit or restrict Landlord's other rights and remedies. Landlord's acceptance of partial payments of amounts due, or payments without inclusion of late charges or interest shall not be deemed to limit, restrict, or waive Landlord's right to collect the full amounts due and all accrued late charges and interest; nor shall any endorsement or statement on any check or on any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of any unpaid or owing Rent or to pursue any other remedy set forth in this Lease. Receipt of a check shall not be deemed to constitute payment unless the check is honored by the bank upon which it is drawn, and late charges and interest shall accrue from the original due date if a check is dishonored. Landlord may require that all payments be made by cashier's check. No receipt of money by Landlord from Tenant after the termination of this Lease, after the service of any notice relating to the termination of this Lease, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the Lease Term or affect any such notice, demand, suit or judgment.

9. SECURITY DEPOSIT

9.1 Upon execution of this Lease, Tenant shall deposit with Landlord the Security Deposit as stated in Section 1.1(n), as security for the full and faithful performance of each and every term, condition, covenant, and provision of this Lease.

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9.2 If Tenant defaults in any of the terms, conditions, covenants, and provisions of this Lease, including, but not limited to, the payment of Rent or other charges, Landlord may, but need not, apply all or part of the Security Deposit, not as liquidated damages, but for the payment of any Rent or charge then due or for any other sum which Landlord may spend, or be required to spend, by reason of Tenant's default. If any portion of the Security Deposit is so used, Tenant shall, no later than five (5) calendar days following demand, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Tenant's failure to do so shall be a material breach of this Lease. Should Tenant fully and faithfully comply with all of the terms, conditions, covenants, and provisions of this Lease, the Security Deposit, or any balance thereof, shall be returned to Tenant or, at the option of Landlord, to the last assignee of Tenant's interest in this Lease, within ten (10) days after the Expiration Date and surrender of the Premises by Tenant. Landlord's rights regarding the Security Deposit are in addition to and do not preclude any other rights, remedies, or recoveries available to Landlord by law or pursuant to this Lease. Tenant acknowledges that the Security Deposit is not an advance payment of Minimum Monthly Rent, Additional Rent, or any other charges owing under the Lease; is not a payment of "last month's rent"; and does not constitute a payment by Tenant of any sums owing pursuant to this Lease except the Security Deposit required by this Section 9.
*

9.3 Tenant agrees that, if Landlord sells or exchanges Landlord's interest in the Premises during the Lease Term, Landlord will either pay, transfer, or assign the Security Deposit to any subsequent owner and, in that event, Tenant hereby releases Landlord from all liability for the return of the Security Deposit, or will refund the Security Deposit to Tenant in accordance with the provisions of this Section 9. Landlord shall not be required to maintain such funds in a segregated account, but may deposit such funds in any general account of Landlord, provided that such commingling in no way affects Landlord's obligations to Tenant regarding such funds hereunder. Tenant shall not be entitled to any interest on the Security Deposit.

10. CONDITION OF THE PREMISES

10.1 As of the Commencement Date, Tenant has had the opportunity fully to inspect the Premises and accepts the Premises "AS IS." Landlord makes no warranty as to the condition of the Premises.

10.2 At the expiration or earlier termination of this Lease, the Premises shall be returned to Landlord in a condition as good as it was at the Commencement Date (fair wear and tear excepted).

11. TENANT IMPROVEMENTS AND ALTERATIONS

11.1 Landlord and Tenant agree to the construction of tenant improvements in and for the Premises in accordance with the terms and conditions set forth in Exhibit D (the "Tenant Improvements").

11.2 Following the completion of the Tenant Improvements, Tenant may place partitions and fixtures and may make improvements and other alterations to the interior of the Premises at Tenant's expense, provided that Tenant shall not be permitted to do any structural work or work that affects the structural integrity of the Building; and further provided that, prior to commencing any such work, Tenant shall first obtain the written consent of Landlord to the proposed work, by submitting to Landlord for Landlord's approval: (a) complete plans and specifications for the proposed work (which consent shall not be unreasonably withheld); (b) the name of the proposed architect and/or contractor(s) for such alterations and/or improvements; (c) the materials to be used in connection with such alterations, including, without limitation, paint, carpeting, wall or window coverings and the use of carpet glues and other chemicals for installation of such materials; and (d) evidence of Tenant's financial ability to complete the construction. Such submissions to Landlord shall be made at least ten (10) days prior to the commencement of any construction in the Premises. Landlord may require that the work be done by Landlord's own employees, its construction contractors, or under Landlord's direction, but at the expense of Tenant; and Landlord may, as a condition to consenting to such work, require that Tenant provide financial security adequate in Landlord's judgment so that the improvements or other alterations to the Premises will be completed in a good, workmanlike and lien free manner. Landlord may also require that any work done to the interior of the Premises be subject to the supervision of Landlord or its designee. All such improvements or

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alterations must conform to and be in substantial accordance in quality and appearance with the quality and appearance of improvements in a first-class, Class A, institutional grade office building. All such improvements shall become the property of Landlord. In the event Landlord consents to the use by Tenant of its own architect and/or contractor for the installation of any such alterations or improvements, prior to the commencement of such work, Tenant shall provide Landlord with evidence that Tenant's contractor has procured worker's compensation, liability and property damage insurance (naming Landlord as an additional insured) in a form and in an amount approved by Landlord, and evidence that Tenant's architect and/or contractor has procured the necessary permits, certificates and approvals from the appropriate governmental authorities. Tenant acknowledges and agrees that any review by Landlord of Tenant's plans and specifications and/or right of approval exercised by Landlord with respect to Tenant's architect and/or contractor is for Landlord's benefit only and Landlord shall not, by virtue of such review or right of approval, be deemed to make any representation, warranty or acknowledgment to Tenant or to any other person or entity as to the adequacy of Tenant's plans and specifications or as to the ability, capability or reputation of Tenant's architect and/or contractor.

12. FIXTURES; PERSONAL PROPERTY; AND SURRENDER OF PREMISES

12.1 All trade fixtures installed by Tenant and movable furniture that is not permanently affixed to the Premises shall remain the property of Tenant and may be removed by Tenant not later than the Expiration Date or the earlier termination of (a) the Lease Term or (b) Tenant's right to possession, provided that Tenant is not in default hereunder at the time of the proposed removal and further provided that there is no Rent or other charges then due hereunder. Tenant shall promptly repair, at its own expense, any damage resulting from such removal. If Tenant fails to remove its personal property, trade fixtures, and moveable furniture upon the Expiration Date or the earlier termination of the Lease Term or Tenant's right to possession, the same shall be deemed abandoned and shall become the property of Landlord. Notwithstanding the foregoing, at any time during the Lease Term or thereafter Landlord may require Tenant to remove any personal property placed in the Premises by Tenant or by others at Tenant's direction or with Tenant's actual or implied consent, if the same is dangerous, illegal, or actually or potentially an environmental hazard, and repair any damage caused thereby.

12.2 Movements of Tenant's property into or out of the Building and within the Building are entirely at the risk and responsibility of Tenant and Landlord reserves the right to require permits before allowing any such property to be moved into or out of the Building.

12.3 All cabinetry, built-in appliances, wall coverings, floor coverings, window coverings, electrical and plumbing fixtures and conduits, lighting, and other special fixtures that may be placed upon, installed in, or attached to the Premises by Tenant shall, at the Expiration Date or earlier termination of this Lease for any reason, become the property of Landlord and remain upon and be surrendered with the Premises, without disturbance, molestation, or injury unless designated by Landlord to be removed, in which case Tenant shall remove the same prior to the Expiration Date or earlier termination of the Lease Term and repair any damage caused thereby.

12.4 At the Expiration Date or upon the earlier termination of the Lease Term or Tenant's right to possession, Tenant shall surrender the Premises in good order and condition, reasonable wear and tear and casualty damage excepted, and shall deliver all keys to Landlord. Tenant shall further surrender to Landlord any Automobile Parking Area cards that may have been issued under Section 6.

13. LIENS

13.1 Tenant shall keep the Premises, the Building and the Land free from any liens arising out of work performed, material furnished, or obligations incurred due to Tenant's actions, the actions of Tenant's Permittees or contractors, or the failure of Tenant to comply with any law excluding, however, security interests in Tenant's personal property subordinate to Landlord's lien rights. In the event any such lien does attach against the Premises, Building, or Land, and Tenant does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after demand by Landlord, such event shall be a default by Tenant under this Lease and, in addition to Landlord's other rights and remedies, Landlord may take

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any action necessary to discharge the lien. Tenant shall pay Landlord upon demand all costs or expenses (including reasonable attorney's fees and costs, whether or not suit be instituted) incurred by Landlord by reason of attachment or discharge of such lien and shall indemnify, defend and hold Landlord harmless for, from and against any and all liability, claims, or losses arising out of attachment of such lien.

14. USE OF PREMISES; RULES AND REGULATIONS

14.1 Without the prior approval of Landlord, Tenant shall not use the Premises for any use other than for general business office purposes.

14.2 Tenant agrees to:

(a) Comply with all statutes, ordinances, rules, regulations, and orders of all municipal, state, and federal authorities now in force or which may hereafter be in force pertaining to the use of the Premises, and shall not use or permit the Premises to be used in whole or in part for any purpose or use in violation of any of said laws, ordinances, rules and regulations;

(b) Keep the Premises in a neat, sanitary, and orderly condition, free of debris, and shall not deposit or allow others to deposit trash, waste, or debris within Common Areas except within designated areas;

(c) Not commit, or allow others to commit, any waste upon the Premises, Building, Common Areas or Land;

(d) Not engage, or allow others to engage, in any activity that has the likelihood of increasing the existing premium rate of insurance on the Premises, Building or Building Common Areas or potentially cause a cancellation of any insurance policy or permit to remain in or about any such area any item that may be prohibited by standard form fire insurance policies;

(e) Not use, or allow others to use, the Premises, Building or Common Areas for any offensive, noisy, or dangerous trade, business, or occupation, or anything against public policy, or interfere with the business of or disturb the quiet enjoyment of any other tenant in the Building or Land;

(f) Not use, or allow others to use, the exterior of the roof or walls of the Premises or the Building for any purpose;

(g) Not display anything in any windows without prior written consent of Landlord;

(h) Not use or allow others to use the Common Areas for purposes other than the purposes intended for such areas;

(i) Faithfully observe and comply (and cause Tenant's Permittees to observe and comply) with the Rules and Regulations (Exhibit B), the Parking Rules and Regulations described in Section 6, and all reasonable and nondiscriminatory modifications of and additions thereto; and

(j) Not use, generate, manufacture, transport to or from, store, or dispose of, in, under, or about the Premises, the Building, the Land, or the Automobile Parking Area, any Hazardous Materials. For purposes of this Lease, "Hazardous Materials" includes, but is not limited to: (i) flammable, explosive, or radioactive materials, hazardous wastes, toxic substances, or related materials; (ii) all substances defined as "hazardous substances," "hazardous materials," "toxic substances," or "hazardous chemical substances or mixtures" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., as amended by Superfund Amendments and Reauthorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1901, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; (iii) those substances listed as hazardous

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substances in the United States Department of Transportation Table (49 CFR 172. 10 and amendments thereto) or by the Environmental Protection Agency (or any successor agent) (40 CFR Part 302 and amendments thereto); (iv) any material, waste, or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, 33 U.S.C. S 1251 et seq. (33 *U.S.C. § 1321)* or listed pursuant to the Clean Water Act (33 U.S.C. § 1317); and (v) all substances defined as "hazardous wastes" in *Arizona Revised Statutes* §36-3501(16).

14.3 Tenant shall be solely responsible for, and shall indemnify, defend and hold harmless Landlord, its elected officials, directors, officers, employees, agents, successors, and assigns for, from and against, any loss, damage, cost, expense, or liability directly or indirectly arising out of or attributable to Tenant's and Tenant's Permittees use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Premises, the Building or the Land, including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repairs, cleanup or detoxification of the Premises, the Building, or the Land, and the preparation and implementation of any closure, remedial, or other required plans; and (c) all reasonable costs and expenses incurred by Landlord in connection with clauses (a) and (b) of this Section 14.3, including but not limited to reasonable attorneys' fees. Notwithstanding the foregoing, Tenant may use in the Premises those Materials that are customarily used for general office purposes (i.e., copier toner, liquid paper, glue, ink, and Landlord approved cleaning solvents). Tenant's obligations hereunder shall survive the termination or earlier expiration of this Lease.

15. RIGHTS RESERVED BY LANDLORD

15.1 In addition to all other rights, Landlord has the following rights, exercisable without notice; without liability to Tenant; without effecting an eviction, constructive or actual; and without giving right to any claim for set off or abatement of Rent:

(a) To decorate and to make repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Building, or any part thereof, and for such purposes to enter upon the Premises and during the continuance of any of said work to temporarily close doors, entryways, public space, and corridors in the Building, and to interrupt or temporarily suspend Building services and facilities and to change the number of floors, the size, dimensions, arrangement, and location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets, or other Interior Common Facilities or Common Areas, so long as the Premises are reasonably accessible;

(b) To change, rearrange, add to, or subtract from the Common Areas, provided Tenant shall always have adequate access to the Premises and the parking rights described in Section 1.1(p);

(c) To grant to anyone the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted herein;

(d) To approve the weight, size, and location of safes and other heavy equipment and items in and about the Premises and the Building, and to require all such items and furniture and similar items to be moved into and out of the Building and Premises only at such times and in such manner as Landlord shall direct in writing;

(e) To prohibit the placing of vending or dispensing machines of any kind in or about the Premises without the prior written permission of Landlord;

(f) To take all such reasonable measures as Landlord may deem advisable for the security of the Building and its occupants, including without limitation, the search of all persons entering or leaving the Building, the evacuation of the Building for cause, suspected cause, or for drill purposes, the temporary denial of access to the Building, and the closing of the Building after regular working hours;

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(g) To relocate the Premises to another location of substantially equivalent size and location in the Building provided such relocation does not increase the Minimum Monthly Rent or other costs payable by Tenant under this Lease. If Landlord elects to move Tenant, Landlord shall build out or renovate the new location with Tenant Improvements at the new location substantially equal to the Tenant Improvements constructed or to be constructed on the original Premises pursuant to Exhibit D and Landlord will pay Tenant's reasonable costs of moving to the new location, including incidental costs such as reprinting stationery and new signage, but Landlord will have no other or additional liability to Tenant with respect to relocation, including, loss of revenues or profits. Landlord's reservation of the rights set forth in this Section shall impose no obligation or duty upon Landlord to exercise said rights.

16. QUIET ENJOYMENT

16.1 Landlord agrees that, upon Tenant's paying Rent and other charges, and keeping and performing all of the terms, conditions, covenants, and provisions of this Lease, Landlord will do nothing that will prevent Tenant from peaceably and quietly enjoying, holding, and occupying the Premises during the Lease Term. This covenant shall not extend to any disturbance, act, or condition brought about by any other tenant or occupant in the Building and shall be subject to the rights of Landlord set forth in this Lease. Tenant agrees this Lease is subordinate and subject to the Rules and Regulations described in Section 14 and the Parking Rules and Regulations described in Exhibit E. This subordination agreement shall be self operative; however, Tenant agrees to execute and deliver such further instruments necessary to subordinate this Lease to the foregoing matters.

17. MAINTENANCE AND REPAIR

17.1 Subject to Sections 15, 21 and 22 and Tenant's obligations under Sections 17.2 and 17.3, Landlord shall maintain the Premises and Building in good condition and repair, reasonable wear and tear excepted. Tenant waives all rights to make repairs at the expense of Landlord. Landlord's maintenance and repair costs under this Section 17.1 are deemed to be Operating Costs. The foregoing notwithstanding, Landlord shall not be liable to Tenant for failure to make repairs as required herein unless Tenant has previously notified Landlord, in writing, of the need for such repairs and Landlord has failed to commence said repairs within a reasonable time (but in no event less than thirty (30) days) following receipt of Tenant's written notification, or such lesser period as shall be reasonable in the event of a bona fide emergency. Landlord shall have no obligation to alter, remodel, improve, renovate, decorate, or paint the Premises at any time during the Lease Term.

17.2 If Landlord would be required to perform any maintenance or make any repairs under Section 17.1 because of: (a) modifications to the roof, walls, foundation, and floor of the Building from that set forth in Landlord's plans and specifications which are required by Tenant's design for improvements, alterations and additions; (b) installation of Tenant's improvements, fixtures, or equipment; (c) a negligent or wrongful act of Tenant or Tenant's Permittees; or, (d) Tenant's failure to perform any of Tenant's obligations under this Lease, Landlord may perform the maintenance or repairs and Tenant shall pay Landlord the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. Landlord's costs under this Section 17.2 shall not be an Operating Cost for purposes of Section 5.

17.3 Tenant agrees to:

(a) Pay Landlord's cost of maintenance, repair or janitorial services that exceed the level of such services that Landlord is otherwise required to perform or provide hereunder, in connection with any special leasehold improvements. Landlord's costs under this subsection will not be deemed an Operating Cost;

(b) Repair or replace all ceiling and wall finishes (including painting) and floor or window coverings which require repair or replacement during the Lease Term, at Tenant's sole cost;

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(c) Indemnify, defend and hold Landlord harmless for, from and against any and all liability, obligations, claims, costs, damages, expenses, or attorneys' fees incurred or sustained as a result of any damage, injury, or destruction of the Premises, Building or Common Areas arising from the actions or negligence of Tenant or Tenant's Permittees.

17.4 Notwithstanding anything in this Lease to the contrary, to the extent the terms and provisions of Section 21 conflict with, or are inconsistent with, the terms and provisions of this Section 17, the terms and provisions of Section 21 shall control and prevail.

18. UTILITIES AND JANITORIAL SERVICES

18.1 Landlord agrees to furnish to the Premises during Building Hours as defined in Section 1, and subject to the Rules and Regulations, electricity suitable for the intended use of the Premises, heat and air conditioning required in Landlord's judgment for normal use and occupation of the Premises. Landlord shall furnish janitorial services for the Premises and Common Areas. Landlord further agrees to furnish hot and cold water to those areas provided for general use of all tenants in the Building. Landlord will use diligent efforts to provide continuous elevator service for the Building, but Landlord does not guarantee that the elevator will be operational at all times.

18.2 As used in this Section 18, "Excess Consumption" means the consumption of electrical current (including current in excess of 120 volts), water, heat, or cooling in excess of that which would be provided to the Premises were the Premises to be (a) used as general office space during Building Hours; and (b) equipped only with typewriters, desk calculators, normal office computer equipment, dictation equipment, and copying machines with power requirements of 30 amperes or less. Tenant will not, without the prior written consent of Landlord, use any apparatus or device in the Premises using electrical current in excess of 110 volts, or which will in any way result in Excess Consumption; or connect, except through existing electrical outlets, water pipes, ducts or pipes in the Premises, any apparatus or device for the purpose of using electric current, water, heating, cooling, or air. If Tenant shall require electric current, water, heating, cooling, or air which will result in Excess Consumption, Tenant shall first procure the consent of Landlord to the use thereof, and Landlord may cause separate meters to be installed to measure Excess Consumption or establish another basis for determining the amount of Excess Consumption. Tenant may obtain heating, ventilation, and air conditioning requirements other than during Building Hours either by contacting building management or through the use of an override system. Tenant agrees to pay for the cost of the Excess Consumption based on Landlord's cost, plus any additional expense incurred in installing meters or keeping account of the Excess Consumption, including (but not limited to) depreciation, accelerated depreciation and additional maintenance, at the same time as payment of the Minimum Monthly Rent is made. In lieu of the foregoing with respect to Excess Consumption of heating and/or cooling, Landlord may establish and modify from time to time, a per hour charge for providing such service. Tenant further agrees to pay Landlord the costs, if any, to upgrade existing mechanical, electrical, plumbing, and air facilities, if required to provide Excess Consumption. Excess Consumption costs will not be an Operating Cost for purposes of Section 5.

18.3 Landlord shall not be liable for damages nor shall rent or other charges abate in the event of any failure or interruption of any utility or service supplied to the Premises or Building by a utility or municipality, or any failure of a Building system supplying any such service to the Premises and no such failure or interruption shall entitle Tenant to terminate this Lease.

19. ENTRY AND INSPECTION

19.1 Landlord and Landlord's agents shall have the right to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same; performing Landlord's maintenance and repair obligations under this Lease; maintaining or making repairs, alterations, or additions to any other portion of the Building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be

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required; posting notices of nonliability for alterations, additions, or repairs, or of the availability of the Premises for lease or sale; or showing the Premises to potential tenants and purchasers.

19.2 If Tenant shall not be personally present to open and permit an entry into said Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may use a master key to enter, without liability and without in any manner affecting the obligations and covenants of this Lease. Landlord shall be permitted to take any action under this Section without causing any abatement of rent or liability to Tenant for any loss of occupation or quiet enjoyment of the Premises, nor shall such action by Landlord be deemed an actual or constructive eviction.

20. INSURANCE AND INDEMNIFICATION OF LANDLORD

20.1 Insurance Maintained by Tenant. Tenant shall maintain in full force and effect during the entire term of this Lease, at its own cost and expense, the following policies of insurance:

(a) Commercial General Liability Insurance and Umbrella Liability Insurance in an amount not less than $1,000,000 each occurrence and $2,000,000 aggregate. Said policy shall provide coverage for bodily injury, property damage, advertising, personal injury, premises, operations, independent contractors, products completed operations, fire legal, and liability assumed under an insured contract both oral and written. Fire legal liability limits shall be equal to or exceed $150 per square feet of leased space. Not more frequently than once each three years, if, in the opinion of Landlord, the amount of Commercial General Liability Insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as reasonably required by Landlord but not more than the amount customarily required by landlords for comparable buildings.

(b) Commercial Automobile Insurance and Umbrella Liability Insurance in an amount equal to that currently maintained by Tenant, but not less than $1,000,000 per accident. Such insurance shall cover liability arising out of any auto (including owned, hired and non-owned autos) used in connection with Tenant's use of the Premises.

(c) Workers' Compensation Insurance and Employers' Liability Insurance as required by law and in full compliance with the provisions of the Arizona Worker's Compensation Law (Title 23, Chapter 6, *Arizona Revised Statutes*) as amended, and Employer's Liability Insurance in an amount not less than $500,000.

(d) Commercial Property Insurance covering the Premises including fixtures, inventory, equipment, Tenant improvements and betterments and all other content of the Premises and (if any, such as installed by or for Tenant) all mechanical, plumbing, heating, ventilating, air conditioning, and electrical. The policy must include coverage for the following: vandalism, malicious mischief, sprinkler leakage. Such insurance shall provide for 100% of the full replacement cost. Any coinsurance requirement in the policy shall be eliminated through the attachment of an agreed amount endorsement, or as is otherwise appropriate under the particular policy form. The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair and/or replace the Premises, and the Leasehold Improvements, fixtures, glass, equipment, mechanical, plumbing, heating, ventilating, air conditioning, electrical, telecommunication and other equipment, systems and facilities so insured.

(e) Business Interruption or Rental Loss Insurance sufficient to cover, for a period of not less than one year, all rental, expense and other payment obligations of Tenant under this Lease, including, without limitation, Rent and adjustments thereto and taxes, operating expenses and all other costs, fees, charges and payments which would be borne by or due from Tenant under this Lease if the Premises and Tenant's business were fully open and operating.

(f) Any other forms of insurance Landlord may require from time to time, in form and amounts and for insurance risks against which a prudent Tenant of comparable size in a comparable business would protect itself. Additional forms or amounts of insurance required for this Lease: N/A. Additional forms or amounts of

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insurance listed in this sub-section do not preclude Landlord from requiring further forms or amounts throughout the term of this Lease.

20.2 **Form of Insurance.** All insurance required to be carried by Tenant hereunder:

(a) shall be issued by insurance carriers authorized to conduct business in the State of Arizona and with an A.M. Best's guide rating of no less than A;

(b) shall be written as primary insurance and non-contributory over any insurance purchased by Landlord;

(c) shall contain a provision whereby each insurer agrees to give Landlord at least thirty (30) days' prior written notice of any cancellation;

(d) shall contain a deductible no greater than $10,000 unless a waiver is provided by the Landlord;

(e) shall be written on an Occurrence basis; any policies underwritten as Claims Made will not satisfy the insurance requirements outlined above;

(f) shall not be modified to reduce the extent of coverage or limits required herein without the prior written consent of Landlord;

(g) as respects the Commercial General Liability, Commercial Automobile Liability and Umbrella Liability policies, Tenant shall ensure that the Landlord be added by endorsement as additional insureds to the policies;

(h) shall provide evidence of Commercial Property Insurance and of all other insurance as well as certificates and appropriate endorsements to Landlord five (5) days prior to occupancy, and evidence of renewal shall be provided to Landlord no less than fifteen (15) business days prior to expiration.

20.3 **Failure to Maintain, Failure to Provide** If Tenant fails to acquire and maintain the insurance required pursuant to this Section, Landlord may but is not obligated to, and in addition to any other rights and remedies available to Landlord, acquire such insurance and pay the requisite premiums, which premiums shall be payable by Tenant to Landlord immediately upon demand. Landlord's failure, at any time, to object to Tenant's failure to provide the specified insurance or written evidence thereof (either as to the type or amount of such insurance) shall not be deemed a waiver of Tenant's obligations under this Section.

20.4 **Blanket Insurance**. Tenant may, at its option, satisfy its insurance obligations hereunder by obtaining insurance commonly known as blanket insurance coverage, provided that the same shall, in all respects, comply with the provision hereof. In such event, Tenant shall not be deemed to have complied with its obligation hereunder until Tenant shall have obtained and delivered to Landlord a certificate of insurance with appropriate endorsements, or upon Landlord's request, a copy of said policy with endorsements.

20.5 **Landlord's Insurance**. Landlord shall maintain comprehensive general public liability insurance against claims for personal injury, death, or property damage occurring on the Common Areas, fire and extended coverage (all risk) insurance on the Building and Automobile Parking Areas, and such other insurance as Landlord deems reasonably necessary.

20.6 **Waiver of Subrogation.** Tenant hereby waives any right of recovery from Landlord, Landlord's officers or employees, and Landlord hereby waives any right of recovery from Tenant, Tenant's officers or employees, for any loss, damage (including consequential loss) resulting from any of the perils insured against by either's fire and extended coverage insurance policy to the extent of all proceeds thereof.

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20.7 **Indemnity.** Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including attorneys' and experts' fees and court costs arising (a) from any act, omission, or negligence of Tenant or its officers, contractors, licensees, agents, employees, guests, invitees, or visitors in or about the Premises, (b) from Tenant's use or occupancy of the Premises or the business conducted by Tenant therein; (c) from any breach or default under this Lease by Tenant, or (d) from or relating to the enforcement by Landlord of the provision of this Lease as against Tenant. This provision shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from the injuries to third parties caused solely and directly by the negligence, acts or omissions of Landlord or its officers, contractors, licensees, agents, employees or invitees. The provisions of this section shall survive the expiration or termination of this Lease.

21. DAMAGE AND DESTRUCTION OF PREMISES

21.1 In the event of (a) fire or other casualty damage to the Premises or the Building during the Lease Term which requires repairs to either the Premises or the Building, or (b) the Premises or Building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either the Premises or the Building, Landlord shall commence to make said repairs within sixty (60) days of written notice by Tenant of the necessity therefor and diligently proceed to completion, except as provided in Section 21.2. The Minimum Monthly Rent shall be proportionately reduced while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in the Premises. Landlord shall have no obligation to repair, restore, or replace Tenant's trade fixtures or other personal property and Tenant shall be solely responsible therefor. Further, Landlord shall not be obligated to make repairs to the extent that the cost thereof exceeds the insurance proceeds available to the Landlord.

21.2 Landlord's obligation to repair the Premises shall, however, be subject to the following provisions: If: (a) during the last year of the Lease Term the Premises or the Building is damaged as a result of fire or any other insured casualty, or (b) the Premises are damaged to the extent of 25% or more of replacement value, or (c) the Premises or the Building is damaged or destroyed as a result of a casualty not insured against, or (d) the Building shall be damaged or destroyed by fire or other cause to the extent of 20% or more of the Building's replacement value, then Landlord shall have the right, to be exercised by notice in writing to Tenant given within ninety (90) days from said occurrence, to cancel and terminate this Lease. Upon notice to Tenant, the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. If Landlord elects to terminate this Lease under this Section, all rents shall be prorated as of the date of damage or destruction and Landlord thereupon shall be released from all further liability or obligation to Tenant. If Landlord, however, elects to make said repairs, and provided Landlord uses due diligence in making said repairs, this Lease shall continue in full force and effect and the Minimum Monthly Rent shall be proportionately reduced as provided in Section 21.1.

21.3 With respect to any destruction (including any destruction necessary in order to make repairs) which Landlord is obligated to repair or may elect to repair under the terms of this Section, Tenant waives any statutory or other right Tenant may have to cancel this Lease as a result of such destruction and no such destruction shall annul or void this Lease. The provisions of this Section shall supersede the obligations of Landlord to make repairs under Section 17.1 of the Lease.

21.4 Unless the Lease is terminated under this Section, upon substantial completion of Landlord's restoration obligations, the Minimum Monthly Rent shall be restored to the amounts that would have been in effect but for the damage or destruction.

21.5 Notwithstanding the provisions of this Section 21, if the Premises or any other portion of the Building are damaged by fire or other casualty resulting from the negligent act or omission or willful misconduct of Tenant or any of Tenant's Permittees, then Minimum Monthly Rent shall not be reduced during the repair of

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the damage; and Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of the Premises or the Building caused thereby to the extent that cost and expense is not covered by insurance proceeds.

22. EMINENT DOMAIN

22.1 Landlord, as a municipal corporation and owner of the Building and Premises, and in addition to any remedy provided for in this Lease, hereby reserves its powers under eminent domain as they might relate to any of the property interests granted Tenant herein.

22.2 If the ownership interest of the Landlord in this Lease is sold or transferred to another party (Transferee) who is not a municipal corporation, the State of Arizona or political subdivision of the State, the following provisions will apply: If the whole of the Building or the whole of the Premises shall be acquired by a Taking ("Taking" means the acquisition of all or part of the Premises or Building by exercise of the power of eminent domain, condemnation or sale under the threat of or in lieu of eminent domain or condemnation), or if the whole of the Automobile Parking Area is acquired by a Taking, then this Lease shall terminate as of the date of possession by the Taking authority. If more than 10% of the value of the Building or more than 25% of the value of the Premises is acquired by a Taking, Transferee may terminate this Lease as of the date of the taking of possession by the Taking authority by giving Tenant ninety (90) days' written notice of Transferee's intent to terminate this Lease. If less than 25% of the value of the Premises is acquired in a Taking and Transferee's awarded compensation is sufficient to restore the Premises, Transferee shall promptly restore the Premises to a condition comparable to its condition at the time of such condemnation less the portion acquired in the Taking. This Lease shall continue in full force and effect with respect to that part not acquired, and the Minimum Monthly Rent shall be reduced proportionately. The Taking of a part of the Automobile Parking Areas shall not affect this Lease so long as Transferee can provide the parking spaces described in Section 1.1(p), if any, and reasonable visitor parking within the previously existing and/or substitute Automobile Parking Area. In the event of a Taking, whether whole or partial, the Tenant shall not be entitled to any part of Transferee's award, as damages or otherwise, for diminution in value or loss of the leasehold, reversion or fee. Tenant expressly waives any right or claim to all or part of any condemnation award or compensation thereof, and shall have no claim against Transferee or the Taking authority for the value of the unexpired Lease Term if the Lease is terminated under this Section. Although all compensation in the event of any condemnation belongs to the Transferee, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right (e.g., Tenant's moving or relocation expenses). If this Lease is totally or partially terminated under this Section, all rents shall be prorated as of the date of Taking including refunds for amounts paid in advance by Tenant.

23. ASSIGNMENT AND SUBLETTING

23.1 Tenant agrees not to transfer or assign this Lease, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, including spaces in the Automobile Parking Area, without Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall notify Landlord in writing of Tenant's intention to transfer or assign this Lease or to sublet any portion of the Premises for the balance or any portion of the Lease Term. Tenant's notice shall include all the terms of the proposed transfer, assignment or sublease and the proposed consideration. Landlord may request that Tenant provide such documents as Landlord deems necessary relative to the assignee or subtenant, including but not limited to copies of audited financial statements, credit reports, information about principals and an operating history. Landlord has the right to recapture the space described in Tenant's notice and such recapture shall, if exercised, cancel and terminate this Lease with respect to the space therein described. Landlord shall notify Tenant, in writing and within thirty (30) days after receipt of Tenant's notice, of Landlord's: (a) approval of the transfer, assignment or subletting, or (b) exercise of its right to recapture the space. Consent by Landlord to one transfer, assignment or subletting shall not be deemed to be a consent to any subsequent transfer, assignment or subletting. Consent to an assignment shall not release Tenant from any liability under this Lease. Any transfer, assignment or subletting, or attempted transfer, assignment, or subletting, without the prior written consent of Landlord shall be void, and shall, at the option of Landlord, constitute a default hereunder. Tenant shall pay

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Landlord a processing fee of $500.00 and Landlord's reasonable legal fees incurred in connection with the processing of any documents necessary to give consent under this Section 23.

23.2 For the purposes of this Section 23, an assignment shall be deemed to include the following: (a) if Tenant is a partnership, a withdrawal or change (voluntary, involuntary, by operation of law or otherwise) of any of the partners thereof, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) by any partner thereof of such partner's interest in Tenant, or the dissolution of the partnership; (b) if Tenant consists of more than one person, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) from one person to the other or others; (c) if Tenant (or a constituent partner or member of Tenant) is a corporation, any dissolution, merger, consolidation or reorganization of Tenant (or such constituent partner), or any change in the ownership (voluntary, involuntary, by operation of law, creation of new stock or otherwise) of 20% or more of its capital stock from the ownership existing on the Commencement Date; (d) if Tenant is an unincorporated association, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) of any interest in such unincorporated association; or (e) if Tenant is a limited liability company, a withdrawal or change of any of the members thereof, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) by any member of such member's interest in Tenant, or the dissolution of the limited liability company; or (f) the sale of 20% or more in value of the assets of Tenant.

23.3 In the event Tenant assigns its interest in this Lease or sublets the Premises, the Minimum Monthly Rent shall be increased effective as of the date of such assignment or subletting to the amount of rent and total other consideration payable by the assignee or sublessee pursuant to the assignment or sublease agreement, if such rent is in excess of Tenant's Minimum Monthly Rent; however, in no event shall the Minimum Monthly Rent after any such assignment or subletting be less than Tenant's Minimum Monthly Rent.

23.4 If Landlord consents to an assignment, sublease or other transfer by Tenant of all or any portion of Tenant's interest under this Lease, Tenant shall execute and deliver to Landlord, and cause the transferee to execute and deliver to Landlord, an instrument in the form and substance acceptable to Landlord in which: (a) the transferee adopts this Lease and assumes and agrees to perform, jointly and severally with Tenant, all of the obligations of Tenant hereunder, (b) Tenant acknowledges that it remains primarily liable for the payment of Rent and other obligations under this Lease, (c) Tenant subordinates to Landlord's statutory lien, contract lien and security interest, any liens, security interests or other rights which Tenant may claim with respect to any property of transferee and (d) the transferee agrees to use and occupy the Premises solely for the purposes specified herein and otherwise in strict accordance with this Lease.

23.5 The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases, or may, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases.

24. SALE OF PREMISES BY LANDLORD

24.1 In the event of any sale of the Building or the Land or any assignment of this Lease by Landlord (or a successor in title), if the assignee or purchaser assumes the obligations of Landlord herein in writing, Landlord (or such successor) shall automatically be entirely freed and relieved of all liability under any and all of Landlord's covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence, or omission occurring after such sale or assignment; and the assignee or purchaser shall be deemed, without any further agreement between the parties, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease, and shall be substituted as Landlord for all purposes from and after the sale or assignment.

25. SUBORDINATION; RECOGNITION AND ATTORNMENT

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25.1 Tenant's interest under this Lease is subordinate to all terms of, and all liens and interests arising under, any ground lease, deed of trust, or mortgage now or hereafter placed on the Landlord's interest in the Premises, the Building, or the Land. Tenant agrees to reasonable amendments to this Lease as may be required by a lender who proposes to fund construction or permanent financing provided the amendment does not increase Tenant's monetary obligations under this Lease. Tenant further consents to an assignment of Landlord's interest in this Lease to Landlord's lender as required under such financing. If the Premises or the Building is sold as a result of a default under the mortgage, or pursuant to a transfer in lieu of foreclosure, or a ground lease is terminated because of the default of the lessee under such ground lease, Tenant shall, at the mortgagee's, purchaser's or ground lessor's sole election, attorn to the mortgagee, purchaser or ground lessor, and if so requested, enter into a new lease for the remainder of the Lease Term. This Section is self-operative; however, Tenant agrees to execute and deliver, if Landlord or any mortgagee, purchaser, or ground lessor should so request, such further instruments necessary to subordinate this Lease to a lien of any mortgage, deed of trust, or ground lease to acknowledge the consent to assignment and to affirm the attornment provisions set forth herein. As long as Tenant is not in default of any term or condition of this Lease, any transferee, lender, ground lessor or purchase shall recognize this Lease and the rights of Tenant hereunder.

26. LANDLORD'S DEFAULT AND RIGHT TO CURE

26.1 In the event of breach, default, or noncompliance hereunder by Landlord, Tenant agrees, before exercising any right or remedy available to it, to give Landlord written notice of the claimed breach, default, or noncompliance which sets forth facts in sufficient detail for Landlord to assess and evaluate such claim. If prior to giving notice Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of a lender which has furnished financing that is secured by realty mortgage or deed of trust on the Premises or the Building or of a ground lessor, concurrently with giving the notice to Landlord, Tenant agrees to also give notice by certified or registered mail to such lender and/or ground lessor. For the thirty (30) days following such notice (or such longer period of time as may be reasonably required to cure a matter which, due to its nature, cannot reasonably be remedied within thirty (30) days), Landlord shall have the right to cure the breach, default, or noncompliance involved. If Landlord has failed to cure a default within said period, any such lender and/or ground lessor shall have an additional thirty (30) days within which to cure the same or, if such default cannot be cured within that period, such additional time as may be necessary if within such thirty (30) day period said lender and/or ground lessor has commenced and is diligently pursuing the actions or remedies necessary to cure the breach, default, or noncompliance involved (including, but not limited to, commencement and prosecution of proceedings to foreclosure or otherwise exercise its rights under its mortgage or other security instrument or ground lease, if necessary to effect such cure), in which event this Lease shall not be terminated by Tenant so long as such actions or remedies are being diligently pursued by said lender and/or ground lessor. If Tenant fails to give notice to Landlord and any lender and/or ground lessor of a default within six (6) months of the occurrence of the events pursuant to which the default arises or would occur with notice as provided above, thereafter Tenant shall have no right to deem the same a default.

27. ESTOPPEL CERTIFICATES

27.1 Tenant agrees at any time and upon request by Landlord, to execute, acknowledge, and deliver to Landlord within five (5) calendar days of demand by Landlord a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (b) the dates to which Rent and other charges have been paid in advance, if any, (c) Tenant's acceptance and possession of the Premises, (d) the Commencement and Expiration Dates, (e) the Minimum Monthly Rent provided under the Lease, (f) that Landlord is not in default under this Lease (or if Tenant claims such default, the nature thereof), (g) that Tenant claims no offsets against the Rent, and (h) such other information as may be requested with respect to the provisions of this Lease or the tenancy created by this Lease. Tenant acknowledges that any such statement delivered pursuant to this Section may be relied upon by third parties with regard to the sale or financing of the Premises or the Building.

28. TENANT'S DEFAULT AND LANDLORD'S REMEDIES

Initial _____

28.1 The following shall constitute a default by Tenant under this Lease: (a) if Tenant fails to pay any installment of Rent when due; or (b) if Tenant fails to pay any installment of any other sum required by this Lease to be paid to Landlord when due or in the manner otherwise provided in this Lease; or (c) if Tenant fails to perform any other covenants or obligations to be performed by Tenant under this Lease and such failure shall continue for ten (10) days after notice thereof from Landlord to Tenant, or if such failure shall continue for thirty (30) days after notice thereof from Landlord to Tenant if such default cannot reasonably be cured within ten (10) days; or (d) if a petition or proceeding under the Federal Bankruptcy Act or any other applicable state or federal law relating to bankruptcy or reorganization or other relief for debtors is filed or commenced by or against Tenant or any guarantor of this Lease and, if against Tenant, said proceedings shall not be dismissed within ten (10) days following commencement thereof, or (e) if Tenant or any guarantor of this Lease is adjudged insolvent, makes an assignment for the benefit of its creditors or enters into an arrangement with its creditors; or (f) if a writ of attachment or execution is levied on the leasehold estate hereby created and is not released or satisfied within ten (10) days thereafter; or (g) if a receiver is appointed in any proceeding or action to which Tenant is a party with authority to take possession or control of the Premises or the business conducted thereon by Tenant or the property of any guarantor of this Lease and such receiver is not discharged within a period of ten (10) days after his appointment; or (h) if Tenant abandons or vacates the Premises (abandonment shall be presumed if the Premises are not occupied by at least two (2) employees of Tenant four (4) days a week, six (6) hours a day).

28.2 Upon a default of Tenant as defined in Section 28.1, Landlord or Landlord's agents and employees shall have the right and option to:

(a) Prosecute and maintain an action or actions, as often as Landlord deems advisable, for collection of Minimum Monthly Rent, Additional Rent, other charges, and damages as the same accrue, without entering into possession and without terminating this Lease. No judgment obtained shall constitute a merger or otherwise bar prosecution of subsequent actions for Minimum Monthly Rent, Additional Rent, other charges, and damages as they accrue.

(b) Immediately or at any time thereafter reenter and take possession of the Premises and remove Tenant or Tenant's Permittees and any or all of their property from the Premises. Reentry and removal may be effected by summary proceedings or any other action or proceedings at law, by force or otherwise. Landlord shall not be liable in any way in connection with any action taken under this paragraph. No action taken, commenced, or prosecuted by Landlord, no execution on any judgment and no act or forbearance on the part of Landlord in taking or accepting possession of the Premises shall be construed as an election to terminate this Lease unless Landlord expressly exercises this option under Section 28.2(c). Upon taking possession of the Premises, Landlord may, without termination of this Lease, relet the Premises or any part thereof as agent for Tenant for such rental terms and conditions (which may be for a term extending beyond the Lease Term) as Landlord, in its sole discretion, may deem advisable, with the right to make alterations and repairs to said Premises required for reletting. The rents received by Landlord from such reletting shall be applied first to the payment of any costs of reletting and second to the payment of Rent and other charges due and unpaid hereunder. The residue, if any, shall be held by Landlord and applied in payment of future Rent and other charges as the same may become due and payable hereunder. If the rents received from such reletting during any month are insufficient to reimburse Landlord for any costs of reletting or Rent and other charges due and payable hereunder, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

(c) Elect to terminate this Lease by written notice to Tenant. In the event of such termination, Tenant shall immediately surrender possession of the Premises. If Tenant fails or refuses to surrender the Premises, Landlord may take possession in accordance with Section 28.2(b). Should Landlord terminate this Lease, Tenant shall have no further interest in this Lease or in the Premises, and the Landlord may recover from Tenant all damages it may incur by reason of Tenant's default, including (1) the cost of reletting the Premises, and (2) the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to

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rent reserved in this Lease for the remainder of the Lease Term over the then reasonable rental value of the Premises for the remainder of the Lease Term, all of which amounts shall be immediately due and payable at Landlord's election from Tenant to Landlord.

(d) Obtain the appointment of a receiver in any court of competent jurisdiction, and the receiver may take possession of any personal property belonging to Tenant and used in the conduct of the business of Tenant being carried on in the Premises. Tenant agrees that the entry upon the Premises or possession of said personal property by said receiver shall not constitute an eviction of Tenant from the Premises or any portion thereof, and Tenant agrees to indemnify, defend and hold Landlord harmless for, from and against any claim of any character by any person arising out of or in any way connected with the entry by said receiver in taking possession of the Premises or said personal property.

28.3 No act or conduct of the Landlord, whether consisting of reentry, taking possession, or reletting the Premises or obtaining appointment of a receiver or accepting the keys to the Premises, or otherwise, prior to the expiration of the Lease Term shall be deemed to be or constitute an acceptance of the surrender of the Premises by the Landlord or an election to terminate this Lease unless Landlord exercises its election under Section 28.2(c). Such acceptance or election by Landlord shall only be effected, and must be evidenced, by written acknowledgement of acceptance of surrender or notice of election to terminate signed by Landlord.

28.4 Tenant agrees that in the event it is due to render performance in accordance with any term, condition, covenant, or provision of this Lease and it fails to render such performance within ten (10) days after written notification from Landlord that such performance is past due, in accordance with the notice provision hereof or immediately if required for protection of the Premises, in addition to all of Landlord's other rights and remedies, Landlord shall have the right, but not the obligation, to render such performance and to charge all costs and expense incurred in connection therewith to Tenant. All amounts so charged together with interest thereon at the Delinquency Interest Rate shall be considered Additional Rent and shall be due and payable immediately to Landlord within ten (10) days after presentation of a statement to Tenant indicating the amount and nature of such cost or expense.

28.5 No remedy herein conferred upon Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Landlord may exercise its remedies in any order or combination selected by Landlord in its sole discretion. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

29. TENANT'S RECOURSE

29.1 Notwithstanding anything in this Lease to the contrary, Tenant agrees to look solely to the estate and property of Landlord in the Land and the Building, subject to prior rights of any mortgagee of the Land and Building or any part thereof, for the collection of any judgment (or other Judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord under this Lease. Tenant agrees that it is prohibited from using any other procedures for the satisfaction of Tenants' remedies. Neither Landlord nor any of its elected officials, officers, directors, employees, heirs, successors, or assigns, shall have any personal liability of any kind or nature, directly or indirectly, under or in connection with this Lease.

30. HOLDING OVER

30.1 If Tenant holds over after the Expiration Date or any extension thereof, Tenant shall be a tenant at sufferance; the Minimum Monthly Rent shall be two (2) times the sum of: (a) the Minimum Monthly Rent payable immediately prior to the Expiration Date, plus (b) any amounts due under Section 5. Except as expressly modified by this Section 30, the terms, covenants and conditions of this Lease shall apply to such holdover tenancy. Tenant shall further indemnify, defend and hold Landlord harmless for, from and against any and all

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liability, obligations, claims, losses, expenses, or attorneys' fees incurred by Landlord as a result of any unauthorized holdover by Tenant or any other failure of Tenant to deliver the Premises when and as required by this Lease, including consequential damages and lost opportunities.

31. GENERAL PROVISIONS

31.1 This Lease is construed in accordance with the laws of the State of Arizona, and venue for resolution of any dispute arising under this Lease lies exclusively in Maricopa County, Arizona.

31.2 If Tenant is composed of more than one person or entity, then the obligations of such entities or parties are joint and several.

31.3 If any term, condition, covenant, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, conditions, covenants, and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

31.4 The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections are for the purpose of convenience only and are not to be considered a part hereof.

31.5 Time is of the essence of this Lease.

31.6 In the event either party initiates legal proceedings (including arbitration or alternative dispute resolution) or retains an attorney to enforce any right or obligation under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings or the non-defaulting party shall be entitled to recover all costs and reasonable attorney fees, and in the event of legal proceedings the same shall be determined by the court and not by a jury and shall be included in any judgment or award obtained. If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the Premises by reason of any act or omission of Tenant, Tenant shall indemnify, defend and hold Landlord harmless for, from and against all liability by reason thereof, including Landlord's reasonable costs and attorney fees.

31.7 This Lease, together with any Exhibit attached hereto, set forth all the terms, conditions, covenants, provisions, promises, agreements, and undertakings, either oral or written, between the Landlord and Tenant. No subsequent alteration, amendment, change, or addition to this Lease is binding upon Landlord or Tenant unless reduced to writing and signed by both parties.

31.8 Subject to Section 23, the covenants herein contained shall apply to and bind the heirs, successors, executors, personal representatives, legal representatives, administrators, and assigns of all the parties hereto.

31.9 No term, condition, covenant, or provision of this Lease shall be waived except by written waiver of Landlord, and the forbearance or indulgence by Landlord in any regard whatsoever shall not constitute a waiver of the term, condition, covenant, or provision to be performed by Tenant to which the same shall apply. Until complete performance by Tenant of such term, condition, covenant, or provision, Landlord shall be entitled to invoke any remedy available under this Lease or by law despite such forbearance or indulgence. The waiver by Landlord of any breach or term, condition, covenant, or provision hereof shall apply to and be limited to the specific instance involved and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other term, condition, covenant, or provision hereof. Acceptance of Rent by Landlord during a period in which Tenant is in default in any respect other than payment of Rent shall not be deemed a waiver of the other default. Any payment made in arrears shall be credited to the oldest amount outstanding and no contrary application will waive this right.

31.10 The use of a singular term in this Lease shall include the plural and the use of the masculine, feminine, or neuter genders shall include all others.

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31.11 If Landlord so requests, Tenant shall, within thirty (30) days after receipt of such request, deliver to Landlord its most current financial statements including a balance sheet, a statement of income and expenses, and a statement of cash flow, all in reasonable detail and prepared according to generally accepted accounting principles, consistently applied. Year-end statements shall be reviewed by an independent certified public accountant and interim statements shall be certified by Tenant, if Tenant is an individual; by the chief financial officer of Tenant, if Tenant is a corporation; by the manager or a member of Tenant, if Tenant is a limited liability company; or by a general partner of Tenant, if Tenant is a partnership. Tenant shall supply Landlord with audited financial statements if Tenant prepares audited financial statements in the ordinary course of its business.

31.12 Landlord's submission of a copy of this Lease form (or any other term sheet or proposal) to any person, including Tenant, shall not be deemed to be an offer to lease or the creation of a lease unless and until this Lease has been fully signed and delivered by Landlord.

31.13 Every term, condition, covenant, and provision of this Lease, having been negotiated in detail and at length by both parties, shall be construed simply according to its fair meaning and not strictly for or against Landlord or Tenant.

31.14 If the time for the performance of any obligation under this Lease expires on a Saturday, Sunday, or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday, or legal holiday.

31.15 If requested by Landlord, Tenant shall execute written documentation with signatures acknowledged by a notary public, to evidence when and if Landlord or Tenant has met certain obligations under this Lease.

31.16 All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of this Lease shall survive the expiration or earlier termination of this Lease, including, without limitation, all payment obligations with respect to Rent and other charges, and all obligations concerning the condition of the Premises.

31.17 Tenant shall not record this Lease, nor any copy or memorandum thereof, and any breach by Tenant of this paragraph shall constitute an immediate default by Tenant entitling Landlord to involve any and all of Landlord's remedies available for default.

32. NOTICES

32.1 Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be in writing and shall be given or served and shall not be deemed to have been duly given or served unless: (a) in writing; (b) either (1) delivered personally, (2) deposited with the United States Postal Service, as registered or certified mail, return receipt requested, bearing adequate postage, or (3) sent by overnight express courier (including, without limitation, Federal Express, DHL Worldwide Express, Airborne Express, United States Postal Service Express Mail) with a request that the addressee sign a receipt evidencing delivery; and (c) addressed to the party at its address in Section 1.1. Either party may change such address by written notice to the other. Service of any notice or demand shall be deemed completed forty-eight (48) hours after deposit thereof, if deposited with the United States Postal Service, or upon receipt if delivered by overnight courier or in person.

33. BROKER'S COMMISSIONS

33.1 Tenant represents and warrants to Landlord that no party other than the Broker(s) identified in Section 1.1(t) is due any brokerage commissions or finder's fees in connection with this Lease, and that Tenant has dealt with no broker other than the Broker(s) identified in Section 1.1(t). Tenant shall indemnify, defend and

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hold Landlord harmless for, from and against all liabilities arising from any such claims, including any attorneys' fees incurred by Landlord in connection therewith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

LANDLORD

City of Glendale,
an Arizona municipal corporation

By: _____

Name: Brenda Fischer

Title: City Manager

TENANT

Administration of Resources and Choices
an Arizona Non-Profit Corporation

By: _____

Name: Jim Murphy

Title: President

ATTEST:

_____
City Clerk

[Notary Acknowledgement Appears Below]

APPROVED AS TO FORM:

_____
City Attorney

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

On this 7th day of January, 2015 before me, the undersigned officer, personally appeared Jim Murphy, the President of Board of Directors, and he/she, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes there contained on behalf of Tenant.

_____
Notary Public

My Commission Expires: 1/31/2018

EDITH J GOETZ
Notary Public - Arizona
Pima County
My Comm. Expires Jan 31, 2018

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EXHIBIT A

FLOOR PLAN OF THE BUILDING INDICATING PREMISES

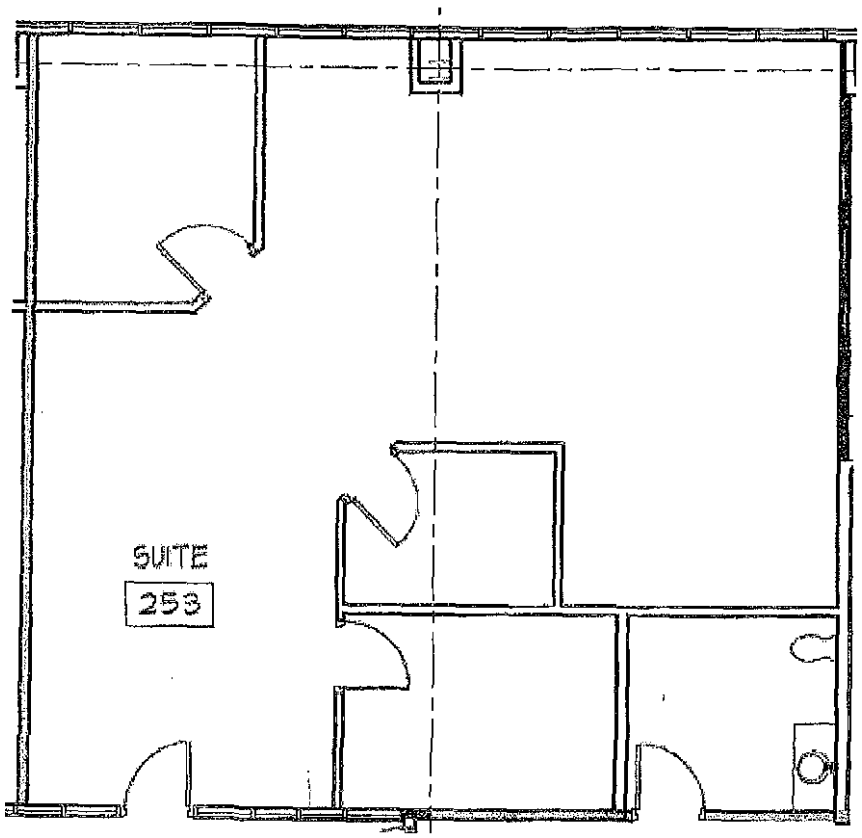

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EXHIBIT B

RULES AND REGULATIONS

1. Tenant will refer all contractors, contractor's representatives and installation technicians rendering any service to Tenant, to Landlord for Landlord's supervision, approval and control before performance of any contractual service. This provision shall apply to all work performed in the Building including installations of telephones, telegraph equipment, electrical devices and attachments, and installations of any nature affecting doors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of Building.

2. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Tenant nor shall any changes be made in existing locks or the mechanism thereof without Landlord's prior written consent.

3. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of any merchandise or materials which require use of stairways, elevators or movement through Building entrance or lobby shall be restricted to hours designated by Landlord. All such movement shall be under supervision of Landlord and in the manner agreed between Tenant and Landlord by prearrangement before performance. Such prearrangement initiated by Tenant will include determination by Landlord and subject to its decision and control, as to the concerns that may prohibit any equipment or other item from being brought into the Building. Tenant is to assume all risk as to damage to items moved and injury to persons or public engaged or not engaged in such movement, including equipment, property, and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for Tenant from time of entering property to completion of work; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss to any of said property or persons resulting from, any act in connection with such service performed for Tenant. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as the Building shall reasonably require.

4. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors, or other parts of the Building, except of such color, size and style and in such places, as shall be first approved in writing by Landlord and in compliance with all local ordinances governing such items. Without Landlord's prior written consent, no nails, hooks or screws shall be driven or inserted in any part of the Building, except by the Building maintenance personnel, nor shall any part be defaced by Tenant. Building standard suite entrance signs to premises shall be placed thereon by a contractor designated by Landlord at Tenant's expense.

5. Tenant shall not place, install or operate on the Premises or in part of the Building, any engine, refrigerating (other than a home-type kitchen refrigerator), heating or air conditioning apparatus, stove or machinery, or conduct mechanical operations or cook thereon or therein, or place in or about the Premises any explosives, gasoline, kerosene, oil, acids, caustics or any other inflammable, explosives, hazardous or odorous material without the prior written consent of Landlord.

6. No portion of the Premises shall at any time be used for cooking, sleeping or lodging quarters, except that the use of a microwave shall be acceptable.

7. In the event Tenant requires the disposal of foodstuffs, edible matter, or any materials attractive to pests or vermin, Tenant shall provide at its sole cost and expense a vermin-proof receptacle for the disposal of such materials, and take active measure to control pests and vermin. No Tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from the leased Premises.

8. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when the area is locked against entry or not.

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9. No birds or animals shall be brought into or kept in or about the Building, except assistance animals.

10. Employees of Landlord shall not receive or carry messages for or to Tenant or other person, nor contract with or render free or paid services to Tenant or Tenant's agents, employees, or invitees.

11. Landlord will not permit entrance to Tenant's offices by use of pass keys controlled by Landlord to any person at any time without written permission by Tenant, except employees, contractors, or service personnel directly supervised by Landlord.

12. The entries, passages, doors, elevators and elevator doors, hallways or stairways shall not be blocked or obstructed; no rubbish, litter, trash, or material of any nature shall be placed, emptied or thrown into these areas; and such areas shall not be used at any time except for ingress or egress by Tenant, Tenant's agents, employees or invitees to or from the Premises.

13. Plumbing fixtures and appliances shall be used only for purposes for which constructed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Damage resulting to any such fixtures or appliances from misuse by Tenant, its employees, agents, visitors or licensees shall be paid for by Tenant, and Landlord shall not in any case be responsible therefor.

14. The Landlord desires to maintain the highest standards of environmental comfort and convenience for all Tenants. It will be appreciated if any undesirable conditions or lack of courtesy or attention are reported directly to the management. Tenant shall give immediate notice to the Building Manager and Landlord in case of accidents in the Premises or in the Common Areas or of defects therein or in any fixtures or equipment, or of any known emergency in the Building.

15. Tenant shall not make, or permit to be made, any unseemly, excessively loud, or disturbing noises, or interfere with occupants of this or neighboring buildings or premises, or those having business with them.

16. Landlord shall have the right to make such other and further reasonable rules and regulations as in the judgment of Landlord may from time to time be needful for the safety, appearance, care and cleanliness of the Building and for the preservation of good order therein. Landlord shall not be responsible to Tenant for any violations of rules and regulations by other Tenants.

17. All Tenants shall adhere to and obey all such parking control measures as may be placed into effect by the Landlord through the use of signs, identifying decals or other instructions. No bicycles or other vehicles of any kind shall be brought into or kept on the Premises except in designated areas specified for parking of such vehicles.

18. No objects larger or heavier than the Building is limited to carry shall be brought into or installed on the Premises. The Landlord shall have the power to prescribe the weight and position of such objects, including safes, which shall, if considered necessary by the Landlord, be required to be supported by such additional materials placed on the floor as the Landlord may direct, and at the expense of the Tenant.

19. Landlord shall have no obligation to repair, restretch, or replace carpeting, but will spotclean and sweep carpeting as part of any janitorial services required to be furnished by Landlord under the Lease.

20. Names to be placed on or removed from directories should be furnished to the Building Manager in writing on Tenant's letterhead. Landlord shall provide, at its expense, directory strips reflecting information correct as of the Commencement Date. Subsequent changes and additions to the directory strips during the Lease Term shall be at the expense of Tenant. Landlord will determine size and uniformity of strips.

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21. All Tenants shall see that doors of their premises are closed and securely locked before leaving the Building and must observe strict care not to leave such doors and so forth open and exposed to the weather or other elements, and each Tenant shall exercise extraordinary care and caution that all water faucets or water apparatus are entirely shut off before the Tenant or the Tenant's employees leave the Building, and that all electricity, gas and air conditioning shall likewise be carefully shut off, so as to prevent waste or damage, where controlled by Tenant.

22. Janitorial services shall be provided five (5) days per week in and about the Premises, and in no case shall such services be provided on Saturdays, Sundays and legal holidays. Tenants shall not cause unnecessary labor by reason of carelessness or indifference in the preservation of good order and cleanliness. Tenant shall not hinder the work of the janitor or cleaning personnel after 5:30 p.m., and such work may be done at any time when the offices are vacant. The windows, doors and fixtures may be cleaned at any time without interruption of purpose for which the Premises are let. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service. Boxes should be broken down to fit into containers.

23. Canvassing, soliciting and peddling in the Building are prohibited. All Tenants shall cooperate to prevent the same.

24. All nail holes are to be patched and repaired in Tenant's suite by Tenant upon vacating Premises.

25. All holiday decorations and other temporary or special decorations must be flame-retardant. No live holiday trees or live flame candles are to be used in the Premises or in the Building. No decorations shall be hung on the exterior windows or on exterior suite doors.

--NOTHING FOLLOWS--

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EXHIBIT C

LEASE GUARANTEE

WHEREAS, that certain Office Lease Agreement (the "Lease") of even date herewith has been executed by and between the Landlord and Tenant, covering certain premises located in 5800 West Glenn Drive, Suite 253, Glendale, Arizona 85301;

WHEREAS, Landlord has required as a condition of Landlord's execution of the Lease that the undersigned guarantee the full performance of the obligations of Tenant under the Lease; and

WHEREAS, the undersigned desire that Landlord enter into the Lease with Tenant.

1. In consideration of the execution of the Lease by Landlord, the undersigned ("Guarantor") hereby unconditionally guarantees the full performance of each and all of the terms, conditions, covenants, and provisions of the Lease to be kept and performed by Tenant, including but not limited to the payment of all rentals and other charges payable thereunder. Guarantor further agrees that this Lease Guarantee (the "Guarantee") shall not be released, diminished, or otherwise affected by:

   a. Any assignment of all or any part or parts of the Lease by Tenant with or without the consent of Landlord;

   b. The assignment or transfer in whole or in part of Landlord's interest in the Lease and/or this Guarantee;

   c. The bankruptcy, reorganization, or insolvency of Tenant or any successor or assignee thereof or any disaffirmance or abandonment by a trustee of Tenant;

   d. Any modification or alteration of the Lease by the parties thereto or their successors and assigns, or the granting of extensions of time by Landlord with respect to the performance of any of the terms, and provisions of the Lease, or the waiver (express or implied) by Landlord of any provision of the Lease;

   e. Any deferral, reduction or compromise of any rental or other charge due Landlord under the provisions of the Lease; or

   f. The failure by Landlord to require strict performance of any term or provision of the Lease or to exercise any right, power or remedy granted to Landlord in the Lease.

2. The liability of Guarantor under this Guarantee shall be primary, and in any right of action which shall accrue to Landlord under the Lease, Landlord may, at its option, proceed against Guarantor without having commenced any action against Tenant, or Landlord may proceed against Tenant without having commenced any action against Guarantor, or Landlord may proceed against Tenant and Guarantor concurrently. In any event, the election by Landlord to proceed against only the Tenant or Guarantor undersigned shall not release the other from liability under the Lease or this Guarantee.

3. Guarantor shall pay Landlord's reasonable attorney fees and all costs and other expenses incurred in recovering possession of the Premises (as defined in the Lease) or in any collection or attempted collection or in any negotiations relating to the obligations hereby guaranteed or in enforcing this Guarantee.

4. Guarantor hereby waives and agrees not to assert: (a) any right to require Landlord to proceed against Tenant or any other guarantor, to proceed against or exhaust any security for the full performance of each and all of the terms, conditions, covenants, and provisions of the Lease to be kept and performed by Tenant, or to

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pursue any remedy in any particular order or manner; (b) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof; (c) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand, nonpayment, and acceptance of this Guarantee; and (d) notice of the existence, creation, or incurring of new or additional obligations of Tenant to Landlord; (e) the benefits of any statutory provision limiting the liability of a surety, including without limitation, the provisions of A.R.S. §§ 12-1641 *et seq.;* (f) notice of extension, modification, or amendment of the Lease; and (g) any defense arising by reason of any disability or other defense of Tenant or by reason of the cessation from any cause whatsoever (other than payment in full) of the obligations of Tenant under the Lease. Guarantor irrevocably waives all rights of subrogation against Tenant, hereby waives any right to enforce any remedy which Landlord now has, or may hereafter have, against Tenant, and waives any benefit of, and any right to participate in, any security now or hereafter held by Landlord.

5. All existing and future indebtedness of Tenant to Guarantor is hereby subordinated to the obligations of Tenant to Landlord under the Lease and such indebtedness of Tenant to Guarantor, if Landlord so requests, shall be collected, enforced, and received by Guarantor as trustee for Landlord and shall be paid over to Landlord on account of the obligations of Tenant under the Lease, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guarantee.

6. If Tenant is a corporation, partnership or limited liability company, it is not necessary for Landlord to inquire into the powers of Tenant or the officers, directors, partners, or agents acting or purporting to act on Tenant's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

7. This Guarantee sets forth the entire agreement of Guarantor and Landlord with respect to the subject matter hereof and supersedes all prior oral and written agreements and representations by Landlord to Guarantor. No modification or waiver of any provision of this Guarantee or any right of Landlord hereunder and no release of Guarantor from any obligation hereunder shall be effective unless in a writing executed by an authorized officer of Landlord.

8. The use of the singular herein shall include the plural. This Guarantee shall be binding upon the heirs, personal representatives, successors, and assigns of Guarantor, and shall inure to the benefit of Landlord and any person or entity which shall hereafter acquire Landlord's interest in the Lease or this Guarantee.

9. This Guarantee shall be governed by and construed according to the laws of the State of Arizona. Guarantor consents to jurisdiction of the federal or state courts of Arizona and consents to venue for any action relating to this Guarantee being in Maricopa County, Arizona.

IN WITNESS WHEREOF, Guarantor has duly executed this Guarantee as of the day and year first above written.

By: Jm Murphy Sole & Separately
Jim Murphy
"GUARANTOR"
Date:

MARITAL COMMUNITY GUARANTY JOINDER

The undersigned, as the spouse of a Guarantor ("Spouse"), hereby joins in the signing of this Lease Guaranty solely for the purpose of binding and consenting to the commitment of the marital community property of Guarantor and Spouse, in accordance with *Arizona Revised Statutes* §25-214.

By: N/A Date:

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EXHIBIT D

TENANT IMPROVEMENT WORK LETTER

[Attach as necessary]

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EXHIBIT E
PARKING

Provided Tenant is not in default hereunder, Tenant shall be permitted to use the Automobile Parking Area during the Lease Term for the parking of vehicles at such charges or rates and subject to such terms, conditions and regulations as described below and as Landlord may establish from time to time, the location of such parking to be as determined and assigned by Landlord from time to time during the Lease Term. If Tenant at any time during the Lease Term fails to utilize all or any of said parking spaces, Landlord shall have no obligation to make available to Tenant the spaces not utilized. The failure of Landlord for any reason to provide or make available such parking to Tenant or the inability of Tenant to utilize said parking, shall under no circumstances be deemed a default by Landlord so as to permit Tenant to terminate this Lease in whole or in part or to have any claim or cause of action against Landlord as a result thereof, the same being expressly waived by Tenant.

Tenant's right to use the Automobile Parking Area as herein provided is solely for the accommodation of Tenant. Landlord assumes no responsibility or liability of any kind whatsoever from any cause with respect to the use thereof by Tenant or its agents, employees or guests, all of whom shall be deemed to have assumed all risks or to have released Landlord from all liability in connection with the utilization thereof.

Landlord may restrict or move reserved and unreserved parking spaces from time to time for repairs or maintenance to the parking lot; in connection with construction at or deliveries to the Project; or for any other reason deemed reasonable and appropriate by Landlord.

Landlord has the right to establish and from time to time change, alter, and amend, and to enforce against all users of the Automobile Parking Areas, reasonable rules and regulations (the "Parking Rules and Regulations"), the exclusion of employee parking from certain areas and the assignment of spaces to tenants, and other requirements as may be deemed necessary and advisable for the proper and efficient operation and maintenance of said Automobile Parking Areas including, without limitation, the hours during which the Automobile Parking Areas shall be open for use, and Tenant shall cause Tenant's Permittees to comply therewith.

Landlord may establish such reasonable charges as Landlord deems appropriate for the use of the Automobile Parking Areas by persons who have not leased space in the Building. Landlord may establish a system whereby these persons may present validations issued by tenants in lieu of payment of the parking charges. If Tenant wishes to provide Tenant's Permittees with validations as part of the validation system, Tenant shall pay Landlord, as Additional Rent, those charges established by Landlord for use of the validation system and to comply with such system and all Parking Rules and Regulations established by Landlord for Tenant's use and the use of Tenant's Permittees of the validation.

If applicable, Tenant shall have the right during the term of this Lease and so long as Tenant is not in default of this Lease, to use the following number and kind of parking spaces for the designated charge (but at such location as Landlord may determine from time to time).

Landlord shall provide to Tenant 0 reserved parking space(s) in the basement level of the parking garage structure at 5835 West Palmaire Avenue at a monthly rental rate of $0.00 per space per month (plus applicable fees and taxes).

Rental for such spaces shall be paid to Landlord by Tenant along with, and on the same due date as the Minimum Monthly Rent.

Tenant acknowledges that the parking garage includes additional unreserved parking spaces that are available for use by the general public. These parking spaces may also be used on a reasonable basis by Tenant, Tenant's employees, and Tenant's business invitees without additional charge to the extent such spaces are available. Landlord makes no representations, warranties, or assurances that such additional spaces shall be available at all times or at any time during the Term.

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Exhibit F
Termination Option

At any time during the initial term of the lease or renewal period, should the Administration of Resources and Choices lose its government funding (state, federal, city, or county), and such loss would cause the subsequent closure of the ARC Phoenix office or operations, the Tenant shall have an option to terminate the lease. Tenant to provide all proper documentation in the event this occurs and must give Landlord thirty (30) days' notice. If said Termination option is exercised within six (6) months of an executed lease, the Tenant shall forfeit their security deposit, pay one (1) months' rent and be responsible to reimburse the landlord for unamortized commissions. If said Termination option is exercised after month six (6) of an executed lease, the Tenant shall forfeit their security deposit and be responsible to reimburse landlord for unamortized commissions.

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Exhibit G
Renewal Option

So long as (i) the entity named above in the first paragraph of this Lease is Tenant under this Lease, (ii) Tenant has timely paid and performed all of its obligations hereunder, and (iii) no Tenant Default (as defined above) exists as of the time of exercise of a Renewal Option or the commencement of the Renewal Period, and no circumstance exists that with the giving of notice and passing of time would result in a Tenant Default, Tenant shall have the right and option ("**Renewal Option**") to extend the Term for two Renewal Periods of One (1) year commencing immediately after the expiration of the initial Term. Each Renewal Option must be exercised no earlier than One Hundred Eighty (180) days, nor later than Sixty (60) days prior to the then applicable Expiration Date ("**Option Exercise Date**"), by written notice from Tenant to Landlord stating that Tenant elects to renew the Lease ("**Option Exercise Notice**"). Each of such Renewal Periods shall be for the period one (1) year and the Base Rent and escalations shall be $13.50 for the first renewal period and $14.50 for the second renewal period. All other terms and provisions of the Lease shall be applicable during any Renewal Period with the same force and effect as the Base Term. If Tenant fails to give timely notice of its exercise of any option to extend hereunder by the applicable Option Exercise Date, then all the option(s) set forth in this Section shall automatically terminate and Landlord shall be free to market the Premises to potential tenants.

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