

LEASE AGREEMENT

This Lease Agreement ("**Lease**") is entered into this 1st day of July, 2020 by and between the **FLORENCE UNIFIED SCHOOL DISTRICT No. 1 OF PINAL COUNTY**, a political subdivision of the State of Arizona ("**Landlord**"), and **PINAL COUNTY, ARIZONA**, a political subdivision of the State of Arizona ("**Tenant**").

RECITALS

A. Landlord is the owner of a parcel of property located in Pinal County, Arizona, commonly known as the Walker Butte K-8 School, Phase II, Building 17-18 and legally described on Exhibit A attached hereto and incorporated herein by this reference (the "**Land**").

B. There are certain portions of buildings and other improvements constructed, installed, or located on the Land which are to be the subject matter of this Lease (collectively, the "**Improvements**") which Improvements are designated as Building A and depicted on Exhibit B.

C. The portion of the Land upon which the Improvements are located and the Improvements are sometimes hereinafter collectively referred to as the "**Premises**" for purposes of this Lease.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and intending to be legally bound, Landlord and Tenant agree as follows:

AGREEMENTS

1. Premises. In consideration of the rents and covenants contained herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Leased Premises.

2. Term.

(a) Term. This Lease shall have a term of one (1) year, commencing on the 1st day of July, 2020 (the "**Commencement Date**") and terminating (unless terminated earlier pursuant to the terms hereof) on the 30th day of June, 2021.

(b) Conversion to Month-to-Month Tenancy; Termination. At the expiration of the Term, unless Tenant has vacated the Premises, this Lease shall convert to a month-to-month tenancy, on the same terms and conditions as contained herein, except that the monthly rental payment due Landlord from Tenant hereunder shall be equal to 150% of the monthly rental payable by Tenant to Landlord hereunder immediately prior to the expiration of the Lease term. All of the terms, provisions and conditions of this Lease shall be in full force and effect during such month-to-month tenancy. During such month-to-month tenancy, either party may terminate this Lease upon thirty (30) days written notice to the other party. Nothing contained herein shall be construed as Landlord's permission to hold over or as limiting Landlord's remedies as to such holdover. Tenant shall indemnify and hold harmless Landlord for, from and against any loss or liability resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made by any succeeding Tenant based on such delay.

3. Rent, Security Deposit, Taxes.

(a) Tenant agrees to pay Landlord as rental for the Premises during the term hereof monthly rental in the amount of \$3,000.00 per month, payable in advance on the first day of the first month of the Lease term and the first day of each month thereafter during the term hereof.

(b) Tenant agrees to reimburse Landlord, upon demand, for any and all federal, state or local privilege, sales excise or other tax or charge imposed upon Landlord in connection with or measured by the rentals received by Landlord during the term of this Lease.

(c) The property of which the Premises forms a part is now exempt from taxes (as defined below) by virtue of Landlord's status as a school district. If, as a result of Tenant's occupancy of the Premises pursuant to this Lease, Landlord is required to pay any taxes with respect to the property of which the Premises forms a part, or any portion thereof, Tenant shall pay to Landlord, as additional rent, the amount of such taxes, within fifteen (15) days of Landlord's written demand therefor. The term "taxes" shall include real estate taxes, assessments (special or otherwise) and governmental and quasi-governmental impositions which may be levied, assessed or imposed against or become a lien upon the Premises or the property of which the Premises forms a part. Tenant shall pay prior to delinquency all taxes assessed against trade fixtures, furnishings, equipment and other personal property of Tenant contained in the Premises.

4. Utilities. Subject to the terms and conditions set forth in this Section 4, Landlord shall pay all charges incurred in connection with the following utilities with respect to the Premises during the term of this Lease: electric and gas. Tenant shall be responsible for payment of all charges incurred in connection with all water and sewer, telephone and internet services and trash collection and janitorial services with respect to the Premises during the term of this Lease. Tenant acknowledges and agrees that Landlord shall control the thermostat settings for the Premises. Landlord shall not be liable to Tenant or to any other party occupying any part of the Premises or otherwise for any failure, interruption or defect in the supply, pressure or character of water, electricity, gas, heat, telephone service or any other utility service furnished to the Premises (whether furnished by Landlord or others) by reason of any requirement, act or omission of the public utility company serving the Premises with water, electricity, gas, heat, telephone service or any other utility service, or because of necessary repairs or improvements.

5. Landlord's Access. Landlord or its agents may enter the Premises at all reasonable times to inspect and conduct tests in order to monitor Tenant's compliance with the terms of this Lease and all applicable environmental laws and all laws governing the presence and use of Hazardous Materials, or for any other purpose Landlord reasonably deems necessary. Landlord shall give Tenant prior notice of such entry, except in the case of emergency or following the occurrence of an event of default hereunder.

6. Parking. Landlord shall designate a portion or portions of the parking lot(s) located on the Land for the use of Tenant and Tenant's employees, agents, servants, licensees, customers and invitees. Landlord hereby grants to Tenant, and its employees, agents, servants, licensees, customers and invitees a license to use said designated parking spaces for parking of passenger automobiles (but not oversized or abnormally heavy vehicles). Landlord shall have the right to post signage designating such parking spaces and Tenant shall not and shall not permit

its employees, agents, servants, licensees, customers or invitees to park any vehicles anywhere on the Land other than in the parking spaces so designated for Tenant's use. Except for the negligent acts or omissions of Landlord, neither Landlord nor its board members, officers, agents, servants, licensees or employees shall be liable for: (i) loss or damage to any vehicle or other personal property parked or located upon or within such parking spaces or any parking areas whether pursuant to this license or otherwise and whether caused by fire, theft, explosion, strikes, riots or any other cause whatsoever; or (ii) injury to or death of any person in, about or around such parking spaces or any parking areas or any vehicles parking therein or in proximity thereto whether caused by fire, theft, assault, explosion, riot or any other cause whatsoever and Tenant hereby waives any claim for or in respect to the above. Tenant further agrees to indemnify, defend and hold harmless Landlord for, from and against all claims or liabilities arising out of loss or damage to property or injury to or death of persons, or both, relating to any of the foregoing unless directly caused by the negligent acts or omissions of Landlord.

7. Use; Quiet Enjoyment; Legal Requirements.

(a) Permitted Use. The Premises shall be used and occupied by Tenant solely for the purpose of office space, and for no other purpose, unless otherwise consented to by Landlord in writing, which consent may be granted or withheld in Landlord's sole and absolute discretion. Tenant shall not cause or permit the Premises to be used in any other manner, or in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a legal nuisance or waste. Tenant shall obtain and pay for all permits required for Tenant's occupancy of the Premises and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Premises, including without limitation the Occupational Safety and Health Act.

(b) Quiet Enjoyment. Landlord covenants that in consideration or Tenant's payment of rent hereunder and keeping and performing all of the terms, covenants and conditions of this Lease, Landlord will do nothing which will prevent Tenant from peaceably and quietly enjoying, holding and occupying the Premises during the Term, so long as Tenant complies with any and all provisions and terms of this Lease.

(c) Legal Requirements. Tenant shall be obligated (and shall be responsible) to comply with any Legal Requirements which pertain to Tenant's use and occupancy of the Premises, whether such Legal Requirements are structural or nonstructural in nature. The term "**Legal Requirements**" means all applicable current or future statutes, ordinances, orders, rules, regulations, judgments and requirements of public authorities with jurisdiction over the Premises, including without limitation to all Pinal County ordinances applicable to the Premises and the Arizona Landlord Tenant Act, and all other matters of record affecting the Premises from time to time. Tenant shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein which is not within the Permitted Use of the Premises or which shall in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause a cancellation of any insurance policy covering said Premises or any part thereof or any of its contents.

(d) Hazardous Materials. As used in this Lease, the term "**Hazardous Substance**" shall mean any element, chemical compound, product, waste, or other substance which is contained in the lists of hazardous substances or wastes now or hereafter adopted by the United States Environmental Protection Agency (the "EPA") or the lists of toxic pollutants

designated now or hereafter by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious or radioactive by CERCLA or any Superfund law or any Superlien law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, including without limitation mold and asbestos. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sublessees or invitees without the prior written consent of Landlord. Landlord shall be entitled to take into account such other factors or facts Landlord may reasonably determine to be relevant in determining whether to grant or withhold consent to Tenant's proposed activity with respect to Hazardous Materials. In no event, however, shall Landlord be required to consent to the installation or use of any storage tanks on the Premises.

8. Trade Fixtures and Personal Property. Any trade fixtures, signs and other personal property of Tenant not permanently affixed to the Premises shall remain the property of Tenant, and Landlord agrees that Tenant shall have the right, provided Tenant be not then in default under the terms of the Lease, at any time, and from time to time, to remove any and all of its trade fixtures, signs and other personal property which it may have stored or installed in the Premises, including but not limiting the same to counters, shelving, showcases, mirrors and other movable personal property. Tenant at its expense shall immediately repair any damage occasioned to the Premises by reason of the removal of any such trade fixtures, signs and other personal property. Tenant agrees to pay when due any and all personal property taxes and any other taxes, charges or assessments of every kind and character which may be levied, charges or assessed against any personal property of Tenant placed upon the Premises during the term hereof.

9. Condition of Premises; Maintenance; Repairs and Alterations.

(a) Existing Conditions. Tenant acknowledges that it has had an opportunity to inspect and satisfy itself as to the condition of the Premises, and that it is leasing the Premises from Landlord "**AS-IS**", and that Landlord has made no representation or warranty of any kind as to the condition of the Premises or its fitness for Tenant's intended use.

(b) Tenant's Obligations. Tenant agrees at all times, from and after delivery of possession of the Premises to Tenant, and at its sole cost and expense, to repair and maintain in good and tenantable condition the Premises and every part thereof, excluding the exterior walls and structural parts of the Premises, electrical, plumbing, septic, heating, ventilation and air conditioning equipment and structural floor (floor covering, including carpeting, terrazzo tile or other flooring to be maintained by Tenant) unless caused by Tenant's negligence (in which event Landlord shall make or cause to be made such repairs but Tenant shall promptly upon demand therefor reimburse Landlord for the cost and expense of all such repairs), and including without limitation all Tenant's signs, locks and closing devices, and all window sash, casement or frames, doors and door frames, and all such items of repair, maintenance and improvement or reconstruction as may at any time or from time to time be required to comply with all environmental, remedial and other laws, ordinances, rules, directions, regulations, requirements, guidelines and orders of governmental and public bodies and agencies now or hereafter in effect from time to time which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises, including but not limited to the Americans with Disabilities Act. As used in this Section 9(b), the term "exterior walls" shall not be deemed to

include the store front or store fronts, plate glass, window cases, window frames, doors or door frames. All glass, both interior and exterior, is at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of the same kind, size and quality; provided, however, that Tenant shall not be responsible for glass broken due to vandalism by third parties.

(c) Landlord's Obligations. Subject to the provisions of Section 9(b), Landlord shall keep and maintain in good and tenantable condition and repair, the roof and roof membrane, exterior walls, structural parts of the Premises, foundations, and structural floor, structural supports, electrical, plumbing, septic, heating, ventilation and air conditioning equipment, irrigation equipment, wells and well equipment, landscaping, including lawn mowing, and any damage caused by Landlord or its agents, employees or contractors; provided, however, that Landlord shall not be required to make repairs necessitated by reason of the negligence of Tenant or anyone claiming under Tenant, or by reason of the failure of Tenant to perform or observe any conditions or agreement contained in this Lease, or caused by alterations, additions or improvements made by Tenant or anyone claiming under Tenant. Anything to the contrary herein notwithstanding, Landlord shall not in any way be liable to Tenant for failure to make repairs as herein specifically required of it unless Tenant has previously notified Landlord of the need for such repairs and Landlord has failed to commence and complete said repairs within a reasonable period of time following receipt of Tenant's notification. Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the Premises at any time except as in this Lease expressly provided.

(d) Tenant's Failure to Maintain. If Tenant refuses or neglects to make repairs and/or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to Landlord then, in addition to any and all other rights and remedies Landlord may have whether hereunder or at law or in equity, Landlord reserves the right, upon giving Tenant reasonable notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant; provided, however, no reservation of such right by Landlord shall be deemed to (a) impose any obligation on Landlord to make such repairs or perform such maintenance, or (b) render Landlord liable to Tenant or any third party for the failure to do so, or (c) relieve Tenant from any obligation to indemnify Landlord as otherwise provided elsewhere in this Lease. In such event, Tenant shall pay to Landlord the actual cost of such work, as evidenced by copies of invoices provided by Landlord, upon receipt of a bill therefor, accompanied by invoices showing the actual cost of the work.

(e) Right to Enter. Tenant agrees to permit Landlord and its authorized representatives to enter the Premises at all times during usual business hours for the purpose of inspecting the same. Tenant further covenants and agrees that Landlord may go upon the Premises from time to time and make any necessary repairs to the Premises and perform any work therein which may be necessary to comply with any laws, ordinances, rules or regulations now or hereafter in effect of any public authority or of the appropriate Fire Rating Bureau or of any similar body or that Landlord may deem necessary to prevent waste or deterioration in connection with the Premises if Tenant does not make or cause such repairs to be made or performed or cause such work to be performed promptly after demand therefor from Landlord. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provision of this Lease Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to do the same. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent. In the event Landlord makes or causes any such repairs to be made or performed, as provided for herein, Tenant shall pay to Landlord the actual cost of such work, as

evidenced by copies of invoices provided by Landlord, upon receipt of a bill therefor, accompanied by invoices showing the actual cost of the work.

(f) Alterations, Additions and Improvements. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 9(f) upon Landlord's written request. All alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor reasonably approved by Landlord. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials. Tenant shall pay when due all claims for labor and material furnished to the Premises. Tenant shall give Landlord at least twenty (20) days' prior written notice of the commencement of any work on the Premises, regardless of whether Landlord's consent to such work is required.

(g) Condition upon Termination. Upon the termination of the Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease and damage due to condemnation, casualty or fire. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (other than those made with Landlord's consent) prior to the expiration of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment. If Tenant shall fail or refuse to restore the Premises as hereinabove provided, Landlord may do so and recover its cost for so doing. If Tenant shall fail or refuse to comply with Tenant's duty to remove all personal property and trade fixtures from the Premises upon the expiration or termination of this Lease, the parties hereto agree and stipulate that Landlord may, at its election: (i) treat such failure or refusal as an offer by Tenant to transfer title to such property to Landlord, in which event the title thereto shall thereupon pass under this Lease as a bill of sale; or (ii) treat such failure or refusal as conclusive evidence, on which Landlord shall be entitled to rely absolutely, that Tenant has forever abandoned such property. In either event, Landlord may, with or without accepting title thereto, keep or remove, store, destroy, discard, or otherwise dispose of all or any part of such property in any manner that Landlord shall choose without incurring liability to Tenant or to any other person. In no event shall Landlord ever become or be charged with the duties of a bailee of any property of Tenant. The failure of Tenant to remove any property from the Premises shall forever bar Tenant from bringing any action or asserting any liability against Landlord with respect to any property which Tenant fails to remove.

(h) Liens. In no event shall any material or equipment, which is subject to any lien, encumbrance or security interest, be incorporated in or affixed to the Premises. Notice is hereby given that Landlord shall not be liable for any work or materials furnished to Tenant on credit and that no mechanic's or other lien for any such work or materials shall attach to or affect Landlord's interest in the Premises based on any work or material supplied to Tenant or anybody claiming through Tenant. Tenant shall not permit any lien to be filed against the Premises or any portion of the Land for labor, services or materials claimed to have been performed for or furnished to Tenant, its contractors and subcontractors. If such a lien is filed, Tenant shall discharge the lien within twenty (20) days after notice thereof; provided, however,

that such 20-day period shall be extended for a reasonable period if Tenant reasonably elects to seek, or must seek, a court order to discharge the lien to the extent such court proceeding takes longer than 20 days, and is diligently pursued (as may be extended, the "**Lien Cure Period**"). Tenant hereby acknowledges its failure to discharge or "bond over" such a lien will cause Landlord to incur expenses not contemplated by this Lease, the exact amount of which is difficult to ascertain. Should Tenant fail to pay or "bond over" any liens within the Lien Cure Period, Landlord may (but shall not be obligated to) "bond over" such lien or pay the lien claimant and obtain a release of the lien without inquiring into the validity thereof and without liability to Tenant for any such payment, and Tenant shall, upon demand and as additional rent, reimburse Landlord for the amount so paid together with all reasonable attorneys fees incurred by Landlord and interest thereon at the lesser of eighteen percent (18%) per annum or the highest rate allowed by law. Nothing in this Lease shall be construed as a consent or request by Landlord, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor at or the furnishing of any materials to the Premises.

10. Damage or Destruction. If the Premises are damaged or destroyed by any casualty, the Lease shall continue in full force, and Landlord shall repair such damage as soon as reasonably possible, as provided below. Notwithstanding the preceding sentence, if (i) the damage equals twenty-five percent (25%) or more of the replacement value of the Premises; (ii) the insurance proceeds are not sufficient to repair the damage; or (iii) the damage or casualty is not covered by Landlord's insurance policy, then Landlord may, at its option, either elect to repair the damage as soon as reasonably possible, in which event this Lease shall continue in full force, or, terminate this Lease by giving Tenant written notice of Landlord's election to do so within sixty (60) days after the date of the occurrence of the damage. If Landlord elects to terminate, this Lease will terminate thirty (30) days after Landlord's notice. In no event shall Landlord be required to repair or replace any leasehold improvements, fixtures or other personal property of Tenant; such items being the sole responsibility of Tenant. Pending restoration, a just proportion of the rent due under this Lease shall abate, according to the nature and extent of the impairment to Tenant's ability to access and utilize the Premises, from the date of the destruction until the date upon which the Premises are again available for Tenant's occupancy.

11. Condemnation. If any of the Premises is appropriated by any public or quasi-public authority under the power of eminent domain (or similar law authorizing the involuntary taking of private property, which shall include a sale to a public body) rendering Tenant's use of the Premises to be impracticable, either party hereto shall have the right, at its option, to terminate this Lease effective as of the date possession is taken by the authority, and Landlord shall be entitled to all income, rent, awards, and any interest thereon, which may be paid or made in connection with the public or quasi-public use or purpose.

12. General Indemnity. Tenant agrees to indemnify, protect, defend and hold Landlord and Landlord's board members, officers, employees and agents harmless for, from and against any and all claims, damages, liabilities, judgments, costs (including reasonable attorney's fees), liens, expenses and penalties, whether now known or unknown, fixed or contingent, liquidated or unliquidated, arising out of or in any way connected to (i) Tenant's and Tenant's officers, directors, agents, servants, employees, customers, visitors, licensees, concessionaires and invitees use and occupancy of the Premises or (ii) any accident or other occurrence, causing

or alleged to have caused injury or death to persons or damage to property by reason of the condition, maintenance or construction of the Premises or any improvement (whether constructed by Landlord or Tenant) to the Premises. This Section 12 shall survive the expiration or termination of this Lease.

13. Environmental Indemnity. Tenant agrees to indemnify, protect, defend and hold Landlord and Landlord's board members, officers, employees and agents harmless for, from and against any and all claims, damages, liabilities, judgments, costs (including reasonable attorney's fees), liens, expenses and penalties, whether now known or unknown, fixed or contingent, liquidated or unliquidated, arising out of or in any way connected to any violation or alleged violation of any Environmental Law occurring during the Lease term. This Section 13 shall survive the expiration or termination of this Lease; provided, however, that the foregoing indemnification obligation shall not apply to any violation or alleged violation of Environmental Law arising out of conditions that pre-existed the Commencement Date.

14. Release. Tenant forever releases, acquits, and discharges Landlord, Landlord's board members, officers, employees and agents from any and all claims, damages, liabilities, judgments, costs, expenses, loss of income, losses due to business interruption, loss of services, actions and losses of actions, whether now known or unknown fixed or contingent, liquidated or unliquidated, arising out of, alleged to arise out of or in any way connected with the condition of the Premises or the use of the Premises. Tenant shall bring or keep property upon the Premises solely at its own risk, and Landlord shall not under any circumstances be liable for any damages thereto or any destruction or theft thereof. This Section 14 shall survive the expiration or termination of this Lease.

15. Insurance. Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Lease, the following non-contributing primary insurance policies, all of which shall name Landlord as an additional insured:

(a) Commercial general liability insurance coverage against any liability to the public arising out of the use or occupancy of the Premises with limits of not less than \$1,000,000.00 per occurrence and not less than \$2,000,000.00 annual aggregate, covering bodily injury and property damage liability.

(b) Business auto liability covering owned, non-owned and hired vehicles with limits of not less than \$1,000,000.00 per accident.

(c) Workers' compensation insurance in accordance with applicable Legal Requirements.

16. Payment of Monthly Rental and Other Amounts.

(a) Late Charges. Tenant's failure to pay amounts payable by Tenant hereunder within ten (10) days after such payment is due may cause Landlord to incur unanticipated costs. The exact amount of such costs is impractical or extremely difficult to ascertain. Therefore, if Landlord does not receive a payment of monthly rent, or any other amount payable hereunder by Tenant, within ten (10) days after it becomes due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

(b) Interest on Past Due Obligations. Any amount owed by Tenant to Landlord which is not paid within ten (10) days after such payment is due shall bear interest at the rate of twelve percent (12%) per annum from the date such amount was due; provided, that interest shall not be payable on late charges to be paid by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

17. Events of Default. Tenant shall be in default if:

(a) Tenant fails to pay rent or any other payments in full within ten (10) days of when due.

(b) Tenant fails to perform or observe any of Tenant's other obligations under this Lease and does not cure the failure within thirty (30) days after written notice from Landlord stating the failure involved.

(c) Tenant takes any action constituting an anticipatory breach of this Lease.

(d) Any bankruptcy action is filed, either voluntarily or involuntarily, applicable to Tenant, or there exists any other circumstance which indicates Tenant's inability to pay its debts as they mature.

(e) Tenant's leasehold interest passes to any other party by operation of Law.

(f) Tenant fails to fully and properly maintain the Premises as described herein or uses the Premises for any use not specifically permitted herein and does not cure the failure within thirty (30) days after written notice from Landlord stating the failure involved.

18. Remedies. Upon the occurrence of any Event of Default by Tenant, Landlord, at its option, may take any one of the following actions, concurrently or separately, without prior notice or demand:

(a) Landlord may take reasonable actions necessary in Landlord's sole discretion, to cure any Event of Default by Tenant. Tenant shall be liable for all of Landlord's expenses incurred, with interest at the rate of twelve percent (12%) per annum until paid, as additional rent, payable on the first of the next succeeding month after demand for payment by Landlord to Tenant.

(b) Landlord may require specific performance of Tenant of any act or payment applicable to any Event of Default, and Landlord shall be entitled to affirmative or negative temporary restraining orders or injunctions to obtain the same.

(c) Landlord, without terminating the Lease, may take possession of the Premises. Landlord may, but need not, remove any persons or property from the Premises. Landlord shall make a reasonable effort to relet the Premises, in whole or in part, on the Tenant's behalf, for whatever rent and term and on whatever conditions Landlord may see fit. Tenant shall be liable to Landlord for any deficiency between any rent procured by Landlord (after deduction of

all costs of reletting) and the unpaid rent under this Lease. Tenant shall pay to Landlord such deficiency upon demand.

(d) Landlord may terminate this Lease, with the same effect as if the term had expired whether or not Landlord has previously taken possession of the Premises without terminating this Lease. In such event, Tenant shall be liable to Landlord for the amount of all unpaid rentals to the date of the termination.

(e) Landlord may hold (either on the Premises or elsewhere), and may, but need not, foreclose against any property of Tenant upon the Premises, under a landlord's lien to secure to Landlord Tenant's payment of rent and performance of this Lease.

(f) Landlord may exercise any other remedy Landlord may have at law or in equity.

Landlord may exercise any remedy without court action, or by one or more court actions, and in exercising any remedy shall not be deemed to have waived its right to any other remedy.

19. Assignment and Subletting. Tenant may not assign or sublet, in whole or in part, this Lease or any portion of the Premises without the express written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion.

20. Liens. Tenant shall at all times keep the Premises and Tenant's leasehold interest free from liens of any kind.

21. Notice and Demands. Any notice or demands which shall be required or permitted by Law or by any of the provisions of this Lease shall be in writing. Any such notice or demand shall be deemed effective when deposited in the United States Mail and addressed as follows:

If to Landlord:

Florence Unified School District No. 1 of Pinal County
Attn: Beverly Myers
P.O. Box 2850
Florence, Arizona 85132

If to Tenant:

Pinal County
Attn: Joe Ortiz
31 North Pinal Street
Florence, Arizona 85132

22. Authority. Tenant represents and warrants to Landlord that the individual executing this Lease on behalf of Tenant is authorized to do so.

23. Waiver. Any waiver by Landlord of any default, breach or failure by Tenant

shall not constitute a waiver of any other default, breach or failure by Tenant hereunder. The subsequent acceptance of rent or any other payment or charge hereunder by Landlord shall not be deemed to be a waiver of any preceding default or breach by Tenant of this Lease, other than failure of Tenant to pay the particular rent or other payment or charge so accepted. No covenant, term or condition of this Agreement shall be deemed to have been waived by Landlord unless such waiver is set forth in writing.

24. Time of the Essence. Time is of the essence in the performance of the obligations of each party hereunder.

25. Captions. The captions contained in this Lease are for convenience only, and in no way limit or define the meaning of the provisions hereof.

26. Entire Agreement. This Lease constitutes the entire agreement between the parties and supersedes any and all prior offers, agreements and negotiations of the parties.

27. Benefit. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

28. Litigation and Attorneys' Fees. In the event either Landlord or Tenant shall bring any action or proceeding for damages for any alleged breach of any provision of this Lease, to recover rents or any other sums due hereunder, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as part of, or incident to, such action or proceeding, all attorneys' fees, expert witness fees and other costs and expenses incurred in the preparation and processing of such action or proceeding. In addition, Landlord shall be entitled to all attorneys' fees and all other costs incurred in the preparation and service of any notice or demand hereunder, whether or not a legal action is subsequently commenced, and further entitled to all attorneys' fees, expert witness fees and other costs and expenses incurred by reason of any and all proceedings under the Bankruptcy Code (as the same now exists or under any amendment thereof which may hereafter be enacted or under any other act relating to the subject of bankruptcy), whether or not such proceedings involve or are associated in any way with a breach by Tenant of any provision of this Lease. All attorneys' fees, expert witness fees and other costs and expenses incurred by Landlord by reason of any action to which Landlord shall be made a defendant because of any action or omission of Tenant shall constitute additional rent under this Lease.

29. Governing Law. This Lease shall be governed by, enforced and construed in accordance with the internal laws of the State of Arizona, without regard to conflicts of law principles.

30. Notice as to Conflict of Interest. A.R.S. Section 38-511 provides that Landlord may, within three (3) years after its execution, cancel any contract without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Landlord is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. In addition, Landlord may recoup any commission or fee paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Landlord from any other party to the contract arising as a result of the contract.

31. Inspection and Audit. In accordance with A.R.S. § 35-214, all books, accounts, reports, files and other records relating to this Lease shall be subject at all reasonable times to inspection and audit by Tenant, the State Auditor, or their agents or employees at Landlord's office or at Tenant's office, respectively, at any time during the term of the Lease and for five (5) years after the termination thereof.

32. Limitation of Landlord Liability. Landlord shall not be liable for damages sustained by the goods, wares, merchandise or property of Tenant caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures in or about the Premises, whether the damage or injury results from conditions arising in the Premises or from other sources, except for such damage resulting from Landlord's own conduct.

33. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

34. E-Verify Requirements. To the extent applicable under Arizona Revised Statute Section 41-4401, Tenant warrants compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under Arizona Revised Statute Section 23-214(A). Tenant's failure to comply with such warranty shall be deemed a material breach of this Lease and may result in the termination of this Lease by the Landlord.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto, have executed and delivered this Lease Agreement as of the date first set forth above.

{Landlord}

ATTEST:

**FLORENCE UNIFIED SCHOOL DISTRICT
NO. 1 OF PINAL COUNTY**, a political
subdivision of the State of Arizona

President or Vice President of the Board

By: _____
Its _____

Dated: _____

Dated: _____

{Tenant}

ATTEST:

PINAL COUNTY, ARIZONA, a political
subdivision of the State of Arizona

Deputy/Clerk of the Board of Supervisors

Chair of the Board of Supervisors

Dated: _____

Dated: _____

EXHIBIT A

Walker Butte K-8 School, PHASE II

29895 N. Desert Willow Blvd.

San Tan Valley, AZ 85143

EXHIBIT B

Description of Lease Premises Building 17-18