

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into this ____ day of _____, 2025, by and between CENTRAL ARIZONA VALLEY INSTITUTE OF TECHNOLOGY, 1789 W. Coolidge Avenue, Coolidge, Arizona 85128, a career technological education school district and political subdivision of the State of Arizona (“Tenant”), and the CITY OF MARICOPA, a municipal corporation (“City”). Tenant and City may be referred to herein collectively as the “Parties” and, each individually, as a “Party.”

RECITALS

WHEREAS, City and Tenant have determined that it would be in the best interests of both Parties and the Maricopa community for a building to be constructed in the City of Maricopa to be used for educational purposes and for other purposes which will serve to benefit the residents of the City and adjacent areas; and

WHEREAS, the Tenant and the City have mutual interests in helping area residents learn and develop skills in the area of career and technical education; and

WHEREAS, City has vacant land available which is suitable for construction of a public building; and

WHEREAS, City and Tenant have joint interests in construction of a school building which will be used primarily for educational purposes; and

WHEREAS, City and Tenant wish to work cooperatively to provide for construction and use of a facility within the City of Maricopa.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **PREMISES.** City hereby leases to Tenant, and Tenant leases from City the property lying at the northwest corner of Garvey Avenue and N Wilson Avenue encompassing approximately 5.341 acres generally known as Pinal County Assessor Parcel No. 510-18-002, located in Pinal County, Arizona as more specifically described in Exhibit A, which is attached hereto and incorporated herein by reference (the “Premises”). The Premises is presently vacant land upon which Tenant intends to construct a facility for its program of instruction in career and technological education.

2. TERM.

2.1 Initial Term. The initial term of this Lease shall be for a period of twenty-five (25) years beginning on the Effective Date hereof (the "Term"). The "Effective Date" for this Lease shall be the date upon which both the Maricopa City Council and the Tenant's Governing Board have approved and signed this Lease.

2.2 Extension of Term. Provided Tenant is not then in default of this Lease, Tenant shall have the option of extending the Term of this Lease additional periods of five (5) years each (individually, an Extension). Tenant may exercise an Extension by giving written notice to City of its desire to exercise any Extension no later than one hundred eighty (180) days prior to the expiration of the Term or the preceding Extension. If Tenant has properly notified City of its desire to exercise an Extension of the Term, then Tenant's Extension of the Term shall become effective and all references herein to the Term of Tenant shall mean the initial Term as extended.

2.3 Termination. In addition to the Parties' rights to terminate this Lease for default as provided herein, either Party may terminate this Lease on the tenth anniversary or any subsequent anniversary that is evenly divisible by five (5), upon no less than eighteen (18) months prior written notice to the other Party. Except in the event of termination due to default, any prepaid rents on the date of termination and compensation for improvements (as provided in Paragraph 8.8) shall be determined and appropriate reimbursements shall be issued.

3. RENT.

3.1 Base Rent. Tenant covenants and agrees to pay rent to City for the use of the Premises the sum of \$24,000.00 per year, to be paid in monthly installments of \$2,000.00 ("Base Rent"). The Base Rent shall be payable in advance and without any prior demand therefore and without any abatement, deductions and setoffs, whatsoever, unless specifically provided for in this Lease.

3.2 CPI Adjustments to the Base Rent. The annual Base Rent shall be increased on the fifth (5th) anniversary of the Effective Date and on each successive five (5) year anniversary of the Effective Date (each of which dates are referred to in this paragraph only as an "Adjustment Date" by a percentage equal to the percentage increase in the CPI (as defined below), not to exceed the percentage allocated by the Arizona Legislature during the five-year period ending ninety (90) days prior to the applicable Adjustment Date. However, the percentage increase shall not exceed the percentage increase in the funding received by Tenant as a school district pursuant to Title 15 of the Arizona Revised Statutes during the same five-year period. For purposes of this Lease, CPI means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all urban consumers (CPI-U), U.S. City average (1982-1984=100). If at any time the CPI ceases to exist, the Parties may on mutual agreement substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in the Parties' agreement shall be most

nearly equivalent to the CPI. Nothing contained in this paragraph will cause any decrease in Base Rent.

3.3 Market Adjustments to Base Rent. Notwithstanding the Base Rent increases referenced in the preceding paragraph, the annual Base Rent shall be adjusted on the twenty-fifth (25th) anniversary of the Effective Date (the "Adjustment Date") as hereinafter set forth in this paragraph. On the Adjustment Date, the Base Rent will be adjusted (but not decreased) to the fair market base rent rate of the Premises, as reasonably determined by City in relation to comparable (in quality and size) land area. City's determination of such fair market base rent rate will be delivered to Tenant not later than 90 days prior to the Adjustment Date. If Tenant reasonably disputes City's determination of such fair market base rent rate of the Premises, Tenant will deliver notice of such dispute, together with Tenant's determination of such fair market base rent rate, to City within five (5) days of Tenant's receipt of City's determination. The Parties will then attempt in good faith to agree upon such fair market base rent rate. If City and Tenant fail to agree within fifteen (15) days, they will within seven (7) days thereafter mutually appoint an appraiser to determine the fair market base rent rate. The appraiser must have at least 5 years of full-time commercial appraisal experience and be a member of the American Institute of Real Estate Appraisers. If City and Tenant are unable to agree upon an appraiser within such seven (7) days, the Parties will within five (5) days thereafter apply to the Presiding Judge of the Pinal County Superior Court for the selection of an appraiser. The Presiding Judge of the Pinal County Superior Court will, as soon as reasonably practicable, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior 2 years. Within seven (7) days of the appointment (either by agreement or selection) of the appraiser, City and Tenant will submit to the appraiser their respective determinations of the fair market base rent rate and any related information. Within twenty (20) days thereafter, the appraiser will review each Party's submittal (and such other information as the appraiser deems necessary) and will select one Party's submittal or any amount between the two rates submitted as representing the most reasonable approximation of such fair market base rent rate. Costs of the appraiser shall be shared equally by the Parties.

Upon sixty (60) days written notice to City, Tenant may elect to have the Adjustment Date occur on a date (the Early Adjustment Date) prior to the twenty-fifth (25th) anniversary of the Effective Date; provided, however, that (i) in no event shall such an election extend the Term beyond the date specified in Paragraph 2.1 or operate as an exercise of an Extension as provided in Paragraph 2.2 and (ii) upon such election by Tenant, there will be an additional Adjustment Date on the twenty-fifth (25th) anniversary of the Early Adjustment Date, provided that on such date this Lease is still effective. Notwithstanding anything to the contrary contained in this paragraph, nothing contained in this paragraph will cause any decrease in Base Rent. If Tenant causes an Early Adjustment Date to occur, Tenant will pay all fees and costs of the above-referenced appraiser. City will pay all fees and costs of the appraiser with respect to any Adjustment Date other than an Early Adjustment Date.

3.4 Rent Payment. The first monthly payment of Base Rent, shall be due upon the

Rent Commencement Date (as hereinafter defined). Thereafter, all Base Rent shall be paid on the first day of each calendar month. The Rent Commencement Date shall be the date that is the Effective Date for the Lease. In the event the Rent Commencement Date occurs on a day other than the first day of a calendar month, the monthly payment of Base Rent for said month shall be pro-rated based on the number of days in said month following and inclusive of the Rent Commencement Date.

4. PERMITTED USE

4.1 Use by Tenant. The Parties agree that the Premises shall be used by Tenant for educational programs as permitted for a career technological education district under the laws of Arizona, and such other uses as may be authorized by A.R.S. §15-1105. Any change or modification of the permitted purposes must be approved in writing by City prior to such modified use commencing.

4.2 The Parties agree to work cooperatively in good faith to promote joint use programming and activities to meet the needs of the community.

4.3 Tenant's taking of possession of the Premises shall be conclusive evidence of Tenant's acceptance thereof in good order and satisfactory condition. Tenant agrees that no representation respecting the condition of the Premises and that no promises to alter, repair or improve the Premises either before or after the execution hereof, have been made by City or its agents to Tenant unless the same are contained herein.

5. INSURANCE. Tenant shall obtain and maintain in full force, with a company or companies authorized to transact the business of insurance in the State of Arizona and of sound and adequate financial responsibility, insurance (either as part of any other policy or policies, or separately) covering all of its activities on the Premises as provided below:

5.1 Builder's Risk Insurance. During the construction of any improvements on the Premises, Tenant shall keep or cause the contractor performing such construction to keep, the improvements to be insured under builder's risk insurance (or similar insurance) in the amount of the cost of construction of the improvements. Such insurance shall name the City as an additional insured. In the event of any recovery under such insurance, the proceeds of insurance shall be applied to the reconstruction or repair of the improvements. In the event of the remodeling, renovation or restoration by Tenant of any damage to the improvements, Tenant shall keep, or cause the contractor performing such remodeling, renovation, or restoration to keep, the improvements being remodeled, renovated or restored insured under builder's risk insurance (or similar insurance) in the amount of the cost of construction of the improvements. In the event of any recovery under such insurance, the proceeds thereof shall be applied to the payment of the costs of such remodeling, renovation or restoration.

5.2 Liability Insurance. During the term of this Lease and any extensions thereof,

Tenant shall procure and maintain, in full force and effect, a comprehensive insurance policy or policies as follows:

A. General liability, including all direct or contingent loss or liability for damages for bodily injury, personal injury, death or damage to property, including loss of use thereof, occurring on or in any way related to the Premises or occasioned by reason of occupancy by and the operation of Tenant upon, in and around the Premises, with limits of at least One Million Dollars (\$1,000,000) per occurrence for personal or bodily injury and a minimum of Five Hundred Thousand Dollars (\$500,000) property damages coverage.

B. Automobile liability covering owned vehicles and non-owned leased or hired vehicles with combined single limits of no less than One Million Dollars (\$1,000,000) per occurrence.

C. Worker's compensation and employer's liability coverage in the amounts required by law.

D. Insurance covering all personal property in amounts not less than one hundred percent (100%) of the replacement value thereof, providing protection against any peril included within the classification of "Fire and Extended Coverage", including sprinkler damage, vandalism and malicious mischief, or Tenant shall provide a waiver of right of reimbursement for loss of Tenant's personal property.

E. During the construction of any improvements on the Premises, Tenant shall keep or cause the contractor performing such construction to keep, the improvements to be insured under builder's risk insurance (or similar insurance) in the amount of the cost of construction of the improvements. Such insurance shall name the City as an additional insured. In the event of any recovery under such insurance, the proceeds of insurance shall be applied to the reconstruction or repair of the improvements. In the event of the remodeling, renovation or restoration by Tenant of any damage to the improvements, Tenant shall keep, or cause the contractor performing such remodeling, renovation, or restoration to keep, the improvements being remodeled, renovated or restored insured under builder's risk insurance (or similar insurance) in the amount of the cost of construction of the improvements. In the event of any recovery under such insurance, the proceeds thereof shall be applied to the payment of the costs of such remodeling, renovation or restoration.

5.3 Modification of Insurance Requirements. City may adjust or increase liability insurance amounts and requirements as City deems reasonably necessary, or as may be required by applicable law.

5.4 Certificates. Tenant shall provide to City a certificate of insurance each year this Lease is in effect showing proof of the above insurance coverage.

5.5 Additional Insurance. The provisions of this Lease as to insurance required to be procured and maintained shall not limit or prohibit, or be construed as limiting or prohibiting, City or Tenant from obtaining any other or greater insurance with respect to the Premises or improvements thereon or the use and occupancy thereof that either or both of them may wish to carry, but in the event City or Tenant, as the case may be, shall procure or maintain any such insurance not required by this Lease, the cost thereof shall be at the expense of the Party procuring or maintaining the same.

5.6 Additional Insured. All required insurance shall be procured and maintained in the name of Tenant and shall add City as an additional insured. All policies required under this Paragraph for property and builder's risk insurance shall provide for payments of the losses to Tenant and City as their respective interest may appear; provided that during the period of any construction, any builder's risk insurance carried pursuant hereto may provide for payment to the contractor, as its interest may appear. All proceeds from any such insurance shall be used to repair or restore such destruction or damage or to reimburse either of the Parties for expenditures made or incurred in such restoration or repair.

5.7 Use of Proceeds. Proceeds of liability and property damage insurance required under this Section shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

5.8 Waiver of Subrogation. Each Party hereto waives all claims for recovery from the other Party for any loss or damage to any of its property on the Premises insured under valid and collectible insurance policies to the extent of any recovery collected from such policies. The Parties agree that all material insurance policies shall be endorsed with a clause which waives subrogation against the other Party.

6. INDEMNIFICATION.

6.1 Tenant's Indemnification. Tenant will indemnify, defend and hold City harmless from and against any and all claims, demands, liability and expenses (including reasonable attorneys fees incurred in connection with any such claim, demand or action) in connection with the loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, or the occupancy of Tenant or any of Tenant's agents, employees, licensees, guests, invitees or contractors. This indemnity shall not apply to damages resulting solely from the gross negligence of City, unless covered by insurance required to be carried by Tenant.

6.2 City's Indemnification. City agrees to indemnify and hold harmless Tenant from any and all claims for injury or property damage that arise out of the negligence or omissions of City's employees, agents, contractors, or officers, arising out of this Lease. This includes the payment of reasonable attorney's fees incurred in the defense of any such claims or damages.

7. TAXES AND IMPACT FEES.

7.1 Taxes. Tenant shall pay before delinquency any and all taxes levied or assessed against or by reason of personal property owned by Tenant and located in, on or about the Premises and all applicable taxes levied or assessed by any government body as the result of Tenant's construction on or operations on the Premises. All such taxes and assessments for partial years shall be apportioned and adjusted on a time basis.

7.2 Impact Fees. Tenant shall be liable and agrees to pay any impact fees which may be imposed or assessed against the Premises or upon any improvements hereon.

7.3 Protest. Tenant shall have the right at its own cost and expense to contest the amount or validity of any such tax or assessment and to bring or defend any actions involving the amount or validity of any such tax or assessment in its own name or in the name of City; provided that, if unsuccessful, Tenant shall pay and discharge any such tax or assessment so contested, together with any penalties, fines, interest, costs and expenses, including reasonable attorneys' fees, that may result from any such action by Tenant.

8. CONSTRUCTION OF IMPROVEMENTS.

8.1 Compliance with Applicable Rules. All construction of improvements shall comply with all applicable laws, regulations, and ordinances, whether federal, state or local. Any improvements constructed on the Premises during the Initial Term or an Extension Term shall become the property of the City at the end of such Initial Term or Extension Term, or upon any earlier termination of the Lease.

8.2 Approval of City. Tenant shall not construct or substantially alter or modify any buildings, structures, or other improvements on the Premises without the City's prior written approval of its plans and specifications, which approval will not be unreasonably withheld. Items of normal repair and maintenance and minor alterations and modifications need not be submitted to City for approval. Tenant shall provide the Architect's contract, Design Phase Services contract, and proposed Construction contract for the proposed facility to the City prior to the commencement of construction of the facility and related improvements.

8.3 Completion of Construction. Tenant intends to construct Phase 1 of its facility and related improvements for occupancy and commencement of educational programs on or before August 1, 2028 ("Completion Date") as more specifically described in Exhibit B, attached hereto and incorporated herein by reference. Upon signature of this Lease, Tenant will diligently pursue construction of Phase 1 of the facility. If Tenant fails to substantially complete Phase 1 within 180 days of Completion Date, this failure shall be considered a default by Tenant unless the failure to complete is for reasons beyond Tenant's reasonable control.

Tenant intends to construct Phase 2 of its facility and related improvement for occupancy

on or before August 1, 2031, as more specifically described in Exhibit B. Upon completion of Phase 1, Tenant will diligently pursue construction of Phase 2 of the facility. Tenant's failure to construct Phase 2 will not be considered a default by Tenant.

8.4 Title to Alterations and Improvements. Title to all improvements and alterations on the Premises shall vest in City upon the expiration of this Lease, and Tenant agrees to execute and deliver to City, within thirty (30) days after City's request therefore, a quit-claim deed or other reasonably necessary documentation confirming that title to such improvement and alterations is vested in City.

8.5 Permit Required. Tenant shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction shall conform to City of Maricopa construction and technical codes. No such work shall be commenced without first submitting required plans and obtaining required permits from the City. City agrees to use its best efforts to expedite the permit approval process. All such work shall be permitted, inspected and approved by the City prior to concealment or use.

8.6 Damage or Destruction. In the event of damage to or destruction of the building(s) on the Premises, Tenant shall give City and any leasehold mortgagee notice thereof. If the building(s) should be rendered untenable by fire or other casualty to the extent of fifty percent (50%) or more of the replacement cost of said building(s), Tenant shall, within one (1) year following occurrence of such damage or destruction, restore or rebuild such building(s) to substantially the same condition as existed prior to such damage or destruction.

8.7 Mechanics' Liens; Payment Bond. Tenant shall promptly pay all entities supplying labor or materials in connection with any construction on the Premises and shall keep the Premises free and clear of liens and claims of lien. Tenant shall, in addition, prior to commencement of any construction, require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of Arizona law and related regulations applicable to school construction.

8.8 Early Termination Reimbursement for Costs of Improvements.

(a.) If either Party terminates the Lease in accordance with the provisions of Paragraph 2.3 hereof, and provided Tenant is not in default under the Lease, City shall reimburse Tenant its actual cost for the design and construction of the building and other improvements placed on the Premises by Tenant, in accordance with the Facility Depreciation Schedule attached hereto as Exhibit C.

(b) No later than thirty (30) days after a Certificate of Occupancy is issued by City to Tenant, the Parties shall execute a Certificate of Actual Costs which shall set forth Tenant's

actual cost for the design and construction of the building and other improvements placed on the Premises by Tenant and which amount shall be binding on the Parties for purposes of this Lease. In the event the Parties cannot agree on the amount of Tenant's actual costs, the Parties' respective Boards shall mutually determine the amount of Tenant's actual costs.

(c) In the event that the building is incomplete or damaged, the amount to be paid shall be adjusted as appropriate based on the agreement of the Parties or pursuant to arbitration or litigation as necessary. Neither this section nor any other provision of this Lease shall be construed to create rights for or be enforceable by third Parties.

9. UTILITIES. Tenant shall, at no cost or expense to City, provide any and all utilities including, but not limited to, electrical, water and sewer lines and connections that are needed in connection with any buildings, structures or other improvements placed on the Premises by Tenant and shall be responsible for the maintenance of such utilities, lines and connections.

10. MAINTENANCE BY TENANT. Tenant shall, at no expense to City, maintain the Premises and all improvements located thereon in a neat, clean, safe condition, free of weeds, trash, and debris, and in a manner that is compatible with all other nearby properties, and in compliance with all applicable laws, rules, regulations and orders. The standards of upkeep, maintenance and repair of utility systems, buildings and the Premises shall in any event be not less than the standards followed by City for similar buildings and premises devoted to the same or similar use. City reserves the right to enter upon the Premises as necessary to inspect apparent maintenance deficiencies and Tenant shall work cooperatively with the City to remedy any deficiencies identified upon inspection.

11. HAZARDOUS SUBSTANCES.

11.1 Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Tenant or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Tenant, or any third Party.

11.2 If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on under or about the Premises, other than as previously consented to by City, Tenant shall immediately give written notice of such fact to City, and provide City with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

11.3 Tenant shall indemnify, defend and hold City, its agents, employees, lenders

and harmless from and against any and all loss of Rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant or any third party (provided, however, that Tenant shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Premises). Tenant's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by City and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by City in writing at the time of such agreement.

11.4 City and its successors and assigns shall indemnify, defend, reimburse and hold Tenant, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which existed as a result of Hazardous Substances on the Premises prior to the initial Lease term or which are caused by the negligence or willful misconduct of City, its agents or employees. City's obligations shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

11.5 Notwithstanding anything herein to the contrary, if, at any time during the term of this Lease, City is required by any governmental agency, after all appeals are exhausted, to investigate, remove, remediate, restore and/or abate with respect to any Hazardous Substance on the Premises at a cost to City that exceeds three months then current Base Rent, then City shall have the right to terminate this Lease upon sixty (60) days prior written notice to Tenant.

11.6 The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of City to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Tenant shall not engage in any activity in or on the Premises which constitutes a Reportable Use (as hereinafter defined) of Hazardous Substances without the express prior written consent of City. Reportable Use shall mean (i) the installation or use of any above or below ground storage tank, and (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials reasonably required to be used in the normal course of the approved use, so long as such use is not a Reportable Use, and does not expose the

Premises or neighboring property to any meaningful risk of contamination or damage or expose City to any liability therefor. In addition, City may condition its consent to any Reportable Use upon receiving such additional assurances as City reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

12. SUBLETTING AND ASSIGNMENT.

12.1 Subletting and Assignment. Tenant shall not have the right to sublet or assign all or any part of the Premises without the written approval of City. City shall not unreasonably withhold approval of a sublease by Tenant to groups or individuals who would otherwise be qualified to rent similar public facilities for purposes consistent with Tenant's use of the facility for educational purposes. For purposes of this Lease, Tenant's allowing occasional use of its facilities under the authority of A.R.S. § 15-1105 shall not be deemed subletting.

12.2 Continuing Responsibility of Tenant. In the case of a complete assignment or sublease of the entire Premises it shall provide that the subtenant or assignee assumes and agrees to perform all of the terms, covenants and agreements which Tenant has agreed to perform under this Lease, and that Tenant's subtenant or assignee shall become jointly and severally liable with Tenant, or any successor in interest of Tenant, for the performance of the terms and covenants of this Lease. A sublease for less than the entire Premises shall recite that it is subject and subordinate to all the terms and provisions of this Lease. Neither the execution of such sublease or assignment nor the acceptance of rent by City from Tenant's subtenant or assignee shall release or in any manner affect Tenant's liability to City hereunder.

13. CITY REMEDIES ON DEFAULT.

13.1 Events of Default. Tenant shall be in default under this Lease upon the occurrence of any of the following (Tenant Events of Default):

A. Tenant shall fail to pay when due any installment of rent payable pursuant to this Lease within ten (10) days of written notice that the rent payment has not been received. Notwithstanding the foregoing, in the event Tenant fails to pay when due any installment of rent solely for the reason that the State Legislature has not released educational funding, Tenant shall have up to ninety (90) days to pay rent commencing the first month of the fiscal year, provided, however that Tenant shall pay all rent due and owing within ten (10) days of Tenant's receipt of its educational funding.

B. Tenant or any of Tenant's agents or employees use Premises for any unlawful or illegal purpose.

C. Tenant shall fail to observe or perform any other covenant, agreement or obligation hereunder and such failure shall not be remedied within thirty (30) days (or such additional time as is reasonably required to correct any such failure, if Tenant has instituted corrective action and is diligently pursuing the same) after City shall have given Tenant written notice specifying which covenant, agreement or obligation Tenant has failed to observe or perform.

D. There is commenced by or against Tenant any case under the Bankruptcy Code (Title XI of the United States Code) or any other bankruptcy, arrangement, reorganization, receivership, custodianship or similar proceeding under any federal, state or foreign law, and with respect to any such case or proceeding that is involuntary, such case proceeding is not dismissed with prejudice within sixty (60) days of such filing.

E. Tenant makes a general assignment for the benefit of creditors or applies for, consents to, or acquiesces in the appointment of a trustee, receiver, or other custodian for Tenant or the property of Tenant or any part thereof, or in the absence of such application, consent, or acquiesces, a trustee, receiver or other custodian is appointed for Tenant or the property of Tenant or any part thereof, and such appointment is not discharged within sixty (60) days.

F. Any action is commenced against Tenant to foreclose any lien or mortgage or other rights of Tenant in or to the Premises.

G. Tenant abandons, deserts or vacates the Premises for thirty (30) consecutive days or more. Parties acknowledge that the facility may not be actively used during times when classes are not in session.

H. Tenant fails to substantially complete construction as set forth in section 8.3 above.

13.2 Remedies of City. If Tenants shall be in default hereunder as set forth above, the City may exercise any of the following remedies.

A. Termination. City may, at its election, give Tenant written notice of its intention to terminate this Lease on a date which shall not be earlier than the end of the then-current semester unless the City is subject to irreparable harm, in which case the date shall not be earlier than thirty (30) days after such notice is given. If all defaults have not been cured on or before the date specified in the notice, Tenant's rights to possession of the Premises shall cease, and the Lease shall terminate. Any such termination must be express, and neither notice to pay rent or to deliver up possession of the Premises given pursuant to law, nor any proceeding instituted by City, nor the failure by Tenant for any periods of time to pay any of the rent herein reserved, shall of itself operate to terminate this Lease.

(1) Damages. Notwithstanding the termination of this Lease or any re-entry by City upon such termination, Tenant shall continue to be liable for and City shall be entitled to recover as damages:

(a) the sum of all rent that is due and owing as of the date of termination and all other sums then owing by Tenant hereunder;

(b) all rent that would otherwise continue to accrue during the remaining term hereof or, at the election of City, the discounted present value of the sum of all rentals remaining to be paid for the remaining term of this Lease, calculated by the City in its reasonable discretion, but not to exceed one full year of rental payments from the date Tenant vacates the Premises; and

(c) the reasonable costs incurred by City in re-letting the Premises and the reasonable costs to City necessary to place the Premises in condition for re-letting. Tenant reserves the right to an audit.

(2) Credit. Any rent, income, receipts, profits or other monies received or delivered by City from any re-letting or other use of the Premises after the termination of this Lease shall, so long as Tenant shall continue to be liable for the payment of rent hereunder, be credited against such rent as received and collected.

13.3 Remedies Cumulative. All rights, options and remedies of City contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and City shall have the right to pursue any one or all of such remedies or any other remedy of relief which may be provided by law, whether or not stated in this Lease (including but not limited to any right of self help or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs).

13.4 No Waiver. No waiver of any Tenant Event of Default of Tenant hereunder shall be implied from any acceptance by City of any rent or other payments due hereunder or any omission by City to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect a Tenant Event of default in a manner other than as specified in said waiver. The consent or approval by City to or of any act by Tenant requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent or approval to or of any subsequent similar acts by Tenant.

13.5 Notice. Any default notice tendered to Tenant hereunder shall be given as provided in section 20 below.

14. TENANT REMEDIES ON DEFAULT.

14.1 Landlord Events of Defaults. The City shall be in default under this Lease upon

the occurrence of any of the following (Landlord Events of Default):

A. The Tenant is unable to use or exercise, for a period of thirty (30) consecutive days, any portion of the Premises, rights, licenses, services or privileges of Tenant granted hereunder because of any law, rule, regulation or other action or failure to act on the part of any United States governmental authority having jurisdiction thereof.

B. The City in the performance of any covenant or agreement herein required to be performed by City and fails to remedy such default for a period of thirty (30) days after receipt of written request or demand from Tenant to remedy the same.

14.2 Termination. Tenant may terminate this Lease at any time upon thirty (30) days written notice to City upon or after the happening of any Landlord Event of Default, provided that if the reason for such termination ceases to exist prior to the effective date of such termination, then the right to terminate for such reason shall cease.

14.3 No Waiver. No waiver by Tenant of City's default of any of its obligations hereunder shall be construed to be or act as a waiver by Tenant of any subsequent default by City.

14.4 Remedies Cumulative. All rights, options and remedies of Tenant contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Tenant shall have the right to pursue any one or all of such remedies or any other remedy of relief which may be provided by law, whether or not stated in this Lease (including but not limited to any right of self-help or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs).

15. DISPUTE RESOLUTION AND MEDIATION

Neither Party shall commence any litigation in any court concerning a dispute arising out of or related to this lease unless such Party shall first give a written notice to the other Party setting forth the nature of the dispute. If the Parties cannot resolve the dispute between themselves, the Parties agree that there shall be a sixty (60) day moratorium on litigation during which time the Parties will agree to attempt to settle the dispute by non-binding mediation. The matter in dispute shall be submitted to a mediator mutually selected by the City and the Tenant. In the event that the Parties cannot agree upon the selection of a mediator within ten (10) days, the Parties shall request that the presiding judge for the Superior Court in and for the County of Pinal, State of Arizona, assign a mediator from a list of mediators maintained by the American Arbitration Association or similar association. If the dispute has not been resolved by mediation as provided above within sixty (60) days after delivery of the dispute notice, then either Party may proceed to arbitration or litigation. The cost of such mediation shall be divided equally between the City and Tenant.

Notwithstanding the above, the duty to mediate disputes hereunder shall not prevent a Party from seeking preliminary judicial relief if such action is necessary to avoid irreparable damage during the pendency of the mediation.

16. SURRENDER OF POSSESSION, CONDITION OF PREMISES

16.1 Surrender. Upon the expiration or earlier termination of this Lease or any extensions thereof, all rights herein granted to Tenant shall cease and terminate and Tenant shall forthwith surrender the Premises to City. Any holding over by Tenant without the express authorization of City shall be treated as a tenancy from month-to-month, at a rental rate equal to the monthly rent last in effect, payable on the first day of each month, and City shall retain all remedies under this Lease and rights under the law for removal of Tenant from the Premises.

16.2 Good Condition. The Premises shall be returned to City in as good condition as at the time of occupancy by Tenant, except as otherwise provided in this Lease, ordinary wear and tear accepted.

16.3 Removal of Property. Not later than sixty (60) calendar days after such expiration or termination, Tenant may remove any and all personal property, including portable buildings, signs, trade fixtures, machinery and equipment from the Premises; provided, however, that Tenant shall repair any damage caused by such removal. Upon failure of Tenant to so remove such personal property within said sixty (60) calendar day period, title thereto shall vest in City and City shall have the right and option to remove the same, restore the Premises and recover from Tenant the cost and expenses of doing so.

17. EMINENT DOMAIN. If the whole or any substantial part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the term of this Lease shall cease as to the part taken from the day when the possession of that part shall be taken for any public purpose, and from that day Tenant shall have the right either to cancel this Lease or to continue in the possession of the remainder of the Premises under the terms provided here. All damages awarded for this taking and attributable to the value of the building and improvements shall be shared so that Tenant will receive the same percentage of the award as the percentage of cost for design and construction Tenant would have received from City under Section 8.8. However, City shall not be entitled to any portion of the award made for loss of use by Tenant.

18. ENTRY UPON PREMISES. City may enter upon the Premises at any reasonable time, for any purpose necessary, incidental to or connected with the exercise of its governmental functions, or to inspect the Premises for compliance with all applicable laws and rules and regulations or to prevent waste, loss or destruction.

19. QUIET ENJOYMENT. City covenants that Tenant, upon paying the rent set forth in Paragraph 3 herein and upon the due performance of all the terms, covenants, conditions and agreements herein contained on Tenant's part to be kept and performed, shall have, hold and enjoy the Premises free from molestation, eviction, or disturbance by City, or by any other

person or persons lawfully claiming the same, and that City has good right to make this Lease for the full term granted, including renewal periods.

20. MISCELLANEOUS.

20.1 Notices. Any notice required or permitted under the terms of this Lease or otherwise shall be in writing and delivered personally, or delivered by United States certified mail, return receipt requested, postage prepaid, addressed as follows (or any other address that the Party to be notified by have designated to the sender by like notice):

CITY: City of Maricopa
39700 W Civic Center Plaza
Maricopa, AZ 85138
Attn: Benjamin Bitter, City Manager

TENANT: Central Arizona Valley Institute of Technology
1789 W. Coolidge Avenue
Coolidge, Arizona 85128
Attn: Mike Glover, Superintendent

Notice by certified mail shall be deemed served three (3) days after mailing.

20.2 Successors and Assigns Bound. All the terms, covenants and conditions of this Lease shall extend to and bind the successors and assigns of the respective Parties hereto.

20.3 Article Headings. The article headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provisions of this Lease.

20.4 Severability. If any term or condition of this Lease shall be deemed to be invalid or unenforceable, all other terms and conditions shall remain in full force and effect.

20.5 Applicable Law; Venue. The terms and conditions of this Lease shall be interpreted in accordance with the laws of the State of Arizona. The Parties agree that the Pinal County Superior Court shall be the proper place for venue in connection with any litigation initiated hereunder. The Parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other County.

20.6 Construction of Lease. City and Tenant agree that each Party and its counsel have reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Lease. No remedy or election given by any provisions of this Lease shall be deemed exclusive unless so indicated, but each shall, whenever possible, be cumulative with all other remedies in law or equity. Each provision hereof shall be deemed both a covenant and a condition and shall run with the land for the duration of the leasehold term or any extensions thereof. Whenever the

content of any provision shall require it, the singular number shall be held to include the plural number and vice versa. The form of this Lease contemplates that Tenant will be entities and not one or more natural persons. If Tenant is one or more natural persons, then all pronouns referring to Tenant shall be deemed to be appropriately changed to fit those circumstances

20.7 Attorneys' Fees. Should either Party hereto breach any term of this Lease, the prevailing Party shall be entitled to recover from the opposing Party all reasonable attorney's fees and other costs and fees incurred by enforcing this Lease or preparing for legal or other proceedings, whether or not said proceedings are instituted. In the event a lawsuit or other proceeding is brought by either Party based on this Lease or breach thereof, the prevailing Party shall recover the prevailing Party's reasonable attorney's fees and other costs and fees incurred by the prevailing Party in enforcing this Lease.

20.8 Entire Agreement. This Lease, including the exhibits, constitutes the entire agreement between the Parties pertaining to the subject matter hereof. This Lease supersedes all prior agreements, written or oral, with respect to the subject matter of this Lease. This Lease may be modified only by a written instrument signed by both Parties hereto.

20.9 Time of the Essence. Time is of the essence in the performance of the Parties' obligations set forth in this Lease.

20.10 Subordination. This Lease shall be subject and subordinate to all existing and future liens and encumbrances against the Premises on behalf of the City. Tenant's obligation to subordinate this Lease to any mortgage or other interest shall be conditioned upon Tenant's receipt from such Party requesting subordination a non-disturbance agreement in a form satisfactory to Tenant, City and lender substantially to the effect that no steps or proceedings taken by reason of City's default under such mortgage or encumbrance shall terminate this Lease nor shall Tenant be named a defendant in any proceedings for foreclosure of such mortgage or be disturbed by virtue of such step or proceedings as long as there shall be no default by Tenant under the provisions of this Lease. Tenant shall attorn to such mortgage or holder of such encumbrance as successor City under this Lease and agrees to execute an attornment instrument in a form satisfactory to Tenant, City, and lender.

20.11 Relationship of Parties. The relationship of the Parties hereto is solely that of Landlord/Tenant of an interest in real estate, and it is expressly understood and agreed that this Lease is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association between City and Tenant

20.12 Waiver. No waiver of any provision of this Lease shall be deemed a waiver of any other provision, nor shall the waiver of any of the terms and conditions constitute a continuing waiver of the particular term or condition.

20.13 Conflict of Interest. This Lease is subject to the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, the Parties have executed and acknowledged this Lease as of the date first written above.

TENANT:

Central Arizona Valley Institute of Technology,
a career technological education school district
and political subdivision of the State of Arizona

By: _____
Its: _____

Jessica S. Sanchez, Udall Shumway

CAVIT School Attorney

CITY:

City of Maricopa,
an Arizona municipal corporation

Nancy Smith, Mayor

ATTEST:

APPROVED AS TO FORM:

Vanessa Bueras, MMC
City Clerk

City Attorney

Exhibit A
The Premises

Exhibit B **Facility**

Campus Specifics

- Phase 1 – 20-30 parking spaces – majority of students will receive school transportation to the Maricopa campus
- Phase 1 – 2,000sf front office – Receptionist, Administrator, Counselor, Janitor
- Phase 1 – 6,000sf classroom space – CTE classrooms with lab areas
- Phase 2 (2-3 years after Phase 1) – 6,000sf classroom space – CTE classrooms with lab areas
- Building height – 24-26’

Exhibit C
Facility Depreciation Schedule

Lease Year	Fiscal Year	Percentage Reimbursed
1	2025-26	100
2	2026-27	96
3	2027-28	92
4	2028-29	88
5	2029-30	84
6	2030-31	80
7	2031-32	76
8	2032-33	72
9	2033-34	68
10	2034-35	64
11	2035-36	60
12	2036-37	56
13	2037-38	52
14	2038-39	48
15	2039-40	44
16	2040-41	40
17	2041-42	36
18	2042-43	32
19	2043-44	28
20	2044-45	24
21	2045-46	20
22	2046-47	16
23	2047-48	12
24	2048-49	8
25	2049-50	4