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**LEASE AGREEMENT**

by and between

**RED HOOK CAPITAL PARTNERS IV LLC,**  
a Delaware limited liability company

and

\_\_\_\_\_,  
a \_\_\_\_\_

dated for reference purposes only as of \_\_\_\_\_, 2021

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## **LEASE AGREEMENT**

### **1. Basic Provisions.**

**1.1 Parties.** This Lease Agreement, together with all exhibits attached hereto that are expressly incorporated herein (this “**Lease**”), dated as of [\_\_\_\_\_, 2021] (the “**Effective Date**”), is made by and between **RED HOOK CAPITAL PARTNERS IV LLC**, a Delaware limited liability company (“**Lessor**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Lessee**”) (Lessor and Lessee being sometimes referred to herein collectively as the “**Parties**” and individually a “**Party**”). Lessee is entering into this Lease to provide for the use and occupation of the Premises (as defined below) by a school (the “**School**”) and to be operated by Lessee.

**1.2 Premises.** The property consisting of: (i) building(s) and adjacent common areas (collectively, the “**Building**”) located at[\_\_\_\_\_], and (ii) any adjacent surface parking lots (the “**Parking Lots**”) (together with the Building, collectively, the “**Premises**), and which are more particularly described on Exhibit A attached hereto. Lessee shall have exclusive use of the entire Building, its common areas, and the Parking Lots (*see also Section 2* below).

**1.3 Term.** The term of this Lease shall commence on [\_\_\_\_\_] (the “**Commencement Date**”) and shall end on the date that is twenty-five (25) years thereafter (as applicable, the “**Initial Term**”) (or such other later date if Lessee exercises any extension option) (such date, as it may be extended, the “**Expiration Date**”). (*See also Section 3* below). If Lessor does not deliver to Lessee possession of the Premises on or before the anticipated Commencement Date or any other date, Lessor shall not be subject to any liability, nor shall the validity of this Lease, nor the obligations of Lessee hereunder be affected, but the Commencement Date shall be tolled until Lessor delivers to Lessee possession of the Premises. For the purposes of this Lease, “**Lease Year**” shall mean the twelve (12) month period commencing on the Commencement Date, and on each anniversary of the Commencement Date (or portion thereof ending on the Expiration Date).

**1.4 Extension Option.** Lessee shall have two (2) options to extend the Initial Term, the first (1st) for five (5) years and the second (2nd) for four (4) years, three hundred sixty-four (364) days (such extension terms, collectively, the “**Extension Term**” and, collectively with the Initial Term, if the Extension Term is applicable, the “**Term**”) upon at least twelve (12) months’ notice to Lessor and with the Rent during the Extension Term to be determined pursuant to Section 6 below.

**1.5 Rent.** The base rent (“**Base Rent**”) for the Initial Term will be determined and subject to the escalations set forth in Exhibit B attached hereto (see also Section 5, below).

**1.6 Security Deposit.** Lessee shall deliver to Lessor a Security Deposit in the amount of three (3) months’ Base Rent, as determined in accordance with Exhibit B. Lessee shall deliver one-half (1/2) of the Security Deposit concurrently with its execution and delivery of this Lease, and Lessee shall deliver to Lessor the remaining one-half (1/2) of the Security Deposit on or before the Commencement Date. Upon the occurrence of any event of default by Lessee, Lessor may, from time to time, without prejudice to any other remedy provided herein or provided by

law, apply the Security Deposit to the extent necessary to make good any arrears of Rent and any other damage, injury, expense or liability caused to Lessor by such event of default; and in such event, Lessee shall pay to Lessor on demand the amount so applied in order to restore the Security Deposit to its original amount. Lessee specifically waives the provisions of any statute that would prevent Lessor from applying the Security Deposit in accordance with this Section 1.6. The Security Deposit shall be held by Lessor without liability for interest and as security for the performance by Lessee of Lessee's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of Rent or a measure of Lessor's damages in case of default by Lessee. Lessor may commingle the Security Deposit with Lessor's other funds. Lessor may, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any Rent delinquencies or to satisfy any other covenant or obligation of Lessee hereunder; and following any such application of the Security Deposit, Lessee shall pay to Lessor on demand the amount so applied in order to restore the Security Deposit to its full amount. No part of the Security Deposit shall be considered to be held in trust, to bear interest, or to be prepayment for any monies to be paid by Lessee under this Lease. Subject to the foregoing, within thirty (30) days after Lessee (i) has surrendered the Premises to Lessor (which, Lessor and Lessee agree, includes turning over to Lessor's representative all keys to the Premises), and (ii) has provided Lessor with a forwarding address, Lessor shall return to Lessee the portion of the Security Deposit remaining after deducting all damages, charges and other amounts permitted by the terms of this Lease and applicable law. Lessee acknowledges and agrees that if Lessee has breached this Lease before or during Lessee's surrendering the Premises to Lessor, then Lessor shall be entitled to deduct from the Security Deposit being returned to Lessee (if any) all damages and losses that Lessor has suffered or that Lessor reasonably estimates that it will suffer as a result of such breach of this Lease by Lessee. Lessee hereby waives the provisions of any applicable law with respect to the Security Deposit and agrees that the provisions of this Section 1.6 shall govern the treatment of Lessee's Security Deposit in all respects for this Lease. If Lessor transfers its interest in the Premises during the term of this Lease, Lessor may assign the Security Deposit to the transferee; and upon such transfer and the transferee's acknowledgement of responsibility to Lessee for the Security Deposit (which acknowledgement will be deemed to have been effected if the transferee assumes the obligations of the Lessor under this Lease, i.e., even without a specific mention of the Security Deposit), Lessor shall thereafter have no further liability for the return of the Security Deposit.

**1.7 Real Estate Brokers.** There are no real estate brokers associated with this transaction. Lessee hereby represents and warrants to Lessor that Lessee has not dealt with any broker or finder or real estate licensee acting in their capacity as broker or finder or real estate licensee in connection with this Lease other than Broker. Lessee shall protect, indemnify, defend and hold harmless Lessor from any and all damages, liabilities, losses, costs, or expenses (including, without limitation, reasonable attorneys' fees and costs) that Lessor may incur or sustain from a claim for a commission, broker's fee, finder's fee, or other similar compensation by any party claiming by, through or under Lessee with respect to this Lease.

## **2. Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the Term, at the Rent (as defined below) and upon and subject to all of the terms, covenants and conditions set forth in this Lease.

2.2 **Condition of Premises.** Subject to Sections 2.3 and 2.4, below, the Premises are leased “AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS,” with Lessee accepting all faults and defects, if any; and Lessor makes no warranty of any kind, express or implied, with respect to the Premises (without limitation, Lessor makes no warranty as to the habitability, fitness or suitability of the Premises for a particular purpose, nor as to compliance with any laws, rules or regulations, nor as to the absence of any toxic or otherwise hazardous substances).

2.3 **Compliance.** If any applicable building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (collectively, the “**Applicable Requirements**”) require, during the Term, the maintenance or repair of the Building’s foundation, outer walls or structural components of the Building, Lessor hereby agrees to undertake and complete such maintenance or repair (each, a “**Capital Expenditure**”), provided that the costs therefor shall be deemed “Expenses” (as defined below) hereunder.

2.4 **Acknowledgements.** Lessee acknowledges that its acceptance of the Premises on the Commencement Date shall be conclusive evidence that it has made all investigations and inspections as it deems necessary with respect to the suitability of the Premises as it relates to Lessee’s occupancy thereof and the Premises’ compliance with Applicable Requirements, and Lessee will have satisfied itself as to all such matters on the Commencement Date.

### 3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Term of this Lease are as specified in Section 1.3.

### 4. **Expenses.**

4.1 **Expenses.** Lessee shall be responsible for all Expenses (as defined herein below or elsewhere in this Lease), which Lessee shall pay to Lessor within thirty (30) days after receiving a statement from Lessor itemizing (with reasonable description) all charges included thereon. Except as otherwise provided herein, all Base Rent shall be absolutely net to Lessor so that this Lease shall yield net to Lessor the Base Rent to be paid each month during the Term and Lessee shall pay either directly or as reimbursement to Lessor for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the Term, including, without limitation, all costs and expenses of operation, maintenance and repairs, utilities, insurance and taxes relating to the Premises.

“**Expenses**” shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the Premises, as determined by standard accounting practices, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Premises:

- (i) Gross receipts taxes, whether assessed against Lessor or assessed against Lessee and collected by Lessor;

- (ii) Water, sewage, and waste or refuse removal charges;
- (iii) Gas, electricity, telephone and other utilities;
- (iv) Air conditioning and heating;
- (v) Elevator maintenance (if any);
- (vi) Supplies, materials, labor, equipment, and utilities used in or related to the operation and maintenance of the Premises;
- (vii) All maintenance, replacement and repair costs including, without limitation, janitorial, cleaning and repair services relating to the Premises and all improvements thereon, including, without limitation, air conditioning systems, landscaping, service areas, building exteriors (including painting), signs and directories, repairing and replacing roofs, walls, janitorial (if any is supplied), capital improvements and upgrades, and cost of compliance with applicable laws;
- (viii) Capital improvements made to the Premises (whether funded in full or amortized with reasonable financing charges) which may be required by any government authority or which will improve the operating efficiency of the Premises;
- (ix) Real Property Taxes (as defined in Section 12.1 below) and personal property taxes (as described in Section 12.3 below), if any; and
- (x) Any other costs or expenses reasonably incurred by Lessor relating to the operation of the Premises under this Lease and not otherwise reimbursed by Lessee; provided that Lessee will have no obligation to pay any expenses incurred by Lessor related to an alleged breach or default under this Lease by Lessee if it is later determined that the allegation of breach or default was in error or it is determined by a court of law or arbitrator that the breach or default was erroneously asserted.

For the avoidance of doubt, Expenses shall not include depreciation on the buildings of which the Premises are a part and shall not include any overhead of Lessor, internal operating costs or salaries of Lessor, or any other expenses that are unrelated to the operation of the Premises. Lessee will have the right to review all invoices, receipts, or other back-up documentation in connection with any Expenses that Lessee is required to pay under this Lease. Lessee may, at its sole cost and expense, audit the Expenses that it reimburses Lessor for purposes of determining whether such Expenses were properly related to the Premises or charged to Lessee in accordance with the terms of this Lease. The auditor performing such audit must have at least five (5) years of experience auditing tenant-related expenses under leases and may not have worked for or been affiliated with either Lessor or Lessee in the preceding five (5) years. If the auditor determines that Lessee paid expenses that were not properly charged to Lessee under the terms of this Lease, then Lessor will promptly reimburse Lessee for such over-charges and, if such over-charges exceed Five Thousand Dollars (\$5,000), Lessor will also reimburse Lessee for the cost of the audit.

5. **Rent.** Lessee covenants to pay to Lessor during the Term, the full amount of all Base Rent, Expenses and additional rent or charges due hereunder and the full amount of all such other sums of money as shall become due under this Lease, all of which herein may be collectively called “**Rent.**” Lessee shall cause all Rent payable to Lessor under this Lease to be received by Lessor in lawful money of the United States on or before the first day of each month, without offset or deduction. Rent for any period during the Term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent due to Lessor shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Payment of the monthly rate after the fifth day of the month shall be subject to a late fee of fifteen percent (15%). Unless otherwise consented to by Lessor in writing, all payments due from Lessee hereunder shall be made by wire transfer of funds or by an electronic funds transfer debit transaction utilizing the Automated Clearing House network of the U.S. Federal Reserve System, in each case, to an account designated by Lessor.

5.1 **Budgeting Rent.** The Lessee covenants to take such action as may be necessary to include all such payments of Rent due hereunder in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent.

5.2 **Accounting.** If Lessor so requests in writing, Lessee agrees to provide Lessor within twenty (20) business days an audited annual accounting, or monthly or quarterly unaudited accountings, of the Expenses paid for the current calendar year as well as one or more audited annual financial statements, in form and content reasonably acceptable to Lessor and Lessor’s lender, detailing the financial condition of Lessee and Lessee’s operating history during the period covered by such statements. If the form of any such documents is not acceptable to Lessor, in Lessor’s reasonable discretion, then the parties will work in good faith to revise the form and, if necessary, the content of such documents so that they are in form reasonably acceptable to Lessor. Upon Lessee’s request, Lessor will execute a confidentiality agreement in form reasonably acceptable to both parties in connection with the delivery of any financial or other private documents that Lessee delivers to Lessor. Notwithstanding anything to the contrary herein, Lessee shall provide the following financial reports to Lessor: (i) by July 1st of each year, a preliminary budget for the current fiscal year (the “**Annual Budget**”); (ii) by December 15th of each year, an interim financial report for the current fiscal year reflecting changes through October 31st of such year; (iii) on or before December 15th of each year, a copy of Lessee’s annual, independent financial audit report for the preceding fiscal year; (iv) by March 15th of each year, a second interim financial report for the current fiscal year reflecting changes through January 31st of such year; and (v) by September 15th of each year, a final unaudited report for the full prior year, which report shall include an annual statement of all Lessee’s receipts and expenditures for the preceding fiscal year. Student enrollment data shall be provided in accordance with the requirements for P1 and P2 and annual pupil count reporting as follows: (i) the P1 report shall be provided on or before January 17th of each year; (ii) the P2 report shall be provided on or before May 1st of each year; and (iii) annual attendance reporting shall be provided on or before July 17th of each year. Lessee shall promptly notify Lessor and its lender of any material change in enrollment promptly after any such material change occurs.

5.3 **Source of Rent Payments.** Lessee's obligation hereunder to pay the Rent is a general obligation of Lessee and the School, and Lessee (on behalf of itself and on behalf of the School) hereby (i) pledges and grants a security interest in the Gross Revenues of the School (as defined below) as security for the payment of the Rent ("**Security Interest**") and (ii) covenants not to pledge to any third-party (except Lessor's lender) the Gross Revenues of the School. Notwithstanding the foregoing, Lessor agrees that under no circumstances shall Lessee be required to advance any moneys derived from, nor shall Lessor have recourse to, any revenues or assets attributable to, or designated by any third party for, any other schools operated by Lessee and not located at the Premises (such schools collectively referred to as the "**Other Schools**"), or pledged by Lessee to secure loans to or financings or leases for any such Other Schools. Such moneys, assets and revenues would include income and revenues directly or indirectly derived by Lessee's operation of any Other Schools, including without limitation, per pupil revenues and other funding received from the State of Nevada or by virtue of the charter granted to Lessee for any Other Schools, and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent specifically restricted by the donor or maker thereof to any Other Schools, and such moneys would also include net insurance or condemnation proceeds received or payable to Lessee on account of damage or destruction of any Other Schools or the property on which they are located, or other loss incurred by Lessee with respect to its operation of any Other Schools or the property on which they are located. Nothing contained in this Section 5.3 shall be construed to release Lessor from the performance of any of the agreements on its part herein contained, and in the event Lessor shall fail to perform any such agreements on its part, Lessee may institute such action against Lessor as Lessee may deem necessary to compel performance, so long as such action does not abrogate the obligations of Lessee contained in the first sentence of this Section 5.3. Lessee may, however, at Lessee's own cost and expense and in Lessee's own name or in the name of Lessor prosecute or defend any action or proceeding or take any other action involving third persons that Lessee deems reasonably necessary in order to secure or protect Lessee's right of possession, occupancy and use hereunder, and in such event, Lessor hereby agrees to cooperate fully with Lessee and to take such action necessary to effect the substitution of Lessee for Lessor in such action or proceeding if Lessee shall so request. Moreover, and notwithstanding any other provision of this Lease, nothing herein will prevent Lessee from pledging the gross revenues of or the receivables from any Other Schools in order to obtain a loan, cash advance, or other form of credit; Lessor's rights will at all times be subordinate to any party providing such a loan or cash advance secured by Lessee's revenues or receivables from any Other Schools; and Lessor agrees to execute any documents reasonably requested by Lessee and to reasonably cooperate (at no expense to Lessor) with any requests in connection with Lessee's efforts to obtain a loan, cash advance or other form of credit for any Other Schools.

As used herein, "**Gross Revenues of the School**" means all income and revenues directly or indirectly derived by the Lessee's operation of the School, including without limitation, per pupil revenues and other funding received from the State of Nevada or by virtue of the charter granted to Lessee for the School, and all gifts, grants, bequests and contributions (including income and profits therefrom) specifically restricted by the donor or maker thereof to the School or the Premises, to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for the payments required under this Lease. Gross Revenues of the School also includes net insurance or condemnation proceeds received or



payable to the Lessee on account of damage or destruction of the Premises or other loss incurred by Lessee with respect to its operation of the School or the Premises.

5.4 **Relocation of School.** Lessee shall not relocate the operations of the School to any other property without Lessor's written consent, which may be granted or withheld in Lessor's sole and absolute discretion.

6. **Option to Extend.** Lessor hereby grants to Lessee two (2) options to extend the term of this Lease, the first (1st) for five (5) years and the second (2nd) for four (4) years, three hundred sixty-four (364) days (each, an "**Extension Option**"). Each Extension Option must be exercised, if at all, by written notice (each, an "**Option Notice**") delivered by Lessee to Lessor not fewer than twelve (12) months prior to the then-scheduled Expiration Date, provided, however, that the Extension Option shall not be exercisable unless, as of the date of the Option Notice and at the then-scheduled Expiration Date, Lessee is not in default hereunder. In the event the Term of this Lease shall be extended under this Section 6, then all of the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect, except that:

(i) Each Extension Term shall commence immediately upon the expiration of the Initial Term or prior Extension Term, as applicable.

(ii) The Base Rent for the Extension Term shall be determined as set forth in Exhibit B.

(iii) Such Rent as so determined shall be paid during the Extension Term in installments at the times and in the manner specified in this Lease.

7. **Option to Purchase.** For the time period commencing on the first day of the fourth (4th) Lease Year and expiring on the last day of the seventh (7th) Lease Year, Lessee shall have an option to purchase the Premises pursuant to the terms and conditions provided in Exhibit B (the "**Purchase Option**"). If Lessee does not elect to purchase the Premises before the expiration of the Purchase Option set forth in this Section 7, then the Purchase Option shall terminate and be of no further force or effect.

8. **Use.**

8.1 **Use.** Subject to the terms of Section 12 (Assignment and Subletting) below, Lessee shall not rent the Premises as residential rental property to others, or permit any subtenant to rent the Premises as residential rental property to others. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs other tenants on the Premises or causes damage to neighboring premises or properties. Notwithstanding any other provision of this Lease, Lessee agrees to use the Premises for the purpose of operating a charter school educating students from [\_\_\_\_\_] through the [\_\_\_\_\_] grades (the "**Permitted Use**"). Lessee is responsible for acquiring and maintaining at all times during the Term all necessary permits and approvals for operating for the Permitted Use at the Premises.

8.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent.** The term “**Hazardous Substance**” as used in this Lease shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Premises or to persons on or about the Premises or (ii) cause the Premises to be in violation of any Environmental Regulation (as defined herein); (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“**CERCLA**”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“**RCRA**”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; and the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Premises or the owners and/or occupants of property adjacent to or surrounding the Premises, or any other person coming upon the Premises or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment. The term “Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee’s expense) with all Applicable Requirements. “**Reportable Use**” shall mean (i) the installation or use of any above or below ground storage tank, (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, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing or anything herein to the contrary, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, including such instructional materials as may be used in art, science and other instructional activities, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor, Lender or Lessee to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor 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).

(b) **Duty to Inform Lessor.** If Lessee 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 Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee 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 Lessee's expense, comply with all Applicable Requirements and 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 Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the Term of this Lease, by or for Lessee, or any third party; provided that Lessee will have no obligation to clean-up Hazardous Substances that migrate under the Premises from adjacent properties without any involvement or contribution from Lessee or its agents or employees.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its managing member, and the agents, employees, officers, directors of either of them ("**Lessor's Indemnified Parties**") 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 Lessee or anyone acting by, through, or under Lessee. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement. The provisions of this subdivision (d) of Section 8.2 shall survive the termination of this Lease.

(e) **Hazardous Substance Condition Remediation.** If Lessee becomes aware of a Hazardous Substance Condition occurring during the Term of this Lease, then Lessee shall notify Lessor and Lessor shall make the investigation and remediation thereof required by the Applicable Requirements, the costs relating thereto constituting an Expense for which Lessee is responsible and this Lease shall continue in full force and effect, but subject to Lessor's rights under Section 8.2(d); provided, however, that if a Hazardous Substance Condition occurs as a result of Hazardous Materials that are brought on the Premises (by a party other than Lessee or anyone acting by, through, or under Lessee) prior to the Commencement Date, then Lessor shall be solely responsible for making the investigation and remediation thereof at its sole cost and expense, and this Lease shall continue in full force and effect. "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Section 8.2(a), in, on, or under the Premises which requires repair, remediation, or restoration.

**8.3 Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the such Applicable Requirements, without regard to whether such Applicable Requirements are now in effect or become effective after the

Commencement Date; provided that if Lessee disagrees with recommendations of engineers and/or consultants, or objects to the cost associated with their recommendations, then Lessee may retain its own engineers and/or consultants and, upon Lessor's reasonable approval, follow the recommendation of the engineers and/or consultants retained by Lessee so long as the result is that the Premises complies with all Applicable Requirements. Lessee shall, within ten (10) days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and other information evidencing Lessee's possession of all applicable permits and approvals pertaining to the Permitted Use, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements or of Lessee's ability to operate at the Premises for the Permitted Use.

## 9. **Maintenance; Repairs.**

**9.1 Lessee's Obligations.** Subject to the provisions of Sections 9.2 (Lessor's Obligations), 11 (Damage or Destruction) and 15 (Condemnation), Lessee shall, at Lessee's sole expense, keep the interior and exterior non-structural elements of the Premises in good order, condition and repair; and keep the exterior, and major utility components of the Premises and other portions of the Premises in good order, condition and repair, including, but not limited to, roof, roof membrane, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, interior walls, ceilings, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. If any replacement or repair is required in the last five (5) years of this Lease, and such repairs or replacements will result in the installation or replacement of structures or equipment that will have a useful life that survives the termination of this Lease, then Lessor shall pay a proportionate share of such repairs or replacements. Lessor's proportionate share of the cost of such repairs or replacements will equal the remaining expected useful life of such repair or replacement after the expiration of the term of this Lease divided by the total use life of such repair or replacement. If, after Lessor pays a proportionate share of a repair or replacement, the term of this Lease is extended by Lessee or by mutual agreement of the parties, then Lessee will reimburse Lessor such that Lessor (after such reimbursement) will have paid the amount it would have paid if the term (at the time the costs were apportioned between the parties) had already been extended. Subject to the provisions of this Section 9.1 and Sections 11 (Damage or Destruction) and 15 (Condemnation) herein, it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the term so of this Lease.

**9.2 Lessor's Obligations.** Subject to the provisions of Sections 2.2 (Condition), 11 (Damage or Destruction) and 15 (Condemnation), Lessor shall maintain and make necessary

repairs to the Building's foundation, outer walls or structural components. Any costs and expenses incurred by Lessor in connection with any maintenance or repair it performs shall be deemed "Expenses" hereunder. Lessee waives the right to make repairs at Lessor's expense under any applicable laws.

### 9.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Section 9.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent, except as provided herein. Lessee may make non-structural Alterations or Utility Installations and may make structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, and will not affect the electrical, plumbing, HVAC, and/or life safety systems. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor and such approval shall not be unreasonably withheld. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof.

### 9.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** All Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, at the option of Lessee, (i) be removed by Lessee or (ii) be surrendered by Lessee with the Premises and become the property of Lessor.

(b) **Surrender and Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee or anyone acting by, through, or under Lessee. Lessee Owned Alterations, Utility Installations, and Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee at the expiration of the Lease. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Section 9.4(b) without the express written consent of Lessor shall constitute a holdover under the provisions of Section 25 below; provided that no holdover will be deemed to have occurred if Lessee has completely vacated the Premises and removed all property from the Premises that is twenty-one (21) days after the Expiration Date.

## 10. **Insurance; Indemnity.**

*10.1* **Liability.** Lessee shall keep in force such liability insurance policies and in such amounts as set forth in Exhibit C attached hereto. The premium for such insurance shall be deemed an "Expense" hereunder.

*10.2* **Property.** Lessee shall obtain and keep in force a policy or policies of property insurance in its name, but naming Lessor as an additional insured under such policy or policies, with a provision making loss payable to Lessor and to any lender insuring loss or damage to the Premises. The amount of such insurance shall be as set forth in Exhibit C attached hereto and will at all times remain subject to approval by Lessor's lender. The premium for such insurance shall be deemed an "Expense" hereunder.

*10.3* **Rental Interruption.** Lessee shall also obtain and keep in force, for the benefit of Lessor, or otherwise obtain for Lessor (at Lessee's sole cost and expense) rental interruption insurance insuring Lessor for the amounts of Rent arising from an interruption of the payment of the Rent, and otherwise payable by Lessee hereunder. The premium for such insurance shall be deemed an "Expense" hereunder.

*10.4* **Insurance Requirements; Waiver of Subrogation.** All insurance procured and maintained by Lessee shall be written by insurance companies satisfactory to Lessor which are licensed to do business in the state in which the Premises is located with a general policyholder's rating of not less than A and a financial rating of not less than Class VIII as rated in the most current edition of Best's Key Rating Guide, or, if it becomes available during the Term of this

Lease and is approved by Lessor's lender, equivalent coverage provided by a charter school self-insurance joint power authority, formed and operating under Nevada law. Lessor and Lessor's lender(s), ground lessor (if any) and property manager shall be named as additional insureds under all insurance maintained by Lessee, and Lessee shall obtain waivers of subrogation in favor of Lessor as its interests may appear; moreover, Lessee shall obtain a written obligation on the part of each insurance company to notify Lessor at least ten (10) days prior to cancellation of such insurance. Lessee shall provide Lessor with an original Certificate of Insurance demonstrating that the insurance required by this Lease was purchased and is in effect. Lessee shall also provide Lessor with a copy of the additional insured, waiver of subrogation endorsements or such other policy language demonstrating that the insurance policies comply with this Lease. If Lessee should fail to comply with the foregoing requirements relating to insurance, Lessor may obtain such insurance and Lessee shall pay to Lessor on demand as additional Rent hereunder the premium cost thereof plus interest. Lessee hereby acknowledges and agrees that any such payment and interest shall be payable immediately on demand as additional Rent and that the same are cumulative with, and do not supersede or reduce in any way, Lessor's rights as specified in Section 14 of this Lease. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

**10.5 Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee, with respect to third party claims, shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, partners, members, directors, officers and lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters by any third party, Lessee shall upon written notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. Lessor shall indemnify, protect, defend and hold harmless Lessee and its agents, partners, members, directors, officers and lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, Lessor's grossly negligent acts or willful misconduct. The provisions of this Section 10.5 shall survive the termination of this Lease.

**10.6 Exemption of Lessor from Liability.** Subject to the provisions of Section 10.5, Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, students or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or

from any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other sources or places.

## 11. **Damage or Destruction.**

**11.1 Repair of Damage to Leased Premises by Landlord.** Lessee shall promptly notify Lessor of any damage to the Premises resulting from fire or any other casualty. If the Premises shall be damaged by fire or other casualty, Lessor shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Lessor's reasonable control, and subject to all other terms of this Section 11, restore the Premises; provided that if the cost of such repair by Lessor exceeds the amount of insurance proceeds received by Lessor from Lessee's insurance carrier, as assigned by Lessee, the cost of such repairs shall be paid by Lessee to Lessor, at Lessee's election, either (i) prior to Lessor's repair of the damage, or (ii) reimbursed to Lessor promptly after Lessor incurs such costs and provides an invoice and reasonable supporting documentation therefor, plus Interest on such amounts from the date paid by Lessor until reimbursed by Lessee. Such restoration shall be to substantially the same condition of the Premises prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Premises or any portion thereof, or the lessor of a ground or underlying lease with respect to the Premises or any portion thereof. Notwithstanding anything to the contrary herein, in no event shall Lessor be obligated to repair or restore any specialized or dedicated equipment serving Lessee, such as any cabling, wiring, supplemental utility system, telephone system or wi-fi network. Lessor shall not be liable for any inconvenience or annoyance to Lessee or its visitors, or injury to Lessee's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises necessary to Lessee's occupancy, and if such damage is not the result of the negligence or willful misconduct of Lessee or Lessee's employees, contractors consultants, agents, licensees, students, invitees, or anyone else acting by, through, or under Lessee, Lessor shall allow Lessee a proportionate abatement of Base Rent to the extent Lessor is reimbursed from the proceeds of rental interruption insurance, during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied and used by Lessee as a result thereof.

**11.2 Lessor's Option to Repair.** Notwithstanding Section 11.1 above to the contrary, Lessor may elect not to rebuild and/or restore the Premises and instead terminate this Lease by notifying Lessee in writing of such termination within sixty (60) days after Lessor becomes aware of such damage, such notice to include a termination date giving Lessee up to ninety (90) days to vacate the Premises, but Lessor may so elect only if the Premises shall be damaged by fire or other casualty or cause, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred twenty (120) days after the date of such damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Premises or ground or underlying lessor with respect to the Premises shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be; or (iii) the damage is not fully covered by Lessee's or Lessor's insurance policies. In addition, if the Premises is destroyed or damaged to any substantial extent during the last twenty-four (24) months of the Term, then notwithstanding anything contained in this Section 11, Lessor or Lessee shall have the option to terminate this Lease by giving written notice to the other party of



the exercise of such option within thirty (30) days after such party becomes aware of such damage, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of the Lease pursuant to this Section 11.2, Lessee shall pay the Base Rent and additional rent, properly apportioned up to the earlier of the date of termination or the date that Lessee vacated the Premises as a result of the casualty, and both parties hereto shall thereafter be discharged from all further obligations under this Lease arising after such termination, except for those obligations which expressly survive the expiration or earlier termination of the Term.

**11.3 Waiver of Statutory Provisions.** The provisions of this Lease, including this Section 11, constitute an express agreement between Lessor and Lessee with respect to any and all damage to, or destruction of, all or any part of the Premises, and any statute or regulation of the state in which the Premises is located, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises.

**11.4 Lessee's Responsibilities.** There shall be no abatement of rent (except as expressly provided above in Section 11.1) and no liability of Lessor by reason of any injury to or interference with Lessee's business or property arising from the making of any repairs, alterations or improvements in or to any portion of the Premises or in or to fixtures, appurtenances and equipment therein. Lessee understands that Lessor will not carry insurance of any kind on Lessee's furniture, furnishings and other personal property, and Lessor shall not be obligated to repair any damage thereto or replace the same. All such property shall be kept, stored and maintained at the sole risk of Lessee.

## **12. Real Property Taxes.**

**12.1 Definition.** As used herein, the term "**Real Property Taxes**" shall include any form of assessment, real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises, Lessor's right to other income therefrom; and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the address of the Premises and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises is located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the Term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

**12.2 Payment of Taxes.** Lessee shall timely file for exemption against any Real Property Taxes and shall maintain such exemption during the Term. If for any reason an exemption is not in effect with respect to the entirety of the Premises, during any period that this Lease remains in effect, then Lessee shall pay to the County Assessor's Office at least ten (10) business days before the same become delinquent, all Real Property Taxes applicable to the Premises to the extent any such Real Property Taxes are charged, levied, assessed or imposed,

and Lessee shall provide written notice to Lessor of such payment concurrently with the delivery of the Real Property Taxes. Lessor agrees to reasonably cooperate (so long as Lessor incurs no out-of-pocket costs) with any request by any taxing authority, including, but not limited to, the Internal Revenue Service, any state taxation agency, the City of Las Vegas, or the County of Clark, and any reasonable request by Lessee in connection with Lessee's attempts to obtain any tax exemption for Real Property Taxes.

**12.3 Personal Property Taxes.** Lessee shall timely file for exemption against any taxes on Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee and shall maintain such exemption during the Term. Lessee shall pay, prior to delinquency, all such taxes to the extent they are charged, levied, assessed or imposed after an exemption for such taxes is filed as required hereunder. Lessor agrees (so long as Lessor incurs no out-of-pocket costs) to reasonably cooperate with any request by any taxing authority, including, but not limited to the Internal Revenue Service, any state taxation agency, the City of Las Vegas, the County of Clark, or by Lessee in connection with Lessee's attempts to obtain any tax exemption for Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment, and all personal property of Lessee.

### **13. Assignment and Subletting.**

**13.1 By Lessee.** Lessee shall not sublease, assign, mortgage, pledge, hypothecate or encumber this Lease or any of Lessee's interest hereunder without the prior written consent of Lessor (which Lessor will not unreasonably withhold). Notwithstanding the preceding, Lessee may sublease a portion of the Leased Premises to one or more community schools, summer camps, churches, non-profit groups, social groups, educational groups, or similar school-related organizations without the prior consent of Lessor; provided that (i) any such sublease may not exceed fifty percent (50%) of the Leased Premises or extend beyond three (3) months in duration, (ii) the sublease will be direct with Lessee and will not release Lessee from any of its obligations hereunder, and (iii) such sublease will not interfere or be inconsistent with Lessee's use and operation of the Leased Premises as a charter school. Lessee acknowledges that Lessor will finance a portion of the acquisition of the Premises (potentially with tax-exempt bond financing), and Lessor will be required to obtain the lender's (or the bond trustee's) approval to a sublease, assignment or other transfer or encumbrance of Lessee's interest in the Lease. Lessee agrees that Lessor's failure to consent to any assignment or sublease or encumbrance will be deemed to be reasonable if due to lender's (or the bond trustee's) disapproval. Notwithstanding the preceding, Lessor agrees that it will not withhold its consent to Lessee's request to assign this Lease to an entity formed for the purpose of operating a charter school as permitted in Section 8.1 hereof if such entity is wholly owned or controlled by Lessee or results from a restructuring or reconstitution of Lessee; provided that (a) the persons managing Lessee must continue to manage the assignee, and (b) nothing herein will be deemed to eliminate the need to obtain the consent of Lessor's lender to such an assignment. To the extent any sublease or assignment of this Lease is approved by Lessor, Lessor agrees to provide reasonable non-disturbance assurances to the applicable assignee or sublessee.

**13.2 By Lessor.** Lessee acknowledges that the Premises may be subject to a deed of trust and assignment of rents in favor of a lender and that the Lease may be assigned to such lender as security for a loan (collectively, "**Deed of Trust**").

14. **Default; Breach; Remedies.**

**14.1 Default; Breach.** A “**Default**” is defined as a failure by Lessee to comply with or perform any of the terms, covenants or conditions under this Lease. A “**Breach**” is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

- (a) The abandonment of the Premises.
- (b) The failure of Lessee to make any payment of Rent required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of three (3) business days following written notice to Lessee.
- (c) Any material representation or warranty made in this Lease, or in any report, certificate, financial statement, or instrument furnished in connection with this Lease, proves to have been false or misleading when made, in any material respect.
- (d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, other than those described in subparagraphs 14.1(a) through (c) above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee’s Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- (e) The occurrence of any of the following events: (i) Lessee’s making of any general arrangement or assignment for the benefit of creditors; (ii) Lessee’s becoming a “**debtor**” as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within ninety (90) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee’s assets located at the Premises, or of Lessee’s interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee’s assets located at the Premises, or of Lessee’s interest in this Lease, where such seizure is not discharged within sixty (60) days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.
- (f) The discovery that any financial statement of Lessee given to Lessor was materially false.
- (g) The failure of Lessee to comply with the following representations, warranties or covenants: (i) except as specifically provided in this Lease, the Lessee covenants not to create, assume, incur or suffer to be created, assumed or incurred any lien on the Premises or the Gross Revenues of the School, (ii) the Lessee shall take all actions necessary, and shall not omit to take any action necessary for it to maintain its status (or its derivative status through its sole member) as an organization described in Section 501(c)(3) of the Internal Revenue Code of

1986, as amended and (iii) the Lessee will do, or cause to be done, all things necessary to obtain and maintain the School's status as a charter school under the Charter School Law.

**14.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within thirty (30) days after written notice (or, in the case of those duties and obligations that cannot reasonably be performed within thirty (30) days after notice, to commence and diligently prosecute such duties and obligations to completion), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor; provided that Lessor will only elect to terminate Lessee's possession of the Premises following a material Breach or default under the terms hereof by Lessee that remains uncured after the notice provided in accordance with this Lease. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees of Lessor and the Lender, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under this Section 14. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Section 14.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Section 14.1. In such case, the applicable grace period required by Section 14.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect Lessor's interests, shall not constitute a termination of Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under this Lease, including under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**14.3 Interest.** Any monetary payment due Lessor hereunder not received by Lessor when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payments, shall bear interest from the date when due as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest ("**Interest**") charged shall be computed at the rate of ten percent (10%) per annum, but shall not exceed the maximum rate allowed by law.

**15. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs, and Expenses and Base Rent thereafter shall be limited to those applying to the remaining Premises subject to this Lease, it being agreed that Base Rent will be reduced by the percentage of the Premises that has been the subject of the taking. If there is a Condemnation of less than all of the Premises, and such portion so taken is material to Lessee's use and quiet enjoyment of the Premises as a whole, then all available Condemnation awards and/or payments shall be used first, to restore the remaining portion of the Premises to a usable whole, and second, to reduce the balance of any loan made to Lessor and secured by the Premises in proportion to the portion taken or sold. Any portion of the award and/or payment that remains after the foregoing purposes have been satisfied shall be the property of Lessor. If the entirety of the Premises is taken, then the Condemnation awards and/or payments shall be the property of Lessor. Each party waives the provisions of any applicable law allowing either party to petition the superior court to terminate this Lease as a result of a partial taking. Nothing in this Section 15 will be deemed to limit Lessee's right to file a claim in the condemnation proceeding for any loss of income, goodwill, personal property, or other damages arising from Lessee's loss of operations.

**16. Estoppel Certificates; Subordination.** (a) Lessee agrees that it will use good faith efforts to, within ten (10) days following request by Lessor, execute and deliver to Lessor a written statement (each, an "**Estoppel Certificate**") addressed to Lessor (and/or parties designated by Lessor), which statement shall identify Lessee and this Lease, shall certify that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that Lessor is not in default as to any obligations of Lessor under this Lease (or if Lessor is in default, specifying any default), shall state the dates to which the rent and other charges have been paid in advance, if any, and shall contain such other information or confirmations as Lessor may reasonably require. If Lessee fails to do so within thirty (30) days after the delivery of a written request from Lessor to Lessee, then this shall be a default under the Lease and Lessor would have all rights and

remedies accorded to Lessor pursuant to Section 14 of this Lease. Lessor is also hereby irrevocably appointed and authorized as the agent and attorney-in-fact of Lessee to execute and deliver any such written statement on Lessee's behalf. The form of the Estoppel Certificate will be reasonably acceptable to Lessee, and Lessee will have no obligation to make any representations or assertions that are not, in Lessee's view, true and accurate and consistent with the terms of this Lease. Lessor agrees to reimburse Lessee for the cost of any third party, out-of-pocket costs associated with delivery of the Estoppel Certificate up to One Thousand Dollars (\$1,000). (b) Lessee hereby covenants and agrees: (1) this Lease at all times shall be subordinate to the Deed of Trust (unless waived in writing by the Trustee thereunder or the beneficiary ("**Beneficiary**") of the Deed of Trust) so long as the lender has provided Lessee with an executed non-disturbance agreement for the benefit of Lessee in a form acceptable to all Parties prior to such subordination, and so long as such subordination does not result in any change to the terms of this Lease that has an adverse effect on Lessee; (2) Lessee shall attorn to the Beneficiary and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Premises by any purchaser at a foreclosure sale or by the Beneficiary in any manner; (3) to execute such further evidences of attornment and subordination as a mortgagee or any purchaser at a foreclosure sale may from time to time request, including a subordination and attornment agreement in form and substance acceptable to the Beneficiary or any purchaser in its sole discretion so long as such documents contain non-disturbance provisions reasonably protecting Lessee if a foreclosure occurs; (4) this Lease shall not be terminated by foreclosure or any other transfer of the Premises; (5) Lessee shall, upon receipt after the occurrence of an Event of Default of a written request from the mortgagee, pay all rents payable under this Lease to the mortgagee.

17. **Definition of Lessor.** The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises. Upon any transfer of fee title to the Premises, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by Lessor so long as Lessor has delivered to the transferee any portion of the Security Deposit held by Lessor and the assignee has acknowledged the receipt thereof. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by Lessor shall be binding only upon Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Authority.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous

agreement or understanding shall be effective. Each Party represents and warrants that the execution of the Lease will not, to the best of the Party's knowledge, constitute a violation under any material agreements to which such Party is a party. Each individual executing this Lease on behalf of Lessee entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee. Lessee shall prior to execution of this Lease, deliver to Lessor evidence of such authority reasonably satisfactory to Lessor.

**23. Notices.**

**23.1 Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by email, and shall be deemed sufficiently given if served in a manner specified in this Section 23. A courtesy copy of any notice provided hereunder will be provided by email so long as the party receiving the notice has delivered its then-current email address to the other. The addresses for the Parties are set forth below and shall constitute the respective addresses for delivery or mailing of notices. Either Party may, by written notice to the others, specify a different address for notice. Upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice unless Lessee notifies Lessor otherwise. A copy of all notices to Lessor or Lessee shall be concurrently transmitted to such party or parties at such addresses as Lessor or Lessee, respectively, may from time to time hereafter designate in writing.

**23.2 Addresses.**

Lessor: Red Hook Capital Partners IV LLC  
2120 E Grand Avenue, Suite 135  
El Segundo, CA 90245  
Attention: Craig Underwood  
Email: [cunderwood@redhookcap.com](mailto:cunderwood@redhookcap.com)

With a copy to: Seyfarth Shaw LLP  
601 S. Figueroa Street, #3300  
Los Angeles, CA 90017  
Attention: Alex S. Johnson, Esq.  
Email: [asjohnson@seyfarth.com](mailto:asjohnson@seyfarth.com)

Lessee: c/o pilotED Schools of Nevada Inc.  
[\_\_\_\_\_]   
[\_\_\_\_\_]   
Attention: Lani Luo  
Email: [lluo@piloted.org](mailto:lluo@piloted.org)

**23.3 Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that

guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile or email shall be deemed delivered upon delivery, provided a copy is also delivered via mail or overnight delivery. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.** No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof.

25. **No Right To Holdover.** Except as provided in Section 9.4(b), Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

26. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

28. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State of Nevada. The prevailing party in any litigation shall be entitled to its reasonable attorney's fees.

29. **Lessor's Access; Showing Premises; Repairs.** Lessor shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times after twenty-four (24) hours' prior written notice for the purpose of inspecting the Premises, verifying compliance by Lessee with this Lease, showing the Premises to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises as long as there is no material adverse effect to Lessee's use of the Premises.

30. **Quiet Possession.** Subject to payment by Lessee of the Rent and there being no Breach or Event of Default by Lessee then in effect, Lessee shall be entitled to have quiet possession and quiet enjoyment of the Premises during the Term hereof. Subject to the terms and conditions of this Lease, Lessee shall have access to the Premises twenty-four (24) hours per day and seven (7) days per week.



31. **Counterparts.** This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

32. **Amendments.** Subject to the terms of the Indenture, this Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary and non-material modifications to this Lease as may be reasonably required by a lender in connection with the obtaining of normal financing or refinancing of the Premises.

33. **Limitation of Rights to Parties and Trustee.** Nothing in this Lease expressed or implied is intended or shall be construed to give to any person other than Lessor, Lessee and the Trustee any legal or equitable right, remedy or claim under or in respect of this Lease or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of Lessor, Lessee and the Trustee.

34. **Closing Contingency.** This Lease is contingent on the closing of the purchase of the Premises by Lessor (or Lessor's affiliate) pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated [\_\_\_\_\_] (as may be amended and assigned from time to time, the "PSA"), by and between [\_\_\_\_\_] , as seller, and Lessor, as buyer. If the transactions contemplated by the PSA do not close for any reason, and the PSA is terminated, then this Lease shall terminate concurrently therewith and be of no further force and effect as of such date, and the Parties hereto shall be relieved of all obligations to each other owed pursuant to this Lease, except for those obligations which expressly survive the expiration or earlier termination of this Lease.

35. **Signage.**

Lessee shall not, without first obtaining (i) Lessor's written approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) all necessary approvals and permits from the relevant governmental agencies, display any signage or other advertisement or fixed display in or on the Premises that is visible from the exterior of the Premises. All signs must be professionally designed and prepared and must comply with all Applicable Requirements. Subject to each of the foregoing terms and the other terms of this Lease, Lessee shall be entitled to a sign created and installed at the Premises as described above at Lessee's sole cost and expense.

36. **Premises Security.** Subject to the terms of this Lease, Lessee has the right to install security systems at the Premises at Lessee's sole cost and expense. At all times during the Term, Lessee is required to provide, in a manner reasonably satisfactory to Lessor and at Lessee's sole cost and expense, twenty-four hour per day security for the Premises and its employees, guests, agents and invitees. Lessor is not liable for the security of the Premises.

37. **Non-Disturbance Agreement.** Upon Lessee's written request, Lessor agrees to use commercially reasonable efforts to obtain from Lessor's lender a non-disturbance agreement for the benefit of Lessee in a form reasonably acceptable to all Parties. The failure of Lessor or

Lessor's lender to enter into such an agreement shall not entitle Lessee to any rights or remedies under this Lease, shall not be deemed a breach by Lessor, and shall have no bearing on the effectiveness of this Lease.

**38. Code Compliance; Occupancy.**

Lessee's taking of possession of the Premises shall be deemed Lessee's acknowledgment that the Building complies with all Applicable Requirements, including, without limitation, the Americans with Disabilities Act and the Asbestos Hazard Emergency Response Act, and Lessee will have no right to make a claim for any deficiency in the Premises after it has taken possession of the Premises. In addition, if required, Lessee shall obtain from the City of Las Vegas or County of Clark, as applicable, a certificate of occupancy for the use of any portable buildings on the Premises.

**39. Future Development.**

If, at any time during the Term, Lessee intends to develop or further expand the School on the Premises, then Lessee must (i) give written notice to Lessor of such intention and back up information and documentation reasonably acceptable to Lessor containing the details of the intended development or expansion, and (ii) first offer to Lessor the opportunity to be the developer of such development or expansion. Within ninety (90) days of receipt of such notice from Lessee, Lessor will deliver to Lessee the scope of services to be performed by Lessor and the fee that Lessor will charge for its development services (the "**Lessor Proposal**"). Within thirty (30) days of receipt of the Lessor Proposal, Lessee, if it intends to move forward with the project, will execute a development agreement with Lessor, in a form reasonably acceptable to both Parties, provided that Lessee may choose another developer during such thirty (30) day period for the development or expansion only if the scope of services from the other developer equals or exceeds those presented in the Lessor Proposal and the development fee with the alternate developer is less than the development fee proposed in the Lessor Proposal.

*[Signatures Appear on Following Pages]*

The Parties hereto have executed this Lease as of the Effective Date.

**LESSOR:**

**RED HOOK CAPITAL PARTNERS IV LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Name:

Title: Managing Member

*[Signatures Continue on Next Page]*

[Signature Page to Lease Agreement]

**LESSEE:**

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Name:

Its:

## **EXHIBIT A**

### **Description of Premises**

All of that certain real property located in the County of Clark, State of Nevada, more particularly described as follows:

LOT [\_\_\_\_\_] OF FINAL MAP OF [\_\_\_\_\_], AS SHOWN BY MAP THEREOF ON FILE IN BOOK [\_\_\_\_], OF PLATS, PAGE [\_\_\_\_], IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

APN: [\_\_\_\_\_]

## **EXHIBIT B**

### **Determination of Base Rent**

#### **1. Base Rent for the First Lease Year:**

Base Rent for the first Lease Year shall be calculated based on eight and one-half percent (8.5%) of Lessor's Project Costs (as defined below), as determined by Lessor and reviewed by Lessee on or before the Commencement Date. At the request of either party, the other party shall execute and deliver to the requesting party on or before the Commencement Date a completed certificate that confirms the Base Rent for the first Lease Year and each month thereof.

**"Lessor's Project Costs"** shall mean all of Lessor's costs and expenses in connection with acquiring and improving the Premises, pursuing and obtaining any entitlements therefor (including the Entitlements), completing any tenant improvements and other construction to the Premises, and owning and operating the Premises, including, without limitation, acquisition fees and costs (including an acquisition fee equal to one percent (1%) of the purchase price), reasonable financing fees (including a financing fee equal to one percent (1%) of the principal amount of any loan obtained by Lessor in connection with the Premises), reasonable improvement costs, reasonable transaction costs (including legal fees), reasonable management fees, reasonable development fees (equal to five percent (5%) of any improvements to the Premises by Lessor, any tenant improvements and any subsequent construction managed by Lessor), and reasonable brokerage commissions.

#### **2. Annual Base Rent Increases After Tenth Lease Year During Initial Term:**

Commencing on the first day of the second Lease Year and on each anniversary thereafter during the Initial Term, Base Rent shall increase by three percent (3%) per year.

Lessor shall notify Lessee in writing of the increase to the Base Rent for the applicable period during the Initial Term and the increased amount of the new monthly installments due with respect thereto, and Lessee's rental payments shall be adjusted accordingly. Within ten (10) days after such notice from Lessor, Lessee shall pay to Lessor all increases to the Base Rent owed for all months which may have elapsed after the anniversary of the Commencement Date.

#### **3. Base Rent for Extension Terms:**

The monthly Base Rent for each month of an Extension Term shall be the amount calculated in accordance with the determination of Market Rent as set forth below, but in no event shall the monthly Base Rent for an Extension Term be less than the highest monthly Base Rent payable during the term immediately preceding the Extension Term. Four (4) months prior to the commencement of each Extension Term, if any, the Parties shall negotiate in good faith to determine the Base Rent for the Extension Term.

For purposes hereof, the “**Market Rent Adjustment**” rate shall mean the greater of (i) the then-prevailing market rate for comparable buildings in the vicinity of the Premises, taking into account the size of the Lease, the length of the renewal term, market escalations and the credit of Lessee, and (ii) the Base Rent in the Lease Year preceding the first year of the Extension Term. The Base Rent shall not be reduced by reason of any costs or expenses saved by Lessor by reason of Lessor’s not having to find a new tenant for such Premises (including, without limitation, brokerage commissions, costs of improvements, rent concessions or lost rental income during any vacancy period). After the first Lease Year of an Extension Term, the annual Base Rent payable in each subsequent Lease Year during such Extension Term shall increase by three percent (3%) over the annual Base Rent payable during the previous Lease Year.

If the parties are unable to agree on the Market Rent applicable to the first year of an Extension Term, then each party will within fifteen (15) days of the determination that they cannot agree on the Market Rent appoint a neutral party who will provide his or opinion of the Market Rent for the Premises. Each neutral party will have at least 10 years’ experience in leasing properties in the market where the Premises are located and will propose their good faith opinion as to the Market Rent for the Premises without consulting with each other before submitting their proposed amounts. If the difference between the Market Rent determinations proposed by each of the two neutral parties is within five percent (5%) of the lower proposed amount, then the Market Rent will be the average of the two Market Rent determinations proposed by the neutral parties. If the difference between the two amounts is greater than five percent (5%) of the lower proposed amount, then the two neutral parties will agree on and appoint within fifteen (15) days after making their respective Market Rent determinations a third neutral party who will, within fifteen (15) days after being appointed, propose a third Market Rent determination and the Market Rent will be the average of the two closest Market Rent determinations proposed by the three neutral parties. If the two original neutral parties are unable to agree on a third neutral party, then Lessor and Lessee agree that the Market Rent determination made by each of the two neutral parties will be submitted to arbitration with JAMS (or American Arbitration Association if JAMS is no longer in existence) and the appointed neutral Arbitrator, whose fees will be split equally between the two parties, will determine which neutral’s Market Rent Determination more accurately reflects the fair market value of the property, and the Arbitrator’s determination will be binding on the parties. The JAMS Streamlined Arbitration Rules and Procedures will be applicable, and the arbitrators proposed by JAMS pursuant to Rule 12 shall have experience in real estate disputes involving appraisals of property.

#### **4. Purchase Option:**

Lessor hereby grants to Lessee the one-time option to purchase the Premises (“Purchase Option”), upon and subject to the following terms and conditions:

(i) To exercise the Purchase Option, Lessee shall give written notice to Lessor (“Exercise Notice”) of Lessee’s election to purchase the Premises, provided that the Exercise Notice shall be given between the first day of the fourth (4th) Lease Year and the last day of the seventh (7th) Lease Year. Lessee’s failure to give the Exercise Notice by the last day of the seventh (7th) Lease Year, whether due to Lessee’s oversight or otherwise, shall render the Purchase Option null and void.

(ii) The purchase price for the Premises (the “Purchase Price”) shall be calculated so that it results in an eleven and one-half percent (11.5%) internal rate of return for Lessor on its investment in the Premises, determined on an unlevered basis, after consideration of all fees and expenses incurred by Lessor during the Term, including the initial price paid by Lessor, any costs to improve the Premises paid by Lessor (including the Entitlements and the Work), and all transaction costs associated with the acquisition of the Premises.

(iii) Within fifteen (15) days of the determination of the Purchase Price, Lessee shall notify Lessor in writing (the “Confirmation Notice”) of Lessee’s election to proceed with the purchase of the Premises for the Purchase Price in accordance with the terms and conditions of this Section 4. Lessee’s failure to provide the Confirmation Notice within said fifteen (15) day period, whether due to Lessee’s oversight or otherwise, shall be deemed a rejection of the Purchase Price and render the Purchase Option null and void. The giving of the Confirmation Notice shall obligate Lessor to sell and Lessee to purchase the Premises on the terms and conditions set forth in this Section 4. The closing (“Closing”) of the purchase and sale of the Premises shall occur at the offices of Lessor’s counsel on a date specified by Lessee, but in no event later than one hundred eighty (180) days following Lessee’s delivery of the Confirmation Notice (“Closing Date”), at which time the deed shall be delivered and the transaction consummated, unless the parties shall otherwise agree in writing. The parties may agree to close through an escrow with Lessor’s or Lessee’s counsel, whereby Lessor, Lessee and their attorneys need not be physically present at the Closing and may deliver documents by overnight courier or other means. Notwithstanding the foregoing, the Closing Date may be extended without penalty at the option of Seller to a date not later than thirty (30) days following the Closing Date specified above to satisfy any condition to Closing, including without limitation, any breach of a representation or warranty. During the period between the Exercise Notice and the Closing Date, this Lease shall remain in full force and effect in accordance with the terms and provisions thereof.

(iv) If Lessee shall have given the Confirmation Notice as provided above, Lessor shall execute, acknowledge (where required) and deliver the following documents on the Closing Date (to the extent such instruments are then required or utilized to effectuate the conveyance by Lessor to Lessee of all of Lessor’s rights, title and interest in and to the Premises in accordance with, and subject to, the applicable provisions of this Lease):

(a) A grant deed in substantially the same form as the deed pursuant to which Lessor acquired title to the Premises;

(b) A certification of Lessor’s non-foreign status in such form as may be prescribed by federal regulations;

(c) All transfer tax statements, declarations and filings as may be necessary or appropriate for the consummation of Purchase Option; and

(d) All other instruments then required and utilized to effectuate such conveyance.



(v) If Lessee shall have given the Confirmation Notice as provided above, Lessee shall execute, acknowledge (where required) and deliver on the Closing Date such instruments and documents as are then required or utilized to effectuate the conveyance by Lessor to Lessee of all of Lessor's rights, title and interest in and to the Premises in accordance with, and subject to, the applicable provisions of this Lease.

(vi) Provided the Purchase Option closes as contemplated herein, the Term shall end on the Closing Date, but all obligations and liabilities of Lessee which accrue on or prior to the Closing Date shall survive the Closing Date. If Lessee shall have given the Confirmation Notice but for any reason fails to fulfill its obligation to purchase the Premises (except for a default by Lessor under this Section 4), including, without limitation, closing on the Closing Date, (i) the Purchase Option shall be rendered null and void, (ii) this Lease shall remain in full force and effect and the parties shall remain fully obligated under the terms and conditions hereof, and (iii) Lessee shall reimburse Lessor for all fees, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, including the cost of in-house counsel) incurred by Lessor in connection with the Purchase Option upon demand. Lessee's failure to reimburse Lessor for all such fees, costs and expenses within ten (10) days following Lessor's demand therefor shall constitute an Event of Default under this Lease. If Lessor defaults in its obligations under this Section 5 subsequent to delivery of the Confirmation Notice, Lessee may, as its sole and exclusive remedy, elect to sue for specific performance.

(vii) Lessee shall pay all charges incident to such conveyance, including counsel fees (other than Lessor's counsel fees), escrow fees, recording fees, title insurance premiums and all applicable federal, state and local taxes (including transfer taxes, but excluding income or franchise taxes levied upon or assessed against Lessor) which may be incurred or imposed by reason of such conveyance.

(viii) Lessee shall accept title to the Premises subject to all liens, encumbrances, charges, violations, defects, exceptions and restrictions on, against or relating to the Premises (including those arising pursuant to the terms of this Lease) that exist on the Closing Date, and subject to all applicable legal requirements, except for any liens or encumbrances created by Lessor (including any Lessor mortgages).

(ix) The Premises shall be conveyed "AS IS," "WHERE IS," and "WITH ALL FAULTS AND DEFECTS." Lessee agrees that Lessor shall not be responsible or liable to Lessee for any defects, errors or omissions, or on account of any conditions affecting the Premises. Lessee, its successors and assigns, and anyone claiming by, through or under Lessee, hereby fully releases Lessor and Lessor's Indemnified Parties from, and irrevocably waives its right to maintain, any and all claims and causes of action that it or they may now have or hereafter acquire against Lessor or Lessor's Indemnified Parties with respect to any and all claims, damages, costs, expenses or losses arising from or related to any defects, errors, omissions or other conditions affecting the Premises. The provisions of this Section 4 shall survive the Closing of the sale and purchase of the Premises pursuant to the Purchase Option.

(x) The acceptance of title to the Premises by Lessee shall be deemed to be full performance and discharge of any and all obligations on the part of Lessor to be performed

pursuant to the provisions of this Section 4, except where such agreements and obligations are specifically stated to survive.

(xi) Lessor represents and warrants to Lessee that Lessor has not created any legal right or claim for a commission in favor of any broker with respect to the purchase of the Premises pursuant to the Purchase Option. Lessee represents to Lessor that Lessee has not created any legal right or claim for a commission in favor of any broker with respect to the sale and purchase of the Premises pursuant to the Purchase Option. Lessor and Lessee hereby indemnify each other against, and agree to hold each other harmless from, any liability or claim (and all expenses, including reasonable attorneys' fees, incurred in defending any such claim or in enforcing this indemnity) for a real estate brokerage commission arising out of or in any way connected with any claimed dealings with the indemnitor and relating to the sale and purchase of the Premises pursuant to the Purchase Option. The provisions of this indemnification shall survive the Closing of the sale and purchase of the Premises pursuant to the Purchase Option.

(xii) Lessee hereby waives any right to record against the Premises or any interest of Lessor in the Premises any notice, memorandum, *lis pendens*, claim, lien or other instrument providing record notice of Lessee's exercise of the Purchase Option or intention to purchase the Premises. If Lessee fails to exercise the Purchase Option for any reason, or fails to fulfill its obligation to purchase the Premises once the Purchase Option has been exercised for any reason, Lessee shall execute any and all documentation that may be required by Lessor to evidence that the Purchase Option is null and void, and to allow Lessor to convey and/or transfer the Premises free and clear of the Purchase Option.

(xiii) The Purchase Option is unique and personal to Lessee, and no assignment of the Purchase Option shall be valid without the prior written consent of Lessor, which may be granted or withheld in Lessor's sole and absolute discretion.

**EXHIBIT C**  
**Insurance Coverage**

Lessee shall obtain and maintain the following insurance coverages:

(a) Property insurance (including builder's all-risk insurance) against loss or damage to any structure constituting any part of the Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. All insurance provided pursuant to this paragraph shall be in an amount equal to the greater of (i) one hundred percent (100%) of the replacement cost (without depreciation) of all improvements constituting any part of the Premises or (ii) the principal amount of any loan secured by the Premises then outstanding, and shall be subject to a deductible not to exceed Five Thousand Dollars (\$5,000).

(b) Rental interruption insurance to cover loss, total or partial, of rental income to Lessor for any reason whatsoever, in an amount sufficient to pay the maximum Rent under the Lease for a period of at least twelve (12) months.

(c) Liability insurance in amounts which are customarily carried and against such risks as are customarily insured against by other corporations in connection with the ownership and operation of facilities of similar character and size to the Premises.

(d) Workers' compensation insurance necessary to comply with Nevada state law.

**EXHIBIT D**  
**Rent Roll**

PilotED  
Las Vegas, NV



Lease Start Date 7/1/2022  
Annual Lease Escalation 3%  
Monthly Base Rent \$33,569.13  
Lease Term 25 Years

	Gross Rent	Rental Abatement	Net Rent
1-Jul-22	\$33,569.13	33,569.13	\$ -
1-Aug-22	\$ 33,569.13	33,569.13	\$ -
1-Sep-22	\$ 33,569.13	33,569.13	\$ -
1-Oct-22	\$ 33,569.13	0.00	\$ 33,569.13
1-Nov-22	\$ 33,569.13	0.00	\$ 33,569.13
1-Dec-22	\$ 33,569.13	0.00	\$ 33,569.13
1-Jan-23	\$ 33,569.13	0.00	\$ 33,569.13
1-Feb-23	\$ 33,569.13	0.00	\$ 33,569.13
1-Mar-23	\$ 33,569.13	0.00	\$ 33,569.13
1-Apr-23	\$ 33,569.13	0.00	\$ 33,569.13
1-May-23	\$ 33,569.13	0.00	\$ 33,569.13
1-Jun-23	\$ 33,569.13	0.00	\$ 33,569.13
1-Jul-23	\$ 34,576.20	34,576.20	\$ -
1-Aug-23	\$ 34,576.20	34,576.20	\$ -
1-Sep-23	\$ 34,576.20	0.00	\$ 34,576.20
1-Oct-23	\$ 34,576.20	0.00	\$ 34,576.20
1-Nov-23	\$ 34,576.20	0.00	\$ 34,576.20
1-Dec-23	\$ 34,576.20	0.00	\$ 34,576.20
1-Jan-24	\$ 34,576.20	0.00	\$ 34,576.20
1-Feb-24	\$ 34,576.20	0.00	\$ 34,576.20
1-Mar-24	\$ 34,576.20	0.00	\$ 34,576.20
1-Apr-24	\$ 34,576.20	0.00	\$ 34,576.20
1-May-24	\$ 34,576.20	0.00	\$ 34,576.20
1-Jun-24	\$ 34,576.20	0.00	\$ 34,576.20
1-Jul-24	\$ 35,613.49	35,613.49	\$ -
1-Aug-24	\$ 35,613.49	0.00	\$ 35,613.49
1-Sep-24	\$ 35,613.49	0.00	\$ 35,613.49
1-Oct-24	\$ 35,613.49	0.00	\$ 35,613.49
1-Nov-24	\$ 35,613.49	0.00	\$ 35,613.49
1-Dec-24	\$ 35,613.49	0.00	\$ 35,613.49
1-Jan-25	\$ 35,613.49	0.00	\$ 35,613.49
1-Feb-25	\$ 35,613.49	0.00	\$ 35,613.49
1-Mar-25	\$ 35,613.49	0.00	\$ 35,613.49
1-Apr-25	\$ 35,613.49	0.00	\$ 35,613.49
1-May-25	\$ 35,613.49	0.00	\$ 35,613.49
1-Jun-25	\$ 35,613.49	0.00	\$ 35,613.49
1-Jul-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Aug-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Sep-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Oct-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Nov-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Dec-25	\$ 36,681.89	0.00	\$ 36,681.89
1-Jan-26	\$ 36,681.89	0.00	\$ 36,681.89
1-Feb-26	\$ 36,681.89	0.00	\$ 36,681.89
1-Mar-26	\$ 36,681.89	0.00	\$ 36,681.89
1-Apr-26	\$ 36,681.89	0.00	\$ 36,681.89
1-May-26	\$ 36,681.89	0.00	\$ 36,681.89
1-Jun-26	\$ 36,681.89	0.00	\$ 36,681.89
1-Jul-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Aug-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Sep-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Oct-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Nov-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Dec-26	\$ 37,782.35	0.00	\$ 37,782.35
1-Jan-27	\$ 37,782.35	0.00	\$ 37,782.35
1-Feb-27	\$ 37,782.35	0.00	\$ 37,782.35

1-Mar-27	\$	37,782.35	0.00	\$	37,782.35
1-Apr-27	\$	37,782.35	0.00	\$	37,782.35
1-May-27	\$	37,782.35	0.00	\$	37,782.35
1-Jun-27	\$	37,782.35	0.00	\$	37,782.35
1-Jul-27	\$	38,915.82	0.00	\$	38,915.82
1-Aug-27	\$	38,915.82	0.00	\$	38,915.82
1-Sep-27	\$	38,915.82	0.00	\$	38,915.82
1-Oct-27	\$	38,915.82	0.00	\$	38,915.82
1-Nov-27	\$	38,915.82	0.00	\$	38,915.82
1-Dec-27	\$	38,915.82	0.00	\$	38,915.82
1-Jan-28	\$	38,915.82	0.00	\$	38,915.82
1-Feb-28	\$	38,915.82	0.00	\$	38,915.82
1-Mar-28	\$	38,915.82	0.00	\$	38,915.82
1-Apr-28	\$	38,915.82	0.00	\$	38,915.82
1-May-28	\$	38,915.82	0.00	\$	38,915.82
1-Jun-28	\$	38,915.82	0.00	\$	38,915.82
1-Jul-28	\$	40,083.30	0.00	\$	40,083.30
1-Aug-28	\$	40,083.30	0.00	\$	40,083.30
1-Sep-28	\$	40,083.30	0.00	\$	40,083.30
1-Oct-28	\$	40,083.30	0.00	\$	40,083.30
1-Nov-28	\$	40,083.30	0.00	\$	40,083.30
1-Dec-28	\$	40,083.30	0.00	\$	40,083.30
1-Jan-29	\$	40,083.30	0.00	\$	40,083.30
1-Feb-29	\$	40,083.30	0.00	\$	40,083.30
1-Mar-29	\$	40,083.30	0.00	\$	40,083.30
1-Apr-29	\$	40,083.30	0.00	\$	40,083.30
1-May-29	\$	40,083.30	0.00	\$	40,083.30
1-Jun-29	\$	40,083.30	0.00	\$	40,083.30
1-Jul-29	\$	41,285.80	0.00	\$	41,285.80
1-Aug-29	\$	41,285.80	0.00	\$	41,285.80
1-Sep-29	\$	41,285.80	0.00	\$	41,285.80
1-Oct-29	\$	41,285.80	0.00	\$	41,285.80
1-Nov-29	\$	41,285.80	0.00	\$	41,285.80
1-Dec-29	\$	41,285.80	0.00	\$	41,285.80
1-Jan-30	\$	41,285.80	0.00	\$	41,285.80
1-Feb-30	\$	41,285.80	0.00	\$	41,285.80
1-Mar-30	\$	41,285.80	0.00	\$	41,285.80
1-Apr-30	\$	41,285.80	0.00	\$	41,285.80
1-May-30	\$	41,285.80	0.00	\$	41,285.80
1-Jun-30	\$	41,285.80	0.00	\$	41,285.80
1-Jul-30	\$	42,524.37	0.00	\$	42,524.37
1-Aug-30	\$	42,524.37	0.00	\$	42,524.37
1-Sep-30	\$	42,524.37	0.00	\$	42,524.37
1-Oct-30	\$	42,524.37	0.00	\$	42,524.37
1-Nov-30	\$	42,524.37	0.00	\$	42,524.37
1-Dec-30	\$	42,524.37	0.00	\$	42,524.37
1-Jan-31	\$	42,524.37	0.00	\$	42,524.37
1-Feb-31	\$	42,524.37	0.00	\$	42,524.37
1-Mar-31	\$	42,524.37	0.00	\$	42,524.37
1-Apr-31	\$	42,524.37	0.00	\$	42,524.37
1-May-31	\$	42,524.37	0.00	\$	42,524.37
1-Jun-31	\$	42,524.37	0.00	\$	42,524.37
1-Jul-31	\$	43,800.10	0.00	\$	43,800.10
1-Aug-31	\$	43,800.10	0.00	\$	43,800.10
1-Sep-31	\$	43,800.10	0.00	\$	43,800.10
1-Oct-31	\$	43,800.10	0.00	\$	43,800.10
1-Nov-31	\$	43,800.10	0.00	\$	43,800.10
1-Dec-31	\$	43,800.10	0.00	\$	43,800.10
1-Jan-32	\$	43,800.10	0.00	\$	43,800.10
1-Feb-32	\$	43,800.10	0.00	\$	43,800.10
1-Mar-32	\$	43,800.10	0.00	\$	43,800.10
1-Apr-32	\$	43,800.10	0.00	\$	43,800.10
1-May-32	\$	43,800.10	0.00	\$	43,800.10
1-Jun-32	\$	43,800.10	0.00	\$	43,800.10
1-Jul-32	\$	45,114.10	0.00	\$	45,114.10
1-Aug-32	\$	45,114.10	0.00	\$	45,114.10

1-Sep-32	\$	45,114.10	0.00	\$	45,114.10
1-Oct-32	\$	45,114.10	0.00	\$	45,114.10
1-Nov-32	\$	45,114.10	0.00	\$	45,114.10
1-Dec-32	\$	45,114.10	0.00	\$	45,114.10
1-Jan-33	\$	45,114.10	0.00	\$	45,114.10
1-Feb-33	\$	45,114.10	0.00	\$	45,114.10
1-Mar-33	\$	45,114.10	0.00	\$	45,114.10
1-Apr-33	\$	45,114.10	0.00	\$	45,114.10
1-May-33	\$	45,114.10	0.00	\$	45,114.10
1-Jun-33	\$	45,114.10	0.00	\$	45,114.10
1-Jul-33	\$	46,467.53	0.00	\$	46,467.53
1-Aug-33	\$	46,467.53	0.00	\$	46,467.53
1-Sep-33	\$	46,467.53	0.00	\$	46,467.53
1-Oct-33	\$	46,467.53	0.00	\$	46,467.53
1-Nov-33	\$	46,467.53	0.00	\$	46,467.53
1-Dec-33	\$	46,467.53	0.00	\$	46,467.53
1-Jan-34	\$	46,467.53	0.00	\$	46,467.53
1-Feb-34	\$	46,467.53	0.00	\$	46,467.53
1-Mar-34	\$	46,467.53	0.00	\$	46,467.53
1-Apr-34	\$	46,467.53	0.00	\$	46,467.53
1-May-34	\$	46,467.53	0.00	\$	46,467.53
1-Jun-34	\$	46,467.53	0.00	\$	46,467.53
1-Jul-34	\$	47,861.55	0.00	\$	47,861.55
1-Aug-34	\$	47,861.55	0.00	\$	47,861.55
1-Sep-34	\$	47,861.55	0.00	\$	47,861.55
1-Oct-34	\$	47,861.55	0.00	\$	47,861.55
1-Nov-34	\$	47,861.55	0.00	\$	47,861.55
1-Dec-34	\$	47,861.55	0.00	\$	47,861.55
1-Jan-35	\$	47,861.55	0.00	\$	47,861.55
1-Feb-35	\$	47,861.55	0.00	\$	47,861.55
1-Mar-35	\$	47,861.55	0.00	\$	47,861.55
1-Apr-35	\$	47,861.55	0.00	\$	47,861.55
1-May-35	\$	47,861.55	0.00	\$	47,861.55
1-Jun-35	\$	47,861.55	0.00	\$	47,861.55
1-Jul-35	\$	49,297.40	0.00	\$	49,297.40
1-Aug-35	\$	49,297.40	0.00	\$	49,297.40
1-Sep-35	\$	49,297.40	0.00	\$	49,297.40
1-Oct-35	\$	49,297.40	0.00	\$	49,297.40
1-Nov-35	\$	49,297.40	0.00	\$	49,297.40
1-Dec-35	\$	49,297.40	0.00	\$	49,297.40
1-Jan-36	\$	49,297.40	0.00	\$	49,297.40
1-Feb-36	\$	49,297.40	0.00	\$	49,297.40
1-Mar-36	\$	49,297.40	0.00	\$	49,297.40
1-Apr-36	\$	49,297.40	0.00	\$	49,297.40
1-May-36	\$	49,297.40	0.00	\$	49,297.40
1-Jun-36	\$	49,297.40	0.00	\$	49,297.40
1-Jul-36	\$	50,776.32	0.00	\$	50,776.32
1-Aug-36	\$	50,776.32	0.00	\$	50,776.32
1-Sep-36	\$	50,776.32	0.00	\$	50,776.32
1-Oct-36	\$	50,776.32	0.00	\$	50,776.32
1-Nov-36	\$	50,776.32	0.00	\$	50,776.32
1-Dec-36	\$	50,776.32	0.00	\$	50,776.32
1-Jan-37	\$	50,776.32	0.00	\$	50,776.32
1-Feb-37	\$	50,776.32	0.00	\$	50,776.32
1-Mar-37	\$	50,776.32	0.00	\$	50,776.32
1-Apr-37	\$	50,776.32	0.00	\$	50,776.32
1-May-37	\$	50,776.32	0.00	\$	50,776.32
1-Jun-37	\$	50,776.32	0.00	\$	50,776.32
1-Jul-37	\$	52,299.61	0.00	\$	52,299.61
1-Aug-37	\$	52,299.61	0.00	\$	52,299.61
1-Sep-37	\$	52,299.61	0.00	\$	52,299.61
1-Oct-37	\$	52,299.61	0.00	\$	52,299.61
1-Nov-37	\$	52,299.61	0.00	\$	52,299.61
1-Dec-37	\$	52,299.61	0.00	\$	52,299.61
1-Jan-38	\$	52,299.61	0.00	\$	52,299.61
1-Feb-38	\$	52,299.61	0.00	\$	52,299.61

1-Mar-38	\$	52,299.61	0.00	\$	52,299.61
1-Apr-38	\$	52,299.61	0.00	\$	52,299.61
1-May-38	\$	52,299.61	0.00	\$	52,299.61
1-Jun-38	\$	52,299.61	0.00	\$	52,299.61
1-Jul-38	\$	53,868.60	0.00	\$	53,868.60
1-Aug-38	\$	53,868.60	0.00	\$	53,868.60
1-Sep-38	\$	53,868.60	0.00	\$	53,868.60
1-Oct-38	\$	53,868.60	0.00	\$	53,868.60
1-Nov-38	\$	53,868.60	0.00	\$	53,868.60
1-Dec-38	\$	53,868.60	0.00	\$	53,868.60
1-Jan-39	\$	53,868.60	0.00	\$	53,868.60
1-Feb-39	\$	53,868.60	0.00	\$	53,868.60
1-Mar-39	\$	53,868.60	0.00	\$	53,868.60
1-Apr-39	\$	53,868.60	0.00	\$	53,868.60
1-May-39	\$	53,868.60	0.00	\$	53,868.60
1-Jun-39	\$	53,868.60	0.00	\$	53,868.60
1-Jul-39	\$	55,484.66	0.00	\$	55,484.66
1-Aug-39	\$	55,484.66	0.00	\$	55,484.66
1-Sep-39	\$	55,484.66	0.00	\$	55,484.66
1-Oct-39	\$	55,484.66	0.00	\$	55,484.66
1-Nov-39	\$	55,484.66	0.00	\$	55,484.66
1-Dec-39	\$	55,484.66	0.00	\$	55,484.66
1-Jan-40	\$	55,484.66	0.00	\$	55,484.66
1-Feb-40	\$	55,484.66	0.00	\$	55,484.66
1-Mar-40	\$	55,484.66	0.00	\$	55,484.66
1-Apr-40	\$	55,484.66	0.00	\$	55,484.66
1-May-40	\$	55,484.66	0.00	\$	55,484.66
1-Jun-40	\$	55,484.66	0.00	\$	55,484.66
1-Jul-40	\$	57,149.20	0.00	\$	57,149.20
1-Aug-40	\$	57,149.20	0.00	\$	57,149.20
1-Sep-40	\$	57,149.20	0.00	\$	57,149.20
1-Oct-40	\$	57,149.20	0.00	\$	57,149.20
1-Nov-40	\$	57,149.20	0.00	\$	57,149.20
1-Dec-40	\$	57,149.20	0.00	\$	57,149.20
1-Jan-41	\$	57,149.20	0.00	\$	57,149.20
1-Feb-41	\$	57,149.20	0.00	\$	57,149.20
1-Mar-41	\$	57,149.20	0.00	\$	57,149.20
1-Apr-41	\$	57,149.20	0.00	\$	57,149.20
1-May-41	\$	57,149.20	0.00	\$	57,149.20
1-Jun-41	\$	57,149.20	0.00	\$	57,149.20
1-Jul-41	\$	58,863.67	0.00	\$	58,863.67
1-Aug-41	\$	58,863.67	0.00	\$	58,863.67
1-Sep-41	\$	58,863.67	0.00	\$	58,863.67
1-Oct-41	\$	58,863.67	0.00	\$	58,863.67
1-Nov-41	\$	58,863.67	0.00	\$	58,863.67
1-Dec-41	\$	58,863.67	0.00	\$	58,863.67
1-Jan-42	\$	58,863.67	0.00	\$	58,863.67
1-Feb-42	\$	58,863.67	0.00	\$	58,863.67
1-Mar-42	\$	58,863.67	0.00	\$	58,863.67
1-Apr-42	\$	58,863.67	0.00	\$	58,863.67
1-May-42	\$	58,863.67	0.00	\$	58,863.67
1-Jun-42	\$	58,863.67	0.00	\$	58,863.67
1-Jul-42	\$	60,629.58	0.00	\$	60,629.58
1-Aug-42	\$	60,629.58	0.00	\$	60,629.58
1-Sep-42	\$	60,629.58	0.00	\$	60,629.58
1-Oct-42	\$	60,629.58	0.00	\$	60,629.58
1-Nov-42	\$	60,629.58	0.00	\$	60,629.58
1-Dec-42	\$	60,629.58	0.00	\$	60,629.58
1-Jan-43	\$	60,629.58	0.00	\$	60,629.58
1-Feb-43	\$	60,629.58	0.00	\$	60,629.58
1-Mar-43	\$	60,629.58	0.00	\$	60,629.58
1-Apr-43	\$	60,629.58	0.00	\$	60,629.58
1-May-43	\$	60,629.58	0.00	\$	60,629.58
1-Jun-43	\$	60,629.58	0.00	\$	60,629.58
1-Jul-43	\$	62,448.47	0.00	\$	62,448.47
1-Aug-43	\$	62,448.47	0.00	\$	62,448.47



1-Sep-43	\$	62,448.47	0.00	\$	62,448.47
1-Oct-43	\$	62,448.47	0.00	\$	62,448.47
1-Nov-43	\$	62,448.47	0.00	\$	62,448.47
1-Dec-43	\$	62,448.47	0.00	\$	62,448.47
1-Jan-44	\$	62,448.47	0.00	\$	62,448.47
1-Feb-44	\$	62,448.47	0.00	\$	62,448.47
1-Mar-44	\$	62,448.47	0.00	\$	62,448.47
1-Apr-44	\$	62,448.47	0.00	\$	62,448.47
1-May-44	\$	62,448.47	0.00	\$	62,448.47
1-Jun-44	\$	62,448.47	0.00	\$	62,448.47
1-Jul-44	\$	64,321.92	0.00	\$	64,321.92
1-Aug-44	\$	64,321.92	0.00	\$	64,321.92
1-Sep-44	\$	64,321.92	0.00	\$	64,321.92
1-Oct-44	\$	64,321.92	0.00	\$	64,321.92
1-Nov-44	\$	64,321.92	0.00	\$	64,321.92
1-Dec-44	\$	64,321.92	0.00	\$	64,321.92
1-Jan-45	\$	64,321.92	0.00	\$	64,321.92
1-Feb-45	\$	64,321.92	0.00	\$	64,321.92
1-Mar-45	\$	64,321.92	0.00	\$	64,321.92
1-Apr-45	\$	64,321.92	0.00	\$	64,321.92
1-May-45	\$	64,321.92	0.00	\$	64,321.92
1-Jun-45	\$	64,321.92	0.00	\$	64,321.92
1-Jul-45	\$	66,251.58	0.00	\$	66,251.58
1-Aug-45	\$	66,251.58	0.00	\$	66,251.58
1-Sep-45	\$	66,251.58	0.00	\$	66,251.58
1-Oct-45	\$	66,251.58	0.00	\$	66,251.58
1-Nov-45	\$	66,251.58	0.00	\$	66,251.58
1-Dec-45	\$	66,251.58	0.00	\$	66,251.58
1-Jan-46	\$	66,251.58	0.00	\$	66,251.58
1-Feb-46	\$	66,251.58	0.00	\$	66,251.58
1-Mar-46	\$	66,251.58	0.00	\$	66,251.58
1-Apr-46	\$	66,251.58	0.00	\$	66,251.58
1-May-46	\$	66,251.58	0.00	\$	66,251.58
1-Jun-46	\$	66,251.58	0.00	\$	66,251.58
1-Jul-46	\$	68,239.13	0.00	\$	68,239.13
1-Aug-46	\$	68,239.13	0.00	\$	68,239.13
1-Sep-46	\$	68,239.13	0.00	\$	68,239.13
1-Oct-46	\$	68,239.13	0.00	\$	68,239.13
1-Nov-46	\$	68,239.13	0.00	\$	68,239.13
1-Dec-46	\$	68,239.13	0.00	\$	68,239.13
1-Jan-47	\$	68,239.13	0.00	\$	68,239.13
1-Feb-47	\$	68,239.13	0.00	\$	68,239.13
1-Mar-47	\$	68,239.13	0.00	\$	68,239.13
1-Apr-47	\$	68,239.13	0.00	\$	68,239.13
1-May-47	\$	68,239.13	0.00	\$	68,239.13
1-Jun-47	\$	68,239.13	0.00	\$	68,239.13