

LEASE AGREEMENT

1. LEASE SUMMARY

- 1.01 LEASE DATE: May 21, 2025
- 1.02 LESSOR: Mountainland Technical College
- 1.03 LESSEE: Redevelopment Agency of Payson City
- 1.04 PREMISES:
Building Address (approx.): Innovation Center - 993 South 1950 West
Payson, Utah 84651
- Lessee's Leasable Area: 2,774 Square Feet
- 1.05 TERM: Eleven (11) years
Commencing on: August 1, 2025
and terminating on: July 31, 2036
- 1.08 BASE RENT Year One: \$79,392
- 1.09 RENT INCREASES : 2% Per Annum
- 1.10 RENT DEPOSIT (ONE MONTHS
BASE RENT NON-REFUNDABLE): \$00.00
- 1.11 USE OF PREMISES: Business Innovation Center for Payson City
- 1.12 INSURANCE REQUIREMENTS:
Property damage minimum: \$ 1,500,000 per accident
Public liability: \$ 1,500,000 per accident
- 1.13 EXPENSES: Full Service Lease (Lessor pays all expenses)

WITNESSETH:

2 PREMISES

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor upon the terms and conditions contained herein the (the "Premises"), consisting of the amount of leasable area described in Section 1.04 above, which are more particularly described in Exhibit A attached hereto and made a part hereof. This lease confers no rights either with regard to the subsurface of the land below the ground level of the Building or with regard to airspace above the roof of the Building.

The term "Leasable Area" shall mean:

- (a) 2,774 square feet for the total building as referenced in Exhibit A
- (b) Lessee shall have use of all Common Areas of the building.
- (c) Lessor shall include a list of all furniture and other fixtures included in the Leasable Area as referenced in Exhibit C.

The term "Common Areas" shall mean the areas devoted to corridors, fire vestibules, elevator foyers, lobbies, rest rooms, janitor closets and other similar facilities for the benefit of all parties of the particular floor and shall also mean those areas of the building devoted to more than one floor or the building as a whole, public lobbies, loading docks, and other similar facilities for the benefit of all parties. "Common Areas" shall also include classrooms on the second floor, if available, for Lessee's use.

3 INITIAL TERM

The Lessor leases the "Premises" to the Lessee for an initial term specified in Section 1.05 above, unless sooner terminated as provided herein. The Lessee shall take possession of the "Premises" upon the commencement date of the lease. The Premises are to be continually used and occupied during the full term of this lease.

4 RENT

4.01. Lessee agrees to pay to Lessor at such place as Lessor may designate, without deduction, offset, prior notice or demand, and Lessor agrees to accept, as the Minimum Rent for the Premises, the annual sum indicated in Section 1.09 ("Base Rent"), in lawful money of the United States, payable in monthly installments in advance, on the first day of each month during the lease term commencing thirty (30) days after occupancy of the premises by the Lessee.

4.02. Lessee further agrees Lessee will be in default if monthly rent is unpaid five (5) days after rent is due, and that upon default in payment of any monthly installment of rent, without limitation to any other rights or remedy of Lessor as may apply because of such default, Lessee shall pay Lessor, as additional rent, a late charge equal to one-half of the overdue rent payment. This late charge shall be applicable to each and every monthly rent payment which is overdue.

4.03. ~~Lessee agrees to prepay~~ rent in the amount of \$900,000. This prepaid rent shall be applied to the cost of construction and be applied to monthly rent payments as referenced in Exhibit B.

5 RENTAL ADJUSTMENT

The Base Rent shall be increased by 2% each year starting in the third year.

6 USE OF PREMISES

Lessee will not use the Premises or any part thereof for any purpose other than described in Section 1.11 or for any purpose that is in violation of any law or legal requirement, any purpose deemed by Lessor's insurer, or by Lessor, to be extra hazardous on account of fire risk, or any purpose that will increase the existing rate

of insurance on the Building or cause a cancellation of an insurance policy covering the Building. In the event that there shall be any increase in rate of the insurance on the Building or its contents by reason of Lessee's acts or conduct of business, then Lessee hereby agrees to pay such increase upon demand, in addition to any other payments provided for herein.

7 SERVICES, REPAIRS AND MAINTENANCE

Lessor shall maintain the Building, and the Premises in good repair, including, but not limited to, the roof, exterior, windows and glazing system, as well as heating, ventilation and air-conditioning ("HVAC"), mechanical, electrical, and plumbing. Lessee shall be responsible for any repairs and maintenance in connection with damage to the Premises, fixtures and improvements resulting from the negligent or willful acts of Lessee, or Lessee's employees, agents, or invitees. Lessor shall pay for all services associated with the operation of the premises including but not limited to HVAC, water, sewer, electricity, janitorial and all other maintenance of the premises.

Lessor shall have the right at all reasonable times, during office hours and times outside of regular business hours upon twenty-four (24) hours notice except in the case of an emergency, to enter the Premises for the purpose of examining or inspecting the same, providing services or maintenance, or making such repairs or alterations therein as Lessor may reasonably deem necessary. During the last one hundred and twenty (120) days of the lease term, Lessor may show the Premises to prospective lessees.

8 ALTERATIONS

Lessee will not make or permit anyone to make any alterations, improvements or additions in or to the Premises, or install any equipment of any kind that will require any alteration or addition to the water, heating, air conditioning or electrical or other Building systems or equipment, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. If any such alterations, additions or improvements are made without such consent, Lessor may correct or remove them, and Lessee shall be liable for any and all expense incurred by Lessor in the performance of this work. Any such alterations, additions or improvements which are affixed to the Premises, which are made with Lessor's prior written consent, shall immediately become the property of Lessor and shall remain upon and be surrendered with the Premises as part thereof at the end of the lease term. Lessor may, however, by written notice given at or prior to the end of the term, require Lessee to remove all or any part of such alterations, additions or improvements, and in such event Lessee shall promptly remove the same at Lessee's expense and shall repair all damage to the Premises caused by such removal.

9. DAMAGE OR DESTRUCTION

In the event of damage or destruction of the Premises by reason of fire, wind, storm, rain, hail or other acts of God, and if either (a) damages to the Premises exceed one-third of the replacement value of the Property, or (b) it is reasonably anticipated that repairs to the Premises will not be completed within one hundred fifty (150) days of the date of the damage or destruction, then either party may at its option terminate this Lease upon such date as is set forth in a written notice given to the other party within thirty (30) days of the date of the damage or destruction; provided, however, that the date of termination shall be no less than five (5) and no more than thirty (30) days after the notice date. In all other events this Lease shall continue in full force and effect, and Lessor shall forthwith repair such damage or destruction. Whether or not this Lease is terminated pursuant to this provision, Lessee shall be entitled to a proportionate reduction of rent as to the portion of the Premises which is damaged and unleaseable for such period of time said Premises remain unleaseable prior to the effective date of any termination of the Lease; however, no rent reduction or other compensation shall be allowed by reason of inconvenience, annoyance or injury to Lessee's business or property because of such damage or destruction, or the necessity of repairing any portion of the Property, or the making of such repairs. In the event a partial damage to the Premises renders the entire Premises unfit for Lessee's use and Lessee actually uses no part thereof, then the rent shall abate until such time as the Premises are repaired to the point that Lessee can again occupy and use the Premises.

9 SIGNS

Lessee shall not cause or permit any signs, advertisements or notices to be displayed, inscribed upon or

Lessor Initials: _____

Lessee Initials: _____

Page 3 of 6

affixed on any part of the outside of the Premises or on the adjacent street without Lessor's approval.

10 PARKING

Lessor shall provide parking for Lessee and their clients and guests. Lessor reserves the right to promulgate rules and regulations for all parking areas, whether designated or undesignated. Lessee shall not use any parking spaces for truck parking or loading except for spaces specifically designated for such use by Lessor.

11 DEFAULT

(a) If Lessee defaults in fulfilling any of Lessee's obligations under this Lease other than the covenants for the payment of rent or additional rent, or if the Premises become vacant or deserted, or if the Premises are damaged by reason of negligent or willful acts of Lessee or Lessee's employees, agents, licensees or invitees, then Lessor may serve written notice upon Lessee specifying the nature of said default. Upon the expiration of ten (10) days following the giving of such notice, if Lessee (i) has failed to cure such default or (ii) in the case of a default which by its nature cannot be completely cured within said ten (10) day period, does not deliver to Lessor assurances satisfactory to Lessor that Lessee will promptly cure such default, and if Lessee does not thereafter within a reasonable time period cure such default, then Lessor may serve a written notice of termination of this Lease upon Lessee. This Lease shall terminate on the tenth (10th) day following the giving of such notice, and Lessee shall then quit and surrender the Premises to Lessor, but Lessee shall remain liable as hereinafter provided.

12 LIEN

Lessee is not an agent of Lessor and shall have no right or authority to do any act, or make any contract, which may create or be the basis for any lien on the fee estate or any estate or interest of Lessor on the Premises or on the improvements thereon, and without the prior written consent of Lessor, Lessee shall not permit a mortgage or other encumbrance to be placed of record against the fee interest of Lessor. Lessee agrees that in the event any such laborers or materialman's liens do attach to the Premises which are determined to be valid and enforceable, Lessee shall pay and discharge the same in full and shall not permit any enforcement action to progress to foreclosure. Upon request of Lessor, Lessee shall (1) post a bond or remove the lien from the Premises and (2) thereafter contest such foreclosure proceedings. Notwithstanding the foregoing provisions of this paragraph, Lessor shall have the right to pay any laborers or materialman liens asserted against the Premises prior to initiating of enforcement proceedings if, in Lessors reasonable judgment, Lessor deems it's fee title to be in jeopardy, and Lessee hereby agrees to promptly and fully reimburse Lessor within ten (10) days of such payment all costs and expenses incurred by Lessor, together with interest on the full amount paid at 2% per annum plus the prime rate, or equivalent reference rate, at the time, charged by Zions Bank, Salt Lake City, Utah. Failure by Lessee to comply with the requirements of this paragraph shall constitute a default under the lease.

13 HOLDOVER

If Lessee shall, without the consent of Lessor, continue to occupy the Premises after the expiration of the term, such tenancy shall be from month-to-month upon the same terms and conditions as set forth herein, but with rent at 150% of the prior lease year and in no event shall such occupancy be from year to year. This provision does not constitute a waiver of Lessors right of re-entry or any other right hereunder.

14 INDEMNITY

Lessee shall indemnify and hold harmless Lessor and its affiliates against and from any and all claims and damages (including attorney's fees and costs of litigation) resulting from claims against Lessor or its affiliates by or on behalf of any one or more persons or entities (a) arising from Lessee's use of the Premises or conduct of its business or from any activity permitted or suffered by Lessee upon the Premises or (b) arising from any breach by Lessee of this agreement provided, however, such duty of Lessee to indemnify Lessor shall only exist in instances where Lessee was at fault or committed a negligent act and Lessor was not at fault and did not commit a willful act of misconduct. Lessee upon notice from Lessor shall resist and defend at Lessee's expense any such action or proceeding by counsel reasonably satisfactory

Lessor Initials: _____

Lessee Initials: _____

Page 4 of 6

to Lessor. Lessee, as a material part of the consideration to Lessor, hereby waives all claims in respect thereof against Lessor and agrees to defend and hold Lessor harmless from and against any such claims by others, except any claim arising out of negligence or willful misconduct of Lessor, its agents or employees.

15 INSURANCE

Lessee shall throughout the lease term at its sole cost and expense, provide and keep in force, with responsible insurance companies reasonably acceptable to Lessor and to any mortgagees under any mortgages constituting a lien upon the property, public liability and property damage insurance in the amounts stated in Section 1.12. These policies shall protect the interests of Lessor and any such mortgagees as well as Lessees against liability to any person whomsoever, based on or arising out of or in connection with Lessee's use of the Premises or with regard to the condition of the Premises. Lessee shall furnish Lessor with proof of such insurance at least annually and upon demand of Lessor.

16 ESTOPPEL CERTIFICATES

Upon Lessor's request, Lessee shall execute and deliver estoppel certificates or similar instruments showing the absence of a default by either party under the lease, the days through which rent has been paid, the absence of any modification of the lease, or other matters lease, or other matters reasonably requested by Lessor. If Lessee cannot in good faith make the foregoing representation, then Lessee shall, in the estoppel certificate, state with specificity the exceptions or reservations with regard to such representations

17 QUIET ENJOYMENT

Lessee, on paying the rent and performing Lessee's covenants and agreements in this Lease, shall and may peaceably and quietly hold and enjoy the Premises for one term of this Lease.

18 ASSIGNMENT AND SUBLETTING

Except to the extent hereinafter permitted, Lessee will not assign, mortgage or transfer this Lease, sublet the Premises or any part thereof, or allow any transfer hereof, or permit any lien to be placed upon Lessee's interest by operation of law or otherwise, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, as long as Lessee remains liable for Lessee's obligations under this Lease. Notwithstanding the foregoing, Lessee may sublet to an entity on a short term basis; provided that Lessee remains liable for Lessee's obligations under the Lease. Lessor shall not grant or be required to grant such consent unless and until Lessee shall agree to comply with and be bound by all of the terms, covenants, conditions, provisions, and agreements of this Lease to the extent of the space sublet. Any assignment, encumbrance, transfer or subletting of this Lease, or of the Premises, which is not in compliance with the provisions of this Section shall be void and of no effect.

TERMINATION

Lessor and/or Lessee may terminate its obligation under and participation in this agreement after year three of the agreement, with or without cause, by giving the other party one hundred and twenty (120) days prior written notice of the intent to terminate. In the event of termination, Lessee shall receive from Lessor any and all unused rent that has been prepaid. Lessee shall also remove any of its personal property from the premises.

19 BINDING EFFECT

(a) This Lease shall not be binding and in effect until a counterpart hereof has been executed and delivered by the parties each to the other.

(b) This Lease shall bind and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and assigns, provided, however, that this Lease shall not inure to the benefit of any assignee of Lessee pursuant to an assignment which is not in compliance with the terms of this Lease.

20 NOTICE

Lessor Initials: _____

Lessee Initials: _____

Page 5 of 6

Any notice or demand to or on Lessee shall be served personally or by mail addressed to Lessee at:

Payson City Corporation
Attn: City Manager
439 West Utah Avenue
Payson, Utah 84651

and any notice or demand to or on Lessor shall be served personally or by mail addressed to Lessor at the following address:

Mountainland Technical College
Attn: Vice President, Administrative Services
2301 W Ashton Blvd
Lehi, UT 84043

Notices or demands shall be deemed given on the date personally delivered or postmarked.

21 CONSTRUCTION

Feminine, neuter and masculine pronouns, and the plural and the singular, shall be construed to be and shall be interchangeable in any place or places in which the context may require such interchange.

22 MISCELLANEOUS

Receipt of rent with knowledge of default by Lessee will not excuse or waive such default or any future default. Failure by Lessor to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Lease, but such waiver may be made only by an instrument in writing signed by Lessor. Time is of the essence with respect to all payments and performances required by Lessee by the provisions of this Lease.

23 OPTION TO RENEW

Provided the Lessee is not in default in performance of this lease, Lessee shall have One (1) option to renew this lease for Five (5) years. All of the terms and conditions of the lease shall apply during the renewal term. In no event shall the Base Rent at the commencement of any renewal term be less than 1.02 times the Base Rent at the end of the previous lease term. As set forth in Paragraph five (5), the base rent shall be increased at the rate of 2% per year. The option shall be exercised by written notice given to the Lessor not less than 120 days prior to the expiration of the lease term. If notice is not given in the manner provided herein within the time specified, this option shall expire. Any other renewal option shall only be granted by executing a new lease and signed by both parties.

IN WITNESS WHEREOF, the Lease has been duly executed by the parties hereto, as of the day and year above first written.

LESSEE: Payson City Redevelopment Agency

LESSOR: Mountainland Technical College

By: _____ Date _____

By: _____ Date _____

William Wright, Mayor

Clay Christensen, President

Lessor Initials: _____

Lessee Initials: _____