

**LEASE AGREEMENT
BETWEEN
THE CITY OF SANTA FE AND ORTEGA PLAZA BUILDING LLC.**

This LEASE AGREEMENT (the Lease Agreement) is made and entered into this 20th day of February, 2018, by and between the CITY OF SANTA FE, a municipal corporation (City or Lessor) and ORTEGA PLAZA BUILDING LLC, a New Mexico limited liability company (Lessee), together the "Parties".

WITNESSETH:

In consideration of Lessee's promises herein, Lessor hereby gives Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on and make use of the property of Lessor as follows:

1. PREMISES

Subject to the terms and conditions of this Lease Agreement, Lessor allows Lessee to use and occupy, subject to all of the terms and conditions hereinafter stated, that portion of the City-owned public right-of-way located adjacent to the easterly boundary of 101 W. San Francisco Street, Santa Fe, New Mexico. The leased real property consists of approximately five hundred and forty (540) square feet of air space located above the public right-of-way (the Premises), as more fully described and shown on Exhibit A attached hereto and made a part hereof. Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use which may be made thereof.

2. USE OF PREMISES

Lessor agrees to allow Lessee to use the Premises for the purpose of a dining, seating and service area (including the service and consumption of alcoholic beverages) for Lessee's adjacent restaurant. No other commercial uses of the Premises are allowed, including but not limited to, the sale or display of merchandise or the installation of advertising signage except as otherwise permitted herein. Outdoor lighting, properly permitted and installed in conformance with the City's building code and land development code, may be installed within the Premises at the Lessee's expense. Use of the Premises shall at all times be in compliance with the City's municipal code, including but not limited to the City's noise ordinance.

3. EFFECTIVE DATE

This Lease Agreement shall be effective on May 1, 2018 (the Effective Date).

4. LEASE TERM

The term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term shall consist of an initial term of five (5) years (the Initial Term) with one (1) optional additional term of five (5) years (Optional Additional Term) for a total term of ten (10) years. The Initial Term and any Optional Additional Terms are hereinafter referred to collectively as the "Term".

Lessee's exercise of any Optional Additional Term is contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor at least sixty (60) days prior to the expiration of the Initial Term. In the event Lessee shall remain in possession of the

Premises after the expiration of the Initial Term or any Optional Additional Term, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the Rent shall be prorated and payable on a monthly basis in advance of the first day of each month, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

5. RENT

Rent shall be paid as follows:

A. Rent during Initial Term. Lessee shall pay five thousand seven hundred and seventy-eight dollars (**\$5,778.00**) as annual "Rent". Rent is due on the Effective Date and thereafter due each year in full on the anniversary of the Effective Date of this Lease Agreement without notice or demand and without deduction or offset for any cause whatsoever. Lessee shall make payments to Lessor's Cashier Office, Room 114, 200 Lincoln Avenue, Santa Fe, New Mexico 87501. Rent during the Initial Term shall be subject to annual increases in accordance with Section 4.C below.

B. Rent during Optional Additional Term(s). Rent during any Optional Additional Term(s) of this Lease Agreement shall be negotiated by the Parties prior to the commencement of any such Optional Additional Term(s). In no case shall the Rent for any Optional Additional Term(s) be less than the Rent during the last year of the previous term plus two and one-half percent (2.5%). Rent during any Optional Additional Term(s) shall be subject to annual increases in accordance with Section 4.C below.

C. Increases in Rent. At the commencement of the second year and every subsequent year of the Initial Term or any Optional Additional Term(s) of this Lease Agreement, the Rent shall be increased by an amount calculated by multiplying the previous year's Rent by two and one-half percent (2.5%).

6. TERMINATION BY LESSOR

Lessor may terminate this Lease Agreement upon Lessee's failure to comply with any provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:

- A. the breach;
- B. the action required to cure the breach;
- C. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and
- D. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease.

7. NON-ASSIGNMENT; SUBLEASE

Lessee shall not assign, sublease or otherwise transfer this Lease Agreement, without the prior written consent of Lessor, which consent Lessor may withhold for any or no reason. Any such actions taken by Lessee shall result in the immediate termination of this Lease Agreement.

8. LIABILITY INSURANCE

Lessee shall carry and maintain in full force and effect during the term of this Lease

Agreement, public liability insurance covering bodily injury and property damage, in a form and with an insurance company acceptable to Lessor, with limits of coverage not less than as stated in the New Mexico Torts Claims Act for each person injured and for each accident resulting in damage to property, against all claims and lawsuits arising from the Lessee's use of the Premises. Lessee shall cause the City of Santa Fe to be named as additional insured on such policy of insurance. Prior to this Lease Agreement taking effect and thereafter throughout the term of this Lease Agreement, Lessee shall provide Lessor with certificates of insurance evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to the Lessor for any reason. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

9. INDEMNIFICATION

Lessee shall indemnify, hold harmless and defend Lessor from all losses, damages, claims or judgments, including payment of all attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Lessee's use of the Premises hereunder, as well as that of any of Lessee's employees, agents, representatives, guests or invitees.

10. REPAIR AND MAINTENANCE

Lessee shall not cause or permit any waste, damage or injury to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good condition, reasonable wear and tear accepted, and shall be responsible for payment of all necessary expenses of repairs and replacements that arise during Lessee's use of the Premises.

11. ALTERATIONS AND IMPROVEMENTS

Lessee shall make no alteration, addition or improvements to the Premises for the uses described in Article 2 herein without the prior written consent of the Lessor. Any alterations, additions or improvements made by Lessee after such consent has been given, and any fixtures installed as part thereof, shall become the property of Lessor upon termination of this Lease Agreement, unless Lessee elects to remove them and restore the Premises to the condition existing prior to the installation of such fixtures, provided, however, that Lessor shall have the right to require Lessee to remove such fixtures at Lessee's sole expense, upon termination of this Lease Agreement.

12. EASEMENTS

Lessor reserves the exclusive right to grant access, utility or other easements on or through the Premises.

13. NOTICE

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) five (5) days after the same are deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor:

City Manager
City of Santa Fe
P. O. Box 909
Santa Fe, NM 87504-0909

To Lessee:

Ortega Plaza Building LLC
Armand Ortega, Manager
101 W. San Francisco St.
Santa Fe, NM 87501

14. NO WAIVER

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

15. SEVERABILITY

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

16. ENTIRE LEASE AGREEMENT

The foregoing constitutes the entire Lease Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interests as well as all of their duties, responsibilities and obligations. Any and all prior Lease Agreements and understandings between the parties are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the Parties.

17. BINDING EFFECT

This Lease Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors and permitted assigns.

18. LITIGATION EXPENSE

In the event of litigation between the Parties, Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which Lessor shall incur in enforcing this Lease Agreement or in recovering any and all damages caused to the Premises by Lessee, or Lessee's agents, employees, guests, invitees or permitted assigns.

19. RECORDING

This Lease Agreement shall be recorded in its entirety. Lessee shall bear all costs for recording of the Lease Agreement and any other associated costs.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.]

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals as of this
20th day of February, 2018.

LESSOR:

CITY OF SANTA FE

[Signature]
JAVIER M. GONZALES, MAYOR

ATTEST
COUNTY OF SANTA FE
YOLANDA Y. VIGIL, CITY CLERK
APPROVED AS TO FORM:

[Signature]
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

[Signature] 2-20-18
ADAM K. JOHNSON, FINANCE DIRECTOR

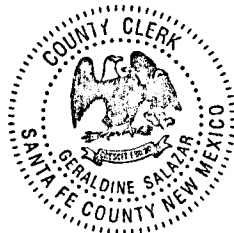
21117.460150
BUSINESS UNIT/LINE ITEM

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

LEASE AGREEMENT
PAGES: 6

I Hereby Certify That This Instrument Was Filed for
Record On The 21ST Day Of March, 2018 at 09:11:13 AM
And Was Duly Recorded as Instrument # **1852905**
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy [Signature] County Clerk, Santa Fe, NM



LESSEE:

ORTEGA PLAZA BUILDING LLC

[Signature]
ARMAND ORTEGA, MANAGER

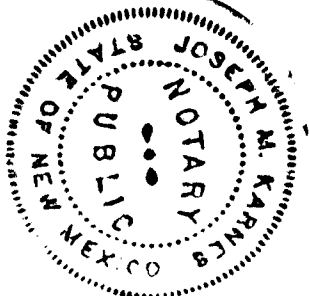
ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

The foregoing instrument was acknowledged before me this 19th day of FEBRUARY, 2018,
by Armand Ortega, Manager of Ortega Plaza Building LLC, a New Mexico limited liability
company.

My Commission Expires: 5/3/19
(SEAL)

[Signature]
Notary Public



0407013

LEGEND / PLAT REFERENCE

BEARINGS BASED ON A PLAT OF SURVEY AND PLAT OF SURVEY FOR ARMANDO R. ORTEGA JR., 101 W. SAN FRANCISCO STREET, CITY OF SANTA FE, NEW MEXICO, BY RICHARD L. SMITH, N.M.P.S. 5837, DATED 1/4/88 AS PROJECT ADDS.

- INDICATES POINT FOUND, "X" MARK ON WALK, UNLESS NOTED.
- INDICATES BRASS CAP MONUMENT FOUND.
- INDICATES CALCULATED POINT NOT SET.
- INDICATES CITY OF SANTA FE SANITARY SEWER MANHOLE.
- INDICATES GAS REGULATOR.
- INDICATES WATER METER.
- INDICATES FENCE LINE.
- INDICATES CURB.
- + INDICATES LIGHT POLE.
- INDICATES CONCRETE.
- INDICATES BRICK.

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY TO ORTEGA PLAZA BUILDING, LLC, TO THE UNION CENTRAL LIFE INSURANCE COMPANY, AN OHIO CORPORATION, AND TO TERRITORIAL ABSTRACT AND TITLE CO., INC. THAT THIS SURVEY (1) WAS PREPARED BY ME OR UNDER MY SUPERVISION (2) WAS MADE ON THE GROUND AND IS CORRECT; (3) DELINEATES ALL LOT LINES AND SHOWS THE LOCATION AND DIMENSION OF ALL IMPROVEMENTS ON THE SUBJECT PROPERTY AND THE DISTANCE THEREFROM TO THE NEAREST FACING EXTERIOR PROPERTY LINE OF THE SUBJECT PROPERTY; (4) SHOWS THE LOCATION OF ALL VISIBLE OR RECORDED EASEMENTS, RIGHTS-OF-WAY AND OTHER MATTERS OF RECORD AFFECTING OR BENEFITING THE SUBJECT PROPERTY AS DISCLOSED BY TERRITORIAL ABSTRACT AND TITLE CO. TITLE COMMITMENT FILE NO. 0805038; (5) SHOWS THE MEAN OF ACCESS AND LOCATION AND RIGHTS-OF-WAY BOUNDARIES OF ALL ADJACENT STREETS TOGETHER WITH THE WIDTH AND NAME THEREOF; (6) SHOWS ANY AND ALL BUILDING SET-BACK LINES ESTABLISHED BY APPLICABLE ZONING AND/OR OTHER GOVERNMENTAL ORDINANCES OR REGULATIONS;

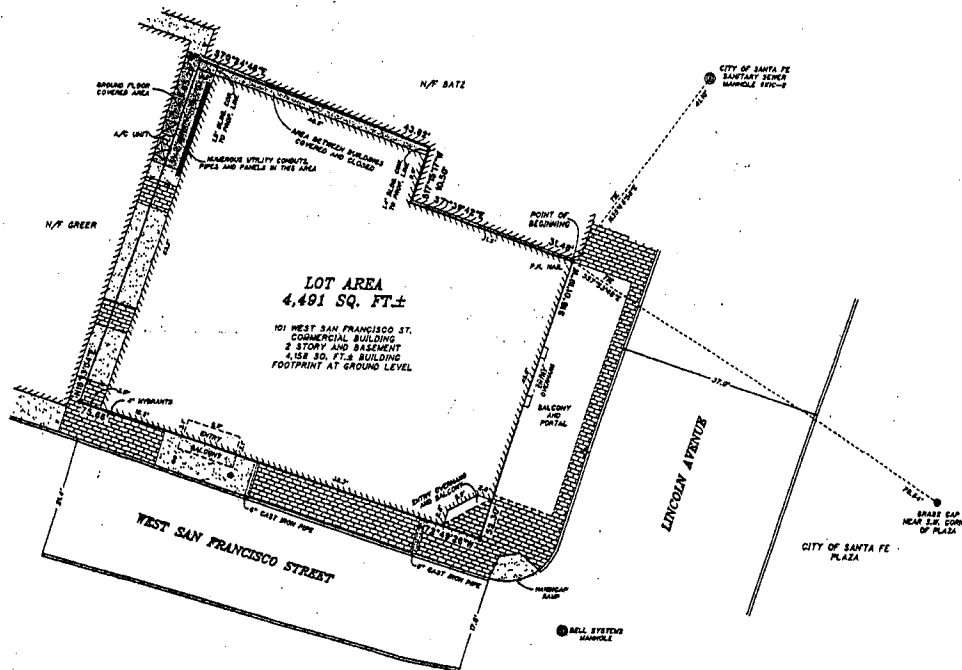
DO NOT FURTHER CERTIFY THAT: (7) THERE ARE NO ENCROACHMENTS UPON THE BOUNDARY LINES OF THE SUBJECT PROPERTY OR UPON ANY EASEMENT AREAS EXCEPT FOR THE FOLLOWING MATTERS SHOWN ON THE SURVEY: BALCONIES AND PORTAL ENTRY OVERHANGS, FENCES AND UTILITIES; (8) INCREASES AND EGRESSES TO THE SUBJECT PROPERTY IS PROVIDED BY WEST SAN FRANCISCO STREET AND LINCOLN AVENUE UPON WHICH PROPERTY FRONTS, THE SAME BEING PAVED AND DEDICATED PUBLIC RIGHT-OF-WAY ACCEPTED AND MAINTAINED BY THE CITY OF SANTA FE; (9) THE TITLE LINES AND LINES OF ACTUAL POSSESSION ARE THE SAME; (10) THE SUBJECT PROPERTY DOES NOT EXIST AND IS NOT SERVICED BY ANY ADJOINING PROPERTY FOR DRAINAGE, INGRESS AND EGRESS OR ANY OTHER PURPOSE; (11) THE STREET ADDRESS OF THE SUBJECT PROPERTY IS 101 WEST SAN FRANCISCO STREET; (12) THE TOTAL SQUARE FOOT AREA OF THE SUBJECT PROPERTY IS 4,491 SQUARE FEET; (13) THE TOTAL SQUARE FOOT AREA OF THE BUILDING LOCATED ON THE SUBJECT PROPERTY IS 4,491 SQUARE FEET; (14) THERE ARE NO PARKING SPACES LOCATED ON THE SUBJECT PROPERTY; (15) A PORTION OF THE SUBJECT PROPERTY DESCRIBED HEREON DOES LIE IN A 100 YEAR FLOOD PLAIN, A FLOOD WAY OR AN AREA THAT HAS BEEN IDENTIFIED BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER GOVERNMENTAL AUTHORITY AS A FLOOD HAZARD AREA UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968 (42 U.S.C. 1901), AS AMENDED (FLOOD DETERMINATION HAVING BEEN MADE FROM A PERSONAL REVIEW OF FLOOD MAP NUMBER 580705 D002 C WHICH IS THE LATEST AVAILABLE FLOOD MAP FOR THE SUBJECT PROPERTY);

I FURTHER CERTIFY THAT THE SURVEY REPRESENTED HEREON MEETS OR EXCEEDS THE MINIMUM REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

I DO FURTHER CERTIFY THAT EXCEPT FOR THE CERTIFICATE HEREON THIS PLAT OF SURVEY WAS MADE IN ACCORDANCE WITH "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/CASM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA, ACSI AND NPS IN 1997.

THE UNDERSIGNED EXPRESSLY UNDERSTANDS AND AGREES THAT (A) THIS CERTIFICATE IS MADE TO INDUCE LENDER TO EXTEND CREDIT SECURED BY A MORTGAGE COVERING THE SUBJECT PROPERTY AND TO INDUCE THE TITLE COMPANY TO ISSUE A POLICY OF TITLE INSURANCE INSURING THE VALIDITY AND PRIORITY OF SUCH MORTGAGE; (B) BOTH LENDER AND TITLE COMPANY ARE ENTITLED TO RELY ON THIS PLAT OF SURVEY AS BEING TRUE AND ACCURATE; (C) THE UNDERSIGNED HAS CONSIDERATION PAID TO THE UNDERSIGNED FOR THE PREPARATION AND CERTIFICATION OF SUCH SURVEY HAS BEEN PAID, IN PART, FOR THE BENEFIT OF LENDER AND TITLE COMPANY AND IN ANTICIPATION OF THEIR RELIANCE.

Richard L. Smith 2/6/99
RICHARD L. SMITH, N.M.P.S. No. 5837, DATE



PROPERTY DESCRIPTION

A CERTAIN TRACT OF LAND LYING AND BEING SITUATE WITHIN THE CITY OF SANTA FE, WITHIN THE SANTA FE GRANT, SANTA FE COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED BY BEARINGS AND DISTANCES AS FOLLOWS:

BEGINNING AT THE NORTHEASTLY CORNER OF THE TRACT, MARKED BY A PK MARK FOUND, FROM WHENCE A TIE TO A BRASS CAP MONUMENT NEAR THE SOUTHWEST CORNER OF THE PLAZA BEARS S87°53'48"E, 78.54 FEET, AND A TIE TO CITY OF SANTA FE SANITARY SEWER MANHOLE 1500-6 BEARS N35°48'56"E, 41.00 FEET; THENCE FROM SAID POINT AND PLACE OF BEGINNING,

S18°09'18"W, 83.30 FEET TO AN "X" MARK ON WALK; THENCE, N72°49'28"W, 75.88 FEET TO AN "X" MARK ON WALK; THENCE, W81°04'E, 65.29 FEET TO A CALCULATED POINT NOT SET; THENCE, S70°24'46"E, 43.82 FEET TO A CALCULATED POINT NOT SET; THENCE, S17°10'17"W, 10.50 FEET TO A CALCULATED POINT NOT SET; THENCE, S71°35'42"E, 31.48 FEET TO THE POINT AND PLACE OF BEGINNING,

CONTAINING 4,491 SQUARE FEET, MORE OR LESS.

SCALE 1" = 10'

PUBLIC NOTICE

THIS SURVEY IS BASED ON THOSE RECORDED DOCUMENTS NOTED HEREON. CITY OF SANTA FE STAFF MUST APPROVE ALL DOCUMENTS SUBMITTED WITH AN APPLICATION FOR A BUILDING PERMIT AND MAY REQUIRE SUBMITTAL OF ADDITIONAL DOCUMENTATION TO PROVE LEGAL LOT OF RECORD.

COUNTY OF SANTA FE 1663-472
STATE OF NEW MEXICO
I hereby certify that this instrument was filed for record on this day of February, 2012, at 10:00 o'clock AM of the day and was duly recorded in book 1663-472 page 1 of this instrument at Santa Fe County.

Witness my hand and seal of Office
County Clerk, Santa Fe County, N.M.



INDEXING INFORMATION FOR COUNTY CLERK
FILE NO. 1663-472
SUBJECT: BOUNDARY SURVEY
DATE: 02/06/2012
PROJECTED SEC. 24, T-17-N, R-8-E
FILE: SANTA FE GRANT

SAITH WILLIAMSON & ASSOCIATES
600 Lane Street, Suite 2, Santa Fe, New Mexico 87505
505.992-8224 FAX 505.992-8221

ALTA/CASM LAND TITLE SURVEY PREPARED FOR
ORTEGA PLAZA BUILDING, LLC
101 WEST SAN FRANCISCO STREET
CITY OF SANTA FE
SANTA FE COUNTY, NEW MEXICO
1" = 10' FEB. 1993 A.C.S.M. 2012-1

Exhibit A