

1610 SOUTH MAPLE AVENUE LEASE

THIS LEASE AGREEMENT ("Lease") is made and executed at Yuma, Arizona, this ____ day of _____ 2025 (the "Effective Date"), between the City of Yuma, an Arizona municipal corporation, hereinafter referred to as "Lessor" or "City," and TAL PHX Holdings, LLC, an Arizona limited liability company, hereinafter referred to as "Lessee." Lessor and Lessee are sometimes referred to in this Lease collectively as "Parties," or individually as "Party."

IT IS AGREED by and between the Parties hereto as follows:

1. **DESCRIPTION OF PREMISES.** The Lessor hereby leases to Lessee, on the terms and conditions set forth in this Lease, the real property and building located at the address commonly referred to as 1610 S. Maple Avenue, Yuma, Arizona 85364 ("Premises"), more particularly depicted and described in Exhibit 1, attached and by this reference made part of this Lease.
2. **TERM.** This Lease shall run for a period of thirty-six (36) months commencing on the Effective Date.
3. **TERMINATION.** This Lease will automatically terminate at the end of the Term, unless terminated earlier by the Parties. With the mutual written consent of both Parties, this Lease may be terminated before the Lease expires. Notwithstanding the foregoing, the City may terminate this Lease for any reason upon giving sixty (60) days' written notice to the Lessee. Upon the termination of this Lease, Lessee shall vacate the Premises and surrender the Premises to Lessor in good condition.
4. **HOLDING OVER.** Lessee agrees not to holdover after the termination of the Lease or any extension thereof. If Lessee remains in possession of the Premises with the written consent of Lessor after the expiration of the Term, a new tenancy from month-to-month shall be created between Lessor and Lessee which shall be subject to all the terms and conditions hereof, except that such tenancy shall be terminable at will by either Party.
5. **RENT.** Annual rent for the Premises shall be nineteen thousand eight hundred dollars (\$19,800.00), payable in monthly installments of one thousand six hundred fifty dollars (\$1,650.00) per month. Monthly payments are due and payable upon the Effective Date and on or before the first day of each month thereafter. Payments shall be mailed to or made in person at the following location:

City of Yuma
Finance Department
Attn: Senior Accounting Specialist
One City Plaza
Yuma, AZ 85364

The duty to pay rent as required herein shall survive this Lease.

6. **LATE CHARGES.** Lessee agrees to pay one hundred sixty-five dollars (\$165.00) as a ten percent (10%) late charge should Lessee fail to pay any installment of rent or any other sum due

under this Lease within thirty (30) days after the due date or five (5) days after written notice of failure to pay, whichever occurs first. If Lessor waives the ten percent (10%) late charge with respect to any single installment of rent, the waiver shall not be deemed to constitute a waiver with respect to any subsequent installment of rent due.

7. **INTEREST ON RENT IN ARREARS.** Any installment of rent owed under the provisions of this Lease which is not paid when due shall bear interest at the rate of ten percent (10%) per annum compounded daily from the date the rent is due until such time as Lessee pays the amount due.
8. **USE.** Lessee shall only use the Premises for the retail sale of cellular telephones and related equipment and for no other purpose unless Lessee receives the prior written consent of Lessor. Notwithstanding the foregoing, Lessee may allow mobile food vendors ("Food Vendors") to use the Premises provided that each Food Vendor obtains a business license from the City and only one Food Vendor occupies the Premises at a time. Lessee further agrees to indemnify, hold harmless and insure the City against all claims arising from the use of the Premises by Food Vendors under Sections 16 and 28 below. Throughout the term of the Lease, Lessor may at its discretion forbid Food Vendors from using the Premises, limit their hours of operation, or limit seasons of approved use by providing notice of such restrictions to the Lessee, which shall take effect immediately.
9. **CONDITION OF PREMISES.** Premises are rented "as is." Upon termination of this Lease, the Premises shall be restored to as clean a condition and good repair as when leased, with normal wear and tear excepted. Lessee shall remove all of Lessee's personal property and fixtures, except those items permanently affixed (including but not limited to lighting fixtures, fans, plumbing fixtures) before vacating the Premises. Lessee shall make no changes, alterations, or improvements to the Premises without the prior, express written consent of Lessor, nor shall Lessee cause, or permit to be caused, any damage to the Premises.
10. **16th STREET WIDENING PROJECT.** Lessee understands the City is planning to widen 16th Street which will reduce available parking spaces on the Premises. Lessee agrees that the loss of parking spaces shall not constitute a breach of this Lease, and rent described in Section 5 shall not be reduced while Lessee occupies the building on the Premises. Lessee shall not be entitled to relocation costs, expenses, or any other relocation benefits.
11. **TAXES.** Lessee understands this Lease is subject to the Government Property Lease Excise Tax (GPLET) established under Arizona Revised Statutes ("ARS") § 42-6201, et seq. Unless exempted or abated under ARS §§ 42-6208 or 42-6210, in addition to any rent payable under this Lease, Lessee shall pay any GPLET, sales, property, privilege or any other applicable tax imposed or levied by any government or governmental agency upon Lessor or Lessee and attributed to the rent payable by Lessee. Lessor shall submit a return to the Yuma County Treasurer as required by ARS § 42-6204(B). Pursuant to ARS § 42-6206(A), failure by Lessee to pay any government property lease excise tax after notice and an opportunity to cure shall be deemed a default, and Lessor may immediately terminate this Lease.
12. **CONDUCT OF BUSINESS.** Lessee shall not use or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purposes for which the Premises are hereby leased as set forth in Section 8. Lessee shall also not use or do anything to the Premises

which will increase Lessor's existing rate of insurance upon the Building, or cause a cancellation of any insurance policy covering said Building, or any part thereof. Lessee shall not sell nor permit to be kept or sold, any article which may be prohibited by the standard form of fire insurance policy in and about the Premises.

13. **COMPLIANCE WITH AUTHORITIES.** Lessee shall, at its sole cost and expense, comply with and obey all applicable requirements of all municipal, county, state and federal laws, regulations, and ordinances now in force or which may hereafter be in force, pertaining to the Premises. Lessee shall maintain and procure at Lessee's expense all licenses, permits or inspection certificates required by any governmental authority with respect to Lessee's business. Lessee may, at its expense, contest any such law, ordinance or regulation.

14. **UTILITIES.** Utilities (including, but not limited to, electricity, water, wastewater, gas, and sanitation) and janitorial and facilities maintenance services are not included in the Rent set forth in Section 5 of this Lease and are the sole responsibility of Lessee. Lessee shall be responsible for all other service charges associated with the operation of the Premises, including telephone and Internet access charges. Lessor shall not be liable for, and Lessee shall not be entitled to any relief by reason of, the unavailability, suspension or limited availability of any utilities or services.

15. **MAINTENANCE.**

- a. Lessor shall keep and maintain the roof, exterior surfaces, and all electrical, plumbing, and mechanical systems of the Premises in a good state of repair. Lessee shall be responsible for any interior maintenance of the Premises.
- b. Lessee shall keep and maintain the interior of the Premises in a reasonable condition of repair at Lessee's expense, including but not limited to interior walls, plumbing fixtures, electrical fixtures, heating, and air conditioning filters, telephone lines, and interior doors. Such repairs shall be made at the expense of Lessee.
- c. Lessor shall insure the Premises against fire or storm loss or damage. Lessee shall insure the Premises against and bear the risk of vandalism, theft, window glass breakage, exterior vandalism, and casualty and fire loss to his own merchandise and wares or other personal property.
- d. Lessor shall not be liable for failure to furnish any of the services set forth in this Section 15 when such failure is caused by conditions beyond Lessor's control or by accident.
- e. In the event of injury or damage to the Premises, unless caused by the Lessor or Lessor's employees or agents, fire, or the elements, Lessee shall immediately repair and/or replace such damages at his/her own expense. If the repairs are not properly done by Lessee or not completed within thirty (30) days written notice by Lessor, Lessor may make said repair and Lessee shall be liable to repay and reimburse Lessor, as additional rent hereunder, all expenses in connection herewith. Any additional rent shall be paid to the Lessor by Lessee within thirty (30) days of written notice of Lessee's additional rent obligation.

16. INSURANCE. Before the commencement of this Lease, Lessee shall, at its own expense, secure and maintain, during the term of this Lease, Commercial General Liability insurance including bodily injury, property damage, contractual, personal injury, and products/completed operations. Liability limits shall be no less than \$1,000,000.00 per occurrence, and no less than a \$2,000,000.00 general aggregate limit. If Lessee allows Food Vendors to use the Premises or otherwise sublets the Premises, Lessee shall require and verify that all Food Vendors or subletors maintain insurance meeting all the requirements stated in this Lease. Certificates of Insurance shall be delivered to the Lessor prior to the commencement of this Agreement. The policy shall include endorsements naming the Lessor and its officers, elected offices, agents, employees, and volunteers as additional insureds. The policy shall also contain an endorsement waiving subrogation against Lessor, its officers, elected officials, employees, and agents for losses arising from activities under this Lease.

Lessee shall during the term of this Lease, at the expense of Lessee, insure the Premises and other improvements owned by Lessor on the Premises against broad perils of property loss or casualty for a minimum of \$500,000.00. Lessor, its officers, elected officials, employees, and agents shall be named and endorsed as an additional insureds on every policy required by this Section 16. Every policy shall also contain an endorsed waiver of subrogation against Lessor, its officers, elected officials, employees, and agents for losses arising from activities under this Lessee. Lessor shall be named as a Loss Payee with respect to the Premises and any other improvements owned by Lessor on the Premises.

If Lessee has employees, Lessee must carry Worker's Compensation Insurance to cover obligations imposed by federal and state statutes having jurisdiction of employees engaged in the performance of the work or services, and Employer's Liability Insurance of not less than \$100,000.00 for each accident, \$100,000.00 disease for each employee, and \$500,000.00 disease policy limit. The policy shall also contain an endorsed waiver of subrogation against Lessor, its officers, elected officials, employees, and agents for losses arising from activities under this Lease.

The policies of insurance required under this Section 16 are to be primary insurance policies and any insurance policy maintained by the Lessor is considered excess, non-contributory insurance. The existence of excess insurance policies should in no way be construed to limit the requirements of insurance described herein.

If Lessee maintains higher limits than the minimums shown above, Lessor is required and shall be entitled to coverage for the higher limit maintained. Failure to provide required coverage and failure to comply with the terms and conditions of this Lease shall not waive the contractual obligations herein. If the policy or policies are canceled or not renewed, the insurance company shall provide thirty (30) days written notice to the Lessor prior to the effective date of such cancellation or termination.

The amount and types of insurance coverage requirements set forth in this Lease will in no way be construed as limiting the scope of the indemnity in this Lease.

17. VACATION OR ABANDONMENT. Lessee shall not vacate or abandon the Premises at any time during the term of this Lease or any extension thereof, except when required to do so by

this Lease. If Lessee abandons, vacates, surrenders, or is dispossessed of the Premises by process of law or otherwise, any personal property belonging to Lessee that is left on the Premises shall be deemed to be abandoned at the sole option of Lessor. Vacation or abandonment of Premises does not relieve Lessee of the duty to pay rent for the remainder of the term of this Lease.

18. **ENTRY AND INSPECTION.** Lessee shall permit Lessor and its employees and agents to enter the Premises at all times to inspect and/or maintain the Premises, or to make repairs, alterations or additions to any other portion of the Building, including the erection of scaffolding, props, or other mechanical devices, without any rebate of rent to Lessee or damages for occupation or quiet enjoyment of the Premises. Within thirty (30) days prior to the expiration of the Lease Lessee shall permit Lessor, or its employees and/or agents, at reasonable hours, to enter the Premises to show the Premises to prospective tenants.
19. **ASSIGNMENT AND SUBLETTING.** Lessee shall not assign this Lease, or any interest therein, and shall not sublet the Premises or any part thereof or any right or privilege appurtenant thereto, or suffer any other person (the agents and servants of Lessee excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of Lessor. The requirements of this Lease are binding upon the heirs, executors, administrators, successors, and assigns of both Parties.
20. **BREACH.** In the event of any breach of this Lease by Lessee, Lessor, in addition to any other rights or remedies available to Lessor, may terminate this Lease and shall have the immediate right of re-entry and may remove all persons and property from the Premises. Lessee hereby waives all claims for damages which may be caused by the re-entry of Lessor and Lessor's taking possession of the Premises or removing or storing Lessee's property, and will defend and save Lessor harmless from any losses, liabilities, costs, or damages occasioned Lessor thereby, and no such re-entry shall be considered or construed to be a forcible entry. Should Lessor at any time terminate this Lease for any breach, Lessor may, in addition to any other remedy it may have, recover from Lessee all damages Lessor may incur by reason of such breach, including the cost of recovering the Premises, and the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term.
21. **RESTRICTIONS.** This Lease is subject to any and all provisions of leases and encumbrances of record or extensions thereof under which Lessor holds title or possession of the Premises.
22. **ASBESTOS NOTICE.** An asbestos inspection has not been conducted, and the existence of asbestos material in the facility has not been determined.
23. **NON-WAIVER FOR BREACH.** The failure by Lessor to pursue a remedy of any default or breach of any term, covenant or condition herein contained is not deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or another term, covenant or condition herein contained. The acceptance of rent hereunder shall not be a waiver of any breach by Lessee of any term, covenant or condition of this Lease.
24. **ADDITIONAL RULES AND REGULATIONS.** Lessor has the further right and power to prescribe rules and regulations for the use, entry, operation, and management of the Premises, to insure the safety, care and cleanliness of the Premises and preservation and good order thereon.

25. **CUMULATIVE REMEDIES.** It is understood and agreed that the remedies herein given to Lessor are cumulative, and the exercise of any one remedy by Lessor is not to the exclusion of any other remedy.

26. **NOTIFICATION.** All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery or as of the second business day after mailing by United States mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

To Lessor: City of Yuma
 Attn: Right of Way Agent
 One City Plaza
 Yuma, Arizona 85364

To Lessee: TAL PHX Holdings, LLC
 Attn: Lease and Insurance
 1610 S. Maple Avenue
 Yuma, Arizona 85364

If any Party changes its address, the Party must give written notice to the other Party. Notice of change of address is deemed effective five (5) days after mailing by the Party changing the address.

27. **VENUE.** Any action to enforce any provision of this Lease or to obtain any remedy with respect this Lease shall be brought exclusively in the Superior Court, Yuma County, Arizona (or, as may be appropriate, in the Justice Courts of Yuma County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks jurisdiction over such action). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action commenced in accordance with the terms of this Section 27.

28. **INDEMNITY.** To the fullest extent permitted by law, Lessee shall indemnify, defend, and hold harmless the Lessor, its elected officials, its agents, employees, officers, volunteers, and officials (“Indemnified Party”) for, from and against all claims, liabilities, demands, damages, losses, and expenses, including attorneys’ fees and litigation expenses, to which any such Indemnified Party may become subject, under any theory of liability whatsoever, (“Claims”) to the extent that such Claims result from and/or arising out of the Lessee’s intentional, reckless, or negligent acts, mistakes, errors, or omissions at, on or relating to the Premises or in performance of this Lease. This includes any intentional, reckless, or negligent acts, mistakes, errors, or omissions of Lessee’s employees, agents, contractors, and officers employed directly or indirectly by Lessee, Food Vendors authorized by Lessee under Section 8, and any intentional, reckless, or negligent acts, mistakes, errors, or omissions of Lessee’s customers, guests, students, visitors, invitees, licensees, assignees, and sublessees.

This indemnity provision shall also apply to any liability or remediation costs under the Comprehensive Environmental Response, Compensation, and Liability Act, state statute or municipal ordinance arising as a result of contamination of the property or the surrounding

environment, or violation of any Federal or state environmental laws due to any discharge of waste, regardless of whether the event requiring such remediation was intentional or accidental.

Section 28 shall survive the expiration or early termination of this Lease.

29. **FORCE MAJEURE.** Should the Premises or any part thereof become unsafe, unsuitable for use or otherwise uninhabitable due to an act of God, nature or act of war or another event beyond the control of the Lessor, the Lessor may, at its sole option, choose not to repair or replace the Premises, and no liability shall accrue to Lessor. Should Lessor determine that the Premises are beyond reasonable repair, Lessee shall be relieved of any further duty to pay rent beyond the date the event occurs. Lessee shall if feasible, remove all personal property from the Premises.
30. **COMPLIANCE WITH LAW.** The Parties shall comply with Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, and State Executive Order No. 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities. The Parties shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap, and the Americans with Disabilities Act.
31. **TIME.** Time is of the essence in this Lease except where specified.
32. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the Parties and no oral or written statement, promises, or inducements made by either Party or agent of either Party that is not contained in this written Lease, or specifically referred to in a written agreement shall be valid or binding; and this agreement may not be enlarged, modified, or altered except in writing signed by the Parties and endorsed herein.
33. **RIGHTS/OBLIGATIONS OF PARTIES ONLY.** The terms of this Lease are intended only to define the respective rights and obligations of the Parties. Nothing expressed herein shall create any rights or duties in favor of any potential third-party beneficiary or another person, agency, or organization.
34. **CONFLICT OF INTEREST.** This Lease shall be subject to the Conflict of Interest provisions of Arizona Revised Statutes § 38-511, as amended.
35. **CHOICE OF LAW.** This Lease shall be interpreted in accordance with the laws of the State of Arizona.
36. **NO PARTNERSHIP.** Nothing in this Lease constitutes a partnership or joint venture between the Parties, and neither Party is the principal or agent of the other.
37. **SEVERABILITY.** If any provision of this Lease is held invalid, the remainder of the Lease shall not be affected thereby, and all other parts of this Lease shall be in full force and effect.
38. **PROVISIONS REQUIRED BY LAW.** Each and every provision of law and any clause required by law to be in this Lease will be read and enforced as though it was included herein

and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Lease will promptly be physically amended to make such insertion or correction.

39. **COUNTERPARTS.** This Lease may be executed in two or more counterparts, each of which is an original and all of which together constitute one and the same instrument. Delivery of signature by fax, or scan delivered by email, receipt acknowledged are effective to bind a Party.

IN WITNESS WHEREOF, the Parties have caused to be affixed the signatures of their respective authorized officials on the Effective Date written above.

Lessor:

CITY OF YUMA, a municipal
corporation

John D. Simonton
City Administrator

Lessee:

TAL PHX HOLDINGS, LLC, an
Arizona limited liability corporation



Marlin Kajy, Member

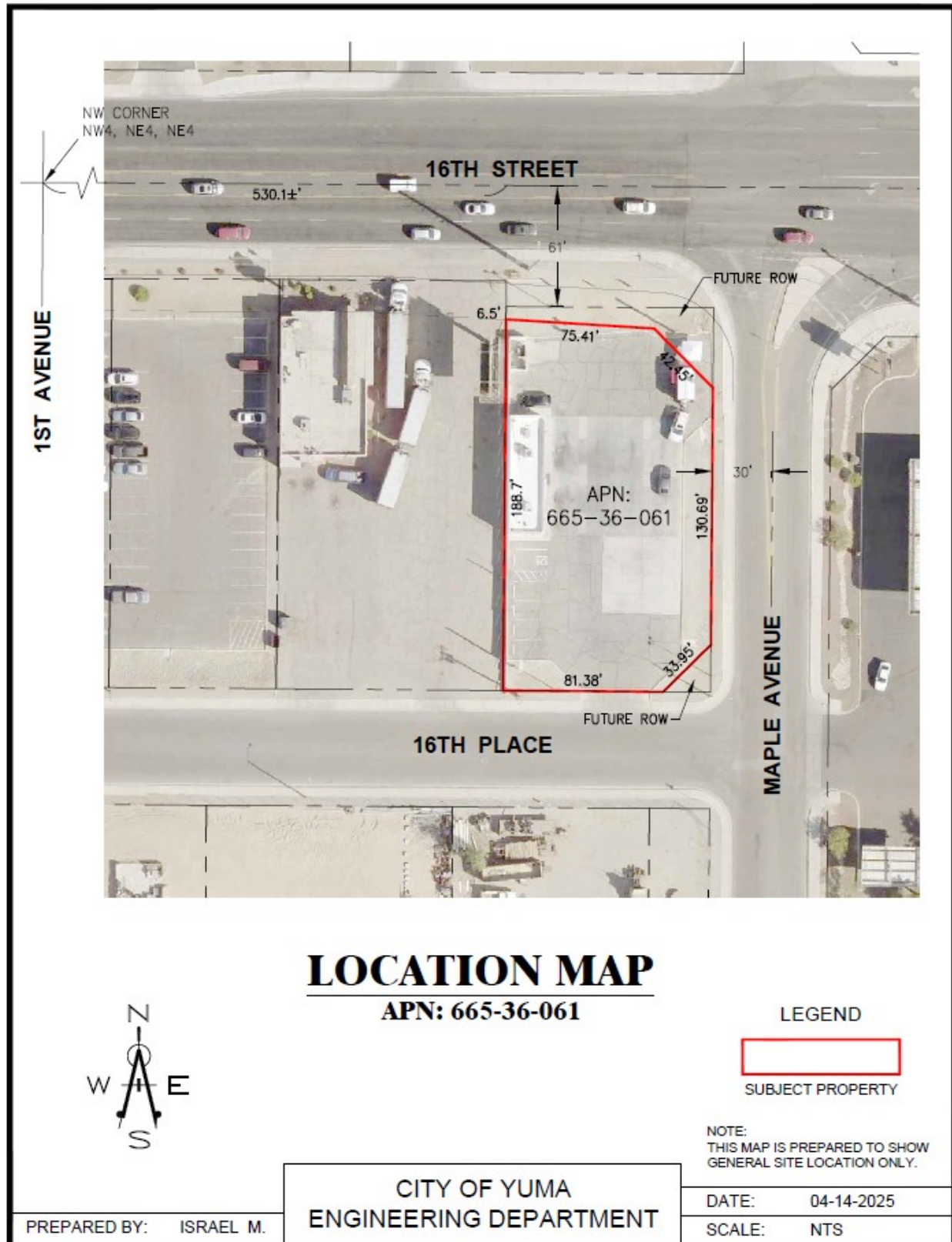
ATTEST:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney

Exhibit 1
Map



Legal Description

That part of the Northwest quarter of the Northeast quarter of the Northeast quarter of Section 33, Township 8S, Range 23W of the Gila and Salt River Base and Meridian, Yuma County, Arizona, described as follows:

BEGINNING at the Northwest corner of the Northwest quarter of the Northeast quarter of the Northeast quarter of said Section 33, thence Easterly a distance of 530.1 feet to a point along the North line of said Section 33, thence Southerly along a line a distance of 61 feet to a point, thence continuing South a distance of 6.5 feet to a point lying on the West line of Assessor's Parcel Number (APN) 665-36-061 also being the **True Point of Beginning**; thence continuing South along the said West line a distance of 188.7 feet to the Southwest corner of said APN, thence Easterly a distance of 81.38 feet along the South line of said APN, thence Northeasterly along a straight line, a distance of 33.95 feet, 24.00 feet Easterly and 24.00 feet Northerly, to a point lying on the East line of said APN, thence Northerly a distance of 130.69 feet along the East line of said APN, thence Northwesterly along a straight line distance of 42.45 feet, to a point lying 30.01 feet Westerly and 30.00 feet Northerly, thence Northwesterly along a straight line a distance of 75.41 feet, being 75.36 feet Westerly and 4.08 feet Northerly, to the **Point of Beginning**;

Containing an area of 18,878 square feet or 0.4333 Acre, more or less