

LEASE AGREEMENT

1. **Basic Terms.** This Section 1 contains the Basic Terms of this Lease (“**Lease**”) by and between Landlord and Tenant as each is named below. Landlord and tenant may be referred to each individually as a “**Party**” and collectively as the “**Parties**”.

1.1. Effective Date of Lease: March 1, 2023 (“**Effective Date**”).

1.2. Landlord: Town of Queen Creek, an Arizona Municipal Corporation

1.2.1. Landlord’s Notice Address: Town of Queen Creek
Attn: Town Manager
22350 S. Ellsworth Road
Queen Creek, AZ 85142

With a copy to: Dickinson Wright PLLC
Attn: Scott Holcomb
1850 N. Central Ave., Ste 1400
Phoenix, Arizona 85004
sholcomb@dickinsonwright.com

1.3. Tenant: Painting Wonderland, LLC, an Arizona limited liability company.

1.3.1. Tenant’s Notice Address: Painting Wonderland LLC
22249 S. Ellsworth Road
Queen Creek, AZ 85142
tara@paintingwonderland.com

1.4. Premises: 22249 S. Ellsworth Road, Queen Creek, Arizona (the “**Premises**”).

1.5. Property: The real property on which the Premises is located, with an address at 22249 S. Ellsworth Road, Queen Creek, Arizona, (the “**Property**”).

1.6. Lease Term: Two (2) years (the “**Initial Lease Term**”), commencing on March 1, 2023 (the “**Commencement Date**”) and continuing for a period of two (2) years.

1.7. Permitted Uses: The Premises shall be used for the purpose of a pottery and art studio by Tenant and for such other lawful purposes as may be incidental thereto. Tenant shall obtain and keep current a Town of Queen Creek Business License and all necessary licenses from the Maricopa County Environmental Services (or similar regulatory body) in order to conduct Tenant’s proposed business hereunder. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at Tenant’s sole expense. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action which would constitute a nuisance. Tenant shall not permit the Premises to be used for any purpose or in any manner (including without limitation any method of storage)

which would render the insurance maintained by Landlord thereon void or the insurance risk more hazardous. (See Section 3.1).

1.8. Security Deposit: \$1,370.00 (“**Security Deposit**”) (See Section 4).

1.9. Base Rent Payable by Tenant is (See Section 2):

1.9.1. Year 1: \$1,496.59 monthly, plus all amounts owed for Additional Rent, as set forth in Section 2.3.

1.9.2. Year 2: \$1,541.49 monthly, plus all amounts owed for Additional Rent, as set forth in Section 2.3.

1.10. Exhibits and Addendums:

1.10.1. Exhibit A – Rules and Regulations

2. Lease of Premises.

2.1. Rent. Landlord hereby leases the Premises to Tenant, and Tenant hereby rents the Premises from Landlord, for the Term and subject to the conditions of this Lease. Tenant shall pay net base rent (the “**Base Rent**”) to Landlord in monthly installments, in advance, on the first day of each and every calendar month during the Term, in the amounts set forth in Section 1.9 of the Basic Terms. In the event that the Lease Term shall commence in the middle of the month, the first and last month's installment of Rent shall be prorated based on a 30-day month. Commencing on the first (1st) anniversary of the Commencement Date, and on each anniversary thereafter (including during any Extension Term), the Rent shall increase by an amount equal to three percent (3%) of the Rent in effect during the immediately preceding lease year. Simultaneously with the execution and delivery of this Lease, Tenant shall deposit with Landlord the sum set forth in Section 1.9 for the first month's Base Rent under this Lease.

2.2. Late Charges. Tenant shall pay to Landlord a sum equal to ten percent (10%) of the monthly Base Rent due hereunder for each month Base Rent is not paid by the fifth (5th) day after the due date of the month in which the Base Rent is due (a “**Late Charge**”).

2.3. Additional Rent. In addition to, and concurrent with, any payment of Rent and any applicable Late Charge, Tenant shall also pay to Landlord without demand or offset, or delay, as additional rent, all other amounts to be paid by Tenant to Landlord pursuant to this Lease, including without limitation any transaction privilege tax (in the amount set by applicable laws and regulations in effect at the time payment is due, currently 2.75% of the Rent) or use tax assessed against Landlord in connection with this Lease or Tenant's use of the Premises. All amounts owed by Tenant pursuant to this Section 2.3, and as may otherwise be required pursuant to this Lease, including as set forth in Section 14, shall be deemed to be “**Additional Rent**” (together with Base Rent, “**Rent**”), whether or not designated as such, and shall be due and payable within ten (10) days after receipt by Tenant of Landlord's statement. Tenant shall also pay to Landlord, as Additional Rent,

within thirty (30) days of Tenant's receipt of notice and supporting documentation thereof: (i) any incremental additional utility charges to the Property incurred as a result of Tenant's use of the Premises; and (ii) any increase in real property taxes solely and directly attributable to Tenant's use of the Premises. Landlord shall have the same remedies for the failure to pay Additional Rent or any Late Charge as for the non-payment of Base Rent. All Rent shall be payable in lawful money of the United States of America.

3. Use.

- 3.1. Use of the Premises. The Premises shall be used by the Tenant for the purpose(s) set forth in Section 1.7 above and for no other purpose whatsoever (the “**Permitted Use**”) without the prior written consent of Landlord, to be granted or withheld in Landlord’s sole discretion. Tenant's use of the Premises shall comply with all applicable Town of Queen Creek Codes and any other applicable laws, rules, codes and regulations, including any amendments or changes thereto, including, without limitation, obtaining any permits or governmental approvals required to conduct the Permitted Use within the Premises. Notwithstanding any provision of this Lease to the contrary, Landlord’s approval of any plans, specifications, or changes to the Permitted Use shall not be deemed approval of any required submission, permitting, plan review, or other governmental process of the Town of Queen Creek. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at Tenant’s sole expense. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action, which would constitute a nuisance. Tenant shall not permit the Premises to be used for any purpose or in any manner (including without limitation any method of storage) which would render the insurance maintained by Landlord thereon void or the insurance risk more hazardous. Without limiting the foregoing, the Premises (including any common areas associated therewith) shall not be used: (a) for the sale of cannabis, cannabis paraphernalia or products featured as relating to cannabis, its use, storage, distribution or cultivation; or (b) as living quarters for any person. All use of the Premises is subject to the Rules and Regulations set forth in Exhibit “C”.
- 3.2. Signage. Tenant will not construct or install any signs, banners, or other advertising material visible from the exterior of the Premises without prior written consent of Landlord, to be granted or withheld in Landlord’s sole discretion. Tenant shall be responsible for cost of any such signs (including sign permits), and for compliance with all applicable laws. All signage shall be removed by Tenant at its sole cost and expense on or prior to the expiration or earlier termination of the Lease, and Tenant shall repair all damage to the Premises or the Property resulting from its removal. Tenant’s obligation under this Section 3.2 shall survive the expiration or earlier termination of the Lease.
- 3.3. Increase in Insurance Premiums. If an increase in any insurance premiums paid by Landlord for the Property occurs as a result of Tenant’s use of the Premises, then Tenant shall pay the amount of such increase to Landlord as Additional Rent.

- 3.4. Noise; Nuisance. Tenant shall not commit or suffer to be committed any nuisance upon the Premises, or any part thereof, or any act or thing which may disturb the quiet enjoyment of any neighbor.
- 3.5. Waste, Trash, or Debris. Any waste, trash, or debris create by or on behalf of Tenant outside of the Premises must be immediately cleaned and properly disposed of by the Tenant. If Tenant fails to clean any waste, trash, or other debris, Landlord may clean or dispose of such waste, trash, or debris on account of the Tenant, and Tenant shall pay Landlord for any costs incurred by Landlord as Additional Rent.
- 3.6. Parking. There shall be no overnight onsite employee parking. Parking of any trailers at the property is prohibited at any time. Tenant will not repair any vehicles in the parking area, except in areas designated for such use by Landlord. Tenant shall continue to keep the parking area clear of any debris, oil, vehicle liquids, etc. and shall maintain a neat and professional appearance around this area at all times.
- 3.7. Abandonment. If Tenant shall abandon, vacate, or surrender said Premises or be disposed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned at the option of Landlord.
- 3.8. Regulatory Compliance. Tenant shall, at Tenant's sole cost and expense, comply with all statutes, ordinances, regulations, rules, codes, by-laws, orders and requirements of any governmental authority having jurisdiction, and all restrictions, covenants and encumbrances of record with respect to the Premises, including, without limitation the Americans with Disabilities Act of 1990 ("**ADA**"), and all regulations promulgated thereunder, in each such case as it affects Tenant's use and/or occupancy of the Premises. Landlord's approval of the Lease, proposed use, proposed Alterations (as defined below) and/or any other item requiring Landlord's approval shall in no way be considered any warranty or representation, either express or implied, by Landlord, that any such items are proper or sufficient for Tenant's particular purposes or that said items or the Premises are appropriate for any permits and/or licenses (including but not limited to conditional use permits, building permits, zoning variances, ADA compliance and other governmental approvals, collectively, "**Government Approvals**") that are required by applicable laws to enable Tenant legally to conduct its business from the Premises and Landlord shall have no obligation, duty or responsibility to take any action necessary to obtain any such Governmental Approvals. Tenant expressly acknowledges and agrees this Lease is expressly not conditioned upon Tenant obtaining any such Governmental Approvals.
- 3.9. Rules and Regulations. Tenant agrees that it will abide by, heed and observe all rules and regulations set forth on Exhibit "C", along with all reasonable rules and regulations which Landlord may make from time to time for the management, safety, care, and cleanliness of the building and grounds, the parking of vehicles and the preservation of good order therein. Tenant acknowledges that Landlord shall have the right (but not the obligation) to, from time to time change, alter, amend and enforce the rules and regulations set forth on Exhibit "C". Violation of any such rules and regulations shall be deemed a material breach of this Lease by Tenant.

3.10. **Non-interference.** Tenant shall not use the Premises in any way that interferes with the use of the Property by: (i) Landlord; or (ii) existing tenants, licensees, invitees, or guests of Landlord (collectively, “**Existing Users**”), provided that Tenant has exclusive use of the Premises, subject to the terms of this Lease. At Landlord’s request, Tenant shall move any items that may be stored in the parking areas and other locations outside of the Premises, as may be necessary for Landlord / Town of Queen Creek operations.

So long as Tenant is not in breach of this Lease, Landlord shall not interfere with Tenant’s use and quiet enjoyment of the Premises, provided that continued use by Landlord or Existing Users in the same manner as existed as of the Commencement Date shall not constitute interference with Tenant’s use or quiet enjoyment of the Premises, and provided that Landlord shall be entitled to reasonable access to the Premises such that Landlord and Landlord’s agents, employees, contractors, and representatives may inspect the Premises and perform general maintenance services without undue interruption, delay, or hindrance, and as set forth in Section 15.

3.10.1. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Section 3.10 and therefore the Parties shall have the right to seek equitable remedies including, without limitation, injunctive relief or specific performance.

4. **Security Deposit.** Landlord has received the Security Deposit from the Tenant, representing security for the performance by Tenant of the covenants and obligations hereunder. If Tenant defaults in the performance of any of its covenants hereunder, Landlord may, without notice to Tenant, apply all or any part of the Security Deposit, to the extent required for the payment of any Rent or other sums due from Tenant hereunder, in addition to any other remedies available to Landlord. If the Security Deposit is so applied, Tenant shall, upon demand, immediately deposit with Landlord a sum equal to the amount so used. If Tenant shall fully and faithfully comply with all of the covenants and conditions of this Lease, the Security Deposit shall be returned to Tenant after the expiration of the Term and the surrender of the Premises to Landlord.
5. **Condition of Premises.** Tenant acknowledges and agrees that it has had full opportunity to inspect the Premises and is familiar with the condition of both the Premises and the Property and accepts the Premises, and specifically the Building and improvements located thereon, in their present condition as suitable for the purpose for which the Premises are leased. Tenant agrees that Tenant hereby accepts the Premises on an “AS-IS, WHERE-IS” basis, without any representation or warranty from Landlord whatsoever with respect thereto. By taking of possession of the Premises, Tenant shall be deemed conclusively to establish that said Building and other improvements are in good and satisfactory condition as of when possession was taken. Tenant further acknowledges that no representations as to the condition or repair of the Premises have been made by Landlord, unless such are expressly set forth in this Lease. Landlord has no obligation to alter, remodel or improve the Premises.
6. **Attornment; Estoppel; Release of Landlord.** This Tenant agrees, within five (5) business days after request by Landlord, to deliver to Landlord, or Landlord’s designee, an estoppel certificate stating such matters pertaining to this Lease as may be reasonably requested by Landlord. In the event of a sale or conveyance by Landlord of the Property or any assignment

of Landlord's interest in this Lease, the same shall operate to release Landlord from any future liability for any of the covenants or conditions, express or implied, herein contained in favor of Tenant, and in such event Tenant agrees to look solely to Landlord's successor in interest with respect thereto and agrees to attorn to such successor.

7. **Assignment, Subletting, and Mortgaging.** Tenant shall not, whether voluntarily, by operating of law, or otherwise, sublet, assign, mortgage, pledge, encumber, or otherwise hypothecate or transfer this Lease (or any interest therein) or the Premises, or any part thereof, in any manner whatsoever without Landlord's consent, which consent may be withheld or granted in Landlord's sole discretion. Any attempted assignment or other action in violation of this Section 7 shall be void ab initio. In the event that Landlord consents to any such sublet, assignment, or transfer of this Lease, Tenant and any guarantors of Tenant's obligations shall remain jointly and severally liable with any such assignee for Tenant's responsibilities and liabilities hereunder

8. **Environmental Matters.**

8.1. Indemnity. Tenant shall defend, indemnify and hold harmless Landlord, its agents, officers, officials and employees for, from and against any and all claims, damages, losses, costs, liens, encumbrances, liabilities and expenses, including, but not limited to, reasonable attorneys', accountants' and investigators' fees and court costs (collectively "**Claims**"), arising out of or in connection with Tenant's violation of any Hazardous Materials Law or use of Hazardous Materials. Landlord represents and warrants to Tenant that Landlord: (i) is not presently engaged in, (ii) does not presently have actual knowledge of, (iii) has not at any time in the past engaged in, and (iv) has no actual knowledge that any third person or entity has engaged in or permitted any operations or activities upon, or any use or occupancy of, the Premises, or any portion of the Property, for the purpose of, or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal), accidental or intentional, of any Hazardous Materials regulated under any Hazardous Materials Laws.

8.2. Definitions.

8.2.1. "**Hazardous Materials Laws**" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common-law") relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Property, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

8.2.2. "**Hazardous Materials**" means any chemical, compound, material, substance or other matter that: (i) is a flammable explosive, asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance,

petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (ii) is controlled, designated in or governed by any applicable Hazardous Materials Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Materials Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person under any Hazardous Materials Law.

8.2.3. Tenant's and Landlord's obligations under this Section 8 shall survive the expiration or other termination of this Lease.

9. Insurance.

9.1. Liability Insurance. Tenant shall, at all times during the term of this Lease and at its own cost and expense, maintain, procure and continue in force commercial general liability insurance for personal injury, bodily injury (including wrongful death) and property damage with a combined single limit of not less than Three Million and No/100 Dollars (\$3,000,000.00), per occurrence, Three Million and No/100 Dollars (\$3,000,000.00), annual aggregate, and shall insure against all liability of the insured with respect to the Property, or arising out of the maintenance or use thereof. The commercial general liability policy shall contain a contractual liability endorsement specifically deleting the contractual liability exclusion for personal injury. All liability insurance policies obtained by Tenant shall name Landlord as additional insureds. In addition, Tenant's liability insurance policies shall be endorsed as needed to provide cross-liability coverage for Tenant and Landlord and shall provide for severability of interests. Evidence of general liability insurance meeting the requirements of Acord Form No. 25 (the "Certificate") shall be delivered to Landlord prior to Tenant's use of the License Property and thereafter, Certificates thereof shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each such policy. All policies of insurance delivered to Landlord must contain a provision that the company writing the policy will give Landlord twenty (20) days' notice in writing in advance of any cancellation. All commercial or general liability policies shall be written as primary policies and shall provide that any insurance which Licensor may carry is strictly excess, secondary and non-contributing with any insurance carried by Licensee. If insurance lapses, Licensor may immediately terminate this Agreement without further action or notice.

9.2. Property Insurance. Tenant, at its sole cost and expense, shall obtain and continuously maintain in full force and effect during the Term, policies of insurance covering the Premises and Property, naming Landlord as an additional insured, against (a) loss or damage by fire; (b) loss or damage from such other risks or hazards now or hereafter embraced by an "Extended Coverage Endorsement," including but not limited to windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (c) loss from so-called explosion, collapse and underground hazards (to the extent applicable); and (d) loss or damage by boiler and pressure vessel (including, but not limited to, pressure pipes, steam pipes and condensation return pipes) explosion or damage. The insurance must cover, without limitation, heating, ventilating and air conditioning equipment, storefront, glass, plate glass, and anything in the nature of leasehold alterations, additions or improvements. The

perils insured against must include all risks of direct physical loss or damage. At all times, such insurance coverage shall be in an amount sufficient to prevent Landlord and Tenant from becoming co-insurers (i.e., being penalized) under the provisions of any applicable property insurance policies, but in any event in an amount not less than the then Full Replacement Cost of the improvements. “**Full Replacement Cost**” shall mean the cost of replacing the improvements without deduction for depreciation or wear and tear, and it shall include a reasonable sum for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the improvements in the event of damage thereto or destruction thereof. If a sprinkler system shall be located in the Property, sprinkler leakage insurance shall be procured and continuously maintained by Tenant at Tenant’s sole cost and expense.

10. **Alterations.** Tenant shall not make or suffer or allow to be made any alterations, additions, or improvements in or to the Premises (including but not limited to roof and wall penetrations) (collectively, “**Alterations**”) without first obtaining Landlord’s written consent, in Landlord’s sole discretion, based on detailed plans and specifications submitted by Tenant. In the event that Landlord consents to any Alterations, Landlord shall have the right, at Landlord’s election, to supervise the Alteration work. Tenant agrees that all such work shall be done at Tenant’s sole cost and expense, in accordance with the plans and specifications approved by Landlord and in a good and workmanlike matter, that the structural integrity of the Premises shall not be impaired, and that no liens shall attach to all or any part of the Premises or Property by reason thereof. Tenant shall also obtain, at its sole expense, permits or governmental approvals for all work requiring such a permit or governmental approval before making any structural or other changes to the Building (such tenant improvements and structural changes as set forth in the permit application being herein called “**Tenant’s Work**”). Once commenced, Tenant’s Work shall be promptly pursued to completion in a lien-free and good workman like manner in accordance with said building permit and all codes. A list of Tenant’s Work and building permits (if, as and when issued) will be attached as Exhibits to this Lease and shall become a portion of Tenant’s obligations hereunder.
11. **Inspection.** Landlord and Landlord’s agents and representatives shall have the right to enter and inspect the Premises at any reasonable time during business hours, for the purpose of ascertaining the condition of the Premises or in order to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease
12. **Landlord’s and Tenant’s Property.** All fixtures, machinery, equipment, improvements, and appurtenances attached to, or built into, the Premises (collectively, “**Fixtures**”) at the Commencement Date or during the Term, whether or not placed there by or at the expense of the Tenant, shall become and remain a part of the Premises, shall be deemed the property of Landlord and shall not be removed by Tenant at the Expiration Date unless Landlord requires their removal in Landlord’s sole discretion, all such Fixtures being “**Landlord’s Property**”. All movable non-structural partitions, business and trade fixtures, machinery and equipment, and communications equipment that are installed in the Premises by (or for) Tenant and without expense to Landlord and that can be removed without structural damage to the Property, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively, the “**Tenant’s Property**”) shall be and shall remain the property of Tenant. At or before the Expiration Date, or the date of any earlier termination of this Lease, Tenant, at its expense, shall remove from the Premises all of Tenant’s

Property, any Alterations (except such items thereof as constitute Landlord's Property unless Landlord otherwise directs) and any Fixtures designated by Landlord as requiring removal and Tenant shall repair any damage to the Premises or the Property resulting from any installation and/or removal thereof. If any items of Tenant's Property remain at the Premises following the expiration or termination of this Lease, such items shall automatically be deemed abandoned and Landlord may take any action whatsoever as Landlord may desire with respect to such remaining items of Tenant's Property, and Tenant shall pay Landlord for any costs incurred.

13. Repairs and Maintenance.

13.1. Landlord's Duty to Maintain. Landlord shall keep and maintain the structural portions of the Premises, excluding doors, HVAC, door frames, door checks, windows, and window frames located in exterior building walls, in good repair, provided that Landlord shall only be required to make repairs to the structural portions of the Premises upon prior written notice of the necessity of such repairs from Tenant. Tenant shall immediately give Landlord written notice of defect or need for repairs, after which Landlord shall have reasonable opportunity to repair the same or cure such defect. Landlord's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance or the curing of such defect. Landlord shall not be required to make any such repairs arising out of the misuse or neglect of the Property by Tenant, its agents, employees, invitees, licensees or contractors, and any repairs required to be made due to such misuse or neglect shall be Tenant's responsibility. Landlord shall not be required to make any other improvements of any kind upon the Property. Except as provided in this Section 13.1, Landlord shall have no obligation to repair, maintain, alter or modify the Property or any part thereof or any plumbing, heating, electrical, air conditioning or other mechanical installation therein.

13.2. Tenant's Duty to Maintain. Tenant shall at its own cost and expense keep and maintain all parts of the Premises (except those for which Landlord is expressly responsible under the terms of this Lease) in good condition, promptly making all necessary repairs and replacements, including but not limited to, windows, glass and plate glass, doors, interior walls and finish work, floors and floor covering, termite and pest extermination, regular removal of trash and debris, regular mowing of any grass, trimming, weed removal and general landscape maintenance. Tenant shall maintain and bear the expense of the light fixtures and bulbs, air conditioning filters, janitorial services, interior pest control, and the like. In the event that any governmental regulations from time to time shall require emergency lighting to be installed in the Premises, the installation and the maintenance of the same, including providing of battery power, shall be Tenant's responsibility. Tenant shall not cause or permit any penetrations of any sort into or under the roof. Tenant will not cause or permit accumulation of any debris or extraneous matter on the roof of the Premises and will be responsible for any damage caused to the roof by any acts of the Tenant, its agents, servants, employees or contractors of any type or nature.

13.2.1. In accordance with any applicable municipal regulations, and at its own expense, Tenant shall:

13.2.1.1. Place any rubbish or other matter outside the building on the Premises only in such containers as are authorized from time to time by Landlord;

13.2.1.2. See that there are no undue accumulations of garbage and refuse; keep the same in proper containers on the interior of the Premises, until called for collection; remove the same at Tenant's expense;

13.2.1.3. Keep the outside areas immediately adjoining the Premises clean and free from debris and not to place or permit any rubbish or obstructions in such areas; and

13.2.1.4. Keep the Premises (including all exterior surfaces and both sides of all doors and glass) clean, orderly, sanitary and free from objectionable odors, insects, vermin and other pests.

13.2.2. If Tenant refuses or neglects to begin and to complete repairs or maintenance required pursuant to this Lease promptly and adequately, Landlord may, but shall not be required to, make and complete said repairs and Tenant shall pay the cost thereof to Landlord as Additional Rent upon demand. Landlord shall not be obligated to repair, replace, maintain or alter the Premises, and Tenant waives all laws in contravention thereof. With regard to repairs, Tenant expressly waives any right pursuant to any law now existing or which may be effective during the term hereof, to make repairs at Landlord's expense.

13.3. HVAC Maintenance and Repair. By signing this Lease, Tenant accepts the HVAC in as is condition and Tenant shall, at its own cost and expense, enter into a regularly scheduled preventative maintenance/service contract for servicing all heating and air-conditioning systems and equipment servicing the Premises. Landlord is responsible to deliver the HVAC in good working order at the commencement of said Lease term. The maintenance contractor and the contract must be approved by Landlord, such contractor to be chosen from those chosen by Landlord to service Landlord's facilities. The service contract must include all services suggested by the equipment manufacturer within the operation/maintenance manual and must become effective (and a copy be delivered to Landlord) within thirty (30) days of the date Tenant takes possession of the Premises. If the Tenant fails to enter into such service contract as required, Landlord shall have the right to do so on Tenant's behalf and Tenant agrees to pay Landlord the cost and expense of same upon demand.

13.4. Common Area Maintenance. Tenant to pay Tenant's pro rata share of the maintenance, repair, and replacement costs for the common areas, including the parking lot and grounds, as depicted on Exhibit "D". Tenant shall coordinate with all other occupants of the Property, if any, so that each occupant is responsible for its own share of such common area maintenance expenses.

14. Taxes; Utilities.

14.1. Taxes. Tenant shall pay promptly when due all real estate taxes and assessments of every kind, and whatever name, levied upon or assessed against the said Premises, including any applicable tax under A.R.S. § 42-6201 et. seq. Tenant's failure to pay any such taxes,

after notice and opportunity to cure as provided in Section 20, is an event of default and could result in the termination of this Lease and Tenant's right to occupy the Premises and Property. Furthermore, Tenant shall pay to the appropriate taxing authority, not later than ten (10) days prior to delinquency, all personal property taxes assessed against any personal property located on or used in connection with the Premises.

14.2. Occupancy, Sales and Rent Taxes. In addition to and together with rent and additional rent, Tenant shall pay to Landlord any governmental taxes now or in the future imposed on rents collected or paid pursuant to the terms of this Lease, including, without limitation, state or local rental, occupancy, sales, transaction privilege and excise taxes.

14.3. Utilities. Tenant shall purchase all utility services from the utility or municipality providing such service; shall provide for regular scavenger, cleaning and extermination services; and shall pay for such services when payments are due. In the event any utilities are not separately metered to the Premises, Tenant shall coordinate with all other occupants of the Property, if any, so that each occupant is responsible for its own share of such shared utility expense.

15. **Landlord's Rights.** Landlord, and its agents, employees and representatives shall have the right to enter and/or pass through the Premises at any time upon reasonable prior notice (except that no such notice is required in the event of an emergency): (a) to examine and inspect the Premises; (b) to make repairs and improvements in or to the Premises and the Property; and (c) to exhibit the Premises to prospective purchasers or tenants.

16. **Non-Liability, Indemnification, and Force Majeure.**

16.1. Indemnity. None of Landlord, any other managing agent, or their respective affiliates, owners, partners, directors, officers, agents and employees shall be liable to Tenant for any loss, injury, or damage to Tenant or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss unless due to the gross negligence or willful misconduct of any of the Landlord Indemnified Parties (as hereinafter defined).

Landlord and its affiliates, owners, partners, directors, officers, agents and employees (collectively, "**Landlord Indemnified Parties**") harmless from and against any and all claims, demands, expenses actions, judgments, damages (whether direct or indirect, known or unknown, and foreseen or unforeseen), penalties, fines, liabilities, losses, suits, administrative proceeding costs and fees, including, without limitation, reasonable attorneys' fees, arising out of in whole or in part or in connection with (a) any act, omission, negligence or willful misconduct of any or all of Tenant and any or all of Tenant's officers, directors, members, managers, partners, invitees, agents, employees, contractors or representatives (collectively, "**Tenant's Parties**"); (b) any accident, injury or damage whatsoever (unless solely caused by Landlord's negligence) occurring in, at or upon either or both of the Property and the Premises and caused by any or all of Tenant and Tenant's Parties; (c) any breach by Tenant of any of its warranties and representations under this Lease; (d) any actions necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding or other proceeding under the Bankruptcy Code; (e) any violation or alleged violation by any or all of Tenant and Tenant's Parties of any law including, without limitation, any environmental law; (f) claims for work or labor

performed or materials supplies furnished to or at the request of any or all of Tenant and Tenant's Parties; or (g) claims arising from any breach or default on the part of Tenant in the performance of any covenant contained in this Lease.

The provisions of this Section 16 shall survive the expiration or termination of this Lease.

- 16.2. **Force Majeure.** Each of the obligations of Tenant (except the obligation to pay Rent, Late Charge, Additional Rent, any other payments required hereunder, and the obligation to maintain insurance and provide evidence thereof, in accordance with Section 9) and each of the obligations of Landlord, shall be excused, and neither Landlord nor Tenant shall have any liability whatsoever to the other, to the extent that any failure to perform, or delay in performing such obligation arises out of either or both of (i) any labor dispute, governmental preemption of property in connection with a public emergency or shortages of fuel, supplies, or labor, or any other cause, whether similar or dissimilar, beyond Landlord's or Tenant's, as the case may be, reasonable control; (ii) any failure or defect in the supply, quantity or character of utilities furnished to the Premises, or by reason of any requirement, act or omission of any public utility or others serving the Property, beyond Landlord's or Tenant's, as the case may be, reasonable control; and (iii) any actions or inactions of governmental authorities (items (i), (ii) and (iii), collectively, "**Force Majeure Events**")
17. **Damage or Destruction.** If either or both of the Property and the Premises is damaged by fire or other insured casualty, Landlord shall have the option either: (a) to terminate this Lease within thirty (30) days after said destruction or casualty effective as of the date upon which Tenant receives timely written notice thereof; or (b) to restore and rebuild the Property and/or the Premises with reasonable dispatch. In no event, however, shall Tenant have the right to terminate this Lease. If Landlord elects to repair and restore the Property (or Premises, as the case may be), Tenant shall not be entitled to (and Landlord shall have no obligation to pay) any damages or compensation, of any nature, for any purported inconvenience, loss of business or annoyance from any repair or restoration undertaken by or on behalf of Landlord under this Section 17 unless such direct damages result from Landlord's gross negligence or willful misconduct. Notwithstanding the foregoing, if a casualty renders all or part of the Premises untenable, Rent shall proportionately abate commencing on the date of the casualty and ending when the Premises are delivered to Tenant. The extent of the abatement shall be based upon the portion of the Premises rendered untenable, inaccessible or unfit for use in a reasonable business manner for the purposes stated in this Lease as reasonably determined by Landlord.
18. **Eminent Domain.** If the whole, or any substantial portion, of the Property is taken or condemned for any public use under any law or by right of eminent domain, or by private purchase in lieu thereof, and such taking would prevent or materially interfere with the Permitted Use of the Premises, this Lease shall terminate effective when the physical taking of said Premises occurs. If less than a substantial portion of the Property is so taken or condemned, this Lease shall not terminate, but the Rent payable hereunder shall be proportionally abated to the extent of any actual loss of use of the Premises by Tenant. Landlord shall be entitled to any and all payment, income, rent or award, or any interest therein whatsoever, which may be paid or made in connection with such a taking or conveyance.

19. **Surrender and Holdover.** On the last day of the Term, or upon any earlier termination of this Lease, (a) Tenant shall quit and surrender the Premises to Landlord broom-clean, and in a condition that would reasonably be expected with normal and customary use in accordance with prudent operating practices and in accordance with the covenants and requirements imposed under this Lease, subject only to ordinary wear and tear (as is attributable to deterioration by reason of time and use, in spite of Tenant's reasonable care); and (b) Tenant shall remove all of Tenant's Property therefrom, except as otherwise expressly provided in this Lease. For purposes hereof, "broom-clean" shall mean: (i) all walls must be clean and free of holes; (ii) plate glass must be free of any cracked or broken panels; (iii) HVAC system must be in good working order, with filters changed and all thermostats in working order, and Tenant must supply Landlord with maintenance records; (iv) all floors must be clean and free of excessive dust, dirt, grease, oil and stains; (v) drop grid ceiling must be free of excessive dust from lack of changing filters and no ceiling tiles may be missing or damaged; (vi) all trash must be removed from both inside and outside of the Premises; (vii) all lightbulbs and ballasts must be working; (viii) all signs on the Premises or Property must be removed; (ix) hot water heater must work; (x) all plumbing fixtures, equipment and drains must be clean and in working order; (xi) windows must be clean; and (xii) all mechanical and electrical systems must be in good working condition. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Premises and shall arrange to meet with Landlord for a joint inspection of the Premises prior to vacating. In the event of Tenant's failure to give such notice or arrange such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. All repairs or restoration shall be performed to Landlord's reasonable satisfaction and Landlord shall have the right to perform, at Tenant's expense, any repairs or restoration that Tenant fails to perform. If Tenant remains in possession after the Expiration Date hereof or after any earlier termination date of this Lease, Tenant shall be deemed a month to month tenant, terminable upon thirty (30) days' written notice from Landlord, with all rent and other amounts due to be paid in accordance with Section 2. Tenant's obligations under this Section 19 shall survive the termination or expiration of this Lease.
20. **Events of Default.** Each of the following shall constitute a "Default" by Tenant under this Lease: (a) if Tenant fails to pay any or all of Base Rent, Additional Rent and any other payment when due and such failure continues for five (5) days following Landlord's written notice to Tenant specifying Tenant's breach of this Lease; (b) if Tenant fails to timely comply with, or satisfy, any or all of the obligations imposed on Tenant under this Lease when due and such failure continues for thirty (30) days following Landlord's written notice to Tenant specifying Tenant's breach of this Lease; (c) if Tenant makes a general assignment for the benefit of creditors, a petition under any state or federal bankruptcy or insolvency law is filed by or against Tenant (unless in the case of a petition filed against Tenant, the same is dismissed within fifteen (15) business days after filing), a receiver or trustee of Tenant, or of, or for, the property of Tenant shall be appointed, or Tenant admits it is insolvent or is not able to pay its debts as they mature; or (d) Tenant shall desert or vacate any substantial portion of the Premises. For purposes of this Section 20, Landlord shall send notice to the notice address provided in Section 1.3 of the Lease.
21. **Remedies.** In the event of any Default by Tenant under this Lease (and without additional or further notice or demand from Landlord, if any notice or demand was initially required under

Section 20), Landlord, at its option, may: (i) terminate this lease upon thirty (30) days' notice, or (ii) exercise any and all of its rights and remedies provided in this Lease, as well as any or all rights and remedies available at law or in equity. Any and all costs, expenses and disbursements, of any kind or nature, incurred by Landlord in connection with the enforcement of any and all of the terms and provisions of this Lease, including attorneys' fees and costs (through all appellate proceedings), shall be due and payable (as Additional Rent) upon Landlord's submission of an invoice therefor.

All sums advanced by Landlord on account of Tenant pursuant to any provision of this Lease, and all Base Rent and Additional Rent, if delinquent or not paid by Tenant and received by Landlord when due hereunder, shall bear interest at the rate of five percent (5%) per annum above the "prime" or "reference" or "base" rate (on a per annum basis) of interest publicly announced as such, from time to time, by JP Morgan Chase Bank NA (the "**Default Rate**"), from the due date thereof until paid, and such interest shall be and constitute Additional Rent and be due and payable upon Landlord's submission of an invoice therefor. If Tenant shall be in Default under this Lease, Landlord may cure the Default at any time for the account and at the expense of Tenant. If Landlord cures any Default on the part of Tenant, Tenant shall reimburse Landlord, upon demand, for any amount expended by Landlord in connection with the cure, including, without limitation, attorneys' fees and interest at the Default Rate.

The following are additional remedies available to Landlord and provisions addressing waivers (or potential waivers) of default: (a) The rights and remedies of Landlord set forth herein shall be in addition to any other right and remedy now and hereafter provided by law. All rights and remedies shall be cumulative and not exclusive of each other. Landlord may exercise its rights and remedies at any times, in any order, to any extent, and as often as Landlord deems advisable without regard to whether the exercise of one right or remedy precedes, concurs with or succeeds the exercise of another; (b) A single or partial exercise of a right or remedy shall not preclude a further exercise thereof, or the exercise of another right or remedy from time to time; (c) No delay or omission by Landlord in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to, a Default; (d) No waiver of Default shall extend to or affect any other Default or impair any right or remedy with respect thereto; (e) No action or inaction by Landlord shall constitute a waiver of Default; and (f) No waiver or a Default shall be effective unless it is in writing and signed by Landlord.

22. **Broker.** Tenant represents and warrants that Tenant has not engaged or worked with any real estate broker with respect to the Premises. Tenant agrees to and hereby does defend, indemnify and hold Landlord harmless against and from any brokerage commissions or finder's fees or claims therefor by a party claiming to have dealt with the Tenant and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, for any breach of the foregoing. The foregoing indemnification shall survive the termination or expiration of this Lease.
23. **Notices.** All rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at the address set forth in Section 1.2.1 or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith. Tenant's obligation to pay rent and any other amounts to Landlord under the terms of this Lease shall not be deemed satisfied until such rent and other amounts have been actually received by Landlord. Any notice or document required or permitted to be delivered hereunder

shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, certified or registered mail, addressed to the Parties hereto at the respective addresses set out in Sections 1.2 and 1.3, or at such other address as they have heretofore specified by written notice delivered in accordance herewith.

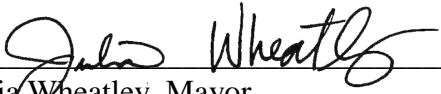
24. Miscellaneous.

- 24.1. Entire Agreement; Modifications. This Lease shall constitute the entire agreement and understanding of the Parties with the subject matter hereof and supersedes all offers, negotiations and other agreements with respect thereto. There are no representations or understandings of any kind not set forth herein. Any amendment to this Lease must be in writing and executed by both Parties.
- 24.2. Governing Law; Jurisdiction and Venue. This Lease shall be governed by and construed or enforced in accordance with the laws of the State of Arizona without reference to conflict of laws principles. With regard to any litigation which may arise in regard to this Lease, each Party shall and does hereby submit exclusively to the jurisdiction of, and hereby agree that the proper venue shall be exclusively in, the Superior Court of Maricopa County, Arizona. The provisions of this Section 24.2 shall survive any termination or expiration of this Lease.
- 24.3. Severability. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
- 24.4. No Joint Venture. By executing this Lease, the Parties are not establishing any Joint undertaking, joint venture or partnership. Each Party shall be deemed an independent contractor and shall act solely for its own account
- 24.5. Conflict of Interest; Israeli Boycott. Pursuant to the provisions of Arizona Revised Statutes § 38-511, Landlord may cancel this Lease, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of Landlord is, at any time while this Lease or any extension hereof is in effect, an employee of Tenant in any capacity or a consultant to Tenant with respect the subject matter of the contract. Tenant certifies to Landlord that it is not currently engaged in, and agrees for the duration of this Lease not to engage in, a boycott of Israel as defined in A.R.S. § 35-393.
- 24.6. Incorporation by Reference. All Exhibits to this Lease and the Recitals set forth above are fully incorporated herein as though set forth at length herein.
- 24.7. No Liens. Tenant shall pay or cause to be paid all costs for work done by Tenant or caused to be done by Tenant on the Premises, and Tenant shall keep the Premises and the Property free and clear of all mechanics' liens and materialmen's liens, professional service liens and other liens on account of work done or materials supplied to Tenant or persons claiming under Tenant. Tenant shall keep Tenant's leasehold interest and any improvements which are or may become the property of Landlord pursuant to this Lease free and clear of all liens of attachment or judgment liens.

- 24.8. Gendered Terms. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.
- 24.9. Successors and Assigns. The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure the benefit of, and be binding upon, the Parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided.
- 24.10. Captions. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.
- 24.11. Amendment. This Lease may not be altered, changed, or amended except by an instrument in writing signed by both Parties hereto.
- 24.12. Severability. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the Parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the Parties that in lieu of each clause or provision of this Lease that is illegal, invalid, or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.


[Signature Page Follows]

EXECUTED by Landlord, this 15th day of March, 2023.



Julia Wheatley, Mayor

ATTEST:



Maria Gonzalez, Town Clerk



Dickinson Wright, Town Attorneys

EXECUTED by Tenant, this _____ day of _____, 2023.

Painting Wonderland, LLC

By: _____
Printed Name

Its: _____
Title

EXHIBIT A

RULES AND REGULATIONS

1. The outside sidewalks and loading areas on the Property shall be kept clean and free from dirt and rubbish by Tenant to the satisfaction of Landlord, and Tenant shall not place or permit any obstructions or equipment in such areas, except with Landlord's prior written consent.
2. Tenant shall not make or permit any unreasonable noise or odors that annoy or interfere with other property owners in the vicinity.
3. No radio or television aerial or satellite dish (or similar device) shall be installed or erected on the roof or exterior walls of the Premises, or on the grounds of the Property generally, without first obtaining in each instance the written consent of Landlord. Any aerial or satellite dish so installed without such written consent shall be subject to removal without notice at any time.
4. All of Tenant's refuse and rubbish shall be removed to trash bins located in the Property, at Tenant's sole cost and expense. Tenant shall not place any rubbish or other matter outside any building within the Property, except in such containers as are authorized from time to time by Landlord. Trash enclosures where any food-related trash is deposited shall be emptied on a daily basis. Dumpsters for food-related trash shall be supplied with closable lids, and shall be kept closed at all times. Trash shall not be allowed to accumulate outside of or within a trash enclosure, or outside of a dumpster or other approved receptacle. All necessary measures shall be taken to ensure that the accumulation of trash does not attract animals or insects.
5. No window coverings, shades, or awnings shall be installed or used by Tenant, except with prior written consent of Landlord.
6. No sign of any size or character shall be installed or affixed to any portion of the Property, except with prior written consent of Landlord.
7. Tenant shall make no use of the roof without obtaining the consent of Landlord.
8. Tenant shall not use any method of heating or air conditioning, other than as installed in the Premises at the commencement of the Lease, without Landlord's prior written consent.
9. Tenant shall not install, maintain or operate any vending machines upon the Premises unless Tenant's lease allows for this use.
10. Tenant shall not use, and shall not allow anyone else to use, the Premises as a habitation. Such prohibition shall include, without limitation, sleeping, or bathing in the Premises. If Landlord receives notice of any violation of this provision, Tenant shall immediately correct any violation or Landlord may at Landlord's sole option correct the violation at Tenant's sole cost and expense.
11. All loading and unloading of goods shall be done only at the times, in the areas, and through the entrances designated for such purposes by Landlord. The delivery or shipping of merchandise, supplies, and fixtures to and from the Premises shall be subject to such rules and regulations as in the reasonable judgment of Landlord are necessary for the proper operation of the Premises or of the Property generally.
12. Except as provided in the Lease, Tenant shall not store on the Property any vehicles, recreational vehicles, boats, trailers, storage sheds, storage containers or equipment. Tenant agrees that any breach of this paragraph 12 shall be removed at Landlord's option by Landlord at Tenant's sole cost and expense. This Paragraph shall include any of Tenant's employees, invitees or customers.

13. Tenant shall be responsible for the removal of any debris resulting from Tenant, its employees, customers, suppliers or visitors and at Landlord's option Landlord shall remove any of the above at Tenant's sole cost and expense.
14. Landlord reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Property, its occupants and customers. Tenant agrees to abide by such rules and regulations.









Painting Wonderland Lease 2023

Final Audit Report

2023-03-16

Created:	2023-03-16
By:	Maria Gonzalez (maria.gonzalez@queencreek.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA0v0Eadd9KYEeXZOrU_M0wNcToQuT_8bR

"Painting Wonderland Lease 2023" History

-  Document created by Maria Gonzalez (maria.gonzalez@queencreek.org)
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-  Document emailed to Scott Holcomb (sholcomb@dickinson-wright.com) for signature
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-  Agreement completed.
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