

WHEN RECORDED MAIL TO:
Buchalter Nemer
16435 N. Scottsdale Road, Suite 440
Scottsdale, AZ 85254
File No. L5018-6

Escrow No. 153928-33

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is made effective as of December 22, 2015, by and between the CITY OF MARICOPA, a municipal corporation ("Maricopa") and BOKF, NA, DBA BANK OF ARIZONA, a national banking association, as Trustee for the Industrial Development Authority of the County of Pima Education Facility Revenue Bonds (Leading Edge Academy Maricopa Charter School Project), Series 2013 and Series 2015 ("Trustee").

RECITALS:

A. Maricopa, Community of Hope Church, an Arizona non-profit corporation, and Leading Edge Academy Maricopa, an Arizona non-profit corporation ("LEAM") executed that certain *Amendment to Agreement*, dated as of December 15, 2015 (the "2015 Agreement") and recorded on December 22, 2015, at Fee No. 2015-081566, Records of Pinal County Recorder, Pinal County, Arizona.

B. Pursuant to the 2015 Agreement, Maricopa has the right of first refusal (the "ROFR") to acquire, at the then existing market price, as improved, the real property which is legally described on Exhibit "A" attached hereto (the "Academy Property"), if, at any time within five (5) years from the recording date of the 2015 Agreement, LEAM seeks to sell or abandons the Academy Property, or if the Academy Property is foreclosed upon.

C. LEAM previously obtained a loan from The Industrial Development Authority of the County of Pima ("Issuer") in the original principal sum of Three Million One Hundred Fifty Thousand and No/100 Dollars (\$3,150,000.00) evidenced by that certain *Promissory Note* in the original principal amount of \$3,150,000.00, dated December 4, 2013, which is secured by that certain *Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing*, dated December 1, 2013 and recorded on December 4, 2013, at Fee No. 2013-093352, Records of Pinal County Recorder, Pinal County, Arizona (the "2013 Deed of Trust") encumbering real property and all of the improvements thereon in the City of Maricopa, Pinal County, Arizona, and more particularly described in Exhibit A attached thereto.

D. LEAM has obtained another loan from the Issuer in the original principal sum of Five Million Five Hundred Thousand and No/100 Dollars (\$5,500,000.00) evidenced by that certain *Promissory Note* in the original principal amount of \$5,500,000.00, dated December 22, 2015, which is secured by that certain *Amendment to Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing*, dated December 1, 2015 and recorded on

December 22, 2015, at Fee No. 2015-081569, Records of Pinal County Recorder, Pinal County, Arizona (the "Amendment to Deed of Trust", which together with the 2013 Deed of Trust are collectively referred to as the "Deed of Trust") encumbering real property and all of the improvements thereon in the City of Maricopa, Pinal County, Arizona, and more particularly described in Exhibit B attached thereto.

E. Pursuant to its loan documents, LEAM is required to use its best efforts and endeavor to obtain a subordination agreement from Maricopa whereby Maricopa agrees to subordinate its ROFR to the lien of the Deed of Trust.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Subordination of Right of First Refusal. Maricopa's ROFR, and the rights, privileges and powers of Maricopa conferred upon it under the 2015 Agreement, are hereby made unconditionally subject and subordinate to the lien and charge of the Deed of Trust and all rights, privileges and powers of the beneficiaries thereunder, and shall hereafter be junior and inferior to the Deed of Trust, including any and all amendments, replacements, and modifications thereof.

2. Maricopa's Right of First Refusal. If the Trustee becomes the fee owner of the Academy Property, whether as a result of a non-judicial trustee's sale or a judicial foreclosure (either event constituting a "Foreclosure Proceeding"), the Trustee agrees that it will recognize Maricopa's ROFR conferred upon Maricopa under the 2015 Agreement, and will contact Maricopa in writing within thirty (30) days of becoming the fee owner to determine whether Maricopa is interested in purchasing the Academy Property from Trustee at the then existing fair market price, as improved, in accordance with the terms of the 2015 Agreement. The above obligations of Trustee set forth in this section shall automatically terminate if the Academy Property is sold to a third party not affiliated with Trustee or Issuer in connection with the Foreclosure Proceeding. Notwithstanding anything to the contrary herein, Trustee hereby agrees to give Maricopa written notice of the commencement of any Foreclosure Proceedings affecting the Academy Property.

3. Assigns. The rights of Trustee hereunder shall inure to the benefit of its respective successors and assigns. The terms of this Agreement shall be binding upon the successors and assigns of the parties.

4. Notices. Any notices provided for or permitted by this Agreement shall be given in writing and sent by certified mail or a nationally recognized overnight courier to such party at its address specified below, or delivered personally thereto, or sent by facsimile transmission ("fax") to the number of such party as specified herein. Any such notice shall be deemed received at the time of such personal delivery, or receipt of the fax, or the next business day if sent by a nationally recognized overnight courier or at 5:00 P.M. on the second (2nd) business

day after being deposited with the United States mail as aforesaid, as the case may be. The initial address for each party is as follows:

If to Maricopa:	City of Maricopa Gregory Rose, City Manager 39700 W. Civic Center Plaza Maricopa, Arizona 85138 Telephone: 520-316-6811 Facsimile: 520-568-9120
If to Trustee:	BOKF, NA dba Bank of Arizona 3001 East Camelback Road, Suite 100 Phoenix, Arizona 85016 Attention: Corporate Trust Services Telephone: 602-808-3743 Facsimile: 602-909-1657
With a copy to:	The Industrial Development Authority of the County of Pima c/o Russo, Russo & Slania, P.C. 6700 North Oracle Road, Suite 100 Tucson, Arizona 85704 Telephone: 520-529-1515 Facsimile: 520-529-9040

5. Severability. The unenforceability of any provision of this Agreement shall not affect the enforceability or validity of any other provision hereof.

6. Governing Law; Venue. This Agreement shall be deemed to be made under, and shall be construed in accordance with and shall be governed by the laws of the State of Arizona. If any action is filed to enforce the terms of this Agreement, the parties agree that the Pinal County Superior Court shall have exclusive venue to hear any matter regarding this Agreement.

7. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed to be an original but all of which, when taken together, will constitute only one agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

MARICOPA:

City of Maricopa

By: _____
Christian Price, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Denis M. Fitzgibbons, City Attorney

STATE OF ARIZONA)
) ss.
County of Pinal)

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2016, by Christian Price, Mayor of the City of Maricopa

My Commission Expires:

Notary Public

TRUSTEE:

BOKF, NA dba Bank of Arizona,
as Trustee for the Industrial Development Authority
of the County of Pima Education Facility Revenue
Bonds (Leading Edge Academy Maricopa Charter
School Project), Series 2013 and Series 2015

By: _____
Brenda D. Black, Senior Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2016,
by Brenda D. Black, Senior Vice President of BOKF, NA dba Bank of Arizona, as Trustee for
the Industrial Development Authority of the County of Pima Education Facility Revenue Bonds
(Leading Edge Academy Maricopa Charter School Project), Series 2013 and Series 2015.

My Commission Expires: _____
Notary Public

EXHIBIT "A"

LEGAL DESCRIPTION OF ACADEMY PROPERTY

LOTS 1 AND 2, OF LEAD CHARTER SCHOOL AND COMMUNITY OF HOPE CHURCH,
ACCORDING TO PLAT RECORDED IN PINAL COUNTY, ARIZONA AS FEE NO. 2010-
055754.