

2017 CHARTER SCHOOL FACILITIES ACQUISITION AND/OR  
CONSTRUCTION AMENDMENT REQUEST

PROJECTS THAT WILL NOT INCREASE THE SCHOOL'S  
APPROVED ENROLLMENT

Submitted By  
**AMERICAN PREPARATORY ACADEMY - LAS VEGAS**



To The  
**STATE PUBLIC CHARTER SCHOOL AUTHORITY**



**Submission Date: September 22, 2017**

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## **Part A**

### **EXECUTIVE SUMMARY**

#### **APPLICATION**

This constitutes the application of American Preparatory Academy – Las Vegas for a Charter amendment involving a request for permission for the Governing Board of APA-LV to enter into a new lease for their current facility, which new lease provides for continued use of the existing facility and access to an additional 5 acres of contiguous land. The new lease is estimated to save the school more than \$16,000,000 over the next 35 years.

Given that objective, APA-LV completed the attached application, based off the application template provided by the SPCSA.

- The application template contains instructions (in Section I). APA-LV followed those instructions as closely as possible (unless otherwise noted), but if the Authority would like any formatting, content, or other changes, please let us know.
- In Section II, the Authority poses questions for the school to address. APA-LV 's responses are in Part B of this application. The application template does not contain a "Part B", however, we note that the exemplar we were given (Coral Academy application, August 2017) was organized with a Part B and hence we aligned our document organization with the exemplar.
- All required attachments are included in Part C of this application. The application template does not contain a "Part C", however, we note that the exemplar we were given (Coral Academy application, August 2017) was organized with a Part C and hence we aligned our document organization with the exemplar.

#### **AMERICAN PREPARATORY ACADEMY – LAS VEGAS**

APA-LV is in its 4<sup>th</sup> year of operation in Las Vegas. We currently serve 1550 students in grades K-12 at one campus. Our model is a classical education model, focusing on rigorous academics and strong character development for each student. We utilize direct instruction in the grammar phases of learning, and small, achievement level groupings for skills areas (reading, math, spelling) in grades K-6.

Our enrollment has been full each year we have been in operation, and we have an extensive wait list. Academic scores on the SBAC exceed the local district comparison in all categories, and exceed the charter school average in 5 out of 6 categories (2017 results).

## OVERVIEW: NEW LEASE

APA-LV has been operating under a 30-year lease and has fulfilled 3 years of that lease thus far. The current lease is between DHCO (a Utah corporation that built and owns the facility) and the educational management company. The educational management organization then has a 30-year lease with the charter school. When the charter was granted, the governing board wished to have a facility to occupy in the southwest quadrant of LV. The management company found a suitable location and invited DHCO, with whom they had previously worked, to invest in the project. DHCO agreed to be the owner and subsequent landlord. The educational management organization has many years of expertise in constructing new charter school facilities and so they brought in all of the experts needed to build the facility in Nevada. Development activities conducted by the educational management organization include site selection, negotiation of the Ground Lease, writing of the charter application and amendments, soliciting all approvals, preparation of plans and specifications for the School and construction oversight. The educational management organization also subordinated APS's contractual management fees as a requirement from the owner, and heavily discounted the management fees owed by the school when there were construction overages and unforeseen costs in development.

The new lease will remove all for-profit parties (DHCO and the educational management organization) that were originally required to construct the facility. The new landlord of the facility will be the Charter Facility Support Foundation, a non-profit that will obtain tax-exempt bonds to finance the facility. Due to this transaction, the lease rate will be dramatically reduced for the school.

In addition to reduced lease payments and a new landlord, the school will also have available to them 5 new acres of contiguous property to their current facility. The Charter Facility Support Foundation will develop this new land into parking and driveways for the school to use, (see Attachment 6 for site plan.)

The school itself does not plan to expend any additional funds on expansion or development of the property at this time. This application does not include any expansion to the current facility. All improvements to the property itself will be made by the new landlord and included in the proposed lease payments.

## **Part B**

### **RESPONSES TO SPCSA QUESTIONS/REQUESTS**

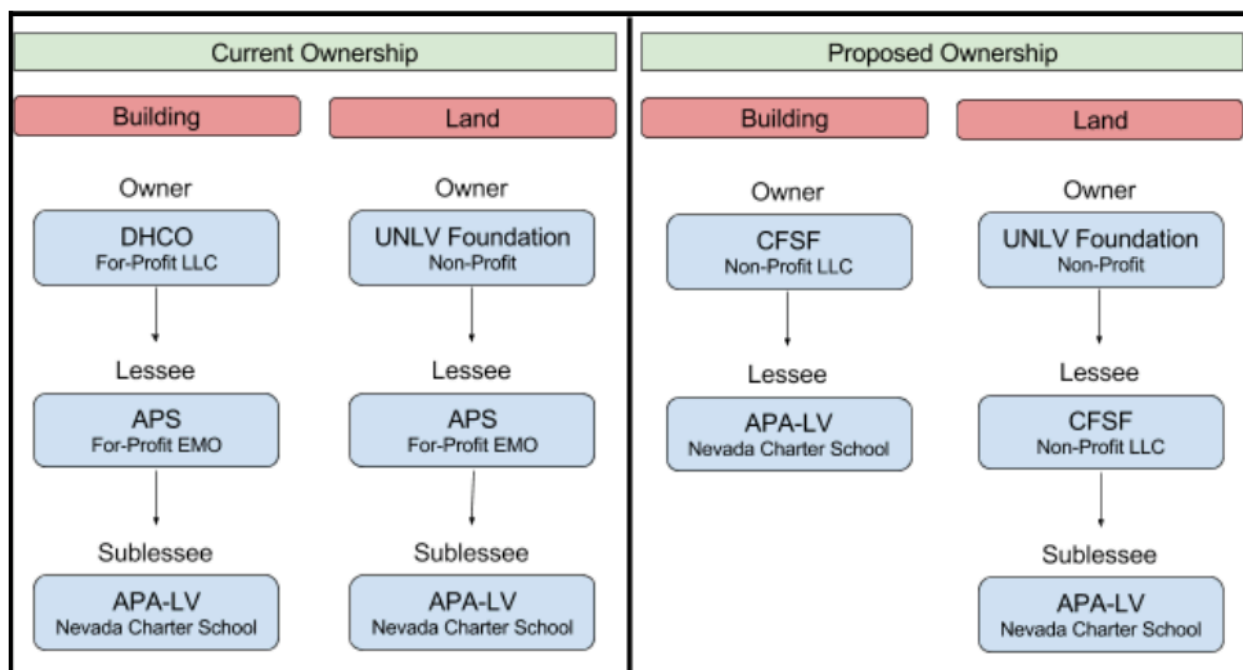
#### **FACILITIES**

(1) Describe the school's capacity and experience in facilities acquisition and development, including managing build-out and/or renovations, as applicable. Provide a description and analysis of any construction or development delays which have impacted a school or campus calendar and schedule in the past and a discussion of any organizational or operational adjustments that have been made to prevent recurrence in the future.

- (a) APA-LV has occupied one previous facility, and our current facility. The previous facility was meant to be a temporary facility during the construction of the current facility. The school retained an Educational Management Company as part of our charter application. The EMO has extensive experience finding and building facilities capable of providing the academic model that we have set forth in our charter. The first facility that APA-LV occupied was the 8th facility found or constructed under the direction of the EMO. The EMO found the first facility after an extensive search for available leases in the target area of our charter. The EMO received all local approvals prior to the start of school, and the facility met all of the school's requirements to run our academic model. The facility also was leased at a market rate that fell within the school's budget. The EMO also retained all the parties necessary to construct our current (permanent) facility. We were able to occupy our current facility within the planned timeline. We did not experience any construction or development delays that impacted our school or campus calendar and schedule.

(2) Identify the entity responsible for acquiring and maintaining school facilities and describe that entity's relationship to both the school and any management organization. If costs related to the facility will be borne by the proposed school's education management organization or a related party such as a foundation, it should identify the level of capital support the organization (or related party) is willing to provide to the school.

- (a) Please review the chart below to better understand the entities involved in the proposed transaction. A detailed explanation will also be described below the chart in Section 2(b).



- (b) APA-LV's contracted EMO ("APS") has acted as the responsible party for acquiring school facilities. APA-LV's current lease is with APS, (see Attachment 15 on page 119). APS has a lease with the owner of our school for the facility. APS also has a lease with the UNLV Foundation for land that the school is on (see Attachment 16 on page 138). APS has a long-standing relationship with the owner of the facility. APS was able to retain the owner of our current facility because of APS's track record in Utah. The proposed transaction under this amendment will remove the original owner ("DHCO"), and APS from the lease agreement. A release from the current sublease that APS has with the school is shown in Attachment 17 on Page 237. The new lease will be with a subsidiary of a non-profit foundation whose mission is to assist all APA schools in facility acquisitions, capital expansions, and fundraising. The foundation's name is American Preparatory Education Foundation ("APEF"). Some information about APEF can be found in Attachment 18 on Page 240, including the capital support that APA-LV has received from APEF. A single-purpose LLC subsidiary was established under APEF for the purpose of bonding and holding our current facility. This LLC is called the Charter Facility Support Foundation ("CFSF"). Using APEF's 501(c)3 status, the Charter Facility Support Foundation will be able to sell tax-exempt bonds to finance the facility. This financing will be at a favorable rate in the marketplace, and is one of the advantages of using an existing non-profit corporation to own the school's building. The purchase option available on the facility is assigned to CFSF, not the school. Below is a list of entities and acronyms to help the reader of this amendment request understand all related parties.

- American Preparatory Academy - Las Vegas ("APA-LV") - entity that holds the charter
- American Preparatory Schools ("APS" or "EMO") - owner of the American Preparatory brand name and current sublessor to the school
- American Preparatory Education Foundation ("APEF") - 501(c)3 organization established in 2012 to assist all schools running the APA model
- Charter Facility Support Foundation ("CFSF") - LLC organized under APEF for purposes of holding the facility. Holds the right to purchase the school from original developer
- DHCO Properties ("DHCO") - facility developer and current lessor to EMO
- UNLV Foundation ("UNLV Foundation") - owner of ground where the school is situated

(3) If facility to be acquired has been identified and requires no construction or renovation prior to the commencement of instruction, please provide:

- (a) The physical address of the facility and supporting documentation verifying the location, including the Assessor's Parcel Number and a copy of the Assessor's Parcel Map for the proposed facility as Attachment 4
  - See Attachment 4 on Page 21
  - Project includes parking lot expansion, shown on Attachment 6 on Page 76
- (b) A copy of the proposed purchase and sale agreement or a copy of the proposed lease or rental agreement as Attachment 5
  - See Attachment 5 on Page 22
- (c) A copy of the floor plan of the facility, including a notation of the size of the facility which is set forth in square feet as Attachment 6. Site plan for contiguous 5 acre property as Attachment 6.
  - See Attachment 6 on Page 76
- (d) The name, address, and full contact information of the current owner of the facility and any proposed landlord and a disclosure of any relationship between the current owner or landlord and the school, including but not limited to any relative of a board member or employee within the third degree of consanguinity or affinity and any connection with an educational management organization, foundation, or other entity which does business with or is otherwise affiliated with the school as Attachment 7
  - See Attachment 7 on Page 80

- (e) A copy of the Certificate of Occupancy at Attachment 8
    - See Attachment 8 on Page 82
  - (f) Documentation demonstrating that the proposed facility meets all applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation as Attachment 9
    - See Attachment 9 on Page 84
  - (g) Documentation demonstrating the governing Body has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act (OSHA) in compliance with NAC 386.3265 as Attachment 10
    - See Attachment 10 on Page 92
- (4) If a facility requires any construction or renovation prior to the commencement of instruction, please provide:
- (a) Either a discussion of the desired community of location and the rationale for selecting that community AND an assurance that the school will submit the documentation required in 1(a) for review and approval prior to acquisition of any facility in compliance with NAC 386.3265 as Attachment 4 **OR** the physical address of the proposed facility which requires construction or renovation and supporting documentation verifying the location, including the Assessor's Parcel Number and a copy of the Assessor's Parcel Map for the proposed facility as Attachment 4
    - Not Applicable - facility requires no construction or renovation
  - (b) Either a narrative explaining the rationale for the budgeted cost of acquisition of an owned or leased facility AND an assurance that the school will submit such documentation for review and approval prior to acquisition of any facility in compliance with NAC 386.3265 as Attachment 5 **OR**, if a facility has been identified which requires construction or renovation, a copy of the proposed purchase and sale agreement or a copy of the proposed lease or rental agreement as Attachment 5
    - Not Applicable - facility requires no construction or renovation
  - (c) Either a discussion of the general specifications to be utilized during the facility search, including approximate square footage AND an assurance that the school will submit such documentation for review and approval prior to acquisition of any facility in compliance with NAC 386.3265 as Attachment 6 **OR**, if a facility location has been identified but requires construction or renovation, a copy of the proposed floor plan of the facility, including a notation of the size of the facility which is set forth in square feet AND an assurance that the school will submit final documentation in compliance with NAC 386.3265 as Attachment 6
    - Not Applicable - facility requires no construction or renovation

(d) Either a description of the process and resources the school will use to identify a facility AND an assurance that the school will submit such information for review and approval prior to acquisition of any facility in compliance with NAC 386.3265 as Attachment 7 **OR**, If a facility has been identified but requires construction or renovation, the name, address, and full contact information of the current owner of the facility and any proposed landlord and a disclosure of any relationship between the current owner or landlord and the school, including but not limited to any relative of a board member or employee within the third degree of consanguinity or affinity and any connection with an educational management organization, foundation, or other entity which does business with or is otherwise affiliated with the school as Attachment 7

- Not Applicable - facility requires no construction or renovation

(e) A detailed construction project plan and timeline, including a Gannt chart, identifying all facility development activities necessary to obtain a full certificate of occupancy prior to the first day of school AND documentation of the inspection and approval processes and timelines for the state, municipal, or county agencies which will issue the Certificate of Occupancy, including a discussion of whether such agencies issue temporary or conditional approvals and a copy of the standard form documentation that the sponsor can consult in such circumstances to confirm compliance with NAC 386.3265 as Attachment 8

- Not Applicable - facility requires no construction or renovation

(f) A detailed construction project plan and timeline, including a Gannt chart, identifying all facility development activities necessary to obtain all such code approvals prior to the first day of school AND documentation of the inspection and approval processes and timelines for the state, municipal, or county agencies which will conduct all code inspections, including a discussion of whether such agencies issue temporary or conditional approvals and a copy of the standard form documentation that the sponsor can consult in such circumstances to confirm compliance with NAC 386.3265 as Attachment 9

- Not Applicable - facility requires no construction or renovation

(g) Documentation demonstrating the governing Body has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act (OSHA) in compliance with NAC 386.3265 as Attachment 10

- Not Applicable - facility requires no construction or renovation

(5) Please include the organization's plans to finance these facilities, including:

- (a) Indicate whether the school intends to finance these facilities through the Department of Business and Industry (B&I) or another bond conduit. If the school is not using the B&I conduit please identify the proposed issuer of the bonds. Please provide a rationale for the selection of this issuer, and a comparative analysis with any other issuers considered by the school.
- The Charter Facility Support Foundation LLC (the “Borrower”) has applied to the Public Finance Authority of Wisconsin (“PFA”) to serve as the issuer of the bonds. The PFA is an active issuer of charter school bonds and well-respected in the municipal industry. Careful consideration was given to using the Department of Business and Industry as the conduit issuer, but timing considerations prevented the Borrower from being able to meet the deadline for the Board of Finance August 8<sup>th</sup> meeting. The Borrower was advised that the Board’s next meeting would not occur until November which would likely delay the sale of the bonds to January, 2018 and expose the School to significant interest rate risk possibly jeopardizing the savings to the School. The Borrower has received final approval from PFA for the issuance of the bonds as well as approval from the Clark County Board of Commissioners.

(b) Total project cost for each facility

- The total project cost is estimated to be \$27,231,654 as follows:

Acquisition of Existing Facility	\$22,361,654
Acquisition of 5 acres of Additional Land	\$2,500,000
Parking and Sports Field Improvements	\$2,370,000
Total	\$27,231,654

- Included within the Acquisition Price of the Existing Facility is a deferred development fee payable to Carolyn Sharette. Development activities include site selection, negotiation of the Ground Lease, writing of the charter application and amendments, soliciting all approvals, preparation of plans and specifications for the School and construction oversight. As owner of APS, Carolyn also subordinated APS’s contractual management fees as a requirement from the owner, and heavily discounted the management fees owed by the school when there were construction overages and unforeseen costs in development. Carolyn will also assign her rights to the ground lease to CFSF. The deferred development fee is part of the sale price of the facility and would be payable regardless of the entity that purchases the facility. The Acquisition Price to the Borrower is approximately 90.2% of the appraised value of the Existing Facility. This compares to a price vs. appraised value ratio of 92% for a recent Doral Academy of Nevada acquisition and 99.8% for a 2015 Somerset Academy acquisition.



- Extensive due diligence has been conducted by the underwriter, underwriter's counsel, bond counsel and Borrower's counsel, including a review that no conflicts of interest exist between the Borrower, the School, the School's Management Company or Carolyn Sharette, to ensure that no one is receiving undo benefit from the bond issue.
- As part of its own due diligence bond counsel has reviewed the sale price in conjunction with Section 103 of the Tax Code. As in most 501(c)3 bond issues, Borrower's Counsel is rendering an opinion based on the Borrower's ability to meet the Organizational Test and has operated in furtherance of its exempt purpose, the Borrower is complying with the private inurement and private benefit rules under Section 501(c)3 and that the transaction is reasonable and reflects an exchange of fair value, the Borrower has not participated in, or intervened in any political campaign on behalf of, or in opposition to, any candidate for public office, the Borrower has not received an excessive amount of business income, and the Borrower has complied with its annual information and reporting obligations.

(c) Financing and financing assumptions

- Lease payments to the school are expected to be based on a 35-year fully amortizing bond issue that results in an overall savings to APA-LV of over \$16.7 million compared to the School's current lease payment schedule. The underwriter of the bond issue is estimating an all-in interest rate of less than 5.25% based on current market conditions. Other assumptions include a Debt Service Reserve Fund consistent with Treasury Regulations, the funding of a Repair and Replacement Reserve Fund, a "non-investment grade" bond rating from Standard & Poor's, and a bond closing date of October 26, 2017.
- The Borrower's underwriter recently sold Doral Academy's \$25.270 million 30-year bond issue which resulted in a similar borrowing rate. For comparison purposes, the following table presents all non-investment grade charter school financings that have come to market since December, 2016.

**National Charter School Financings Pricing Comparison**  
December 2016 to Present

Pricing Date	St	School	Par Amt (\$ in MM)	Rating (S&P)	Maximum Yield	Spread to MMD	Final Maturity (Years)
09/06/17	CA	Magnolia Properties Management	\$23.400	NR	5.250%	258	27
08/31/17	UT	Freedom Academy	\$54.810	NR	5.500%	279	31
08/30/17	NV	Doral Academy of Nevada	\$25.270	BB+	4.845%	214	30
08/24/17	NJ	Hatikvah Int'l Academy	\$13.445	NR	5.236%	251	30
08/10/17	TX	Austin Achieve Public School	\$22.460	NR	5.236%	251	31
08/03/17	PA	Executive Ed Academy Charter School	\$41.675	NR	5.975%	281	30
08/01/17	NY	The Academy Charter School	\$38.585	NR	6.240%	350	30
07/27/17	MN	Spero Academy	\$17.945	NR	6.500%	376	31
07/27/17	MN	Great River School	\$16.080	NR	5.500%	271	35
07/26/17	MI	Voyageur Academy	\$16.285	NR	5.900%	318	29
07/20/17	FL	Downtown Doral Charter Elem School	\$6.300	NR	5.750%	307	27
07/20/17	NY	Tapestry Charter School	\$33.900	BB+	4.858%	208	35
07/13/17	CA	Escuela Popular Del Pueblo	\$24.040	NR	6.500%	367	33
07/13/17	MI	American Montessori Academy	\$3.600	NR	7.000%	418	29
06/29/17	AR	Arkansas Arts Academy	\$25.260	NR	4.350%	156	30
06/28/17	AZ	Franklin Phonetic	\$6.715	NR	5.970%	318	35
06/22/17	AZ	Phoenix Academy	\$31.805	NR	6.000%	331	30
06/22/17	CO	Early College of Arvada Charter School	\$6.260	NR	7.125%	444	30
06/22/17	AZ	Academy of Mathematics and Science, Series B	\$7.720	BB	5.270%	253	34
06/14/17	IN	Avondale Meadows Academy	\$21.345	BB	5.500%	281	30
06/14/17	MD	Green Street Academy	\$22.115	NR	5.460%	272	35
06/13/17	GA	Chattahoochee Hills Charter School	\$7.440	NR	5.900%	317	30
06/05/17	FL	South Florida Autism Charter School	\$16.950	NR	6.000%	331	30
05/22/17	TX	Jubilee Academic Center	\$39.270	BB	5.150%	230	30
05/02/17	UT	Dual Immersion Academy	\$8.590	NR	7.000%	394	30
04/28/17	GA	Academy Classical Educ	\$34.990	NR	6.000%	293	35
04/27/17	CA	Multicultural Learning Center	\$6.875	NR	6.375%	337	30
04/24/17	PA	Collegium Charter School	\$43.500	BB+	5.300%	230	30
04/20/17	AZ	American Charter School Foundation	\$73.390	BB+	5.935%	304	30
04/20/17	FL	Southwest Charter Foundation	\$40.850	NR	6.125%	323	30
04/20/17	TX	Coram DEO Academy	\$5.290	NR	5.500%	260	30
04/20/17	FL	Odyssey Charter School	\$15.980	BB	5.500%	260	30
04/18/17	CA	Kepler Neighborhood	\$13.740	NR	5.950%	309	30
04/06/17	PA	Harambee Institute of Science & Technology	\$6.670	NR	8.000%	501	35
03/28/17	UT	Voyageur Academy	\$8.690	NR	5.600%	259	30
03/09/17	CA	Guidance Charter School	\$29.580	NR	6.750%	346	35
02/09/17	TN	Rocketship	\$42.160	NR	5.530%	242	35
02/09/17	CA	Rocketship	\$26.760	NR	5.320%	221	35
02/08/17	AZ	Champion Schools	\$11.255	NR	6.125%	310	30
01/25/17	AZ	Basis Schools	\$75.960	BB	5.400%	231	33
01/23/17	FL	Classical Preparatory School	\$9.905	NR	6.230%	319	30
01/05/17	FL	Palm Bay Academy	\$14.325	NR	6.375%	355	36
12/16/16	IN	Lighthouse Academies	\$36.720	NR	7.125%	394	28
12/14/16	CA	Discovery Charter School	\$6.850	NR	7.050%	389	31
12/09/16	MN	Hmong College Prep Academy	\$44.580	BB+	5.975%	281	35
12/09/16	AZ	Kaizen Education Foundation	\$31.675	BB+	6.000%	283	36
12/05/16	PA	MAST II Charter School	\$19.905	NR	6.000%	268	35
12/02/16	AZ	PLC Charter School	\$20.985	NR	6.000%	266	30
12/01/16	FL	Florida Charter Educ Foundation	\$41.270	NR	6.500%	315	30

(d) Total facility costs that the financial model can handle – debt service + lease + maintenance + utilities + etc. for each facility and for the network as a whole

- The proposed Lease Agreement represents significant savings to the school. These savings will help the school maintain an even stronger financial position than the school could maintain under their current lease. For a comparison of the new lease payments to the school's current lease payments, and the savings that the school will experience, please see Attachment 20 on Page 246.
- The Lease Agreement will include a coverage covenant of 1.10x and a liquidity covenant of 45 days cash on hand. American Preparatory Schools has agreed to subordinate its management fee to the payment of the bonds. Based on the estimated lease payment schedule, coverage of the School's annual lease payment prior to subordinated management fees is projected to be 2.69x in fiscal year 2018-19 and days cash on hand is expected to total 161 or approximately \$3.857 million. Coverage after payment of management fees is estimated to be 1.84x which is higher than the median debt service coverage for a "BB+" rated bond issue according to Standard & Poor's. The following projections present the capacity of the School to cover its operating expenses and make lease and debt service payments:

American Preparatory Academy Las Vegas - Enterprise Financial Projections (updated 9-21-17) Fiscal Year 2016 through 2021				
	Audited 2015-2016	Unaudited Year End 2016-2017	Projected 2017-2018	Projected 2018-2019
<b>Student Enrollment</b>	<b>1,421</b>	<b>1,436</b>	<b>1,553</b>	<b>1,533</b>
<b>Revenue</b>				
State Funding	\$ 8,926,302	\$ 9,201,819	\$ 9,951,549	\$ 10,022,392
Federal Funding	59,807	82,443	89,160	90,943
Local Funding	15,007	58,183	62,923	64,182
<b>Total Revenue</b>	<b>9,001,117</b>	<b>9,342,444</b>	<b>10,103,632</b>	<b>10,177,516</b>
<b>Expense</b>				
Instructional Compensation	2,478,903	2,867,334	3,055,029	3,116,130
Administrative Compensation	613,295	788,143	830,759	847,375
Employee Benefits & Payroll Taxes	932,295	810,296	862,827	880,084
Personnel Compensation	4,024,492	4,465,773	4,748,615	4,843,588
Instructional Supplies & Other Programs	77,814	235,669	254,871	164,369
Co-Curricular Activities	42,651	37,006	40,022	40,822
Other				
Other Operating Expenses	120,466	272,676	294,893	205,191
Utilities	271,377	294,613	318,617	324,989
Cleaning	47,467	51,123	55,288	56,394
Other	219,608	218,574	216,635	220,368
Facility, Utilities & Maintenance (ex depreciation)	538,452	564,310	590,540	601,751
<b>Operating Expenses (excluding depreciation)</b>	<b>4,683,410</b>	<b>5,302,759</b>	<b>5,634,048</b>	<b>5,650,529</b>
<b>Net Income Available for Debt Service</b>	<b>\$4,317,707</b>	<b>\$ 4,039,685</b>	<b>\$ 4,469,584</b>	<b>\$ 4,526,987</b>
Rent Expense	227,927	52,616	0	0
Rent Coverage Ratio	18.94	76.78	0.00	0.00
Subordinated Management Fees	1,282,338	1,167,601	1,453,608	1,434,888
FFE Capital Lease (Subordinate to APEF Lease)	190,039	381,662	380,079	380,079
Zions Loan (Subordinate to APEF Lease)	94,584	94,584	94,584	47,292
APS Promissory Note (Subordinate to APEF Lease)	20,937	20,937	20,937	20,937
<b>Excess Net Revenues/Operating Income</b>	<b>\$2,501,882</b>	<b>\$ 2,322,285</b>	<b>\$ 2,520,377</b>	<b>\$ 2,643,791</b>
<b>Excess Net Revenue Margin</b>	<b>27.80%</b>	<b>24.86%</b>	<b>24.95%</b>	<b>25.98%</b>
<i>Beginning Cash Balance</i>	\$	1,524,973	\$ 2,498,797	\$ 3,095,370
Add Net Income After Debt Service	\$	980,619	\$ 796,574	\$ 961,927
Less Other Uses of Cash	\$	(6,795)	\$ (200,000)	\$ (200,000)
<b>Ending Cash Balance</b>	<b>\$1,524,973</b>	<b>\$ 2,498,797</b>	<b>\$ 3,095,370</b>	<b>\$ 3,857,297</b>
Days Cash On Hand Projected	<b>100</b>	<b>137</b>	<b>154</b>	<b>192</b>
Days Cash On Hand Projected (including rent & MSF's)	79	116	138	161
<b>Coverage Analysis - Lessee</b>				
Net Income Available for Debt Service	\$ 4,317,707	\$ 4,039,685	\$ 4,469,584	\$ 4,526,987
Current DHCO Building Lease	855,500	1,341,667	595,000	0
Proposed APEF Building Lease			1,128,803	1,681,864
Total Annual Facility Lease Payments	855,500	1,341,667	1,723,803	1,681,864
Estimated Maximum Facility Lease Payment			\$ 1,986,016	
Estimated Coverage Annual Facility Lease Payment	5.05	3.01	2.59	2.69
Estimated Coverage - Maximum Facility Lease Payment	2.17	2.03	2.25	2.28
Net Income Available less Management Fee	\$ 3,035,369	\$ 2,872,083	\$ 3,015,976	\$ 3,092,099
Coverage Annual Facility Lease Payment	3.55	2.14	1.75	1.84
Estimated Coverage - Maximum Facility Lease Payment	1.52	1.52	1.52	1.52

## FINANCIAL PLAN

- (1) As Attachment 11, present a budget narrative including a detailed description of assumptions and revenue estimates, including but not limited to the basis for revenue projections, staffing levels, and costs. The narrative should specifically address the degree to which the school budget will rely on variable income (e.g., grants, donations, fundraising, etc.). There is no page limit for the budget narrative in Attachment 11. Include the following:
  - (a) Per-Pupil Revenue: Use the figures provided in developing your budget assumptions.
  - (b) Anticipated Funding Sources: Indicate the amount and sources of funds, property or other resources expected to be available through banks, lending institutions, corporations, foundations, grants, etc. Note which are secured and which are anticipated, and include evidence of commitment for any funds on which the school's core operation depends in a clearly identified component of Attachment 10. Please ensure that your narrative specifically references what page this evidence can be found on in the attachment.
  - (c) Anticipated Expenditures: Detail the personnel and operating costs assumptions that support the financial plan, including references to quotes received and the source of any data provided by existing charter school operators in Nevada or other states.
    - Budget Narrative found in Attachment 11, on Page 94
- (2) Submit a completed financial plan for the school reflecting any additional cost or savings related to the proposed acquisition at the campus level as Attachment 12 (the format of this is state budget form).
  - Financial Plan found in Attachment 12, on Page 95
- (3) Submit, as Attachment 13, a detailed budget for the operator at the network level reflecting any additional cost or savings related to the proposed acquisition (the format of this is state budget form).
  - Not Applicable, as APA-LV operates only a single facility
- (4) Provide a narrative explaining the proposed use of any savings generated through lower facilities occupancy costs.
  - Although APA-LV has not earmarked the savings generated through lower facilities occupancy costs toward any particular use, APA-LV is committed to the following core priorities:
    1. providing competitive and appropriate teacher compensation
    2. utilizing high-quality curriculum and effective educational assets

**Part C**  
ATTACHMENTS

## **ATTACHMENT C-1**

### **Transmittal Letter**

A letter of transmittal signed by the Board chair formally requesting the amendment and identifying each of the elements to be submitted in support of the request will be submitted following the board's meeting on Tuesday, September 26th, 2017.

**See Following Page**

September 26, 2017

State Public Charter School  
Authority 1749 North Stewart Street  
Suite 40 Carson City, Nevada 89706

RE Facilities Acquisition & Construction Application: Transmittal Letter

Dear Sir or Madam:

As President of the Governing Board of American Preparatory Academy - Las Vegas ("APA-LV"), I am writing to request the approval of the State Public Charter School Authority (the "Authority") to an amendment to APA-LV's Charter. This request is for approval of:

1. Releasing APA-LV from our current lease and signing of a new lease with a new landlord
2. Permission to occupy additional land for parking and driveways

Regarding both projects, the Board held lengthy, extensive discussion on the pros and cons, hearing input from all necessary or appropriate advisors and stakeholders. We determined, for example, that the new lease would save the school a tremendous amount of money in the short- and long-term, allowing the school to spend money on high priority initiatives. We determined that additional parking and driveways would greatly enhance our school's safety, and the well-being and morale of our families and the surrounding communities. Accordingly, APA-LV's Board approved this project at properly convened, public meetings. It approved this amendment request on Tuesday, September 26<sup>th</sup>, 2017.

We request your approval of this amendment and the school's application. If you have any questions or comments, please contact the school's Director, Rachelle Hulet and/or myself.

Thank you for your time and attention.

Sincerely, American Preparatory Academy - Las Vegas

Lee Iglody, President of the Governing Board



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## **ATTACHMENT C-2**

### **Board Agenda**

Agenda for Board Meeting Where Board Voted to Request an Amendment will be submitted following the board's meeting on Tuesday, September 26th, 2017.

**See Following Page**

**NOTICE OF SPECIAL PUBLIC MEETING  
OF  
AMERICAN PREPARATORY ACADEMY**

The Governing Body of **AMERICAN PREPARATORY ACADEMY** will have a special meeting on Tuesday September 26<sup>th</sup> at 12:00 pm at via conference call 702-494-0400 using code 338100. You may also join the conference call from the school, located at 8377 West Patrick Lane, Las Vegas, NV 89113. Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the chairperson. Reasonable efforts will be made to accommodate physically handicapped persons desiring to attend the meeting. Please contact APA's Office at (702) 266-7889 in advance so arrangements can be made. Public comment may be limited to three minutes per person at the discretion of the chairperson.

1. Call to order
2. Pledge of Allegiance/Roll Call
3. Approval of minutes from 8-30-2017 board meeting
4. Public Comments and Discussion - Members of the public are invited to comment on any items on the agenda below. No action will be taken on any items during the public comment period, but may be taken at the appropriate point in the agenda
5. Discussion and possible action: CHARTER SCHOOL FACILITIES ACQUISITION AND/OR CONSTRUCTION AMENDMENT REQUEST
6. Board Comments- Discussion
7. Public Comments- Discussion

This notice and agenda has been posted on APALV's website and on or before 9am on the third working day before the meeting at the following locations:

1. Spring Valley Library 4280 South Jones Blvd, Las Vegas, NV 89103
2. West Charleston Library 6301 W Charleston Blvd, Las Vegas, NV 891463.
3. Sahara West Library 9600 W Sahara Ave, Las Vegas, NV 89117

\* In Accordance with Section 241.020(2)(c)(2) of the Nevada Revised Statutes, all of the agenda items are subject to action and disposition by the governing board, unless the agenda item specifically indicates otherwise. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order.

## **ATTACHMENT C-3**

### **Draft Minutes**

Draft or Approved Minutes for Board Meeting Where Board Voted to Request an Amendment will be submitted following the board's meeting on Tuesday, September 26th, 2017.

**See Following Pages**

**NOTICE OF SPECIAL PUBLIC MEETING  
OF  
AMERICAN PREPARATORY ACADEMY**

The Governing Body of **AMERICAN PREPARATORY ACADEMY** will have a special meeting on Tuesday September 26<sup>th</sup> at 12:00 pm at via conference call 702-494-0400 using code 338100. You may also join the conference call from the school, located at 8377 West Patrick Lane, Las Vegas, NV 89113. Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the chairperson. Reasonable efforts will be made to accommodate physically handicapped persons desiring to attend the meeting. Please contact APA's Office at (702) 266-7889 in advance so arrangements can be made. Public comment may be limited to three minutes per person at the discretion of the chairperson.

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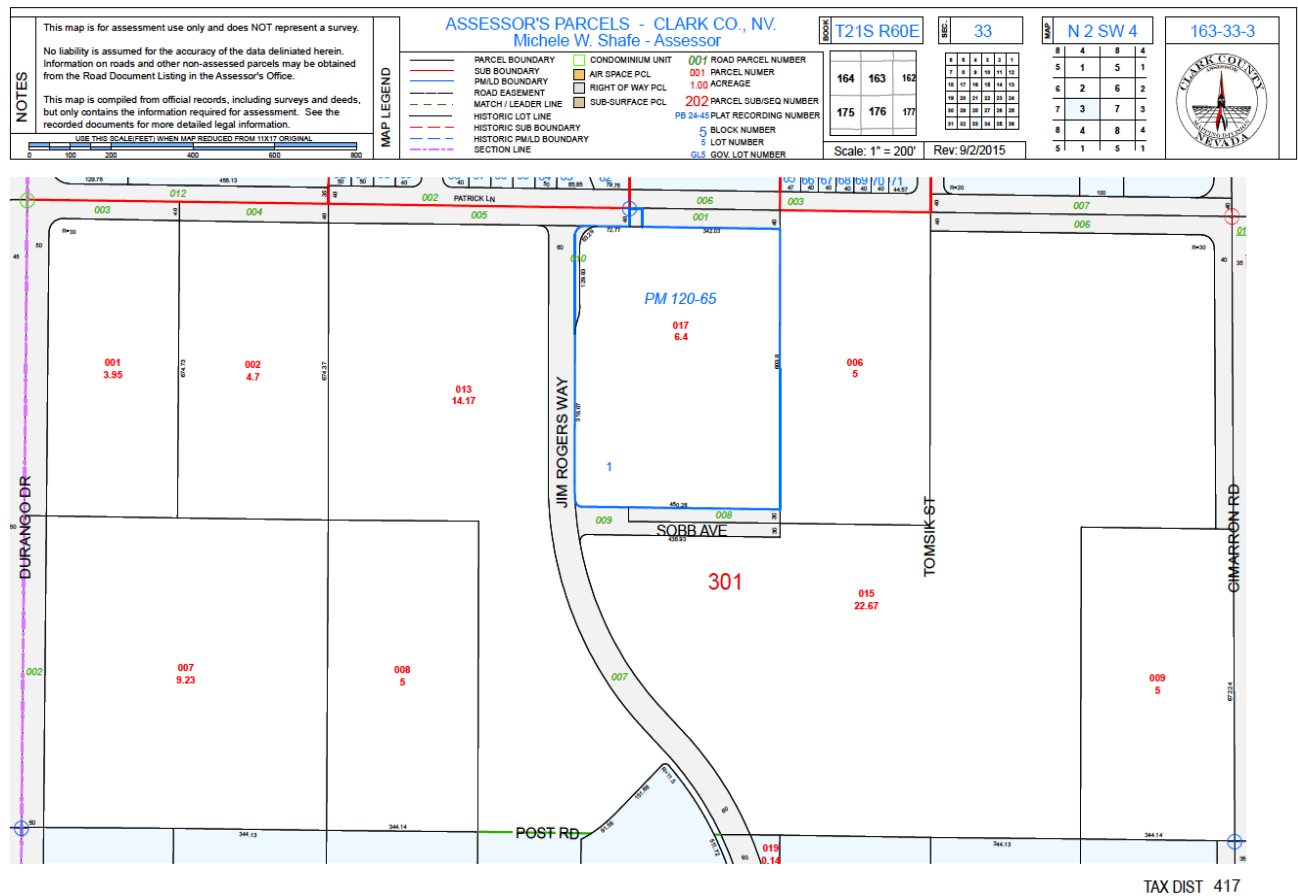
# ATTACHMENT C-4

## Facility Documents

Physical Address:  
8377 W. Patrick Ln.  
Las Vegas, NV 89113

Parcel Number: 163-33-301-017

Parcel Map:



## **ATTACHMENT C-5**

### **Purchase/Sale Agreement**

If a facility has been identified, a copy of the proposed purchase and sale agreement or a copy of the proposed lease or rental agreement OR a narrative explaining the rationale for the budgeted cost of acquisition of an owned or leased facility AND an assurance that the school will submit such documentation for review and approval prior to acquisition of any facility in compliance with NAC 386.3265

**See Following Pages**

**LEASE AGREEMENT**

by and between

**CHARTER FACILITY SUPPORT FOUNDATION LLC,**  
as Landlord

and

**NEVADA CHARTER ACADEMIES, D/B/A AMERICAN PREPARATORY  
ACADEMY—LAS VEGAS,**  
as Tenant

Dated October 1, 2017

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EXHIBIT E	LIQUIDITY COVENANT CERTIFICATE
EXHIBIT F	ANNUAL INVESTOR CALL

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (the “Lease”) is entered into and executed as of October 1, 2017, by and between **CHARTER FACILITY SUPPORT FOUNDATION LLC**, Utah a limited liability company (“Landlord”), and **NEVADA CHARTER ACADEMIES, D/B/A AMERICAN PREPARATORY ACADEMY—LAS VEGAS**, a nonprofit corporation duly organized and validly existing under the laws of the State of Nevada (“Tenant,” and together with Landlord, the “Parties”).

### WITNESSETH:

WHEREAS, Tenant operates a public charter school and is a nonprofit corporation duly organized and validly existing under the laws of the State of Nevada; and

WHEREAS, Landlord (i) contemporaneously with the execution of this Lease, Landlord is acquiring the real property as set forth in Section 1.05 below and constructing and equipping improvements thereto (collectively, the “Facilities”) and (ii) will lease the Facilities to Tenant; and

WHEREAS, the Tenant will operate a public charter school on the Facilities;

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained herein and for good and valuable consideration, the Landlord and Tenant do hereby agree as follows:

## ARTICLE I

### BASIC LEASE TERMS

**Section 1.01. Lease Date.** October 1, 2017.

**Section 1.02. Landlord.** Charter Facility Support Foundation LLC.

**Section 1.03. Legal Entity.** A Utah limited liability company.

**Section 1.04. Tenant.** Nevada Charter Academies, d/b/a American Preparatory Academy—Las Vegas.

(a) ***Legal Entity.*** A Nevada nonprofit corporation.

**Section 1.05. Facilities.** Depicted on Exhibits A and B, attached hereto, including addresses.

**Section 1.06. Term (Article IV).** From the Commencement Date to the Termination Date.

(a) ***Commencement Date.*** The Lease Date.

(b) **Termination Date.** The earliest of the dates or events described in Section 4.01 hereof.

**Section 1.07. Rent (Article V).** Effective as of the Lease Date, monthly installments in the amounts set forth in Exhibit C attached hereto to be paid in accordance with Section 5.01 hereof.

**Section 1.08. Use (Article VI).** As office and classroom educational, recreational space and for other uses necessary or convenient to operate, or related to the operation of a Nevada public charter school by a corporation or other entity that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Code Section 501(c)(3) and that qualifies as an “educational organization” as described under Code Section 170(b)(1)(A)(ii).

**Section 1.09. Landlord’s Address for Notices.** Charter Facility Support Foundation LLC, is initially 12892 South Pony Express Road, Draper, Utah 84020.

**Section 1.10. Tenant’s Address for Notices.** Nevada Charter Academies, d/b/a American Preparatory Academy—Las Vegas, is initially 8377 W Patrick Ln, Las Vegas, Nevada 89113.

**Section 1.11. Trustee’s Address for Notices.** ZB, National Association dba Zions Bank, 800 W. Main Street, Ste 700, Boise, Idaho 83702 Attention: Corporate Trust Department

**Section 1.12. Exhibits.** Exhibit A—Facilities; Exhibit B—Legal Description of the Facilities; and Exhibit C—Base Rent; Exhibit D—Reporting Requirements; Exhibit E—Liquidity Covenant Certificate; and Exhibit F—Annual Investor Call.

## ARTICLE II

### DEFINITIONS

Capitalized terms used herein, but not otherwise defined shall have the meanings set forth in the below defined Indenture.

“*Abandonment*” shall mean the failure to occupy or conduct business within the Facilities for 20 consecutive days during the Term, excluding scheduled holidays, summer vacation, and other scheduled breaks.

“*ADA*” shall have the meaning set forth in Section 13.02 hereof.

“*Additional Charges*” shall mean all fines, penalties, interest and costs resulting from Tenant’s nonpayment or late payment of amounts due under this Lease as described in Section 5.06 hereof.

“*Additional Rent*” shall mean Additional Payments as defined in Section 4.02 of the Loan Agreement excluding (a) moneys required to be deposited into the Rebate Fund as described in

paragraph (e) of Section 4.02 of the Loan Agreement; and (b) moneys transferred from the Reserve Account to the Interest Account or the Principal Account as described in paragraph (f) of Section 4.02 of the Loan Agreement.

“*Authority*” shall mean the Public Finance Authority, a Wisconsin bond or note issuing commission created under Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes.

“*Base Rent*” shall have the meaning set forth in Section 1.07(a) hereof.

“*Blocked Account*” shall have the meaning set forth in Section 19.01 hereof.

“*Bonds*” means the Series 2017A Bonds and the Series 2017B Bonds.

“*Charter Authorizer*” means the Nevada State Public Charter School Authority created under Sections 388A.150 et seq of the Nevada Revised Statutes.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder or any successor thereto. Reference to any particular Code Section shall, in the event of such successor Code, be deemed to be reference to the successor to such Code section.

“*Commencement Date*” shall have the meaning set forth in Section 1.06(a) and Article IV hereof.

“*Condemnation*” shall have the meaning set forth in Section 18.01 hereof.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement entered into among the Trustee, as dissemination agent, the Landlord and the Tenant.

“*Controlling Person*” shall mean, with respect to any Person, the possession, directly or indirectly (including through one or more intermediaries), of the power to direct or cause the direction of the management and policies of such Person, through the ownership or control of voting securities, partnership interests or other equity interests or otherwise.

“*Coverage Ratio*” shall have the meaning set forth in Section 19.06 hereof.

“*Days Cash on Hand*” shall have the meaning set forth in Section 19.03 hereof.

“*Deed of Trust*” means that certain Deed of Trust, Financing Statements, Security Agreements, Assignments of Lease and Rents, and Fixture Filings, dated as of October 1, 2017, recorded against the Facilities.

“*Dissemination Agent*” means the Trustee, as dissemination agent, under the Continuing Disclosure Agreement.

“*EMMA*” means the Electronic Municipal Market Access service of the Municipal Securities Rule Making Board.



*“Excess Net Income of the School”* shall mean, for any Fiscal Year, Gross Income of the School, less Rent, Operating Expenses (to the extent not included in Rent), and payments for Long-Term Indebtedness incurred with respect to the School during such Fiscal Year.

*“Expenses”* shall mean all costs and expenses of the ownership, operation, utilities, maintenance, repair or replacement, and insurance on and/or for the Facilities, as determined under GAAP, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Facilities:

- (a) gross receipts taxes, whether assessed against the Landlord or assessed against the Tenant and collected by the Landlord;
- (b) water, sewage, and waste or refuse removal charges;
- (c) utilities;
- (d) reasonable costs incurred in the day-to-day management of the Facilities, including the actual cost of management personnel;
- (e) air conditioning and heating;
- (f) elevator maintenance, if any;
- (g) supplies, materials, labor, equipment, and utilities used in or related to the operation and maintenance of the Facilities;
- (h) all maintenance, replacement and repair costs including, without limitation, costs described in Article XIII hereof, janitorial, cleaning and repair services relating to the Facilities 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), and cost of compliance with applicable laws;
- (i) Real Property Taxes including all taxes, assessments (general and special) and other impositions or charges which may be taxed, charged, levied, assessed or imposed upon all or any portion of the Facilities or any portion thereof, any leasehold estate in the Facilities or measured by rent from the Facilities, including any increase caused by the transfer, sale encumbrance of the Facilities or any portion thereof;
- (j) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Facilities, excluding depreciation on the Facilities or equipment therein, loan payments, executive salaries or real estate brokers' commissions; and
- (k) Insurance premiums for insurance required to be maintained under Article XV of this Lease.

*“Facilities”* shall have the meaning set forth in the Recitals hereof.

*“Financing”* shall mean the issuance of the Public Finance Authority, Charter School Revenue Bonds (American Preparatory Academy—Las Vegas Project), Series 2017A and Taxable Series 2017B for the purpose of financing or refinancing of the acquisition of, construction of, equipping of and renovations to the Facilities.

*“Fiscal Year”* means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other 12 month period hereafter selected and designated as the official fiscal year period of the Tenant.

*“GAAP”* shall mean generally accepted accounting principles in the United States as in effect from time to time.

*“Hazardous Substances”* means: (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 Facilities or (ii) cause the Facilities to be in violation of any Environmental Law; (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 Law; (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 Facilities or the owners and/or occupants of property adjacent to or surrounding the Facilities, or any other person coming upon the Facilities or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

*“Holdover Rent”* shall have the meaning set forth in Section 4.07 hereof.

*“Indenture”* shall mean the Indenture of Trust dated as of October 1, 2017, between the Authority and the Trustee.

*“Landlord”* shall mean Charter Facility Support Foundation LLC, a Utah limited liability company.

*“Loan Agreement”* shall mean the Loan Agreement dated as of October 1, 2017, between Landlord and the Authority.

*“Material Quiet Enjoyment Default”* shall have the meaning set forth in Section 21.02 hereof.

*“Person”* shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

*“Prepayment”* shall have the meaning set forth in Section 5.01 hereof.

“*Real Property Taxes*” shall mean any form of assessment, levy, penalty, charge or tax (other than estate, inheritance, net income, or franchise taxes) imposed by any authority having a direct or indirect power to tax or charge, including, without limitation, any city, county, State of Nevada federal or any improvement or other district, whether such tax is: (a) determined by the value of the Facilities or the rent or other sums payable under this Lease; (b) upon or with respect to any legal or equitable interest of Landlord in the Facilities or any part thereof; (c) upon this transaction or any document to which Tenant is a party creating a transfer in any interest in the Facilities; (d) in lieu of or as a direct substitute in whole or in part of or in addition to any real property taxes on the Facilities; (e) based on any parking spaces or parking facilities provided in the Facilities; or (f) in consideration for services, such as police protection, fire protection, street, sidewalk and roadway maintenance, refuse removal or other services that may be provided by any governmental or quasi-governmental agency from time to time which were formerly provided without charge or with less charge to property owners or occupants.

“*Rent*” shall mean Base Rent and Additional Rent.

“*School*” means the public charter school operated by the Tenant known as American Preparatory Academy—Las Vegas.

“*Series 2017A Bonds*” means the Public Finance Authority Charter School Revenue Bonds (American Preparatory Academy—Las Vegas Project), Series 2017A, authorized by, and at any time Outstanding pursuant to, this Indenture.

“*Series 2017B Bonds*” means the Public Finance Authority Charter School Revenue Bonds (American Preparatory Academy—Las Vegas Project), Taxable Series 2017B, authorized by, and at any time Outstanding pursuant to, this Indenture.

“*Tenant’s Parties*” shall mean any of Tenant’s employees, students, customers, or other invitees that enter upon the Facilities.

“*Tenant’s Property*” shall mean all movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Facilities and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the buildings of which the Facilities are a part, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Facilities.

“*Term*” shall mean the term of the Lease commencing on the Commencement Date and ending on the Termination Date.

“*Termination Date*” shall have the meaning set forth in Section 1.06(b) hereof.

“*Termination Notice Period*” shall have the meaning set forth in Section 22.01(b) hereof.

“*Termination Option*” shall have the meaning set forth in Section 4.02 hereof.

“*Testing Date*” means June 30 of each Fiscal Year.

“Underwriter” shall mean Robert W. Baird & Co., Incorporated and its successors and assigns.

### ARTICLE III

#### FACILITIES

**Section 3.01. Rent Independent of Actual Square Footage.** The approximate square footage of the Facilities to be acquired and constructed will be approximately 120,000 square feet located on approximately 11.45 acres of land [CONFIRM WITH APPRAISAL]. Landlord does not represent or warrant that the actual square footage of the Facilities is precisely as indicated. Notwithstanding the foregoing, the Parties stipulate and agree that the amount of Base Rent and other charges hereunder represent fair and adequate consideration for Tenant’s use and enjoyment of the Facilities.

### ARTICLE IV

#### TERM AND POSSESSION

**Section 4.01. Term.** The term of this Lease shall expire or end upon the earliest of any of the following dates or events:

- (a) June 30, 20[47];
- (b) Tenant’s rights hereunder are terminated in accordance with Sections 4.02 and 22.01 hereof; or
- (c) discharge of the Indenture, as provided in Article X thereof.

**Section 4.02. Options To Terminate.** Tenant shall have the right to terminate this Lease without penalty in the event Tenant’s application for renewal of the School’s charter is denied by the Charter Authorizer or such local or State of Nevada entity or government authority responsible for the acceptance or rejection of charter status on appeal (the “Termination Option”). Tenant may exercise the Termination Option by providing Landlord and Trustee with written notice of Tenant’s intent to exercise the Termination Option no later than 90 days prior to the expiration of Tenant’s current charter of the School, or within 10 days of actual notification of the denial, whichever is later. Such written notice shall also include sufficient evidence of Tenant’s denial of charter status by the Charter Authorizer or such other local or State of Nevada entity or government authority responsible for the acceptance or rejection of charter status. Notwithstanding the foregoing, in the event Tenant exercises its Termination Option in accordance with this Section 4.02, Tenant shall continue to pay Base Rent and all other amounts due hereunder to Landlord as provided in this Lease until such time that Landlord or Tenant secures a tenant reasonably satisfactory to Landlord, and who meets the requirements of the Financing, to lease the Facilities and such tenant enters into a lease with Landlord and commences the payment of Base Rent, Additional Rent, Expenses and all other amounts due hereunder.

**Section 4.03. Condition of the Facilities.** No representation, express or implied, respecting any matter or thing relating to the Facilities or this Lease (including, without limitation, the condition of the Facilities ) have been made to Tenant by Landlord, other than as may be contained in this Lease.

**Section 4.04. Entry on Facilities.** Upon reasonable prior notice to Tenant, Landlord and the Trustee shall at any and all reasonable times have the right to enter the Facilities in order to do the following: (a) inspect the Facilities; (b) supply any service to be provided by Landlord to Tenant hereunder which has not been provided; (c) upon Tenant's notice to Landlord of Tenant's intent to terminate or not renew the Lease, post a "for lease" or similar sign; (d) show the Facilities to prospective purchasers, lenders, tenants, or other invitees of Landlord; (e) post notices of non-responsibility; and (f) reinforce, alter, improve or repair the Facilities as required by law, or otherwise as the Parties agree are necessary or desirable, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that access to the Facilities shall not materially be blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably nor shall the Facilities be made unsafe by such work. Tenant shall be entitled to a pro rata reduction in Base Rent, to the extent Landlord's or Trustee's entry upon the Premise or work in the Facilities materially interferes with Tenant's access to or quiet enjoyment of the Facilities for a continuous period in excess of two business days, or to the extent work performed by Landlord to the Facilities permanently and materially alters or reduces the size of the Facilities or alters the configuration of the Facilities' demising walls. Landlord and the Trustee shall have the right to use any and all means that Landlord deems reasonable under the circumstances to gain access to the Facilities in an emergency without liability to Tenant. Any entry to the Facilities by Landlord or the Trustee for the purposes described in this Section 4.04 shall not be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Facilities, or an eviction of Tenant from the Facilities or any portion thereof.

**Section 4.05. Surrender of Possession.** Upon the expiration or termination of this Lease, Tenant shall peaceably vacate and surrender the Facilities to the Landlord in good condition (with the exception of ordinary wear and tear and acts of God) and shall surrender all keys to the Facilities. Upon Landlord's request, Tenant shall remove Tenant's Property on or before the Termination Date and promptly repair all damage to the Facilities caused by such removal. If Tenant abandons or surrenders the Facilities, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Facilities shall remain Tenant's Property unless the law or judicial decision of the jurisdiction in which the Facilities is located provides otherwise. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including reasonable storage costs and the cost of repairing any damage to the Facilities caused by such removal, shall be paid by Tenant.

**Section 4.06. No Implied Termination.** No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Facilities shall constitute an acceptance of the surrender of the Facilities by Tenant before the expiration or termination

of this Lease. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Facilities and accomplish a termination of the Lease.

**Section 4.07. Holding Over.** Tenant shall have no right to retain possession of the Facilities, or any part thereof, after expiration or termination of this Lease. If Tenant remains in possession of the Facilities, or any part thereof, after the expiration of the term hereof, such occupancy shall be a month-to-month tenancy upon all the terms hereof applicable to a month-to-month tenancy. The monthly installment of Base Rent shall increase to 110% of the monthly installment of Base Rent payable by Tenant at the rate prevailing as of the Termination Date, plus all other charges payable hereunder, calculated on a per diem basis (the greater of (a) or (b), the "Holdover Rent"). Tenant's payment of Holdover Rent, and Landlord's acceptance thereof, shall not constitute a waiver of any of Landlord's rights or remedies with respect to such holding over and shall not be deemed to be a consent by Landlord to Tenant's continued occupancy or possession of the Facilities past the time period covered by such rental payment. Any option(s) or right(s) of first refusal shall terminate upon termination or expiration of this Lease without further notice by Landlord.

**Section 4.08. Charter.** The Tenant covenants and agrees to use its best efforts to (a) maintain the charter granted for the School and (b) take any and all actions required to renew or extend the term of such charter for so long as any Bonds remain outstanding; provided, however, nothing herein shall preclude the Tenant from requesting that the authorizer of such charter be an authorizer other than the Charter Authorizer, as and to the extent permitted under applicable State of Nevada law. As soon as practicable, the Tenant covenants to provide the Trustee with a copy of any notice received from the Charter Authorizer and/or the State of Nevada or other authorizer of the charter relating to the State of Nevada's and/or other authorizer's intent not to renew or extend the term of any of the Tenant's charter or any notice of any issues which, if not corrected or resolved, could lead to termination or non-renewal of such charter.

**Section 4.09. Books and Records.** The Tenant covenants and agrees, at all times to keep, or cause to be kept, proper books of record and account, prepared based on a modified accrual basis for the interim and internal reporting and prepared in accordance with GAAP for annual reporting, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the Tenant. Such books of record and account shall be available for inspection by the Authority or the Trustee, and the duly authorized agents of any of them, at reasonable hours and under reasonable circumstances.

## ARTICLE V

### RENT AND OTHER PAYMENTS

**Section 5.01. Base Rent, Additional Rent, and Expenses.** Tenant shall pay, when due, all Base Rent, Additional Rent, Expenses and other charges as set forth in this Lease, without offset or other limit (except as otherwise provided in Section 5.03 below). Additional Rent, Expenses and other charges as set forth in this Lease shall be paid

directly by the Tenant. Amounts equal to Base Rent due under this Lease shall be paid to Landlord in lawful currency of the United States by wiring funds from the Blocked Account as set forth in Section 19.01 hereof. A schedule of the monthly Base Rent is set forth as Exhibit C to this Lease. Tenant shall be entitled to a five-day grace period to pay rent. The failure of Tenant to make any payment required under this Article V when due shall be deemed to be a default in payment of rent, which shall give Landlord all remedies under Nevada law relating to a default in payment of rent. Base Rent shall be payable to Landlord in advance on or before the thirtieth calendar day of each applicable calendar month. The first month's rent is due and payable on \_\_\_\_\_ 30, 2017, as set forth in Exhibit C attached hereto. Tenant may, at its option, prepay any or all portions of the Base Rent in advance of the due date ("Prepayment"). Any Prepayment will be applied as agreed upon by the Parties. Tenant's obligation to pay Additional Rent shall survive the termination of this Lease.

**Section 5.02. [Reserved].**

**Section 5.03. Payment of Additional Rent, Expenses.** During the term hereof, Tenant shall pay (a) the amount of all Expenses directly to the party to which such amounts are due; and (b) all Additional Rent to Landlord within five days after receiving an invoice from Landlord itemizing (with reasonable description) such Additional Rent. Notwithstanding the foregoing, if any Expense paid by Tenant in accordance with this Lease constitutes a repair or replacement expense for which Landlord is entitled to requisition payment from the Repair and Replacement Fund, Landlord shall submit a requisition for such Expense to the Trustee and upon Landlord's receipt of payment from the Trustee for such Expense, the amount received by Landlord shall be applied to reduce the amount of repair and replacement related Expenses next payable by Tenant to Landlord under this Section 5.03.

**Section 5.04. [Reserved].**

**Section 5.05. Partial Payments.** Tenant shall make all payments in full. Payment or receipt of a payment of less than the amount stated in the Lease or in Landlord's invoice shall be deemed to be nothing more than a partial payment on that month's account. Under no circumstances shall Landlord's acceptance of a partial payment constitute accord and satisfaction, nor will Landlord's acceptance of a partial payment forfeit Landlord's right to collect the balance due on the account. Landlord may accept any partial payment check with any conditional or restrictive endorsement or memorandum without prejudice to Landlord's right to recover the balance remaining due or to pursue any other remedy available under this Lease.

**Section 5.06. Late Charges.** Tenant hereby acknowledges that any late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Facilities. Accordingly, if any installment of rent or other sum due from Tenant shall not be received in full by Landlord or Landlord's designee within 5 days of

the date such amount is due, then Tenant shall pay to Landlord an amount equal to the costs incurred by Landlord directly as a result of such late payment. Any payments of any kind returned for insufficient funds will be subject to an additional handling charge of \$25.00, and thereafter, Landlord may require Tenant to pay all future payments of rent or other sums due by money order or cashier's check.

**Section 5.07. Personal Property Taxes.** Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and personal property located in the Facilities. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and personal property shall be assessed and taxed with the Facilities, Tenant shall pay to Landlord its share of such taxes within 10 days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's Property.

**Section 5.08. Budgeting Rent.** Tenant 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.

**Section 5.09. Property Tax.** Tenant will do, or cause to be done, all things required by the appropriate government authority to obtain and maintain exemption from payment of real property taxes.

## **ARTICLE VI**

### **USE OF FACILITIES AND PROPERTY FACILITIES**

**Section 6.01. Use.** Tenant shall use the Facilities solely for the purposes set forth in Section 1.08 and for no purpose inconsistent with that use unless the Parties agree in writing otherwise.

**Section 6.02. Compliance With Laws.** Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Facilities, excluding structural changes to the Facilities not related to or affected by Tenant's improvements or acts.

## **ARTICLE VII**

### **CONTINUING DISCLOSURE AGREEMENT; TAX CERTIFICATE**

**Section 7.01. Continuing Disclosure Agreement.** Tenant agrees to enter into the Continuing Disclosure Agreement.



**Section 7.02. Tax Certificate.** The Tenant agrees to comply with the provisions of the Tax Certificate, dated as of October \_\_, 2017, with respect to the Series 2017A Bonds, executed and delivered by the Authority, the Landlord and the Tenant, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof. This covenant shall survive payment in full or defeasance of the Financing.

**Section 7.03. Additional Reporting Requirements.**

(a) The Tenant agrees to provide the information described in Exhibit D hereto to the parties listed therein and on the dates listed therein. Upon the request of the Authority, the Tenant shall also provide to the Authority additional information concerning the operations, financial condition, the Project and any pending material transactions of the Tenant.

(b) The Tenant agrees to provide the Landlord and the Dissemination Agent with the rating agency's annual surveillance questionnaire with instructions to post to EMMA within 15 days of completion thereof.

**ARTICLE VIII**

**RESERVED**

**ARTICLE IX**

**PARTIES' REPRESENTATIONS AND WARRANTIES**

**Section 9.01. Representations of Each Party.** Each Party represents and warrants that:

(a) It is duly organized and in good standing under the laws of its jurisdiction of organization.

(b) It has been duly authorized by proper action of its Board of Directors (or, in the case of Landlord, its sole member) to execute and deliver this Lease, and perform the obligations contained herein.

**Section 9.02. Representations of Tenant Regarding the Financing.**

(a) ***Preservation of Tax-Exempt Status of Series 2017A Bonds.*** Tenant shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Series 2017A Bonds from the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Tenant shall execute such amendments hereof and supplements hereto (and shall comply with the provisions thereof) as requested by Landlord that are necessary to preserve such exclusion. This covenant shall survive payment in full or defeasance of the Financing.

(b) ***Tenant's Specific Representations and Warranties.*** Tenant represents, warrants and covenants that:

(i) its purposes, character, activities, and methods of operation have not changed materially since its organization and are not materially different from the purposes, character, activities, and methods of operation contemplated at the time of its application for determination by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code;

(ii) it has not operated, and will not operate, in a manner that would result in it being classified as an "action" organization within the meaning of Section 1.501(c)(3)-1(c)(3) of the Treasury Regulations, including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(iii) none of its directors, officers, organizers or incorporators, or any Person controlled by it, or any other Person having a private interest in the activities of it has acquired or received nor will such Persons be allowed to acquire or receive, directly or indirectly, without due compensation, goods, or services therefor, or any of the income or assets of Tenant, in any form;

(iv) Tenant will timely file with the Internal Revenue Service all returns required to be filed by it to maintain its status as an organization described in Section 501(c)(3) of the Code, following receipt of its determination letter from the Internal Revenue Service recognizing the Tenant as an organization described in Section 501(c)(3) of the Code, and such returns were substantially complete in accordance with the instructions therefor;

(v) Tenant has not devoted nor will it devote more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code;

(vi) Tenant has not taken any action, nor knows of the existence of any condition which would cause Tenant not to receive its determination letter from the Internal Revenue Service recognizing the Tenant as an organization described in Section 501(c)(3) of the Code or cause interest on the Series 2017A Bonds to be includable in the income of the recipients thereof for federal income tax purposes;

(vii) Tenant shall be organized and shall conduct its operations in such a manner so as to qualify it as an organization described in Section 501(c)(3) of the Code, and shall proceed with diligence to obtain its determination letter from the Internal Revenue Service recognizing the Tenant as an organization described in Section 501(c)(3) of the Code, and shall take all action required by the Internal Revenue Service to obtain such determination;

(viii) Tenant shall not (A) use the Facilities in any Unrelated Trade or Business, except where such use would not result in any of the Series 2017A

Bonds being treated as an obligation not described in Section 103(a) of the Code or (B) allow the Facilities to be used by any Person that is not a 501(c)(3) Organization or a Governmental Unit or by a 501(c)(3) Organization in an Unrelated Trade or Business, except where such use would not result in any of the Series 2017A Bonds being treated as an obligation not described in Section 103(a) of the Code. For purposes of this clause (viii), property is considered to be “used” by a Person if:

(A) it is sold or otherwise disposed of, or leased, to such Person;

(B) it is operated, managed, or otherwise physically employed, utilized, or consumed by such Person, excluding operation or management pursuant to an agreement which meets the guidelines set forth in Treasury Regulation Section 1.141-3(c), including any amendments or revisions thereto;

(C) capacity in or output or service from such property is reserved or committed to such Person under a take-or-pay, output, incentive payment, or similar contract or arrangement;

(D) such property is used to provide service to (or such service is committed to or reserved for) such Person on a basis or terms which are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally; or

(E) substantial benefits and burdens of ownership of such property are otherwise effectively transferred to such Person.

## ARTICLE X

### HAZARDOUS SUBSTANCES

**Section 10.01. Prohibition on Use in Facilities.** Tenant shall not introduce any Hazardous Material in, on or adjacent to the Facilities or the Facilities without complying with all applicable federal, state, and local laws, ordinances, rules, regulations, or policies relating to the release, storage, use, disposal, transportation or clean-up of Hazardous Substances, including, but not limited to, the obtaining of proper permits; provided that (a) the amount of such Hazardous Material does not exceed the normal and customary quantities necessary for the operation and maintenance of the Facilities in the ordinary course of Tenant’s business and operation of a public school; and (b) the use, storage and disposal of such Hazardous Material otherwise strictly complies with all applicable laws, ordinances, rules, regulations and policies. Tenant shall immediately notify Landlord of any release or any inquiry, test, investigation, or enforcement proceeding by or against Tenant or the Facilities concerning a Hazardous Material.

**Section 10.02. Emissions.** Tenant shall not, in violation of any federal, state or local laws, ordinances, rules, regulations or policies, discharge, emit or permit to be

discharged or emitted, any Hazardous Substances into the atmosphere, the ground or any body of water which is over, under or contiguous to the Facilities. If Tenant's release, storage, use, disposal or transportation of any Hazardous Material in, on or adjacent to the Facilities or the Facilities, or the soil or surface or groundwater in or about the Facilities, in violation of any such laws, ordinances, rules, regulations or policies, Tenant shall clean-up all such contamination at its expense.

**Section 10.03. Storage.** Subject to the uses permitted and prohibited to Tenant under this Lease, Tenant shall store all Hazardous Substances in appropriate leak proof containers.

**Section 10.04. Indemnification of Landlord.** Tenant shall indemnify and defend the Landlord and the Trustee from and against any loss, liability, claims, suits, causes of action, costs, fees, including reasonable attorneys' fees and costs, arising out of or in connection with any such contamination, loss or damage to persons or property, clean-up work, inquiry or enforcement proceeding caused by Tenant or Tenant's students, employees, officers, agents, volunteers or invitees, and any Hazardous Substances released, stored, used, disposed of, or transported by Tenant or its agents, employees, contractors, or invitees. Such indemnification shall extend to any fines, liens, injunctions, loss, liability, damage, expense or claim (including reasonable attorneys' fees) resulting from: (a) Tenant's breach of its covenants herein; or (b) any such Hazardous Substances that were brought, or permitted to be brought, onto the Facilities by Tenant. Tenant shall also defend and indemnify the Landlord and the Trustee from any loss, claim, liability or expense, including reasonable attorneys' fees, expert's fees, and costs, arising out of or in connection with its failure to observe or comply with the provisions of this Article X. Tenant's indemnification shall not extend to any costs or liabilities that Tenant may incur due to the negligence or willful misconduct of the Landlord or the Trustee or their respective agents, employees or contractors if any such party causes a release of Hazardous Substances on Facilities. Notwithstanding anything to the contrary in this Lease, Tenant's obligations under this Article X shall survive the termination of this Lease.

**Section 10.05. Indemnification of Tenant.** Landlord shall indemnify and defend and the Tenant from and against any loss, liability, claims, suits, causes of action, costs, fees, including reasonable attorneys' fees and costs, arising out of or in connection with any such contamination, loss or damage to persons or property, clean-up work, inquiry or enforcement proceedings and any Hazardous Substances released, stored, used, disposed of, or transported by Landlord or its agents, employees, contractors, invitees. Such indemnification shall extend to any fines, liens, injunctions, loss, liability, damage, expense or claim (including reasonable attorneys' fees) resulting from: (a) Landlord's breach of the foregoing representation; or (b) any such Hazardous Substances that were brought, or permitted to be brought, onto the Facilities by Landlord. Landlord shall also defend and indemnify the Tenant from any loss, claim, liability or expense, including reasonable attorneys' fees, expert's fees, and costs, arising out of or in connection with its failure to observe or comply with the provisions of this Article X. Landlord's indemnification shall not extend to any costs or liabilities that Landlord may incur due to the negligence or willful misconduct of the Tenant or its respective agents, employees or

contractors if any such party causes a release of Hazardous Substances on Facilities. Notwithstanding anything to the contrary in this Lease, the indemnification created hereby shall survive the termination or expiration of this Lease.

**Section 10.06. Information.** Tenant shall provide Landlord with any and all information regarding Hazardous Substances used, stored, released or observed by Tenant in the Facilities, or anywhere in or on the Facilities, including, without limitation, copies of all filings and reports to governmental entities at the time they are originated, and any other information requested by the Landlord. In the event of any accident, spill or other incident involving Hazardous Substances, Tenant shall immediately report the same to Landlord and supply Landlord with all information and reports with respect to the same. All information described herein shall be provided to Landlord regardless of any claim by Tenant that such information is confidential or privileged.

**Section 10.07. Compliance with Law.** Notwithstanding any other provision in this Lease to the contrary, Tenant shall comply with all laws, statutes, ordinances, regulations, rules and other governmental requirements in complying with its obligations under this Lease, including, without limitation, those relating to the storage, use and disposal of Hazardous Substances.

## **ARTICLE XI**

### **DISPOSAL OF WASTE**

**Section 11.01. Refuse Disposal.** Tenant shall not keep any trash, garbage, waste or other refuse on the Facilities except in appropriate leak proof containers. Tenant shall regularly and frequently remove such trash, garbage, waste or other refuse from the Facilities in accordance with any procedures, rules and regulations established by Landlord for refuse and rubbish removal. Tenant shall keep all containers or other equipment used for storage or disposal of such materials in a clean and sanitary condition.

**Section 11.02. Sewage Disposal.** Tenant shall properly dispose of all sanitary sewage and shall not use the sewage disposal system for the disposal of anything except sanitary sewage not in excess of the amount reasonably contemplated by the uses permitted under this Lease or permitted by any governmental entity, whichever is less. Tenant shall keep the sewage disposal system free of all obstructions and in good operating condition.

**Section 11.03. Disposal of Other Waste.** Tenant shall properly dispose of all other waste or other matter delivered to, stored upon, located upon or within, used on, or removed from, the Facilities in such a manner that it does not, and will not, adversely affect the: (a) health or safety of persons, wherever located, whether on the Facilities or elsewhere; (b) condition, use or enjoyment of the Facilities or any other real or personal property, wherever located, whether on the Facilities or anywhere else; or (c) Facilities or any of the improvements thereto or thereon including buildings, foundations, pipes, utility lines, landscaping or parking areas.

## ARTICLE XII

### SERVICES AND UTILITIES

**Section 12.01. Limitation of Landlord's Liability.** Landlord shall not be liable for any losses, whether direct or consequential, arising from any interruption in any utility or service, including, without limitation, any business interruption or data loss, resulting from an interruption in electrical service. The foregoing sentence shall not apply if such interruption is caused by Landlord's intentional conduct, negligence or breach of any repair or maintenance obligations expressly set forth in this Lease.

## ARTICLE XIII

### REPAIRS AND MAINTENANCE

**Section 13.01. Structural Maintenance and Repairs.** Tenant shall maintain in good condition and repair or, when necessary, replace the roof, foundations, and structural portions of the buildings and the Facilities, including the exterior and interior walls, mechanical and building systems, the unexposed electrical, plumbing and sewage systems, including those portions of the systems lying outside the Facilities, gutters and down spouts, and the heating, ventilating and air conditioning systems. Tenant shall maintain all necessary reserves, including the amounts held in the Repair and Replacement Fund, for replacement of such items.

**Section 13.02. Seismic and Structural Work; ADA.** Tenant shall be responsible for all costs associated with compliance with requirements of the Americans with Disabilities Act (42 U.S.C. §§12101 et seq.) ("ADA") or seismic requirements arising from Tenant's alterations following initial construction of the Facilities including, without limitation, installation of improvements, change of use, or remodeling or reconfiguring portions of the Facilities, which give rise to or which cause the compliance to be required. Tenant hereby acknowledges that the Facilities have not undergone an inspection by a certified access specialist as of the date hereof.

**Section 13.03. Tenant's Additional Obligations.** Except as provided herein, Tenant shall, at Tenant's sole cost and expense, maintain all parts of the Facilities in good, clean and secure condition and repair including, without limitation, any necessary repairs and/or alterations with respect to: (a) any carpet or other floor covering; (b) any interior wall surfaces or partitions; (c) any doors, locks, interior windows; (d) all plumbing, plumbing fixtures, pipes, pipe fixtures, electrical wiring, switches and any and all other fixtures; (e) all standard building furnishings and special items and equipment installed by or at the expense of Tenant; (f) any telephone and computer or data cabling that serves Tenant's equipment exclusively; (g) all private showers and kitchens, including any plumbing in connection therewith; and (h) any alterations, additions or improvements performed or caused to be performed by Tenant, including, without limitation, any costs, repairs or maintenance associated with the ADA, seismic laws, asbestos abatement laws, or any other law, ordinance, code or other governmental act requiring any repair, maintenance or remediation in the Facilities, regardless whether such requirements exist

as of the Commencement Date or arise due to new laws, rules, or regulations enacted after the Commencement Date.

**Section 13.04. Repairs and Alterations Necessitated by Tenant's Acts.** In addition to the foregoing, Tenant shall be responsible for all repairs and alterations in and to the Facilities and the Facilities, as well as any facilities and systems thereof, the need for which arises out of: (a) Tenant's use or occupancy of the Facilities, including, but not limited to, any repairs or alterations required as a result of or incident to the application of any law, including, but not limited to, the ADA, to Tenant's use of the Facilities; (b) the installation, removal, use or operation of Tenant's Property in the Facilities; (c) the moving of Tenant's Property into or out of the buildings; or (d) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

**Section 13.05. Landlord's Rights.** If Tenant fails to perform Tenant's obligations under this or any other Section of this Lease after 30 days' written notice from Landlord, Landlord may at its option (but shall not be required to) enter upon the Facilities after 24 hours' prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the annual rate of 10% (not to exceed the maximum rate permitted under Nevada law) shall become due and payable as Additional Charges together with Tenant's next installment. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Facilities by Tenant as a result of performing any such work.

## **ARTICLE XIV**

### **ALTERATIONS, ADDITIONS OR IMPROVEMENTS**

**Section 14.01. Landlord's Obligation.** Unless specifically provided in this Lease, Landlord shall have no obligation to construct or install any improvements in the Facilities, nor shall Landlord be obligated to contribute to the cost or expense of any improvements, including improvements or alterations required by the ADA or seismic requirements or any other applicable law, unless such improvements are part of the Project, in which case the Landlord shall construct or install such improvements.

**Section 14.02. Tenant's Obligation.** Without the prior written consent of Landlord, Tenant shall not make or suffer to be made any alterations, additions or improvements to the Facilities or any part thereof. If Tenant desires to make any alterations, additions or improvements in the Facilities, Tenant shall first deliver plans to Landlord for review. Landlord shall have 20 days to review Tenant's plans after they have been submitted to Landlord for review. In the event Landlord does not respond to Tenant within 20-day period, Tenant's proposed alterations, additions or improvements shall be deemed approved by Landlord. Tenant shall reimburse Landlord for Landlord's out-of-pocket costs of reviewing Tenant's plans, including without limitation, contractor and attorneys' fees. All work done by Tenant with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and

licensed personnel approved by Landlord, in writing, prior to commencement of the work, and such work shall be diligently completed. In the event Landlord consents to the making of any alterations, additions or improvements to the Facilities by Tenant, these shall be made by Tenant at Tenant's sole cost and expense and must be done in accordance with all applicable laws, including, but not limited to, any work or improvements under the ADA and applicable provisions of Title 24 of the United States Code which are required incident to, as a condition of, or as a result of any alterations, improvements, or additions installed or constructed by Tenant, regardless whether such work must be conducted within or outside of the Facilities. Tenant acknowledges that Landlord has made no representation or warranty regarding the ability of Tenant to obtain permits or approval to install any additions or improvements in the Facilities, nor has Landlord made any representation or warranty regarding the anticipated cost of any addition or improvement, all of which Tenant agrees shall be the responsibility of Tenant to fully investigate at Tenant's sole cost and expense.

**Section 14.03. Indemnification Regarding Work Performed.** Tenant shall keep the Facilities free and clear of any liens of any kind, and Tenant shall indemnify and defend the Trustee and Landlord from all liability, loss damage, costs, attorneys' fees and any other expenses incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant, except for any claims caused by the negligence or willful misconduct of the Trustee or Landlord.

**Section 14.04. No Removal of Tenant Improvements and Fixtures.** Subject to Section 14.05 below, (i) any alterations, additions or improvements to the Facilities, including but not limited to wall covering, paneling, and built-in cabinet work, but excepting movable furniture and trade fixtures, shall on the expiration of the Term become a part of the Facilities and at that time shall be and become the property of Landlord and shall be surrendered with the Facilities; and (ii) upon the expiration or sooner termination of the Term, Landlord may, by written notice, require Tenant, at Tenant's sole cost and expense, forthwith and with all due diligence to remove any and/or all alterations, additions, or improvements made by Tenant and return Facilities to its original condition (which may include removal of telephone and network wiring); and Tenant shall, no later than 10 days after termination, and with all due diligence at its sole cost and expense, repair any damage to the Facilities caused by such removal.

**Section 14.05. Removal of Trade Fixtures and Personal Facilities.** Tenant's Property shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Facilities resulting from such removal.



## ARTICLE XV

### INSURANCE

#### Section 15.01. Tenant's Insurance.

(a) Tenant covenants and agrees that it will keep (or cause to be kept) property insurance (including builder's all-risk insurance, if applicable) against loss or damage to any structure constituting any part of the Facilities 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 lesser of (i) 100% of the replacement cost (without depreciation) of all improvements constituting any part of the Facilities; or (ii) the principal amount of the Bonds then Outstanding, and shall be subject to a deductible not to exceed \$100,000.

(b) Tenant covenants and agrees to procure and maintain (or cause to be procured and maintained), throughout the term of this Lease, rental interruption insurance to cover loss, total or partial, of rental income to Tenant for any reason whatsoever, in an amount equal to \$ \_\_\_\_\_. Proceeds of such insurance shall be deposited into the Revenue Fund.

(c) Tenant covenants and agrees to procure and maintain (or cause to be procured and maintained), at all times, liability insurance in amounts which are customarily carried and against such risks as are customarily insured against by other charter schools in connection with the operation of facilities of similar character and size to the Facilities.

(d) The insurance required to be maintained pursuant to clause (c) above may include alternative risk management programs, including adequate self-insurance. A self-insurance program shall be considered to be adequate if Tenant is required under the program to deposit and maintain in a separate trust account, established for such purpose with a financial institution having trust powers, money in an amount sufficient, in the opinion of an independent consulting actuary, to pay claims up to the amount of the Landlord's or the Tenant's retained liability and to pay anticipated claims expense:

(i) Tenant has received a report from its consulting actuary concerning the program, including the Tenant's obligation to deposit money into the trust as required and such report has been filed with the Authority (if requested by the Authority) and the Trustee; the actuary must be a fellow in the Society of Actuaries;

(ii) the program provides for the administration and payment of claims to the extent of the Tenant's retained liability;

(iii) the program requires that the self-insurance plan be reviewed at least annually by an independent consulting actuary to determine the required

amount of additional deposits into the trust or those amounts which Tenant may withdraw from the trust and that a copy of the consulting actuary's annual review shall be filed with the Authority (if requested by the Authority) and the Trustee; and

(iv) the program requires that Tenant purchase and maintain in effect excess coverage sufficient in amount so that the Landlord's retained liability and other excess coverage equals the minimum amount of coverage required hereunder for the type of coverage as to which Tenant intends to act or is acting as a self-insurer.

(e) An Independent Consultant shall review the insurance requirements set forth herein with respect to the Facilities from time-to-time (but not less frequently than once every five years) commencing October 1, 2022. If such review indicates that Tenant should increase any of the coverages required by this Section of this Lease, Tenant shall review such recommendation with the Tenant, and shall increase such coverage; provided, however, that such coverage is available from Reputable Insurance Companies at a reasonable cost on the open market. Tenant shall deliver a copy of any review it receives from the Independent Consultant pursuant to this Section to the Trustee within 5 Business Days of the Tenant's receipt thereof.

(f) Tenant shall at all times comply with the Workers' Disability Compensation Act of the State of Nevada, or any successor statute or statutes, including procuring and maintaining workers' compensation insurance necessary to comply with State of Nevada law.

(g) Tenant hereby covenants that it will use its best efforts to apply for, any grants, loans or other relief available from the State of Nevada or federal government, beneficial to the Tenant, in its sole discretion, to obtain amounts necessary to rebuild any portion of the Facilities destroyed or damaged in connection with an uninsured or underinsured calamity causing destruction or damage.

#### **Section 15.02. Reserved.**

#### **Section 15.03. Insurers; Policy Forms and Loss Payees; and Notice of Cancellation.**

(a) The insurance policies required of Tenant hereunder shall be carried by a Reputable Insurance Company which is financially responsible and capable of fulfilling the requirements of such policies. All such policies shall name Landlord, Tenant and the Trustee as insured parties, beneficiaries or loss payees as their interest may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved; and Tenant or Landlord shall give at least 30 days' written notice to the Trustee following Tenant's or Landlord's receipt of notice from the applicable insurer of any cancellation or substantial modification of the policy provisions. In lieu of separate policies, Landlord or Tenant may maintain blanket policies which cover any one or more risks required to be insured against so long as the

minimum coverages required herein are met. The Tenant shall a certificate which complies with Section 1.02 of the Indenture at least annually, commencing on the Closing Date, to the Trustee certifying that insurance is in place which complies with this Article XV.

(b) No policy of insurance required of Tenant hereunder shall be cancelable or subject to reduction of coverage or other material modification except after 30 days' prior written notice thereof to Landlord. In the event of such cancellation or reduction of coverage, the Party responsible for such coverage, within fifteen days prior to the cancellation or modification of such policy, shall furnish the other Party with a renewal or replacement policy so that at all times, the insurance coverage required of Tenant hereunder shall be maintained. If Tenant shall fail to procure and maintain such insurance, Landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant.

**Section 15.04. Waiver of Subrogation.** Without affecting any other rights or remedies, Tenant and Landlord 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 Landlord or Tenant, as the case may be, so long as the insurance is not invalidated thereby.

## ARTICLE XVI

### INDEMNIFICATION

**Section 16.01. Tenant's Obligation.** Tenant shall indemnify, protect and defend, the Trustee and Landlord against and from liability, claims, actions, or proceedings of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (a) Tenant's use and occupancy of the Facilities, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Facilities; (b) any breach or default by Tenant of any of Tenant's obligations under this Lease; (c) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors; or (d) theft by Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel selected by Landlord (subject to approval of applicable insurer(s) which have accepted coverage unconditionally and without reservation), defend the Trustee and Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorney's fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Facilities from any cause except for risk resulting from the Trustee or Landlord's intentional or negligent conduct, or as is otherwise imposed by operation of law.

**Section 16.02. Landlord's Obligation.** As material consideration to Landlord, Tenant agrees that Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's Property from any cause, and Tenant waives all claims against Landlord for damage to persons or property arising for any reason, except for damage resulting directly and solely from Landlord's intentional or negligent conduct or breach of its express obligations under this Lease which Landlord has not cured within a reasonable time after receipt of written notice of such breach from Tenant.

**Section 16.03. Tenant Indemnification of Authority and Trustee; Acknowledgement of Joint and Several Obligation.** In addition to the foregoing, Tenant agrees to indemnify the Authority and the Trustee, which obligation shall survive termination of this Lease.

## ARTICLE XVII

### DAMAGE OR DESTRUCTION

**Section 17.01. Partial Damage – Insured.** In the event of damage to the Facilities that is caused by any casualty which is covered under an insurance policy required to be maintained under this Lease, then Landlord shall diligently commence and execute repair of such damage upon receipt from the insurer of the proceeds, but only to the extent of proceeds actually received by Landlord, and any monies voluntarily deposited by Tenant, and this Lease shall continue in full force and effect.

**Section 17.02. Partial Damage – Uninsured.** In the event of damage to the Facilities which is caused by a casualty not covered under an insurance policy required by this Lease, or for which there is a dispute with an insurer regarding coverage, except those caused by a negligent or willful act or omission of Tenant, Tenant may, at Tenant's option, either:

- (a) if such damage materially interferes with Tenant's use and quiet enjoyment of the Facilities, terminate the Lease effective on the date of the damage; or
- (b) give written notice to Landlord within 30 days after the date of occurrence of such damage requiring Landlord to rebuild the Facilities, in which event this Lease shall continue in full force and effect, and Landlord shall diligently commence and execute such repairs.

**Section 17.03. Total Destruction.** If the Facilities are totally destroyed during the Term from any cause whether or not covered by the insurance required under this Lease (including any destruction required by any authorized public authority), Tenant may terminate this Lease as of the date of such total destruction.

**Section 17.04. Limitation on Right to Terminate.** Notwithstanding Sections 17.02 and 17.03 hereof, this Lease shall only terminate under the circumstances set forth in such Sections if Landlord has no duty to repair and/or rebuild.

**Section 17.05. Damage Near End of the Term.** If the Facilities are partially destroyed or damaged during the last six months of the Term, either Party to this Lease may terminate this Lease as of the date of occurrence of such damage by giving written notice to the other of such election to do so within 30 days after the date of occurrence of such damage.

**Section 17.06. Tenant's Improvements and Property.** Landlord shall not be required to repair or replace any alterations, improvements, or additions installed in the Facilities by Tenant, any personal property owned by Tenant or Tenant's Parties, or any improvements or additions subject to reimbursement by Tenant for which full payment has not been made.

**Section 17.07. Abatement of Rent, Tenant's Remedies.** If the Facilities are partially destroyed or damaged, the Rent payable hereunder shall be abated in proportion to the extent to which Tenant's use of the Facilities is impaired. Except for abatement of Rent, if any, or to the extent that such casualty is caused by Landlord's gross negligence or willful misconduct, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

**Section 17.08. Waiver of Inconsistent Statutes.** Landlord and Tenant agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Facilities with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

## **ARTICLE XVIII**

### **CONDEMNATION**

**Section 18.01. Eminent Domain.** If the Facilities or any portion thereof are taken under the power of eminent domain, or sold by Landlord to a public authority under the threat of the exercise of such power (all of which is herein referred to as "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If all portions of the Facilities necessary for reasonable access thereto or so much of the Facilities is taken by condemnation that Tenant cannot operate the School in a manner sufficient to operate the School and pay Base Rent hereunder, as may be modified by Section 18.03 hereof, either Landlord or Tenant may terminate this Lease, as of the date the condemning authority takes possession, by notice in writing of such election within 20 days after Landlord shall have notified Tenant of the Condemnation, or in the absence of such notice then within 20 days after the condemning authority shall have taken possession.

**Section 18.02. Awards.** All awards for the taking of any part of the Facilities or any payment made under the threat of the exercise of compensation for diminution of value of a leasehold or for the taking of the fee or as severance damages shall be payable to Landlord; provided, however, that Tenant shall be entitled to any award for loss of or damage to Tenant's trade fixtures and removable personal property.

**Section 18.03. Lease Continues.** If this Lease is not terminated by either Landlord or Tenant then it shall remain in full force and effect as to the portion of the Facilities remaining, provided the Base Rent shall be reduced in proportion to the value of the Facilities or Facilities taken by Condemnation; but only if an award paid to Landlord. In the event this Lease is not so terminated then Landlord shall, at Landlord's sole cost, but only to the extent of compensation or severance damages actually received by Landlord in connection with such condemnation, restore the Facilities or Facilities, as applicable, to the quality and character as existed prior to the condemnation as soon as reasonably possible. Tenant shall pay any amount in excess of such severance damages required to complete such repair.

## **ARTICLE XIX**

### **COVENANTS**

**Section 19.01. Deposit of Certain Gross Income of the School into Blocked Account for Payment of Base Rent.** Tenant hereby agrees to establish and maintain with ZB National Association dba Zions Bank a bank deposit account that is a blocked account (the "Blocked Account") with standing instructions and direction to the commercial bank for the payment of Base Rent set forth in Exhibit C to this Lease from the Blocked Account in accordance with such instructions and directions. The Tenant covenants and agrees to immediately deposit into the Blocked Account that portion of the Gross Income of the School that is otherwise paid to Tenant from the State of Nevada. The title to the Blocked Account shall be in the Tenant, provided however, any changes to the standing instructions and directions to the commercial bank shall require the written authorization of both the Landlord and the Tenant. Immediately, following the payment of Base Rent and certain Additional Rent pursuant to such standing instructions and direction, the commercial bank shall have standing instructions to transfer the balance of all moneys remaining in the Blocked Account to a separate deposit account established by the Tenant, in its sole discretion, with a commercial banking or other financial institution. The failure of the Tenant to maintain the Blocked Account shall be deemed to be a default hereunder.

**Section 19.02. Limitation on Liens and Security Interests on Gross Income of the School Deposited in Blocked Account.** Except as otherwise set forth herein, Tenant covenants and agrees that it will not create, assume or suffer to exist any Lien or security interest upon the Gross Income of the School in the Blocked Account without the prior written consent of the Landlord; provided, however, following the release of moneys out of the Blocked Account in accordance with the preceding section, Tenant shall be entitled to have created or assumed liens or security interests in such released moneys.

**Section 19.03. Liquidity Covenant.** Tenant hereby covenants and agrees that Tenant will maintain Days Cash on Hand (as defined below) for the School, equal to at least 45 days. Tenant will provide the Trustee, for dissemination to the Holders, pursuant to Exhibit E hereto, and the Underwriter, within 60 days of each Testing Date, commencing June 30, 2018, with a certificate stating the Days Cash on Hand as of the applicable Testing Date, based on unaudited financial information. The duty of the

Trustee with respect to such certificate shall be limited to the receipt and dissemination thereof.

As used herein, “Days Cash on Hand” means as of any date of determination, the product of 365 times a fraction, (a) the numerator of which is the aggregate amount of the School’s (i) unrestricted cash, (ii) unrestricted investments, and (iii) board designated funds that are not otherwise restricted (either permanently or temporarily) as to their use and unrestricted receivables due from State of Nevada, federal or local governmental sources less amounts owed to a lender of short-term debt secured by such receivables; and (b) the denominator of which is total Operating Expenses of Tenant, in each case, for the period of four fiscal quarters ended on the applicable Testing Date, and determined in accordance with generally accepted accounting principles.

**Section 19.04. Failure To Meet the Liquidity Covenant.** If on any Testing Date, the Days Cash on Hand required in Section 19.03 hereof has not been met, thereafter, on an annual basis, Tenant shall retain 50% of the Excess Net Income of the School until such time as Tenant is in compliance with the Days Cash on Hand required in Section 19.03 hereof; provided, however, that Tenant is not required to retain an amount which would cause it to exceed the Days Cash on Hand required in Section 19.03 hereof. The Tenant’s failure to meet the Days Cash on Hand requirement in Section 19.03 hereof within 12 months of the Tenant’s initial failure to meet the Days Cash on Hand required in Section 19.03 shall be an Event of Default hereunder.

**Section 19.05. Engagement of Independent Management Consultant Following Failure To Meet Liquidity Covenant.** If on any Testing Date, Tenant is unable to meet the Days Cash on Hand required in Section 19.03, the Beneficial Owners of a majority of the Outstanding Bonds shall have the right to direct the Trustee to require the Tenant to engage, at Tenant’s expense, an Independent Management Consultant, acceptable to such Beneficial Owners, to deliver a written report to the Beneficial Owners, the Trustee, the Authority, Landlord and Tenant within 75 days following Tenant’s engagement of the Independent Management Consultant containing recommendations concerning Tenant with respect to the School’s:

- (a) operations;
- (b) financing practices and activities, including Short-Term Indebtedness, lease financing and investment activities;
- (c) management practices, including use of consultants, budgeting practices, and on-going financial systems and monitoring of Tenant’s financial condition with respect to the School;
- (d) governance and administrative practices; and
- (e) other factors relevant to maintaining compliance with the requirements under Section 19.03 hereof.

Upon submission of the Independent Management Consultant's report, Tenant shall arrange for payment of the amount owed to the Independent Management Consultant and, within 30 days following receipt of the Independent Management Consultant's report, issue a written certificate to the Holders of the Outstanding Bonds, the Trustee, the Authority, the Trustee and Landlord indicating Tenant's acceptance or rejection of all or any material portion of the Independent Management Consultant's recommendations. Notwithstanding the foregoing, the Beneficial Owners of a majority of the Outstanding Bonds shall have the right to demand Tenant comply with any reasonable recommendation of the Independent Management Consultant with respect to items set forth in Sections 19.05(a) through 19.05(e) above, and Tenant's failure to comply with such demands shall be an Event of Default hereunder.

#### **Section 19.06. Coverage Ratio.**

(a) Tenant shall deliver within 60 days of each Testing Date, commencing June 30, 2018, to the Landlord, the Trustee and the Underwriter a certificate stating the Coverage Ratio for the Fiscal Year then ended based on unaudited financial information. The Coverage Ratio shall be at or above 1.20 for any Fiscal Year.

(b) The Trustee shall notify Holders of the Outstanding Bonds if the Coverage Ratio is below 1.20.

(c) If such Coverage Ratio is below 1.20, but above 1.0 on any Testing Date, the Beneficial Owners of a majority of the Outstanding Bonds shall have the right to direct the Trustee to require the Tenant to engage, at Tenant's expense, an Independent Management Consultant, acceptable to such Beneficial Owners, to deliver a written report to the Beneficial Owners, the Trustee, the Authority, Landlord and Tenant within 75 days following Tenant's engagement of the Independent Management Consultant containing recommendations concerning Tenant with respect to the School's:

(i) operations;

(ii) financing practices and activities, including Short-Term Indebtedness, lease financing and investment activities;

(iii) management practices, including use of consultants, budgeting practices, and on-going financial systems and monitoring of Tenant's financial condition with respect to the School;

(iv) governance and administrative practices; and

(v) other factors relevant to maintaining compliance with the Coverage Ratio requirements under this Section 19.06.

Upon submission of the Independent Management Consultant's report, Tenant shall arrange for payment of the amount owed to the Independent Management Consultant and, within 30 days following receipt of the Independent Management Consultant's report, issue a written certificate to the Holders of the Outstanding Bonds, the Trustee, the Authority, the Trustee and Landlord indicating Tenant's acceptance or



rejection of all or any material portion of the Independent Management Consultant's recommendations. Notwithstanding the foregoing, the Beneficial Owners of a majority of the Outstanding Bonds shall have the right to demand Tenant comply with any reasonable recommendation of the Independent Management Consultant with respect to items set forth in Sections 19.06(c)(i) through 19.06(c)(v) above, and Tenant's failure to comply with such demands shall be an Event of Default hereunder.

(d) If the Coverage Ratio falls below 1.0, an event of default hereunder shall be deemed to have occurred.

(e) As used herein, "Coverage Ratio" means, for the indicated period, the ratio obtained by dividing (i) the School's Net Income Available for Debt Service, in aggregate, for the prior Fiscal Year by (ii) aggregate Rent hereunder.

**Section 19.07. Rating Maintenance.** Tenant covenants that it will at all times cooperate with and take all action reasonably necessary to assist Landlord in maintaining, from one or more Rating Agencies, a rating on the Bonds.

**Section 19.08. Annual Investor Call.** Each year, commencing with the Fiscal Year ending June 30, 2018, Tenant shall hold an annual investor call following the release of its audited financial statements for the immediately preceding Fiscal Year for the purpose of reviewing financial results of such Fiscal Year. Such investor call shall be held within eight months of the close of the Fiscal Year and notice of such call shall be filed on the MSRB's Electronic Municipal Market Access (EMMA) website not less than seven days prior to the date of the investor call (see Exhibit F hereto).

Notice of such call shall be provided to the MSRB in the manner prescribed hereunder in advance of such call. If Tenant does not conduct the investor call contemplated by this section it shall not constitute an Event of Default hereunder, shall not give rise to a requirement to provide notice to the MSRB or otherwise, and shall not provide a basis for any remedy or enforcement action hereunder.

## ARTICLE XX

### ASSIGNMENT AND SUBLETTING

**Section 20.01. Assignment by Tenant.** Except as provided below, Tenant shall not mortgage, pledge, hypothecate or encumber this Lease or any interest therein. Tenant shall not assign this Lease or sublet, or suffer any other person (the agents and servants of Tenant excepted) to occupy or use, the Facilities, or any part thereof, or any right or privilege appurtenant thereto without the prior written consent of the Landlord first had and obtained, which consent shall not unreasonably be withheld or delayed. Landlord's consent to one assignment or subletting shall not be deemed to be a consent to any subsequent assignment or subletting, nor shall Landlord's consent release Tenant from any of its obligations under this Lease unless such consent expressly so provides. Any assignment, subletting, occupation or use without the consent of Landlord shall be void and, at the option of Landlord, shall terminate this Lease. Notwithstanding anything to the

contrary herein, Tenant shall have the right to assign this Lease or sublet the Facilities to any person or entity that controls, is controlled by or under common control with Landlord or Tenant, including a supporting organization of Tenant, in either case subject to Tenant's general supervision and control. In no event shall such an assignment or subletting release Tenant for any of its obligations under this Lease.

(a) Except as provided in this Section, no interest of Tenant in this Lease shall be assignable by involuntary assignment through operation of law (including without limitation the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment: (i) if Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes proceedings under the Bankruptcy Act in which Tenant is the bankrupt; or if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; or (ii) if a writ of attachment or execution is levied on this Lease; or (iii) if in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Facilities. An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

(b) No subletting or assignment (other than as expressly provided in Section 20.01 hereof) shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Landlord's consent to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting, nor shall Landlord's consent release Tenant from any of its obligations under this Lease unless such consent expressly so provides. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor.

(c) Either Party may request of the other Party permission to lease or sublease, as the case may be, to a third party certain areas of the Facilities for use outside of regular school hours or that otherwise operates in conjunction with Tenant. Upon such a request by either Party, the Parties agree to discuss in good faith the viability and terms of any such lease or sublease; provided, however, that either Party may deny such a request in its sole and absolute discretion.

**Section 20.02. Assignment by Landlord.** Other than assignment to a lender (including to the Trustee for the Financing), to which Tenant hereby consents, or by the terms of applicable law, the Landlord shall not assign this Lease in whole or in part to any other party, without providing Tenant with prior written notice.

## ARTICLE XXI

### DEFAULT

**Section 21.01. By Tenant.** The occurrence of any one or more of the following events shall constitute a default and breach of the Lease by Tenant.

(a) the Abandonment of the Facilities by Tenant (it being understood that closure of the School for periods of School holidays and summer breaks does not constitute abandonment);

(b) the failure of Tenant timely to vacate and surrender possession of the Facilities upon termination or expiration of Tenant's right thereto or expiration or termination of this Lease;

(c) the failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant to Landlord hereunder, as and when due, where such failure shall continue for a period of 10 business days after written notice thereof by Landlord to Tenant;

(d) the failure of Tenant to perform any obligation owing to Landlord under this Lease or any other agreement or contract between Landlord and Tenant or to which this Lease are expressly made subject, as and when such payment or performance is due (taking into account any applicable notice and/or grace periods);

(e) becoming insolvent as defined by applicable Nevada law; or the making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Facilities or of Tenant's interest in this Lease, where possession is not restored to Tenant within 30 days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Facilities or of Tenant's interest in this Lease, where such seizure is not discharged in 30 days;

(f) the failure of Tenant to timely observe or perform any other covenant, condition or provision of this Lease, and such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion;

(g) except as set forth in Section 4.02 hereof, the failure of Tenant to maintain the charter to operate the School in the Facilities or otherwise comply with the requirements of the Charter Schools Act and such failure continues for a period of 30 days after written notice thereof by the Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are required for its cure,

then Tenant shall not be deemed to be in default if Tenant commences such cure within 30-day period and thereafter diligently prosecutes such cure to completion;

(h) the occurrence of an Event of Default as described in Sections 19.05 and 19.06 hereof; or

(i) the failure of Tenant to meet the Days Cash on Hand required in Section 19.03 hereof, within 12 months following its initial non-compliance with Section 19.03 hereof.

**Section 21.02. By Landlord.** The failure by Landlord to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Landlord shall constitute a default and breach of the Lease by Landlord where such failure shall continue for a period of 30 days after written notice thereof by Tenant unless such failure shall materially prevent Tenant's use and quiet enjoyment of the Facilities, in which case the period shall be five days (a "Material Quiet Enjoyment Default"). By way of illustration, conditions which shall constitute a Material Quiet Enjoyment Default shall include: (a) a complete failure of electrical power caused by a malfunction of equipment which Landlord is obligated to maintain, but not by reason of conditions beyond Landlord's control, such as a so-called "rolling blackout," a general loss of power to the Facilities; and (b) a collapse or failure of all or substantially all of the roof over the Facilities, but not simply a leak which admits water in quantities small enough to be captured and contained in a bucket, drum or other vessel pending repairs. If the nature of Landlord's performance is such that it cannot reasonably be completed within such 30 or five days, as applicable, then Landlord shall not be deemed to be in default if Landlord shall commence and diligently execute such acts within the period herein set forth.

## ARTICLE XXII

### REMEDIES IN DEFAULT

**Section 22.01. Liability of Tenant.** In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand, and without limiting any right or remedy which Landlord may have by reason of such default or breach, now or later allowed by law, exercise any such right or remedy including but not limited to:

(a) recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to: the cost of recovering possession of the Facilities; expenses of re-letting, including broker's commissions and necessary renovation and alteration of the Facilities, the remaining unamortized value of any improvement made to the Facilities for Tenant for which Landlord paid and any brokerage commission paid in connection with this Lease, amortized over the life of the Term; consequential damages, including damages caused by the loss of a new tenant which is caused by reason of delay in Tenant's surrender of possession or loss of financing which is caused by Tenant's delay in execution of an estoppel certificate or subordination agreement;

(b) terminate Tenant's right to possession of the Facilities by any lawful means and by providing no less than 90 days' written notice ("Termination Notice Period"), in which case this Lease shall terminate on the last day of the Notice Period and Tenant shall immediately surrender possession of the Facilities to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Facilities; expenses of re-letting, including necessary renovation and alteration of the Facilities, reasonable attorney's fees, any real estate commission actually paid; and the worth at the time of award of the amount by which the unpaid Base Rent and Additional Charges for the balance of the Term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided;

(c) maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Facilities. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Base Rent Additional Rent, Additional Charges, Expenses, and any other payments due Landlord under this Lease as the same become due hereunder; and

(d) pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the State of Nevada.

**Section 22.02. Liability of Landlord.** Except as set forth in Article IV, Landlord's liability to Tenant shall be limited to a partial or total abatement of Base Rent or Expenses based upon the level to which Tenant's quiet enjoyment of the Facilities is prevented by Landlord's default or the reasonable amount advanced by Tenant to cure the Landlord default; provided, however, that in the event damage to Tenant or Tenant's Property results from Landlord's willful misconduct or grossly negligent acts or omissions or breach of its express obligations under this Lease which Landlord has not cured within a reasonable time after receipt of written notice of such breach from Tenant, Tenant shall have the right to pursue payment for the costs resulting from such damage under any of Landlord's applicable insurance policies. Except as otherwise provided expressly herein, Landlord shall not be liable to Tenant, or anyone claiming through or on behalf of Tenant, for any special, indirect or consequential damages, including, without limitation, lost profits or revenues. In no event shall any individual partner, officer, shareholder, trustee, beneficiary, director, manager, member or similar party, of either Party be liable to the other Party, or anyone claiming by through or under the other Party for the performance of or by a Party under this Lease or any amendment, modification or agreement with respect to this Lease. In all other cases, Tenant is entitled to pursue any remedy now or hereafter available under the laws or judicial decisions of the State of Nevada including terminating this Lease.

## ARTICLE XXIII

### SUBORDINATION

**Section 23.01. Delivery of Subordination Documents.** Tenant covenants and agrees to execute and deliver, within 10 days of written demand from Landlord, and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Lease as the Landlord may require.

**Section 23.02. Subordination.** Upon written request of the Landlord Tenant will in writing subordinate its rights hereunder.

**Section 23.03. Lease Is Subject To Deed of Trust.** Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, and at the election of Landlord or the beneficiary under the Deed of Trust, this Lease shall be subject and subordinate at all times to the lien of the Deed of Trust. In the event that the Deed of Trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor-in-interest to Landlord, at the option of such successor-in-interest. Provided, however, that notwithstanding any such subordination, Tenant's possession of the Facilities, and this Lease, including any options to extend the Term hereof, will not be disturbed so long as no Event of Default on the part of Tenant has occurred and is continuing.

Landlord covenants that Tenant, upon performing the terms, conditions and covenants of this Lease shall have quiet and peaceful possession of the Facilities as against any person claiming the same by, through or under Landlord, subject, however, to the exceptions, reservations and conditions of this Lease.

## ARTICLE XXIV

### NOTICE

Any notice shall be in writing and served either personally or sent by prepaid certified first class mail, overnight delivery service, fax, e-mail or courier addressed as set forth in Article I. Either Party may change its address by notification to the other Party. Notice by mail shall be deemed to be communicated five business days from the date of mailing. Notice by overnight delivery service shall be deemed to be communicated three business days from the date of shipping. Notice by facsimile, e-mail or courier shall be deemed to be communicated two business days from the date of transmittal.

Notwithstanding the foregoing paragraph, the Trustee shall not be required to take notice or be deemed to have notice of any default or breach pursuant to Section 21.01 hereof unless an officer in the corporate trust department of the Trustee has actual notice thereof or the Trustee shall be specifically notified in writing. All notices or other instruments required by this Lease to be delivered to the Trustee must, in order to be effective, be delivered at the address of the Trustee provided for in Article I hereof, and, in the absence of such notice so delivered, the

Trustee may conclusively assume that there is no default or breach hereunder except as aforesaid. Upon receipt of notice of a default or breach as aforesaid, the Trustee shall serve written notice thereof upon the Tenant unless the Tenant has expressly acknowledged the existence of such default or breach in a writing delivered by the Tenant to the Trustee or filed by the Tenant in any court.

## **ARTICLE XXV**

### **WAIVER**

No delay or omission in the exercise of any right or remedy by Landlord or Tenant shall impair either's right or remedy or be construed as a waiver. Neither Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval nor Tenant's consent to or approval of any act by Landlord requiring Tenant's consent shall be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant or Tenant's consent to or approval of any subsequent act by Landlord. Any waiver by Landlord or Tenant of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

## **ARTICLE XXVI**

### **GOVERNMENT ENERGY OR UTILITY CONTROLS**

In the event of imposition of federal, state or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including, subject to Section 4.04 hereof, the right of entry into the Facilities to effect compliance.

## **ARTICLE XXVII**

### **MISCELLANEOUS PROVISIONS**

**Section 27.01. Landlord's Consent.** Except where otherwise stated to the contrary, any consent required by Landlord under this Lease must be granted in writing and may be withheld or conditioned by Landlord in its reasonable discretion.

**Section 27.02. Tenant's Consent.** Except where otherwise stated to the contrary, any consent required by Tenant under this Lease must be granted in writing and may be withheld or conditioned by Tenant in its reasonable discretion.

**Section 27.03. Landlord's Successors.** In the event of a sale or conveyance by Landlord of the Facilities, the same shall operate to release Landlord from any liability under this Lease, except as to any issues arising out of or related to Hazardous Substances, and in such event Landlord's successor in interest shall be solely responsible for obligations under this Lease.

**Section 27.04. Interpretation.** This Lease shall be construed and interpreted in accordance with the laws of the State of Nevada. When required by the context of this Lease, the singular shall include the plural, and the masculine shall include the feminine and/or neuter. The enforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal. Any ambiguity shall not be interpreted against any Party hereto. Deletions or strike-outs from the original text shall not be used in interpreting the meaning of the remaining text.

**Section 27.05. Addenda.** If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.

**Section 27.06. Landlord's Representations and Warranties.** All representations and warranties by Landlord, as well as all agreement by Landlord to indemnify Tenant harmless, shall survive the termination or expiration of this Lease.

**Section 27.07. Tenant's Representations and Warranties.** All representations and warranties by Tenant, as well as all agreements by Tenant to indemnify Landlord harmless, shall survive the termination or expiration of this Lease.

**Section 27.08. Attorneys' Fees.** In the event of any action or proceeding brought by either Party against the other under this Lease the prevailing Party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees incurred on account of such action or proceeding. Wherever referenced in this Lease, any attorney's fees recoverable by either Party shall be reasonable and shall include the attorney's costs and expenses associated therewith.

**Section 27.09. Consent.** Notwithstanding anything contained in this Lease to the contrary, Tenant does not waive the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction with respect to any obligation requiring such consent under this Lease. In such event, Tenant is entitled to any equitable or legal remedy provided under the law or judicial decision of the State of Nevada.

**Section 27.10. Authority as Third-Party Beneficiary.** The Parties hereby acknowledge and agree that the Authority is a third-party beneficiary of this Lease, to the extent permitted by applicable law.

**Section 27.11. Estoppel.**

(a) **By Tenant.** Tenant shall, within 10 business days after Landlord's request from time to time, sign and deliver to Landlord a certificate in such form as Landlord shall require in conformity with this Section, directed to such person(s) as Landlord shall request, containing any or all of the following statements (identifying in reasonable detail any exceptions that may exist at the time), as requested by Landlord: (a) this Lease has not been amended, constitutes the entire agreement between Landlord and Tenant relating to the Facilities, and is in full force and effect (with a copy of the entire Lease and all amendments attached as exhibit(s), if requested by Landlord); (b) Landlord has fully



performed all of Landlord's agreements in this Lease; (c) neither Landlord nor Tenant is in default under this Lease and to the best of Tenant's knowledge no facts or circumstances exist that, with the passage of time or the giving of notice, would constitute defaults under this Lease by Landlord or Tenant, and Tenant has no offsets, defenses, claims, counterclaims or recoupment rights against Landlord's enforcement of this Lease; (d) there are no unfulfilled conditions to Tenant's obligations under this Lease; (e) Tenant has no rights to the Facilities except as stated in this Lease; (f) Tenant has paid all rent required to be paid under this Lease; (g) the Commencement Date or any other then ascertainable date relevant to this Lease; (h) the date when the Term shall expire; (i) confirmation that this Lease is subordinate to any underlying financing; (j) confirmation of the exact location and approximate size (in square feet) of the Facilities and that Tenant has entered into occupancy of the Facilities; (k) all property attached to the Facilities owned by Tenant; and (l) such other matters as Landlord or a Lender shall reasonably request. Tenant irrevocably appoints Landlord as Tenant's attorney-in-fact to execute such a writing if Tenant shall fail to do so within 10 days after Landlord's request.

(b) **By Landlord.** Upon Notice by Tenant, provided that Tenant is not in default under this Lease, Landlord agrees to deliver to Tenant, within 10 Business Days, an estoppel certificate similar in form and scope to the estoppel certificate required of Tenant, to the extent applicable under the circumstances in Landlord's reasonable judgment.

**Section 27.12. Counterparts.** This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

**Section 27.13. 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.

**Section 27.14. Delay in Enforcement.** The Parties may delay the enforcement or fail to enforce any or all of their rights under this Lease without waiving or relinquishing any or all of those rights.

**Section 27.15. Inability to Perform.** This Lease and the obligations of the Parties hereunder shall not be affected or impaired because the Parties are unable to fulfill any of their respective obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, inability to procure materials, earthquake, failure of power, restrictive governmental law or regulations, riots, insurrection, war, unforeseen concealed conditions, unusually severe weather or other reason of a like nature not the fault of the Party so delayed, hindered or prevented from performance.

**Section 27.16. Marginal Headings.** The marginal headings and Article titles to the Articles of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

**Section 27.17. Exhibits, Addenda and Riders.** Any and all exhibits, addenda or riders attached to this Lease are a part hereof.

**Section 27.18. Prior Agreements.** This Lease contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest.

**Section 27.19. Recordation.** Neither Landlord nor Tenant shall record this Lease or a short form memorandum hereof without the prior written consent of the other Party.

**Section 27.20. Severability.** Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

**Section 27.21. Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the Parties hereto.

[Signatures on following page]

IN WITNESS WHEREOF, Landlord and Tenant have respectively caused this Lease to be duly executed in their names and on their behalf by their duly authorized representatives.

CHARTER FACILITY SUPPORT FOUNDATION LLC,  
a Utah limited liability company, as Landlord

By: AMERICAN PREPARATORY EDUCATION  
FOUNDATION, a Utah nonprofit corporation, Sole  
Member

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

NEVADA CHARTER ACADEMIES,  
D/B/A AMERICAN PREPARATORY  
ACADEMY—LAS VEGAS, as Tenant

By \_\_\_\_\_  
President

## **EXHIBIT A**

### **FACILITIES**

The real property located at 8377 W Patrick Ln, Las Vegas, Nevada 89113 being purchased and acquired by Landlord contemporaneously with the execution of this Lease), all appurtenances thereto, equipment therein and all improvements thereon existing as of the date hereof or to be constructed or acquired, as the case may be.

5 acre parcel

APN: 163-33-301-006

Owner of Record: Tomsick Patrick LP

Location: 8370 W. Patrick Lane (east of APA school)

Cross-streets: Patrick Lane and Jim Rogers Way

**[ADDITIONAL PARCEL]**

**EXHIBIT B**  
**LEGAL DESCRIPTION OF THE FACILITIES**

**EXHIBIT C**

**BASE RENT**

[Attached]

## EXHIBIT D

### REPORTING REQUIREMENTS

#### FORM OF QUARTERLY OFFICER'S REPORT

**Authority:** Public Finance Authority

**Bond Issue:** Public Finance Authority Charter School Revenue Bonds (American Preparatory Academy—Las Vegas Project), Series 2017A and Taxable Series 2017B

**Trustee:** ZB National Association dba Zions Bank

**Landlord:** Charter Facility Support Foundation LLC, a Utah limited liability company

**Tenant:** Nevada Charter Academies, d/b/a American Preparatory Academy—Las Vegas

THIS QUARTERLY OFFICER'S REPORT is delivered by the Tenant to the Trustee, the Authority and the Landlord each identified above, in connection with the Lease, the Base Rent from which is used for payment of the above referenced bonds. Defined terms used in this report and not defined herein shall have the meanings established in the Lease Agreement, dated as of October 1, 2017, by and between the Landlord and the Tenant.

*This Quarterly Officer's Report is intended to be filed with the MSRB's Electronic Municipal Market Access (EMMA) website by the Trustee, however, the contents of each report and the timing with respect to each filing is not intended to comprise part of the Continuing Disclosure Agreement or undertaking made for the benefit of Bondholders under Securities and Exchange Commission Rule 15c2-12. Additionally, the contents of this Quarterly Officer's Report may be modified by the Tenant, in its sole discretion.*

**The attached report is for the Fiscal Year Quarter which ended on \_\_\_\_\_**

#### **Attachments to this Quarterly Officer's Report**

For purpose of financial reporting for the respective quarters of each Fiscal Year, there is attached to this Quarter Officer's Report the following (for the respective quarters as indicated):

***First Three Quarters' 45-Day Reporting.*** On or before forty-five days after the end of each quarter for the first three quarters of each Fiscal Year, commencing with the quarter which ends on December 31, 2017, as provided below:

(a) *Financial Data of the School.* Unaudited financial statements of the School for each fiscal quarter reflecting revenues and expenses as submitted to the Tenant's governing board, which shall include a year-to-date income statement, a balance sheet, a statement of cash flows and a comparison of such calendar quarter to the budget of the School.

(b) *Enrollment.* In each fiscal quarter report, the actual enrollment by grade for the School and the actual funded student count as last reported to the State of Nevada.

(c) *Waitlist.* In each fiscal quarter report, the waitlist per grade for the School.

***Final Quarter 45-Day Reporting.*** On or before forty-five days after the end of the final quarter for each Fiscal Year, commencing with the final quarter which ends on June 30, 2018, as provided below:

(a) *Financial Data of the School.* Unaudited financial statements of the School for the final quarter reflecting revenues and expenses as submitted to its governing board, which shall

include a year-to-date income statement, a balance sheet, a statement of cash flows and a comparison of such calendar quarter to the budget of the School.

(b) *Budget.* A copy of the School's annual budget, as amended or supplemented as of the reporting date, for the then current Fiscal Year.

### **Certification**

The undersigned, as the Authorized Representative of the Tenant, hereby certifies that she or he are authorized to provide the information contained in this Quarterly Officer's Report and have reviewed the applicable financing document covenants, as well as unaudited financial information for the Tenant, for the purpose of making the representations made herein.

Date of Report Execution: \_\_\_\_\_

Nevada Charter Academies, d/b/a American Preparatory  
Academy—Las Vegas

By \_\_\_\_\_

Name:

Title:



## EXHIBIT E

### LIQUIDITY COVENANT CERTIFICATE

#### FORM OF LIQUIDITY COVENANT CERTIFICATE

**Authority:** Public Finance Authority

**Bond Issue:** Public Finance Authority Charter School Revenue Bonds (American Preparatory Academy—Las Vegas Project), Series 2017A and Taxable Series 2017B

**Trustee:** ZB, National Association dba Zions Bank

**Landlord:** Charter Facility Support Foundation LLC, a Utah limited liability company

**Tenant:** Nevada Charter Academies, d/b/a American Preparatory Academy—Las Vegas

THIS LIQUIDITY COVENANT CERTIFICATE is delivered by the Tenant to the Trustee, the Authority and the Landlord each identified above, in connection with the Lease, the Base Rent from which is used for payment of the above referenced bonds. Defined terms used in this report and not defined herein shall have the meanings established in the Lease Agreement, dated as of October 1, 2017, by and between the Landlord and the Tenant.

*This Liquidity Covenant Certificate is intended to be filed with the MSRB's Electronic Municipal Market Access (EMMA) website by the Trustee, however, the contents of each report and the timing with respect to each filing is not intended to comprise part of the Continuing Disclosure Agreement or undertaking made for the benefit of Bondholders under Securities and Exchange Commission Rule 15c2-12. Additionally, the contents of this Quarterly Officer's Report may be modified by the Tenant, in its sole discretion.*

**The attached report is for June 30, 20\_\_**

On or before the 60<sup>th</sup> day following June 30 of each year, based on unaudited financials, Tenant is required under the Lease to determine the Days Cash on Hand of the Tenant, which is required to be maintained under the Lease at 45 days. Days Cash on Hand means as of any date of determination, the product of 365 times a fraction, (i) the numerator of which is the amount of the School's unrestricted cash, unrestricted investments and board-designated funds that are not otherwise restricted (either permanently or temporarily) as to their use and unrestricted receivables due from State of Nevada, federal or local governmental sources less amounts owed to a lender of short-term debt secured by such receivables, and (ii) the denominator of which is total Operating Expenses, in each case, for the period of four fiscal quarters ended on the date of determination, and determined in accordance with generally accepted accounting principles.

(A) \$\_\_\_\_\_ unrestricted cash, unrestricted investments and board-designated funds that are not otherwise restricted (either permanently or temporarily) as to their use and unrestricted receivables due from State of Nevada, federal or local governmental sources less amounts owed to a lender of short-term debt secured by such receivables

(B) \$\_\_\_\_\_ Operating Expenses for last 4 quarters

(C) \$\_\_\_\_\_ line (A) divided by line (B)

(D) \$\_\_\_\_\_ line (C) multiplied by 365

#### Certification

The undersigned, as the Authorized Representative of the Tenant, hereby certifies that she or he are authorized to provide the information contained in this Liquidity Covenant Certificate and have reviewed the

applicable financing document covenants, as well as unaudited financial information for the Tenant, for the purpose of making the representations made herein.

Date of Report Execution: \_\_\_\_\_

Nevada Charter Academies, d/b/a American Preparatory  
Academy—Las Vegas

By \_\_\_\_\_

Name:

Title:

## **EXHIBIT F**

### **ANNUAL INVESTOR CALL**

Each year, commencing with the Fiscal Year ending June 30, 2018, Tenant shall hold an investor conference call following the release of its audited financial statements for the immediately preceding Fiscal Year for the purpose of reviewing financial results of such Fiscal Year. Such investor call will be held within eight months of the close of the Fiscal Year and notice of such call shall be filed on the MSRB's Electronic Municipal Market Access (EMMA) website not less than seven days prior to the date of the investor call. In addition to reviewing the financial results for the immediately preceding Fiscal Year, matters to be addressed by Tenant on the investor conference call, if material as determined in the sole discretion of Tenant, shall include the following:

(a) School governance and charter status matters, such as the charter renewal process (if a renewal is pending within the twelve months of the date on which the call is held); significant details relating to any form of revocation review or supervision plan which a school charter is under by its authorizing entity and/or the State of Nevada; and any changes in key management (as identified in the Limited Offering Memorandum), third-party managers (if any), key personnel at the school(s) or within the leadership of the governing body of Tenant since the date of the last investor call.

(b) The use of any short-term indebtedness (such as cash flow financing, State of Nevada aid notes or bank lines of credit) or new long-term indebtedness incurred since the date of the immediately preceding investor call.

(c) Capital spending plans which the governing body of Tenant has taken official action.

(d) Any information that Tenant has provided to any rating agency then rating the Bonds as a part of such rating agency's ongoing surveillance to the extent that such information has not otherwise been filed or is being filed on EMMA.

(e) Actual enrollment or mid-year budget cuts which required revisions to the annual budget.

(f) If Tenant is subject to mid-year cuts in federal, State of Nevada and/or local sources of funding, the impact on Tenant's financial position and management's responses to the cuts.

(g) Litigation (including any matters of criminal misconduct) against Tenant, its governing body, or employees of Tenant to the extent such action is expected to materially affect operations and/or school finances.

(h) Casualty losses, to extent daily operations of Tenant were disrupted for more than 7-10 days, including information regarding the insurance coverage for such casualty losses.

## **ATTACHMENT C-6**

### **Floorplans/Site Plans**

If a facility has been identified, a copy of the floor plan of the facility, including a notation of the size of the facility which is set forth in square feet OR, if a facility has not been identified, a discussion of the general specifications to be utilized during the facility search, including approximate square footage AND an assurance that the school will submit such documentation for review and approval prior to acquisition of any facility in compliance with NAC 386.3265

### **See Following Pages**



ROOM	ROOM NUMBER	OCCUPANT LOAD	TOTAL OCCUPANTS		ROOM	ROOM NUMBER	OCCUPANT LOAD	TOTAL OCCUPANTS
RECEPTION	104	1 PER 100	5		OFFICE	202	1 PER 100	2
FACULTY WORKROOM	105	1 PER 100	6		OFFICE	203	1 PER 100	2
OFFICE	135	1 PER 100	4		OFFICE	204	1 PER 100	2
OFFICE	136	1 PER 100	3		OFFICE	212	1 PER 100	1
OFFICE	136A	1 PER 100	3					
MEDIA	148	1 PER 100	8		SERVER	223	1 PER 100	2
OFFICE	149	1 PER 100	2		BUSINESS MGR	224	1 PER 100	2
OFFICE	155	1 PER 100	2		OFFICE	232	1 PER 100	1
OFFICE	157	1 PER 100	2		OFFICE	233	1 PER 100	3
CONFERENCE	180	1 PER 100	4		OFFICE	235	1 PER 100	2
OFFICE	184	1 PER 100	2		OFFICE	265	1 PER 100	2
OFFICE	185	1 PER 100	2		OFFICE	268	1 PER 100	6
					OFFICE	269	1 PER 100	2
CLASSROOM	107	1 PER 20 NET	42					
CLASSROOM	108	1 PER 20 NET	35		CLASSROOM	205	1 PER 20 NET	73
CLASSROOM	110	1 PER 20 NET	38		CLASSROOM	207	1 PER 20 NET	34
CLASSROOM	111	1 PER 20 NET	38		CLASSROOM	208	1 PER 20 NET	37
CLASSROOM	112	1 PER 20 NET	27		CLASSROOM	209	1 PER 20 NET	37
CLASSROOM	114	1 PER 20 NET	39		CLASSROOM	210	1 PER 20 NET	37
CLASSROOM	115	1 PER 20 NET	37		CLASSROOM	215	1 PER 20 NET	28
CLASSROOM	116	1 PER 20 NET	38		CLASSROOM	218	1 PER 20 NET	49
BREAKOUT	118	1 PER 20 NET	13		CLASSROOM	219	1 PER 20 NET	35
BREAKOUT	119	1 PER 20 NET	13		CLASSROOM	220	1 PER 20 NET	41
BREAKOUT	120	1 PER 20 NET	13		CLASSROOM	222	1 PER 20 NET	18
BREAKOUT	121	1 PER 20 NET	13		CLASSROOM	226	1 PER 20 NET	49
CLASSROOM	123	1 PER 20 NET	35		CLASSROOM	241	1 PER 20 NET	46
BREAKOUT	126	1 PER 20 NET	13		CLASSROOM	242	1 PER 20 NET	39
CLASSROOM	127	1 PER 20 NET	39		CLASSROOM	243	1 PER 20 NET	37
BREAKOUT	128	1 PER 20 NET	13		CLASSROOM	247	1 PER 20 NET	72
BREAKOUT	129	1 PER 20 NET	13		CLASSROOM	249	1 PER 20 NET	38
CLASSROOM	134	1 PER 20 NET	36		CLASSROOM	250	1 PER 20 NET	37
CLASSROOM	162	1 PER 20 NET	42		CLASSROOM	251	1 PER 20 NET	39
CLASSROOM	167	1 PER 20 NET	38		CLASSROOM	261	1 PER 20 NET	36
CLASSROOM	169	1 PER 20 NET	38		CLASSROOM	262	1 PER 20 NET	38
CLASSROOM	170	1 PER 20 NET	37		CLASSROOM	263	1 PER 20 NET	38
CLASSROOM	172	1 PER 20 NET	39		CLASSROOM	264	1 PER 20 NET	38
CLASSROOM	174	1 PER 20 NET	37					
CLASSROOM	175	1 PER 20 NET	38		STORAGE	238	1 PER 300	2
CLASSROOM	177	1 PER 20 NET	38		STORAGE	244	1 PER 300	1
CLASSROOM	179	1 PER 20 NET	38		STORAGE	245	1 PER 300	1
					STORAGE	246	1 PER 300	1
PERFORMANCE **	102	18" PER LINEAR	71					
GYMNASIUM **	141	18" PER LINEAR	756					
STORAGE	139	1 PER 300	1					
STORAGE	139A	1 PER 300	1		CUSTODIAL	225	1 PER 300	1
PANTRY	156	1 PER 300	1		PANTRY	213	1 PER 300	3
STORAGE	158	1 PER 300	1					
CUSTODIAL	159	1 PER 300	3					
MULTI-PURPOSE **	150	1 PER 7 NET	608		MULTI PURPOSE **	214	1 PER 15 NET	179
TOTAL OCCUPANT LOAD FIRST FLOOR			2365		TOTAL OCCUPANT LOAD SECOND FLOOR			1111

NOTE: \*\* INDICATES CONCURRENT OCCUPANCY USAGE

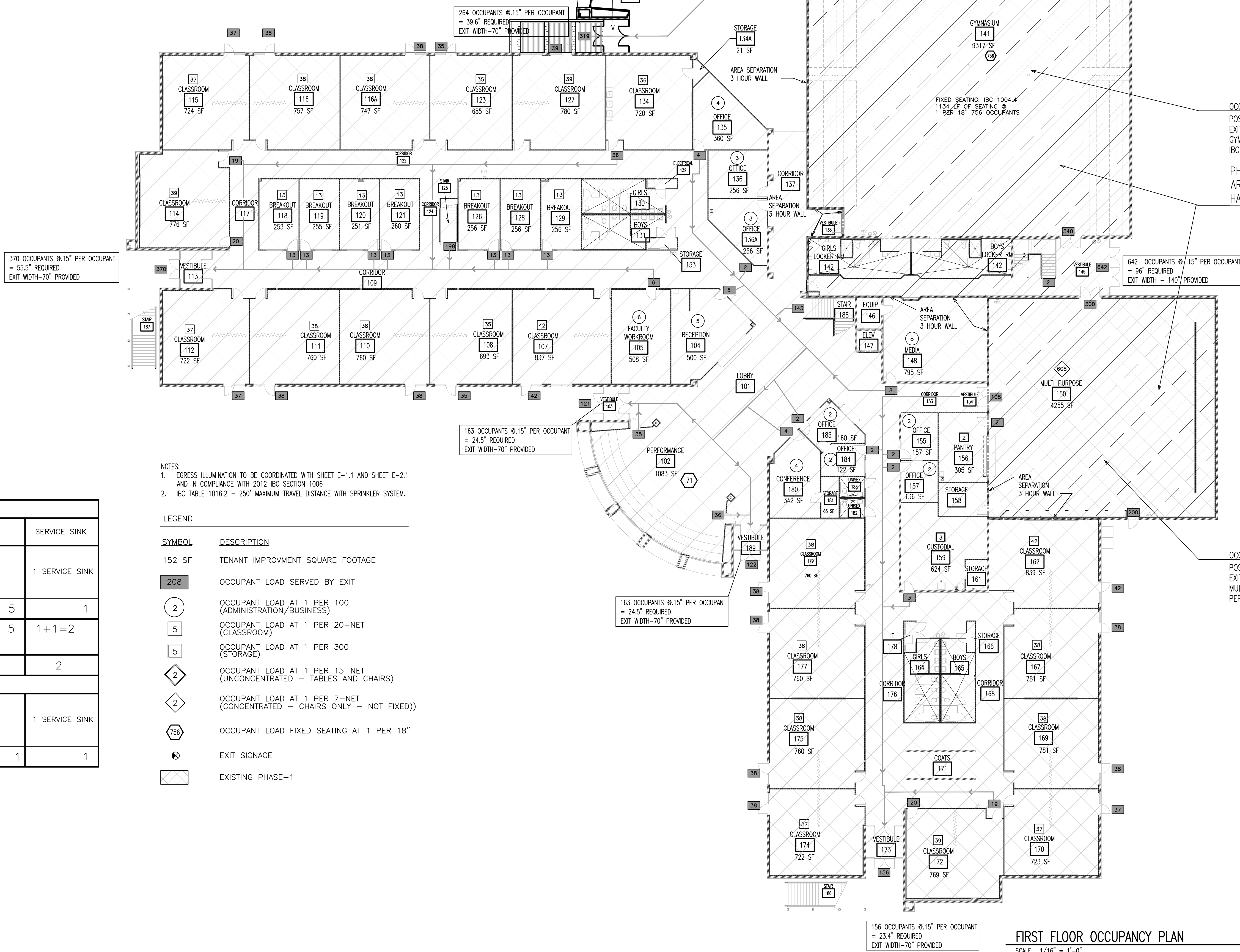
ROOM	ROOM NUMBER	OCCUPANT LOAD	TOTAL OCCUPANTS
LUNCH/STUDY HALL	1201	1 PER 15 NET	168
COACH OFFICE	1219	1 PER 100	4
CLASSROOM	1206	1 PER 20 NET	47
CLASSROOM	1207	1 PER 20 NET	38
CLASSROOM	1210	1 PER 20 NET	45
CLASSROOM	1220	1 PER 20 NET	46
CLASSROOM	1221	1 PER 20 NET	42
<b>TOTAL OCCUPANT LOAD FIRST FLOOR</b>			<b>390</b>


  

ROOM	ROOM NUMBER	OCCUPANT LOAD	TOTAL OCCUPANTS
LECTURE ROOM	2086	1 PER 7 NET	338
CLASSROOM	2083	1 PER 20 NET	39
CLASSROOM	2084	1 PER 20 NET	38
CLASSROOM	2085	1 PER 20 NET	37
CLASSROOM	2087	1 PER 20 NET	46
CLASSROOM	2088	1 PER 20 NET	42
CLASSROOM	2089	1 PER 20 NET	45
<b>TOTAL OCCUPANT LOAD SECOND FLOOR</b>			<b>585</b>

PHASE-2 PLUMBING FIXTURE COUNT-TABLE 2902.1							
CLASSIFICATION	OCCUPANCY	WATER CLOSETS		LAVATORIES		DRINKING FOUNTAIN	SERVICE SINK
EDUCATION	E 1934 OCCUPANTS 967M/967W	MEN (M)=233	WOMEN (W)=233	MEN (W) =233	WOMEN (W) =233	1/100	1 SERVICE SINK
		1 PER 50	1 PER 50	1 PER 50			
REQUIRED		5	5	5	5		
TOTAL REQUIRED		5	5	M=5 W=5		5	1+1=2
TOTAL PROVIDED		7	13	M=13 W=13		4	2
CONCURRENT OCCUPANCY OCCUPANTS PLUMBING FIXTURE COUNT							
ASSEMBLY	A-3 1436 OCCUPANTS 718M/718W	MEN (M)=169	WOMEN (W)=169	MEN (W) =169	WOMEN (W) =169	1/500	1 SERVICE SINK
		1 PER 125	1 PER 65	1 PER 200			
REQUIRED		2	3	1	1		

PHASE-1 PLUMBING FIXTURE COUNT-TABLE 2902.1 (PREVIOUSLY APPROVED -- CLARK COUNTY PLAN CHECK PAC # 14-3358)							
CLASSIFICATION	OCCUPANCY	WATER CLOSETS		LAVATORIES		DRINKING FOUNTAIN	SERVICE SINK
EDUCATION	E 1934 OCCUPANTS 967M/967W	MEN (M)=967 1 PER 50	WOMEN (W)=967 1 PER 50	MEN (W) =967 1 PER 50	WOMEN (W) =967	1/100	1 SERVICE SINK
REQUIRED		20	20	20	20	20	1
BUSINESS	B 68 OCCUPANTS 34M/34W	MEN (M)=34 1 PER 25 FOR THE FIRST 50 THEN 1 PER 50 FOR THE REMAINDER EXCEEDING 50	WOMEN (W)=34 1 PER 25 FOR THE FIRST 50 THEN 1 PER 50 FOR THE REMAINDER EXCEEDING 50	MEN (W) =34 1 PER 40 FOR THE FIRST 80 THEN 1 PER 80 FOR THE REMAINDER EXCEEDING 80	WOMEN (W) =34	1/100	1 SERVICE SINK
REQUIRED		2	2	1	1	1	1
STORAGE	S-1 20 OCCUPANTS 10M/10W	MEN (M)=10 1 PER 100	WOMEN (W)=10 1 PER 100	MEN (W) =10 1 PER 100	WOMEN (W) =10	1/1000	1 SERVICE SINK
REQUIRED		1	1	1	1	1	1
TOTAL REQUIRED		20+2+1=23	20+2+1=23	M=20+1+1=22 W=20+1+1=22		20+1+1=22	1+1+1=3
TOTAL PROVIDED		20	20	M=20 W=20		20	20
CONCURRENT OCCUPANCY OCCUPANTS PLUMBING FIXTURE COUNT							
ASSEMBLY	A-3 1436 OCCUPANTS 718M/718W	MEN (M)=718 1 PER 125	WOMEN (W)=718 1 PER 65	MEN (W) =718 1 PER 200	WOMEN (W) =718	1/500	1 SERVICE SINK
REQUIRED		6	11	4	4	3	1







1771 E FLAMINGO RD  
SUITE A106  
LAS VEGAS, NV 89119  
admir@hatskels.com  
p: 702.478.8802

# S

---

mark	date	comment
▲	-	-
▲		
▲	06/23/15	ARCHITECTURAL COORD
▲	06/23/15	PLAN CHECK LETTER 6/
▲		
▲		
▲		
▲		
▲		
▲		





5695 Mcdonald Dr., Las Vegas, NV 89120  
www.bmcnv.com  
NW55572 (B)48178179.UT 07699483-5501, 01942019-21  
AZBRC0239495 (4) BMC Construction  
p:702.454.9731 f:702.454.3735

# AMERICAN PREPARATORY ACADEMY

## High School Addition I N I V E S T I G A T I O N

owner approval		
initials	date	phase

---

project information

project no: 1500

dwg file: G003.0

drawn by: KLR,

checked by:

drawing scale: 1/16" = 1'

date: 05/29/22

---

sheet name

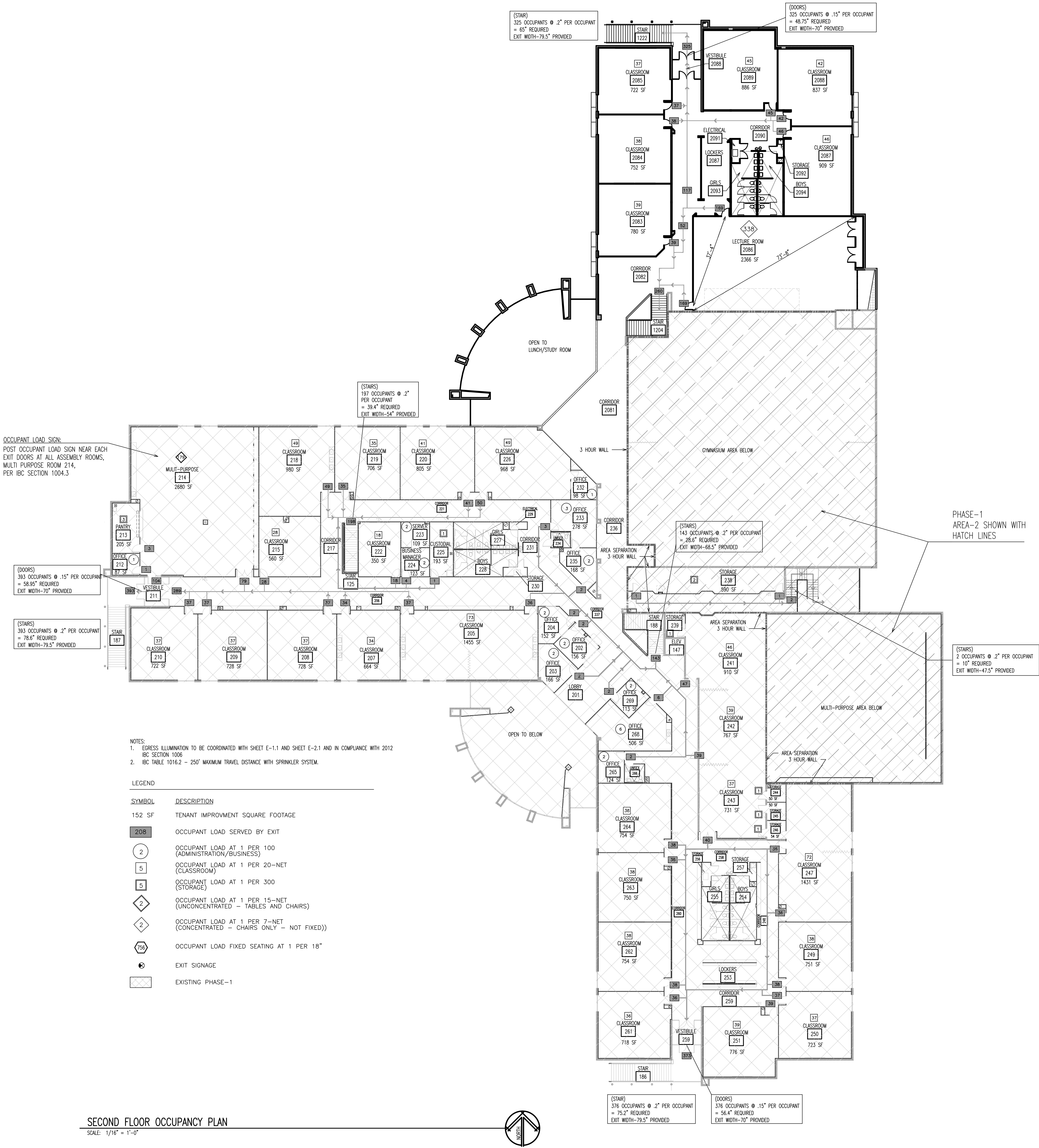
**FIRST FLOOR  
OCCUPANCY /  
EXITING PLAN**

---

sheet number

**G003**





Hs

1771 E FLAMINGO RD  
SUITE A106  
LAS VEGAS, NV 89119  
admin@hansu.com  
p. 702.478.8802

revisions/addenda

mark	date	comment
1	06/23/15	ARCHITECTURAL COORDINATION
2	06/23/15	PLAN CHECK LETTER 6/23/15

HANUSU SHROFF  
REGISTERED  
No. 1640  
Exp. 12/31/15  
ARCHITECT  
STATE OF NEVADA

BMC

5695 Mcleod Dr, Las Vegas, NV 89120  
www.bmcnv.com  
NV#65572 (B)(AB)(7)(17)(L) #7069483-5501, CR#201794  
AZ#PCC253945 dba BDM Construction  
p.702.454.9731 f.702.454.3735

AMERICAN PREPARATORY ACADEMY

HIGH SCHOOL ADDITION- UNLV Research Park Campus

owner approval

initials	date	phase

project information

project no: 15007AK  
dwg file: G004.DWG  
drawn by: KLR, HS  
checked by: HIS  
drawing scale: 1/16" = 1'-0"  
date: 05/29/2015

sheet name

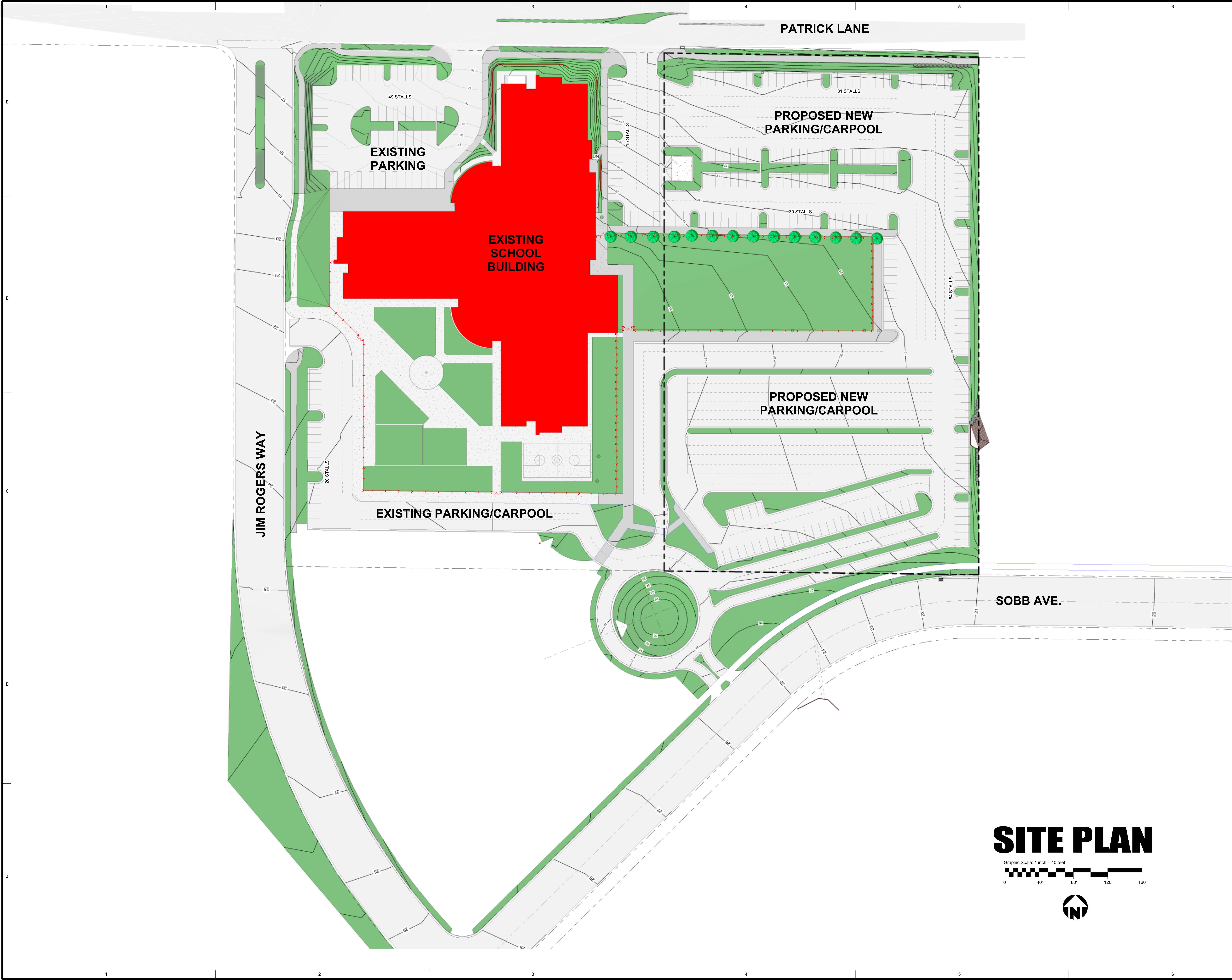
SECOND FLOOR  
OCCUPANCY /  
EXITING PLAN

sheet number

G004

Page 78  
Part C: Attachments





ARCHITECT OF RECORD:
PROFESSIONAL STAMP:
CONSULTANT INFORMATION:
PROJECT NAME: <b>APA Las Vegas Phase 3</b> 8377 W. Patrick Lane Las Vegas, NV
REVISIONS:
NO. DATE DESCRIPTION
ISSUED: December 7, 2015
NO. DATE DESCRIPTION
OWNER'S REPRESENTATIVE:
SHEET TITLE: Unnamed
SHEET NUMBER: AS107

## **ATTACHMENT C-7**

### **Owner Information**

#### Current owner of the facility

Principle: Jon Cowley  
DHCO Properties, LLC  
7858 S. Pheasant Wood Drive  
Sandy, Utah 84093

#### Proposed landlord

Principle: Kreg Wagner  
Charter Facility Support Foundation (See Attachment XX for full bios of the board)  
11938 S. Lone Peak Parkway  
Draper, Utah 84020  
Kreg's Phone: 801-645-0187

#### Disclosure

No member of the APA-LV board or employee of the school is related to the current owner, proposed landlord or any of the proposed landlord's board members. Members of the American Preparatory Education Foundation (APEF) board do have familial relationships with members of the educational management company, but neither are a party to this transaction. No member of the APA-LV board or employee of the school is related to the educational management company, or APEF.

The Charter School Board addresses conflicts of interest through established bylaws and a Code of Ethics. In addition, the Charter School has adopted a "Conflict of Interest of Policy and Annual Statement for Directors and Officers and Members of Committees with Board Delegated Powers" (the "Conflict Policy"). Charter School Board members are required to sign an annual statement confirming that they have read and understand the Conflict Policy. A copy of the annual statement can be found as Attachment 19.

When the Charter School Board enters into new contracts, a due diligence process including requests for proposals and multiple bids ensure that contracts are fairly awarded. The Charter School Board maintains an arms-length relationship with all contractors, including the Management Company and the business manager. The Charter School Board itself ensures, through its membership guidelines that no conflicts of interest exist between members of the Charter School



Board, the business manager, and the Management Company. The Charter School Board's rules to avoid possible conflicts of interest include: (i) the Charter School Board will not include more than two individuals who represent the same organization, business or otherwise represent the interests of the same business or organization; (ii) a Charter School Board member cannot be an employee of the Charter School Board or the Charter School, including, without limitation, an administrator or teacher; (iii) a director cannot be a contractor of the Charter School Board; (iv) if a Charter School Board member serves as a director or as a representative of a nonprofit organization or business, no other member will serve as a representative of such organization or business or represent the interests of such organization or business; (v) a person who is related by blood or marriage to an employee of the Charter School Board or Charter School; (vi) a person who is related by blood or marriage to another member of the Charter School Board; and (vii) the Charter School Board will not consider any member nomination from any contractor of the Charter School, especially any educational management organization.

## **ATTACHMENT C-8**

### **C/O Certificate; Construction Plans**

Full Certificate of Occupancy **OR** a detailed construction project plan and timeline, including a Gantt chart, identifying all facility development activities necessary to obtain a full certificate of occupancy prior to the first day of school AND documentation of the inspection and approval processes and timelines for the state, municipal, or county agencies which will issue the Certificate of Occupancy, including a discussion of whether such agencies issue temporary or conditional approvals and a copy of the standard form documentation that the sponsor can consult in such circumstances to confirm compliance with NAC 386.3265

**See Following Page**



# BUILDING DEPARTMENT

4701 W. RUSSELL ROAD • LAS VEGAS, NV 89118 • (702) 455-3000

## CERTIFICATE OF OCCUPANCY

Permit #: 14-3358 Zone: M-D/CMA  
Site Address: 8377 W PATRICK LN  
Prop. Description: LAND DIVISION 50-80 LOT 2  
& VAC RD  
Project Name: AMERICAN PREPARATORY ACADEMY  
Tenant Name: AMERICAN PREPARATORY Tenant #:  
Owner Name: U N L V RESEARCH FOUNDATION  
Contractor Name: BOYD MARTIN CONSTRUCTION LLC State Lic. #: 0055572  
Contractor Addr.: 5965 MCLEOD DRIVE  
LAS VEGAS NV 89120  
Ctr. Phone: (702) 454-9731 Parcel #: 163-33-301-004 # Of Units: 0  
Code Year: 2009  
Construction Type: III-B Occupancy: E Occupant Load: 3456  
Sq. Ft.: 89575 Building Final: 7/21/16 Issue Date: 7/22/16  
Application Type: EDUCATIONAL BLDG-NEW  
Description of Work:

### NOTICE TO APPLICANT

This structure is deemed to be in substantial compliance with fire, life safety and structural provisions of the adopted codes of construction. Records concerning the construction of this building are on file with the building department in compliance with the appropriate records procedures.

This Certificate must be posted and maintained within any non-single family building or structure referenced above. Any construction to be done beyond the final building inspection date, above, requires a new building permit.

7/22/16

DATE APPROVED

  
RONALD L. LYNN, DIRECTOR/BUILDING OFFICIAL

*This certificate of Occupancy provides no warranty or guarantee either expressed or implied.*

## **ATTACHMENT C-9**

### **Code Compliance; Construction Plans**

Documentation demonstrating that the proposed facility meets all applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation **OR** a detailed construction project plan and timeline, including a Gantt chart, identifying all facility development activities necessary to obtain all such code approvals prior to the first day of school AND documentation of the inspection and approval processes and timelines for the state, municipal, or county agencies which will conduct all code inspections, including a discussion of whether such agencies issue temporary or conditional approvals and a copy of the standard form documentation that the sponsor can consult in such circumstances to confirm compliance with NAC 386.3265.

**See Following Pages**

POST CONSPICUOUSLY UPON ENTRY

**SOUTHERN NEVADA HEALTH DISTRICT | CLARK COUNTY, NEVADA**

On, 5/9/16, American Reproductive Academy  
Date Name  
PR0115915, 8377 W Patrick Ln  
PR# Address

**EARNED THE FOLLOWING GRADE****A**Inspection Process  
Information

Grading Scale:  
 0-10 Demerits = A  
 11-20 Demerits = B  
 21-40 Demerits = C  
 >40 Demerits = Closed

Inspection Report  
Information

*Michelle Backlund*  
 Environmental Health Specialist

JOSEPH P. ISER, MD, DrPH, MSc  
 CHIEF HEALTH OFFICER

If you have a question or concern, please contact the Environmental Health Division at 702-759-1110 or [www.snhd.info](http://www.snhd.info)

**NOT TO BE REMOVED BY OTHER THAN HEALTH AUTHORITY**



**SOUTHERN NEVADA HEALTH DISTRICT  
FIELD SCHOOL BUILDING PLAN REVIEW CHECKLIST**

Page 1 of 3

280 SOUTH DECATUR BLVD • LAS VEGAS, NV • 89107 • 702-759-1110 (DIRECT) • 702-759-1000 (24 HOURS)

FACILITY INFORMATION												
PERMIT #	ESTABLISHMENT NAME					PHONE #	EST. SQUARE FOOTAGE		PRIMARY EHS			
SRTHFL7W	AMERICAN PREPARATORY ACADEMY - PATRICK LANE AMERICAN PREPARATORY ACADEMY K- 9					()-						
ADDRESS 8377 W PATRICK LN Las Vegas, NV 89146					RISK CAT.	P.E. CODE	DISTRICT	LOCATION	PERMIT STATUS			
NEVADA CLEAN INDOOR AIR ACT: <input type="checkbox"/> COMPLIANCE REQUIRED <input type="checkbox"/> EXEMPT					CONTACT PERSON:							
CURRENT SERVICE	EHS	SERVICE	DATE	TIME IN	TIME OUT	DEMERITS	FINAL GRADE	TRAVEL MIN	INSPECTION RESULT	SEWER	WATER	
	EE7000653	PR Final Remodel Inspection	8/30/2016	11:40AM	11:55AM	100	C	0	Approved - Follow Up	M	M	
SPECIAL NOTES:												
In = In compliance    OUT = Not In compliance    COS = Corrected on-site during inspection    N/O = Not observed    N/A = Not applicable    R = Repeat violation												
<b>CLASSROOMS</b>												
									YES	NO	N/A	
1	LAVS H/C/TEMP 110 degrees								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	DURABLE								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3	CLEANABLE								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	NON-ABSORBENT								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>LIGHTING</b>												
									YES	NO	N/A	
5	CLASS 30 F/C								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6	Art / Labs. 50 F/C								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7	OTHER 20 F/C								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8	FOUNT. 18# FR. LAV								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>HVAC</b>												
									YES	NO	N/A	
9	CHILLER BACKFLOW								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10	TOWER TREATMENT								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11	65 degrees - 85 degrees								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>LABORATORIES/ART</b>												
									YES	NO	N/A	
12	E/W & SHOWER STA.								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13	CHEM. RESISTENT								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14	SINK W/ H/C 110 degrees								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15	FUME HOOD								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16	SAFETY CABINETS								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17	GAS SHUT OFF								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18	GFCI CIRCUITS								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19	TILE FLOORS								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20	DW BACKFOW								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21	LOCKED STORAGE								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22	VENTED KILN HOOD								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>VOCATIONAL</b>												
									YES	NO	N/A	
23	SAFE STORAGE								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
24	SINK W/ H/C 110 degrees								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
25	SECURED EQUIPMENT								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
26	SAFETY ZONES MARKED								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
27	POSTED ZONES/ INSTR.								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
28	E/W								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
29	GAS CYLINDER SECURED								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>HOME ECONOMICS</b>												
									YES	NO	N/A	
30	DOMESTIC KITCH. OK								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
31	VENTHOODS								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
32	GFCI								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
33	SINK W/ H/C 110 degrees								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
34	H/C ALL SINKS 110 degrees								<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>HEALTH ROOM</b>												
									YES	NO	N/A	
35	LOCKED CABINETS								<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



36	TILE/CLEANABLE			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
37	E/W			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
38	GFCI			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
39	NON-ABSORBENT			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
40	ISOLATED			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>CUSTODIAL</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
41	LOCKED ACCESS			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
42	BOILER BACKFLOW			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
43	MOPSINKS			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>PLAYGROUNDS (CPSC)</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
44	DRAINAGE			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
45	SURFACE MEDIA			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
46	MEDIA DEPTH			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
47	RESTRICT. HEIGHT 8#			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
48	APPROVED EQUIP.			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
49	ACCESS / COVER			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
50	FALL ZONES 6#			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>SNACK/STORE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
51	NON-PHF SEALED			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
52	DOMESTIC OK			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
53	TILE (NO CARPET)			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
54	LIGHT COLOR			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
55	VERMIN PROOF			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
56	SHELVING			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>WATER SUPPLY/SEWAGE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
57	APPROVED (WELL)			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
58	20 PSI			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
59	CROSS-CONNECTION CONTROL			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
60	ADEQUATE HOT DISTR			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
61	NON-POTABLE MARK.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
62	BACKFLOW (OTHER)			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
63	NO LEAD			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
64	APPROVED SYSTEM			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
65	NO CHEMICAL TOILET			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>RESTROOMS/GYM (UPC GUIDES)</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
66	CLEANABLE/NONAB			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
67	250 FT. MAX CLASS			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
68	TP/SOAP DISP.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
69	H/C/TEMP SINK 110 degrees			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
70	FAUCET 20 SECS.			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
71	TOWELS/DRYERS			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
72	FOUNT. @ PG/GYM			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
73	SHOWERS 110 degrees PER UPC			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
74	TILE / IMPERVIOUS			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
75	1 LAV / 2 WC			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
76	ES BOYS 1:30			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
77	ES GIRLS 1:25			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
78	MS/HS BOYS 1:40			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
79	MS/HS GIRLS 1:30			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
80	KG 15# TOILETS			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>WASTE</b>		<b>YES</b>	<b>NO</b>	<b>N/A</b>				
81	DUMPSTER AREA			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
82	CAN WASH AREA			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
83	OTHER:			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		



TEMPERATURE OBSERVATIONS

No Temperature Observations

VIOLATIONS, OBSERVATIONS AND CORRECTIVE ACTIONS

Item No	Observations & Corrective Actions

**Overall Inspection Comments:**

Remodel approved for operation.  
ron.banks@apavegas.org

Received by (signature)

Received by (printed)

EHS (signature)

Ron Banks

Operations Director

John Cataline

Your signature on this form: 1) Does not constitute agreement with its contents. You may discuss the contents of this report with the department by contacting the supervisor at the Environmental Health office indicated on page one of this report. Until such time as a decision is rendered by this department, the contents of this report shall remain in effect; and 2) Acknowledges that this inspection report will be distributed by either email, fax, or postal delivery (of your choosing) within 1 business day.

5104





HOME
SELECT PERMIT
STATUS DETAIL
VIEW APPLICATION FEES
PERMIT STATUS
INSPECTION STATUS ▶
PLAN TRACKING STATUS
SCHEDULE/CANCEL INSPECTIONS
SUBMIT APPLICATION
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CORRECTION LETTERS
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## Inspection Status

View inspection comments by choosing an inspection below.

**Parcel ID:** 163-33-301-004    **Address:** 8377 W PATRICK LN  
**Application Date:** 06/15/15    **Owner:** U N L V RESEARCH FOUNDATION  
**Application #:** 15 - 29473    **Application Type:** EDUCATIONAL BLDG-ADDITION

**Inspections for Permit Number:** 000 000 BCEx 00 - BUILDING PERMIT/COMM/EXPRESS

Inspection Type	Sched Date	Status	Results Date
<a href="#">B-PAD GRADING</a>	09/30/15	APPROVED	09/30/15
<a href="#">C-CLEARANCE:PAD CERT</a>	09/30/15	APPROVED	09/30/15
<a href="#">C-CLEARANCE:QAA FINAL REPT ST</a>	09/30/15	APPROVED WITH EXCEPTION	09/30/15
<a href="#">B-PAD GRADING</a>	09/30/15	DISAPPROVED	09/30/15
<a href="#">C-CLEARANCE:PAD CERT</a>	09/30/15	DISAPPROVED	09/30/15
<a href="#">B-PAD GRADING</a>	10/13/15	APPROVED	10/13/15
<a href="#">C-CLEARANCE:PAD CERT</a>	10/13/15	APPROVED	10/13/15
<a href="#">B-FOUNDATION:FOOTINGS</a>	10/14/15	APPROVED WITH EXCEPTION	10/14/15
<a href="#">C-CLEARANCE:FIELD QAA-EPOXY</a>	10/16/15	APPROVED	10/16/15
<a href="#">B-FOUNDATION:STEM WALL</a>	10/26/15	APPROVED	10/26/15
<a href="#">B-CONCRETE SLAB ON GRADE</a>	10/28/15	APPROVED	10/28/15
<a href="#">B-FOUNDATION:FOOTINGS</a>	10/28/15	APPROVED	10/28/15
<a href="#">B-MASONRY PRE GROUT</a>	11/06/15	APPROVED WITH EXCEPTION	11/06/15
<a href="#">B-MASONRY PRE GROUT</a>	11/12/15	APPROVED WITH EXCEPTION	11/12/15
<a href="#">B-MASONRY PRE GROUT</a>	12/02/15	CANCELLED	12/02/15
<a href="#">B-MASONRY PRE GROUT</a>	12/03/15	CANCELLED	12/03/15
<a href="#">B-MASONRY PRE GROUT</a>	12/04/15	APPROVED WITH EXCEPTION	12/04/15
<a href="#">B-MASONRY PRE GROUT</a>	12/10/15	APPROVED WITH EXCEPTION	12/10/15
<a href="#">B-MASONRY PRE GROUT</a>	12/16/15	APPROVED WITH EXCEPTION	12/16/15
<a href="#">B-MASONRY PRE GROUT</a>	12/22/15	APPROVED WITH EXCEPTION	12/22/15
<a href="#">B-MASONRY PRE GROUT</a>	01/04/16	APPROVED	01/04/16
<a href="#">C-CLEARANCE:FIELD QAA-EPOXY</a>	01/29/16	APPROVED	01/29/16
<a href="#">B-CONCRETE FLOOR/DECK</a>	02/24/16	APPROVED WITH EXCEPTION	02/24/16
<a href="#">B-INSULATION</a>	03/18/16	CANCELLED	03/18/16
<a href="#">B-INSULATION</a>	03/23/16	CANCELLED	03/23/16
<a href="#">C-CLEARANCE:FF ELEVATION CERT</a>	03/23/16	APPROVED	03/22/16
<a href="#">B-FRAMING</a>	03/24/16	APPROVED WITH EXCEPTION	03/24/16
<a href="#">B-FRAMING</a>	03/28/16	APPROVED WITH EXCEPTION	03/28/16
<a href="#">B-FRAMING</a>	03/30/16	APPROVED WITH EXCEPTION	03/30/16
<a href="#">B-INSULATION</a>	03/30/16	APPROVED WITH EXCEPTION	03/30/16
<a href="#">B-INTERIOR LATH/DRYWALL</a>	04/01/16	APPROVED WITH EXCEPTION	04/01/16
<a href="#">B-INSULATION</a>	04/01/16	APPROVED WITH EXCEPTION	04/01/16
<a href="#">B-FRAMING</a>	04/06/16	APPROVED WITH EXCEPTION	04/06/16
<a href="#">B-FRAMING</a>	04/08/16	APPROVED WITH EXCEPTION	04/08/16
<a href="#">B-INTERIOR LATH/DRYWALL</a>	04/08/16	APPROVED WITH EXCEPTION	04/08/16

<a href="#">B-INTERIOR LATH/DRYWALL</a>	04/11/16	APPROVED WITH EXCEPTION	04/11/16
<a href="#">B-EXTERIOR LATH/SIDING</a>	04/12/16	APPROVED WITH EXCEPTION	04/12/16
<a href="#">B-INTERIOR LATH/DRYWALL</a>	04/13/16	APPROVED WITH EXCEPTION	04/13/16
<a href="#">B-FRAMING</a>	04/13/16	APPROVED	04/13/16
<a href="#">B-INTERIOR LATH/DRYWALL</a>	05/03/16	APPROVED	05/03/16
<a href="#">B-SUSPENDED CEILING FRAME</a>	05/11/16	APPROVED WITH EXCEPTION	05/11/16
<a href="#">B-EXTERIOR LATH/SIDING</a>	05/26/16	APPROVED	05/26/16
<a href="#">B-SUSPENDED CEILING FRAME</a>	05/26/16	APPROVED WITH EXCEPTION	05/26/16
<a href="#">B-SUSPENDED CEILING FRAME</a>	05/27/16	APPROVED WITH EXCEPTION	05/27/16
<a href="#">B-SUSPENDED CEILING FRAME</a>	06/03/16	APPROVED	06/03/16
<a href="#">C-CLEARANCE:FIRE PREVENTION</a>	06/03/16	APPROVED WITH EXCEPTION	06/03/16
<a href="#">B-FINAL-BUILDING, PARTIAL</a>	06/03/16	CANCELLED	06/03/16
<a href="#">C-CLEARANCE:LANDSCAPE/ZONING</a>	06/13/16	APPROVED	06/13/16
<a href="#">C-CLEARANCE:FIRE PREVENTION</a>	06/14/16	APPROVED	06/14/16
<a href="#">B-FINAL-BUILDING, PARTIAL</a>	06/17/16	APPROVED	06/17/16
<a href="#">B-TCO APPLICATION REVIEW</a>	06/17/16	APPROVED	06/17/16
<a href="#">B-TCO EXPIRATIONDATE FOLLOWUP</a>	08/10/16	COMPLETE	08/10/16
<a href="#">C-CLEARANCE:QAA FINAL REPT ST</a>	06/21/16	APPROVED	06/21/16
<a href="#">B-FINAL-BUILDING</a>	06/24/16	DISAPPROVED	06/24/16
<a href="#">B-FINAL-BUILDING</a>	07/01/16	APPROVED	07/01/16

[Required Inspections](#)



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PLAN TRACKING STATUS
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## Inspection Status

View inspection comments by choosing an inspection below.

**Parcel ID:** 163-33-301-004      **Address:** 8377 W PATRICK LN  
**Application Date:** 06/15/15      **Owner:** U N L V RESEARCH FOUNDATION  
**Application #:** 15 - 29473      **Application Type:** EDUCATIONAL BLDG-ADDITION

**Inspections for Permit Number:** 000 000 EL3 00 - ELECTRIC PERMIT/CONST VALUE

Inspection Type	Sched Date	Status	Results Date
<a href="#">E-UNDERGROUND ELECTRICAL</a>	09/25/15	APPROVED	09/25/15
<a href="#">E-ROUGH ELECTRICAL</a>	03/17/16	APPROVED WITH EXCEPTION	03/17/16
<a href="#">E-ROUGH ELECTRICAL</a>	04/06/16	APPROVED WITH EXCEPTION	04/06/16
<a href="#">E-ROUGH ELECTRICAL</a>	04/08/16	APPROVED WITH EXCEPTION	04/08/16
<a href="#">E-ROUGH ELECTRICAL</a>	05/11/16	APPROVED WITH EXCEPTION	05/11/16
<a href="#">E-ROUGH ELECTRICAL</a>	05/20/16	APPROVED WITH EXCEPTION	05/20/16
<a href="#">E-ROUGH ELECTRICAL</a>	05/26/16	DISAPPROVED	05/26/16
<a href="#">E-ROUGH ELECTRICAL</a>	05/27/16	APPROVED	05/27/16
<a href="#">C-CLEARANCE: COMMISSIONING REP</a>	06/09/16	APPROVED	06/09/16
<a href="#">E-FINAL - ELECTRICAL</a>	06/13/16	APPROVED	06/13/16

[Required Inspections](#)

## **ATTACHMENT C-10**

### **OSHA Compliance**

Documentation demonstrating the governing Body has communicated with the Division of Industrial Relations of the Department of Business and Industry regarding compliance with the federal Occupational Safety and Health Act (OSHA) in compliance with NAC 386.3265

**See Following Page**

## STATE OF NEVADA

BRIAN SANDOVAL  
Governor

BRUCE BRESLOW  
Director



STEVE GEORGE  
Administrator

TODD R. SCHULTZ CSP, CSHM  
Chief Administrative Officer

DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
SAFETY CONSULTATION AND TRAINING SECTION

December 16, 2015

Mr. Ron Banks  
Operations Director  
American Preparatory Academy  
8377 West Patrick Ln  
Las Vegas NV 89113

Dear Mr. Banks:

Thank you for sending us your description of the actions you have taken to correct the serious hazards documented in our visit report #114341. Your response was received on December 15, 2015. We have reviewed your response and are pleased to inform you that your actions, as stated, have corrected the identified hazards.

We congratulate you on the successful elimination of the serious hazards identified during the survey of your workplace. Through voluntary compliance with assistance from the Safety Consultation and Training Section, you are meeting the basic intent and stated purpose of the Nevada Occupational Safety and Health Act: "To provide safe and healthful working conditions for every employee."

Due to periodic changes in the OSHA regulations and their interpretations, it is important for you to review your operations regularly with respect to identifying, correcting, and preventing hazards.

Our office also offers on-going training programs that may be of benefit to your company. Our trainers conduct scheduled training sessions on a variety of topics, and will also conduct training on specific topics as requested by an employer.

It has been a pleasure to serve you. If you have any questions or require additional information or assistance, please feel free to contact us. If you know of any other employer who could benefit from our services, please refer them to SCATS or let us know how we can contact them.

Sincerely,

Bob Harris  
Consultation Supervisor

*Your Partner for a Safer Nevada*  
www.4safenv.state.nv.us

## **ATTACHMENT C-11**

### **Budget**

Assumptions for revenue increases in our budget are 2%. This is in line with the Governor's recommended revenue increases for public schools in Clark County School District. Staffing levels will remain constant for the school's foreseeable future, and no growth is anticipated from a staffing standpoint. The estimate for cost increases is also at 2% every year. This is in line with our historical cost increases. The school budget relies mainly on DSA funding for Clark County Public Schools. About 1.5% of funding is budgeted to come from additional sources, such as Special Education, private donations, and building rentals. Our budget assumptions for these minor sources of revenue are consistent with historical receipts.

Per Pupil Revenue: \$6,634

#### **Anticipated Funding Sources for FY18:**

- DSA - \$9,758,651.85 (Secured)
- Special Ed (State) - \$186,182.91 (Secured)
- Special Ed Part B - \$89,160.11 (Secured)
- Student Fees - \$24,579.63 (Anticipated)
- Schools Supplies Grant - \$6,714.22 (Anticipated)
- Boxtops Income - \$472.39 (Anticipated)
- Lifetouch Natl - \$2,134.83 (Anticipated)
- Private Donations - \$26,415.29 (Anticipated)
- Building Rental - \$7,568.90 (Anticipated)
- Recycled Metal - \$707.49 (Anticipated)
- Miscellaneous - \$1,044.51 (Anticipated)

#### **Anticipated Expenditures for FY18:**

- Instruction: \$254,870.97
- Student Support: \$26,708.99
- Instruction Support: \$13,312.58
- Board of Directors: \$1,461,219.53 (Included EMO agreement)
- Travel & Meals: \$315.04
- Administration: \$12,605.54
- Central: \$220,222.89
- Operations: \$373,905.14
- Teacher Payroll: \$2,677,151.32
- Instructor Payroll: \$749,865.99
- Substitute Payroll: \$89,608.05
- Instruction Payroll: \$3,818,150.51
- Student Support Payroll: \$266,113.78
- Instruction Support Payroll: \$52,854.90
- Administration Payroll: \$491,915.61
- Operations Payroll: \$146,917.74
- Lease: \$1,723,883.60

## **ATTACHMENT C-12**

### **Financial Plan**

**See Following Pages**

**ENROLLMENT AND BASIC SUPPORT GUARANTEE INFORMATION**

		WEIGHTED ACTUAL PRIOR YEAR ENDING 06/30/16		WEIGHTED ACTUAL CURRENT YEAR ADE ENDING 06/30/17		WEIGHTED ESTIMATED ADE - YEAR ENDING 06/30/18
1.	Pre-kindergarten (NRS 387.123)	<u>          </u> x .6 = 0.0		<u>          </u> x .6 = 0.0		<u>          </u> x .6 = 0.0
2.	Kindergarten	<u>162</u> x .6 = 97.2		<u>100</u> x .6 = 60.0		<u>100</u>
3.	Elementary	<u>996</u>		<u>985</u>		<u>825</u>
4.	Secondary	<u>259</u>		<u>349</u>		<u>579</u>
5.	Ungraded	<u>          </u>		<u>          </u>		<u>          </u>
6.	Subtotal	<u>1,352.2</u>		<u>1,394.0</u>		<u>1,504.0</u>
7.	Students transported into Nevada from out-of-state	<u>          </u>		<u>          </u>		<u>          </u>
8.	Students transported to another state	<u>          </u>		<u>          </u>		<u>          </u>
9.	Total WEIGHTED enrollment	<u>1,352.2</u>		<u>1,394.0</u>		<u>1,504.0</u>
10.	Hold Harmless	<u>          </u>		<u>          </u>		<u>          </u>

11.	Basic support per pupil amount, Year Ending 06/30/18 Actual 2017 per pupil amount used for budgeting purposes			<u>5,574</u>	Use rates below:	Reference amounts for #12 Estimate: "Outside Revenue"
	<u>School District</u>	<u>2017</u>	<u>WEIGHTED Est. SY17-18 ADE</u>	<u>Subtotal</u>		
	Carson City	\$ 6,996		\$0		1,095.98
	Churchill	\$ 6,744		\$0		1,318.25
	Clark	\$ 5,574	1,504.0	\$8,383,296		1,060.94
	Douglas	\$ 6,051		\$0		2,734.67
	Elko	\$ 7,589		\$0		1,425.64
	Esmeralda	\$ 24,283		\$0		6,025.68
	Eureka	\$ 12,140		\$0		26,315.31
	Humboldt	\$ 6,719		\$0		2,455.25
	Lander	\$ 4,883		\$0		6,385.06
	Lincoln	\$ 10,689		\$0		1,467.83
	Lyon	\$ 7,316		\$0		975.81
	Mineral	\$ 9,060		\$0		1,965.73
	Nye	\$ 7,856		\$0		1,570.94
	Pershing	\$ 9,079		\$0		3,419.34
	Storey	\$ 8,053		\$0		6,652.98
	Washoe	\$ 5,658		\$0		1,284.41
	White Pine	\$ 7,849		\$0		479.63
	Multidistrict		1,504.0	\$8,383,296	<u>5,574</u>	
12.	Estimated "Outside Revenue" (Supplemental Support) per pupil This is the per pupil share of local taxes, etc, from the district.			<u>\$1,061</u>		
13.	Total basic support for enrollee including outside revenue				Total Weighted-#9 \$ 9,978,953.51	Hold Harmless-#10 \$ -
14.	Estimated dollar value of special education weighted funding		<u>130,000</u>		<u>\$130,000</u>	
15.	TOTAL BASIC SUPPORT GUARANTEE (Number 13 +14)				Total Weighted \$ 10,108,953.51	Hold Harmless \$ 130,000.00

Fiscal Year 2017-2018 Charter School American Preparatory Academy

Form 2 Enrollment - DSA

2/21/17



Form 3	(1)	(2)	(3)	(4)	(4)
American Preparatory Academy	ACTUAL PRIOR	ESTIMATED	BUDGET YEAR ENDING 06/30/18		AMENDED
REVENUE	YEAR ENDING	CURRENT	TENTATIVE	FINAL	FINAL
	06/30/16	YEAR ENDING	APPROVED	APPROVED	APPROVED
		06/30/17			
<b>1000 LOCAL SOURCES</b>					
1100 Taxes					
1110 Ad Valorem Taxes					
1111 Net Proceed of Mines					
1120 Sales & Use/School Support Taxes					
1140 Penalties & Interest on Tax					
1150 Residential Construction Tax					
1190 Other					
Revenue from Local Govmt Units other than School Districts					
1200 Tuition					
1310 Tuition from Individuals					
1320 Tuition-other Govt sources within State					
1330 Tuition-other Govt sources out of State					
1400 Transportation Fees					
1410 Trans Fees from Individuals					
1420 Trans Fees - other Govt within State					
1430 Trans Fees - other Govt out of State					
1440 Trans Fees - Other Private Sources					
1500 Investment Income					
1600 Food Services					
1610 Daily Sales - Reimbursable Program					
1620 Daily Sales - Non-Reimbursable Progm					
1630 Special Functions					
1650 Daily Sales - Summer Food Program					
1700 Direct Activities					
1800 Community Service Activities					
1900 Other Revenues					
1910 Rent		2,946		3,034	
1920 Donations	15,007	5,321		5,631	
1930 Gains/Loss on Sales of Capital Assets					
1940 Textbook Sales & Rentals					
1950 Misc Revenues from Other Districts					
1951 Charter School Fees portion of code 1951		19,458		75,000	
1960 Misc Revenues from Other Local Govt					
1970 Operating Revenues					
1980 Refund of Prior Year's Expenditures					
1990 Miscellaneous - local sources					
<b>TOTAL LOCAL SOURCES</b>	<b>15,007</b>	<b>27,725</b>	<b>0</b>	<b>83,665</b>	<b>0</b>
<b>3000 REVENUE FROM STATE SOURCES</b>					
3100 Unrestricted Grants-in-Aid					
3110 Distributive School Account (DSA)	8,895,171	9,050,567		9,978,954	
3115 Special Ed portion of DSA	25,584	172,001		189,645	
3200 State Govt Restricted Funding	5,547	5,000		5,000	
3210 Special Transportation					
3220 Adult High School Diploma Program Fnd					
3230 Class Size Reduction					
3800 Revenue in Lieu of Taxes					
3900 Revenue for/on Behalf of School Dist					
<b>TOTAL STATE SOURCES</b>	<b>8,926,302</b>	<b>9,227,568</b>	<b>0</b>	<b>10,173,599</b>	<b>0</b>

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 3 Revenues

Page 1 of 2

2/21/17

	(1)	(2)	(3)	(4)	(4)
REVENUE	ACTUAL PRIOR	ESTIMATED	BUDGET YEAR ENDING 06/30/18		AMENDED
	YEAR ENDING	CURRENT	TENTATIVE	FINAL	FINAL
	06/30/16	YEAR ENDING	APPROVED	APPROVED	APPROVED
		06/30/17			
<b>4000 FEDERAL SOURCES</b>					

4100	Unrestricted Grants-in-Aid DIRECT from Fed Govt					
4103	E-Rate Funds					
4200	Unrestricted Grants-in-Aid from Fed Govt pass thru the State					
4300	Restricted Grants-in-Aid Direct - Fed	59,807	62,834		64,719	
4500	Restricted Grants-in-Aid Fed Govnt pass-thru the State					
4700	Grants-in-Aid from Fed Govt Thru Other Intermediate Agencies					
4800	Revenue in Lieu of Taxes					
4900	Revenue for/on Behalf of School District					
<b>TOTAL FEDERAL SOURCES</b>		59,807	62,834	0	64,719	0
<b>OTHER RESOURCES AND FUND BALANCE</b>		(1)	(2)	(3)	(4)	(4)
		ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	BUDGET YEAR ENDING 06/30/18 TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>5000 OTHER FINANCING SOURCES</b>						
5100	Issuance of Bonds					
5110	Bond Principal					
5120	Premium of Discount on the Issuance of Bonds					
5200	Fund Transfers In					
5300	Proceeds from the Disposal of Real or Personal Property					
5400	Loan Proceeds					
5500	Capital Lease Proceeds	21,861,063	0	0	0	
5600	Other Long-Term Debt Proceeds					
<b>6000 Other Items</b>						
6100	Capital Contributions					
6200	Amortization of Premium on Issuance of Bonds					
6300	Special Items					
6400	Extraordinary Items					
<b>TOTAL OTHER SOURCES</b>		21,861,063	0	0	0	0
<b>8000 OPENING FUND BALANCE</b>						
Reserved Opening Balance						
Unreserved Opening Balance						
<b>TOTAL OPENING FUND BALANCE</b>		0	0	0	0	0
Prior Period Adjustments						
Residual Equity Transfers						
<b>TOTAL ALL RESOURCES</b>		30,862,179	9,318,127	0	10,321,983	0

Budget Fiscal Year 2017-2018

American Preparatory Academy Form 4  PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/18		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>100 REGULAR PROGRAMS</b>					
1000 Instruction					
100 Salaries	2,478,903	2,867,290		3,377,832	
200 Benefits	794,780	695,726		842,769	
300/400/500 Purchased Services	7,999	14,914		15,361	
600 Supplies	69,815	227,999		322,275	
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries	430,948	600,636		630,067	
200 Benefits	97,809	62,156		65,202	
300/400/500 Purchased Services	1,925,900	1,554,813		1,685,687	
600 Supplies	101,801	192,741		198,523	
700 Property					
800 Other	1,606				
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>100 TOTAL REGULAR PROGRAMS</b>	5,909,562	6,216,275	0	7,137,717	0
<b>140 Summer School for Reg Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>140 TOTAL Summer School - Reg Prog</b>	0	0	0	0	0

American Preparatory Academy

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Form 4 Expenditures

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American Preparatory Academy  PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/18		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>200 SPECIAL PROGRAMS</b>					

1000	Instruction					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
2100-2600, 2900	Other Support Services					
100	Salaries	182,346	159,757		199,433	
200	Benefits	39,436	36,949		64,575	
300/400/500	Purchased Services		27,838		28,673	
600	Supplies	11,098	1,579		1,627	
700	Property					
800	Other					
2700	Student Transportation					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
<b>200 SPECIAL PROGRAMS</b>		232,880	226,123	0	294,308	0
<b>240 Summer School for Special Programs</b>						
1000	Instruction					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
2100-2600, 2900	Other Support Services					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
2700	Student Transportation					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
<b>240 TOTAL Summer School - Spec Prog</b>		0	0	0	0	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(3)	(4)	(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/18 FINAL APPROVED	AMENDED FINAL APPROVED
<b>270 Gifted and Talented Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					

300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>270 TOTAL Gifted &amp; Talented Programs</b>	0	0	0	0	0
<b>300 Vocational &amp; Technical Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>300 Total Vocational &amp; Technical Prog</b>	0	0	0	0	0

**American Preparatory Academy**

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Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/18 FINAL APPROVED	AMENDED FINAL APPROVED
<b>340 Summer School for Voc &amp; Tech</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					

<b>340 Total Summer School for Voc &amp; Tech</b>	0	0	0	0	0
<b>420 English for Speakers of Other Lang</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>420 Total Speakers of Other Lang</b>	0	0	0	0	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/18		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>430 At Risk Education Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>430 Total At Risk Education Programs</b>	0	0	0	0	0
<b>440 Summer School for Other Inst Prog</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					

200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
2700	Student Transportation					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
<b>440</b>	<b>Total Summer School for Other Inst Prog</b>	0	0	0	0	0

**American Preparatory Academy**

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(3)	(4)	(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/18 FINAL APPROVED	AMENDED FINAL APPROVED
<b>490 Other Instructional Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>490 Total Other Instructional Programs</b>	0	0	0	0	0

**American Preparatory Academy**

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Form 4 Expenditures

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<b>800 Community Services Programs</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					

100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>800 Total Community Services Programs</b>	0	0	0	0	0
<b>900 Co-curricular &amp; Extra-Curricular</b>					
1000 Instruction					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2100-2600, 2900 Other Support Services					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>900 Co-curricular &amp; Extra-Curricular</b>	0	0	0	0	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/18 FINAL APPROVED	AMENDED FINAL APPROVED
<b>000 UNDISTRIBUTED EXPENDITURES</b>					
<b>2100 Support Services-Students</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2100 SUBTOTAL</b>	0	0	0	0	0
<b>2200 Support Services-Instruction</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2200 SUBTOTAL</b>	0	0	0	0	0
<b>2300 Support Services-Gen Admin</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2300 SUBTOTAL</b>	0	0	0	0	0
<b>2400 Support Serv-School Admin</b>					
100 Salaries					



200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2400 SUBTOTAL</b>	0	0	0	0	0
<b>2500 Central Services</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2500 SUBTOTAL</b>	0	0	0	0	0

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Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/18		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>2600 Operating/Maintenance Plant Service</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2600 SUBTOTAL</b>	0	0	0	0	0
<b>2700 Student Transportation</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2700 SUBTOTAL</b>	0	0	0	0	0
<b>2900 Other Support (All Objects)</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>2900 SUBTOTAL</b>	0	0	0	0	0
<b>2000s TOTAL SUPPORT SERVICES</b>	0	0	0	0	0
<b>3100 Food Service</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>3100 TOTAL FOOD SERVICES</b>	0	0	0	0	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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	(1)	(2)	(3)	(4)	(5)
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PROGRAM FUNCTION OBJECT	ACTUAL PRIOR YEAR ENDING 06/30/16	ESTIMATED CURRENT YEAR ENDING 06/30/17	BUDGET YEAR ENDING 06/30/18		
			TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>4100 Land Acquisition</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4100 SUBTOTAL</b>	0	0	0	0	0
<b>4200 Land Improvement</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4200 SUBTOTAL</b>	0	0	0	0	0
<b>4300 Architecture/Engineering</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4300 SUBTOTAL</b>	0	0	0	0	0
<b>4400 Educational Specifications Dev</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4400 SUBTOTAL</b>	0	0	0	0	0
<b>4500 Building Improvement</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4500 SUBTOTAL</b>	0	0	0	0	0
<b>4600 Site Improvement</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4600 SUBTOTAL</b>	0	0	0	0	0

American Preparatory Academy

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Form 4 Expenditures

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PROGRAM FUNCTION OBJECT	(1)	(2)	(3) (4)		(5)
	ACTUAL PRIOR YEAR ENDING	ESTIMATED CURRENT YEAR ENDING	BUDGET YEAR ENDING 06/30/18		AMENDED FINAL
	06/30/16	06/30/17	TENTATIVE APPROVED	FINAL APPROVED	FINAL APPROVED
4700 Building Improvement					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					

700	Property	22,174,617	10,718		100,000	
800	Other					
<b>4700</b>	<b>SUBTOTAL</b>	<b>22,174,617</b>	<b>10,718</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>4900</b>	<b>Other (All Objects)</b>					
100	Salaries					
200	Benefits					
300/400/500	Purchased Services					
600	Supplies					
700	Property					
800	Other					
<b>4900</b>	<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4000s</b>	<b>TOTAL FACILITIES ACQUISITION AND</b>	<b>22,174,617</b>	<b>10,718</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>5000</b>	<b>Debt Service</b>	<b>1,188,560</b>	<b>2,036,126</b>		<b>2,182,296</b>	
<b>000</b>	<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>23,363,177</b>	<b>2,046,844</b>	<b>0</b>	<b>2,282,296</b>	<b>0</b>
	<b>TOTAL ALL EXPENDITURES</b>	<b>29,505,619</b>	<b>8,489,242</b>	<b>0</b>	<b>9,714,322</b>	<b>0</b>
<b>6300</b>	<b>Contingency (not to exceed 3% of Total Expenditures)</b>	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX				
<b>8000</b>	<b>ENDING FUND BALANCE</b>					
	Reserved Ending Balance					
	Unreserved Ending Balance	1,356,560	828,886		607,661	
	<b>TOTAL ENDING FUND BALANCE</b>	<b>1,356,560</b>	<b>828,886</b>	<b>0</b>	<b>607,661</b>	<b>0</b>
	<b>TOTAL APPLICATIONS</b>	<b>30,862,179</b>	<b>9,318,127</b>	<b>0</b>	<b>10,321,983</b>	<b>0</b>
<b>CHECKS:</b>						
	Contingency cannot exceed:	XXXXXXXX	254,677	0	291,430	0
	Calculated Total Ending Fund Balance:	1,356,560	828,886	0	607,661	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 4 Expenditures

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<b>TENTATIVE BUDGET 2017-2018</b>		Obj 100	Obj 200	Obj 300-900	
(1) PROGRAM OR FUNCTION	(2) SALARIES AND WAGES	(3) EMPLOYEE BENEFITS	(4) SERVICES SUPPLIES AND OTHER	(5) SUB-TOTAL REQUIRE- MENTS	
<b>PROGRAM EXPENDITURES</b>					
100 Regular	0	0	0	0	0
200 Special	0	0	0	0	0
300 Vocational	0	0	0	0	0
400 Other PK-12	0	0	0	0	0
500 Nonpublic School					0
600 Adult Education					0
800 Community Services	0	0	0	0	0
900 Co-Curricular/Extra Curricular	0	0	0	0	0
PROGRAM TOTALS	0	0	0	0	0
000 Undistributed Expenditures					
2000 Support Services	0	0	0	0	0
3100 Food Service	0	0	0	0	0
4000 Facility Acquisition and Construction			0	0	0
5000 Debt Service			0	0	0
6300 Contingency				0	0
8000 Ending Balance					0
UNDISTRIBUTED TOTALS	0	0	0	0	0
<b>TOTAL ALL FUNDS TENTATIVE</b>	0	0	0	0	0
<b>FINAL BUDGET 2017-2018</b>		Obj 100	Obj 200	Obj 300-900	
(1) PROGRAM OR FUNCTION	(2) SALARIES AND WAGES	(3) EMPLOYEE BENEFITS	(4) SERVICES SUPPLIES AND OTHER	(5) SUB-TOTAL REQUIRE- MENTS	
<b>PROGRAM EXPENDITURES</b>					
100 Regular	4,007,899	907,971	2,221,847	7,137,717	
200 Special	199,433	64,575	30,300	294,308	
300 Vocational	0	0	0	0	0
400 Other PK-12	0	0	0	0	0
500 Nonpublic School	0	0	0	0	0
600 Adult Education	0	0	0	0	0
800 Community Services	0	0	0	0	0
900 Co-Curricular/Extra Curricular	0	0	0	0	0
PROGRAM TOTALS	4,207,332	972,546	2,252,147	7,432,025	
000 Undistributed Expenditures					
2000 Support Services	0	0	0	0	0
3100 Food Service	0	0	0	0	0
4000 Facility Acquisition and Construction			100,000	100,000	
5000 Debt Service			2,182,296	2,182,296	
6300 Contingency				0	
8000 Ending Balance				607,661	
UNDISTRIBUTED TOTALS	0	0	2,282,296	2,889,957	
<b>TOTAL ALL FUNDS FINAL BUDGET</b>	4,207,332	972,546	4,534,443	10,321,983	

<b>FINAL AMENDED BUDGET - Estimated</b>	Obj 100	Obj 200	Obj 300-900	
(1) PROGRAM OR FUNCTION	(2) SALARIES AND WAGES	(3) EMPLOYEE BENEFITS	(4) SERVICES SUPPLIES AND OTHER	(5) SUB-TOTAL REQUIRE- MENTS
<b>PROGRAM EXPENDITURES</b>				
100 Regular	0	0	0	0
200 Special	0	0	0	0
300 Vocational	0	0	0	0
400 Other PK-12	0	0	0	0
500 Nonpublic School	0	0	0	0
600 Adult Education	0	0	0	0
800 Community Services	0	0	0	0
900 Co-Curricular/Extra Curricular	0	0	0	0
PROGRAM TOTALS	0	0	0	0
000 Undistributed Expenditures				
2000 Support Services	0	0	0	0
3100 Food Service	0	0	0	0
4000 Facility Acquisition and Construction			0	0
5000 Debt Service			0	0
6300 Contingency				0
8000 Ending Balance				0
UNDISTRIBUTED TOTALS	0	0	0	0
<b>TOTAL FINAL AMENDED BUDGET</b>	0	0	0	0

American Preparatory Academy

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Form 5 Exp Summary

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Fund: <span style="background-color: yellow;"></span>		(1) ACTUAL PRIOR YEAR ENDING 06/30/16	(2) ESTIMATED CURRENT YEAR ENDING 06/30/17	(3) (4) BUDGET YEAR ENDING 06/30/18	
				TENTATIVE APPROVED	FINAL APPROVED
<b>REVENUE</b>					
<b>1000</b>	<b>LOCAL SOURCES</b>				
1300	Tuition				
1400	Transportation Fees				
1500	Investment Income				
1600	Food Services				
1700	Direct Activities				
1800	Community Service Activities				
1900	Other Revenues				
<b>TOTAL LOCAL SOURCES</b>		0	0	0	0
<b>3000</b>	<b>REVENUE FROM STATE SOURCES</b>				
3100	Unrestricted Grants-in-Aid				
3200	State Govt Restricted Funding				
<b>TOTAL STATE SOURCES</b>		0	0	0	0
<b>4000</b>	<b>FEDERAL SOURCES</b>				
	Unrestricted Grants-in-Aid DIRECT from Fed Govt				
4100	Unrestricted Grants-in-Aid from Fed Govt				
4200	pass thru the State				
4300	Restricted Grants-in-Aid Direct - Fed				
4500	Restricted Grants-in-Aid Fed Govnt pass-thru the State				
4700	Grants-in-Aid from Fed Govt Thru Other Intermediate Agencies				
<b>TOTAL FEDERAL SOURCES</b>		0	0	0	0
<b>5000</b>	<b>OTHER FINANCING SOURCES</b>				
5200	Fund Transfers In				
	Proceeds from the Disposal of Real or				
5300	Personal Property				
5400	Loan Proceeds				
5500	Capital Lease Proceeds				
5600	Other Long-Term Debt Proceeds				
<b>6000</b>	<b>Other Items</b>				
<b>TOTAL OTHER SOURCES</b>		0	0	0	0
<b>8000 OPENING FUND BALANCE</b>					
	Reserved Opening Balance				
	Unreserved Opening Balance				
<b>TOTAL OPENING FUND BALANCE</b>		0	0	0	0
<b>TOTAL ALL RESOURCES</b>		0	0	0	0

Budget Fiscal Year 2017-2018

2/21/17

Form 6 Proprietary/Enterprise  FUNCTION / OBJECT	(1)  ACTUAL PRIOR YEAR ENDING 06/30/16	(2)  ESTIMATED CURRENT YEAR ENDING 06/30/17	(3)  BUDGET YEAR ENDING 06/30/18  TENTATIVE APPROVED	(4)  BUDGET YEAR ENDING 06/30/18  FINAL APPROVED

<b>EXPENSES</b>				
1000 Instruction				
100 Salaries				
200 Benefits				
300/400/500 Purchased Services				
600 Supplies				
700 Property				
800 Other				
SUBTOTAL INSTRUCTION EXPENSES:	0	0	0	0
2000 Support Services				
100 Salaries				
200 Benefits				
300/400/500 Purchased Services				
600 Supplies				
700 Property				
800 Other				
SUBTOTAL SUPPORT EXPENSES:	0	0	0	0
3100 Food Service				
100 Salaries				
200 Benefits				
300/400/500 Purchased Services				
600 Supplies				
700 Property				
800 Other				
SUBTOTAL FOOD SERVICE EXPENSES:	0	0	0	0
4000 Facilities Acquisition & Construction				
100 Salaries				
200 Benefits				
300/400/500 Purchased Services				
600 Supplies				
700 Property				
800 Other				
SUBTOTAL FOOD SERVICE EXPENSES:	0	0	0	0
5000 Debt Service				
6000 Miscellaneous				
SUBTOTAL OTHER SERVICES	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
8000 ENDING FUND BALANCE				
Reserved Ending Balance				
Unreserved Ending Balance				
TOTAL ENDING FUND BALANCE	0	0	0	0
<b>TOTAL APPLICATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**American Preparatory Academy**

ALL EXISTING OR PROPOSED

\* - Type - use codes 1-11

- 1 - General Obligation Bonds
- 2 - G. O. Revenue Supported Bonds
- 3 - G. O. Special Assessment Bonds
- 4 - Revenue Bonds
- 5 - Medium-Term Financing

- 6 - Medium-Term Financing - Lease Purchase
- 7 - Capital Leases
- 8 - Special Assessment Bonds
- 9 - Mortgages
- 10 - Other (Specify Type)
- 11 - Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NAME OF LOAN List and Subtotal By Fund	Type *	Number of Months of TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/17	REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/18		(9) + (10)
								INTEREST PAYABLE	PRINCIPAL PAYABLE	6/30/18 TOTAL
FUND:										
FF&E Loan	6	48	\$342,325	01/16/15	12/16/18	5.00%	\$144,740	\$112	\$3,702	\$3,814
Curriculum Loan	6	60	\$103,205	07/15/15	07/15/19	0.00%	\$63,643.08	\$0	\$860.04	\$860
Sunset Campus FF&E Loan	6	60	\$1,748,846	12/01/15	12/01/15	4.13%	\$1,335,777	\$420	\$2,644	\$3,064
Sunset Campus Capital Lease	6	408	\$30,045,190	11/01/17	10/01/51	5.12%	\$30,417,700	\$123,584	(\$32,653)	\$90,931
										\$0
							calculate present value of all of the cash flows			\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
										\$0
<b>TOTAL ALL DEBT SERVICE</b>			<b>\$32,239,566</b>				<b>\$31,961,861</b>	<b>\$124,116</b>	<b>(\$25,447)</b>	<b>\$98,669</b>

American Preparatory Academy

Budget Fiscal Year 2017-2018

Form 7 INDEBTEDNESS

2/21/17



American Preparatory Academy

REPORT FOR ALL FUNDS		FROM DISTRICTS WITHIN NEVADA		FROM DISTRICTS OUTSIDE NEVADA	
		(1) TUITION	(2) TRANSPORTATION	(3) TUITION	(4) TRANSPORTATION
REVENUES	Revenue CODES	1310 NV Individual 1321 NV School Dist	1410 NV Individual 1421 NV School Dist	1310 Out-of-state Ind 1331 Out-of-state SD	1410 Out-of-state Ind 1431 Out-of-state SD
Nevada Individuals	1310/1410				
Nevada School Districts	1321/1421				
Out-of-state Individuals	1310/1410				
Out-of-State School Districts	1331/1431				
		\$0	\$0	\$0	\$0

		TO DISTRICTS WITHIN NEVADA		TO DISTRICTS OUTSIDE NEVADA	
EXPENDITURES	Object Codes	561	511	562	512
100 - Regular Programs					
200 - Special Programs					
300 - Vocational Programs					
400 - Other PK-12 Programs					
500 - Nonpublic Programs					
600 - Adult Programs					
TOTALS		\$0	\$0	\$0	\$0

American Preparatory Academy

Budget Fiscal Year 2017-2018

FORM 8 - TUITION and TRANSPORTATION

2/21/17

American Preparatory Academy

FUND TRANSFERS 2017-2018  (1) FUND TYPE	TRANSFERS IN			TRANSFERS OUT	
	(2) FROM FUND	(3) AMOUNT		(4) TO FUND	(5) AMOUNT
<b>GENERAL FUND</b>					
<b>SUBTOTAL</b>	0	0		0	0
<b>SPECIAL REVENUE FUNDS</b>					
<b>SUBTOTAL</b>	0	0		0	0
<b>TOTAL TRANSFERS</b>	0	0		0	0

American Preparatory Academy

Budget Fiscal Year 2017-2018

FORM 9 FUND TRANSFERS

2/21/17

Pursuant to NRS 354.600 (3), **each** (emphasis added) local government budget must obtain a separate statement of anticipated expenses relating to activities designed to influence the passage or defeat of legislation in an upcoming legislative session.

<b>Total</b>	\$	<u>-</u>
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Part C: Attachments

CASH FLOW STATEMENT

2017-2018	PROJECTED July	PROJECTED August	PROJECTED September	PROJECTED October	PROJECTED November	PROJECTED December	PROJECTED January	PROJECTED February	PROJECTED March	PROJECTED April	PROJECTED May	PROJECTED June	Total Projected	Final Approved Budget	Variance
<b>REVENUES</b>															
Type:															
Distributive School Acct	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 831,579.46	\$ 9,978,953.51	\$ 9,978,953.51	\$ -
Donations													\$ -	\$ -	\$ -
Federal Grant A									\$ 64,719.00				\$ 64,719.00	\$ 64,719.00	\$ -
Local Income	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 6,972.08	\$ 83,665.00	\$ 83,665.00	\$ -
Special Ed portion of DSA			\$ 47,411.25			\$ 47,411.25			\$ 47,411.25	\$ 6,972.08	\$ 6,972.08	\$ 47,411.25	\$ 189,645.00	\$ 189,645.00	\$ -
Teacher Supplies												\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ 838,551.54	\$ 838,551.54	\$ 885,962.79	\$ 838,551.54	\$ 838,551.54	\$ 885,962.79	\$ 838,551.54	\$ 838,551.54	\$ 950,681.79	\$ 838,551.54	\$ 838,551.54	\$ 890,962.79	\$ 10,321,982.51	\$ 10,321,982.51	\$ -
<b>Total Revenues Y-T-D</b>	\$ 838,551.54	\$ 1,677,103.08	\$ 2,563,065.88	\$ 3,401,617.42	\$ 4,240,168.96	\$ 5,126,131.75	\$ 5,964,683.30	\$ 6,803,234.84	\$ 7,753,916.63	\$ 8,592,468.17	\$ 9,431,019.71	\$ 10,321,982.51			
<b>EXPENDITURES</b>															
<b>Salaries &amp; Benefits</b>															
Salaries	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 350,611.02	\$ 4,207,332.18	\$ 4,207,332.18	\$ -
Benefits	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 81,045.52	\$ 972,546.19	\$ 972,546.19	\$ -
Total Salaries & Ben	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 431,656.53	\$ 5,179,878.37	\$ 5,179,878.37	\$ -
<b>Operating</b>															
Supplies	\$ 55,254.06	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 15,069.29	\$ 221,016.23	\$ 221,016.23	\$ -
Rent													\$ -	\$ -	\$ -
Utilities	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 9,348.80	\$ 112,185.64	\$ 112,185.64	\$ -
Contracts	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 134,794.61	\$ 1,617,535.26	\$ 1,617,535.26	\$ -
Textbooks	\$ 150,704.49	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 13,700.41	\$ 301,408.98	\$ 301,408.98	\$ -
Equipment													\$ -	\$ -	\$ -
Debt Service	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 181,858.03	\$ 2,182,296.33	\$ 2,182,296.33	\$ -
Property	\$ 100,000.00												\$ 100,000.00	\$ 100,000.00	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
													\$ -	\$ -	\$ -
<b>Total Expenses</b>	\$ 1,063,616.51	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 786,427.66	\$ 9,714,320.81	\$ 9,714,320.81	\$ -
<b>Total Expenses Y-T-D</b>	\$ 1,063,616.51	\$ 1,850,044.18	\$ 2,636,471.84	\$ 3,422,899.50	\$ 4,209,327.17	\$ 4,995,754.83	\$ 5,782,182.50	\$ 6,568,610.16	\$ 7,355,037.82	\$ 8,141,465.49	\$ 8,927,893.15	\$ 9,714,320.81	\$ 9,714,320.81	\$ 9,714,320.81	\$ -
Percent of Budget	10.95%	19.04%	27.14%	35.24%	43.33%	51.43%	59.52%	67.62%	75.71%	83.81%	91.90%	100.00%			

Projected Cash Balance Statement

Net change in Cash (F/B)	\$ (225,064.97)	\$ 52,123.88	\$ 99,535.13	\$ 52,123.88	\$ 52,123.88	\$ 99,535.13	\$ 52,123.88	\$ 52,123.88	\$ 164,254.13	\$ 52,123.88	\$ 52,123.88	\$ 104,535.13	\$ 607,661.69	\$ 607,661.69	\$ -
Begin Cash Balance(F/B)	\$ 1,200,000.00	\$ 974,935.03	\$ 1,027,058.91	\$ 1,126,594.04	\$ 1,178,717.91	\$ 1,230,841.79	\$ 1,330,376.92	\$ 1,382,500.80	\$ 1,434,624.68	\$ 1,598,878.81	\$ 1,651,002.69	\$ 1,703,126.56			\$ -
End Cash Balance (F/B)	\$ 974,935.03	\$ 1,027,058.91	\$ 1,126,594.04	\$ 1,178,717.91	\$ 1,230,841.79	\$ 1,330,376.92	\$ 1,382,500.80	\$ 1,434,624.68	\$ 1,598,878.81	\$ 1,651,002.69	\$ 1,703,126.56	\$ 1,807,661.69	\$ 607,661.69	\$ 607,661.69	\$ -

## **ATTACHMENT C-13**

### **Local Network Budget**

**Does not apply**

## **ATTACHMENT C-14**

### **Request for Good Cause Exemption from amendment deadline**

The school would like to petition the board for a Good Cause Exemption from the amendment deadline. The opportunity to accept this new lease with the Charter Facility Support Foundation was sudden and required prompt action from our board. The reason it was sudden and required prompt action is because CFSF came upon an option to include additional land in their bond financing adjacent to the school, and has indicated a willingness to add driveways and parking for our school at no additional cost to the proposed lease schedule. CFSF is currently under contract for the additional land, but the contract will expire at the end of October.

Additionally, the proposed lease schedule is predicated on an estimated interest rate that CFSF will secure when they close the bonds. Extending out the timing of the bonding exposes CFSF, and thus the school, to interest rate risk that may raise the price of the lease and result in less savings for the school.

**ATTACHMENT C-15**

**Sub-lease**

**See Following Pages**

## **SUBLEASE AGREEMENT**

**THIS LEASE AGREEMENT** made and entered into this [ \_\_\_\_ ] of December, 2014 (the "Lease Agreement"), by and between American Preparatory Schools, Inc., a Utah Corporation, hereinafter referred to as the "Landlord", and American Preparatory Academy of Las Vegas, a Nevada Charter School, hereinafter referred to as the "Tenant":

### **WITNESSETH**

**ARTICLE I. PREMISES AND TERM.** Landlord hereby subleases and by these presents does lease and demise to the Tenant, and the Tenant does lease and take from the Landlord, the premises (the "Demised Premises") consisting of (i) the approximately 6.45 acres of land described on **Exhibit "A"** attached +hereto, (ii) the approximately 116,476 square feet of Charter School space situated in the building to be erected thereon, as described on **Exhibit "B"** attached hereto, and (iii) all other improvements located on such land from time to time, together with all the easements, rights, privileges and appurtenances thereunto belonging or in any way appertaining to the Demised Premises.

Landlord has entered into a lease for the Demised Premises (the "Master Building Lease"), a copy of which has been attached hereto and incorporated herein as **Exhibit "E"**, as Tenant with DHCO Properties, LLC, hereinafter referred to as DHCO, as Landlord for the Demised Premises as described in this Lease. This Lease Agreement is in all respects subject to the Master Building Lease. Other than with respect to the rent payable thereunder, Tenant shall in all respects pay and perform all obligations under the Master Building Lease, and shall not at any time do or fail to do anything that would result in a breach or default thereunder.

DHCO has accepted assignment of a ground lease (the "Ground Lease"), a copy of which has been attached hereto and incorporated herein as **Exhibit "D"**, as Tenant with UNLV Research Foundation, hereinafter referred to as CDMC, as Landlord for the 6.45 acres of property described on **Exhibit "A"**. This Lease Agreement is in all respects subject to the Ground Lease. Other than with respect to the ground rent payable thereunder, Tenant shall in all respects pay and perform all obligations under the Ground Lease, and shall not at any time do or fail to do anything that would result in a breach or default thereunder.

The portion of the Demised Premises, situated in the building to be erected, consists of a Phase 1 area (further subdivided into areas Phase 1a and Phase 1b) and a Phase 2 area as shown on **Exhibit "B"**. The term of the lease for the two Phases shall be described as follows:

**TO HAVE AND TO HOLD** the said Demised Premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging to or in anywise appertaining, unto Tenant for a term commencing on September 15, 2015 for Phase 1 and August 1, 2016 for Phase 2



and continuing thereafter to and including August 14, 2045, subject however, to a one-year delay as set forth below, and to extension and renewal if hereafter provided.

**ARTICLE 2. CONSTRUCTION OF IMPROVEMENTS.** Landlord represents to Tenant that DHCO agrees under the terms of the Master Building Lease, at DHCO's sole cost and expense, to construct a building and other improvements, comprising a portion of the Demised Premises, in accordance with the preliminary plans and specifications prepared by Miller Architecture, copies of which have been attached hereto and incorporated herein as **Exhibit "B"**, and initialed by the parties. General construction materials, methods, systems, and finishes shall be similar to the APA Draper II campus located at 361 West 11915 South, Draper, UT except that the exterior building materials and finishes and the exterior canopies and stairways shall be as shown on Sheet A201 of **Exhibit "B"** subject to applicable law.. Final plans and specifications for Phase 1 have been carefully reviewed and specifically approved by Landlord and Tenant, and are incorporated herein by reference as **Exhibit "B-1"**. The final plans and specifications for Phase 1 constituting Exhibit B-1 have been modified as described in Addenda #1 thru #3 to Plans and Specifications which have been attached hereto and incorporated herein as **Exhibit "B-2"** and said modifications are approved by Landlord and Tenant.

The construction budget for Phase 2 of the demised premises is \$2,422,360.00. No construction will begin on the Phase 2 of the project until the final plans for the Phase 2 improvements are mutually approved, including approval in writing by Tenant, and it is determined that the Construction Budget is sufficient to complete the Phase 2 improvements of the project.

Lockers shown on the plan as "by Owner" shall be provided by Tenant. Lunch Tables, Desks, and Playground shall be provided by Tenant.

**ARTICLE 3. TENANT'S POSSESSION.** The term of this Lease shall commence on September 15, 2015, subject to delay as set forth below. Tenant shall take possession when the Landlord delivers to Tenant, in a condition ready for occupancy, the Demised Premises described on **Exhibit "B-1"** located in the building being constructed by the Landlord. Tenant shall accept possession of the said improvements, in Phase(s) when they are ready for occupancy. The words "ready for occupancy" are defined for this purpose to mean the date upon which the construction work referred to in Article 2 is substantially completed in accordance with the plans and specifications referred to therein and a Temporary Certificate of Occupancy is issued allowing the Tenant to occupy the applicable Phase(s) the building. Landlord may deliver to Tenant, and Tenant may take possession, of Phase 1a and/or Phase 1b of the Demised Premises prior to September 15, 2015 provided that a Certificate of Occupancy has been issued and the insurance required of both Landlord and Tenant under this lease are in effect. Such occupancy of the Demised Premises by Tenant prior to September 15, 2015 shall not change the dates or amounts of lease payments due to Landlord as described in Article 7.1 of this Lease.

Landlord agrees to exert its best, commercially reasonable efforts to have the improvements for Phase 1a and Phase 1b ready for occupancy no later than September 15, 2015. In the event Phase 1a of the

demised premises will not be available for occupancy by September 15, 2015 (2015-16 school year), Landlord shall give Tenant written notice no later than February 1, 2015, and the term will instead commence no later than August 1, 2016 (2016-2017 school year). Notwithstanding anything to the contrary in this Lease Agreement, Tenant shall not be responsible to pay Landlord any amount under this Lease Agreement until Landlord delivers Tenant Phase 1a of the Demised Premises in a condition ready for occupancy.

Due to the current unreliable nature of inspection and approval scheduling of Clark County and the applicable utility companies, Tenant shall have in place a contingency plan to house its anticipated student enrollment in an alternate location if occupancy of Phase 1a is delayed past September 15, 2015. In the event said contingency plan must be implemented, Landlord shall reimburse Tenant for the costs of implementation.

Landlord agrees to exert its best, commercially reasonable efforts to have the improvements for Phase 1b ready for occupancy no later than 60 days after Landlord delivers Tenant Phase 1a of the Demised Premises in a condition ready for occupancy. Landlord agrees to exert its best, commercially reasonable efforts to have the improvements for Phase 2 ready for occupancy no later than August 1, 2016 (unless the commencement of the Lease term for Phase I is delayed until August 1, 2016 as provided above, in which case Landlord shall have the improvements for Phase 2 ready for occupancy no later than August 1, 2017). Upon the request of either party, the parties shall memorialize the commencement of the Phase 1 occupancy and the Phase 2 occupancy in a written instrument, executed by the parties.

#### **ARTICLE 4. OBLIGATIONS OF TENANT AND LANDLORD.**

**4.1 Property Taxes.** Subject to Tenant's reimbursement, Landlord shall pay all taxes, and assessments lawfully levied or assessed against the building or buildings or any part thereof, or otherwise payable under the Ground Lease. Tenant shall reimburse Landlord, within ten (10) days from the date Landlord submits to Tenant a statement setting forth the amount due Landlord under the provisions of this paragraph, for such real property taxes and assessments due on the Demised Premises as additional rent hereunder. Tenant shall pay 1/12 of the estimated annual taxes in advance each month in addition to the minimum rental payment due hereunder. Landlord may dispute and contest the real property taxes and assessments on the Demised Premises. Tenant may, at its sole cost and expense, after it has paid Landlord in full any taxes or assessments due hereunder, upon fifteen (15) days' prior written notice to Landlord, contest with the appropriate governmental authority such taxes or assessments. Tenant shall be entitled to any refund of any tax or penalty paid by Tenant, or paid by Landlord and reimbursed by Tenant to Landlord.

**4.2 Personal Property Taxes.** Tenant shall additionally pay, when due, all personal property taxes and license fees levied and assessed against the Demised Premises during the term of this Lease. Nothing contained in this Lease shall require or be construed to obligate the Tenant to pay any franchise, excise, corporate, estate, inheritance, succession, capital levy or transfer tax of the Landlord, or any income, profits or revenue tax upon the income of the Landlord; provided, however, that in any case where a tax

may be levied, assessed or imposed upon Landlord for the privilege of renting or leasing the Demised Premises or which is based upon the rental revenue derived therefrom, Tenant shall pay to Landlord as additional rent hereunder the amount of said tax, but in no event shall the Tenant be obligated to pay an amount greater than that which would be payable if the Demised Premises were the only asset of the Landlord.

**4.3 Tenant's Tax Exempt Status.** Notwithstanding paragraphs 4.1 and 4.2 above, Tenant represents to Landlord that Tenant qualifies for tax exempt status in accordance with NRS 361.096 which reads as follows:

*NRS 361.096 Exemption of certain property leased or rented to charter school.*

- 1. All real and personal property that is leased or rented to a charter school is hereby deemed to be used for an educational purpose and is exempt from taxation. If the property is used partly for the lease or rental to a charter school and partly for other purposes, only the portion of the property that is used for the lease or rental to a charter school is exempt pursuant to this subsection.*
- 2. To qualify for an exemption pursuant to subsection 1, the property owner must provide the county assessor with a copy of the lease or rental agreement indicating that:*
  - (a) The property is leased or rented to the charter school; and*
  - (b) The amount of payment required by the charter school pursuant to the agreement is reduced in an amount which is at least equal to the amount of the tax that would have been imposed if the property were not exempt pursuant to subsection 1.*

Landlord agrees to provide the county assessor with all relevant documentation in Landlord's possession to assist Tenant in procuring and maintaining tax exempt status. If property tax is assessed due to Landlord's failure to file the proper documentation in the required timeline, Landlord shall pay any taxes on the Building and/or Land resulting from such failure at Landlord's sole expense.

**4.4 Tenant's Insurance.** The Tenant shall, during the entire term of this Lease, at the Tenant's sole cost and expense, but for the mutual benefit of the Landlord and Tenant and CDMC and DHCO, maintain general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the entire property described on **Exhibits "A" & "B"** attached hereto and on, in or about the adjoining streets and passageways, such insurance to afford protection to the limit of not less than \$1,000,000 in respect to injury or death to a single person, and to the limit of not less than \$2,000,000 in respect to any one accident, and to the limit of not less than \$1,000,000 in respect to property damage or a combined single limit policy not less than \$2,000,000 per occurrence, or in such greater amounts as required under the Ground Lease. All policies shall name Landlord and the Mortgagee of the property and CDMC and DHCO as an additional named insured, as their interest may appear.

Tenant shall also provide insurance coverage to the extent of the full replacement value covering all of Tenant's property, fixture, equipment, tools, improvements, stock, goods, wares or merchandise, that it

may have in or on or about the Demised Premises. Other forms of insurance may be reasonably required to cover future risks against which a prudent Tenant would protect itself.

All policies of insurance provided for herein shall be issued by insurance companies with a general policy holder's rating of not less than A and a financial rating of AAA, as rated in the most current available "Best's Guide" Insurance Reports, and qualified to do business in the state of Nevada, and as otherwise required under the Ground Lease and NAC 386.215.

The policies for the foregoing insurance shall provide that the proceeds thereof shall be payable to the Tenant and to the Landlord, as their respective interests may appear. Said required Tenant insurance coverage shall be verified to the Landlord by an insurance carrier in the form of either a certified copy of the policy or other written verification of insurance coverage acceptable to Landlord and the lending institution for the Demised Premises. Such insurance policies shall provide that Landlord be given thirty (30) days written notice prior to any cancellation or alteration of any policy.

To the extent that Tenant fails to provide the foregoing insurance, either hazard or liability, Tenant shall be responsible to Landlord, as his interest appears, for such damage that would have been insured by said policies but for Tenant's failure to obtain such insurance.

**4.5 Landlord's Insurance.** Subject to Tenant's reimbursement, Landlord shall provide fire, lightning, and extended coverage ("all risk") insurance and such additional insurance coverage as may be required under the Ground Lease or by Landlord's mortgagee (including loss of rents insurance) on the Demised Premises for the full replacement value thereof or such value as is required by Landlord's mortgagee, whichever is greater, against such loss. Tenant shall reimburse Landlord as additional rental hereunder, for such insurance premium costs within ten (10) days from the date Landlord submits to Tenant a statement setting forth the amount due Landlord under the provisions of this paragraph. Tenant shall pay 1/12 of the estimated annual building insurance premium in advance each month along with the minimum rental payment.

**4.6 Subrogation.** Landlord shall not be liable to Tenant or anyone claiming by, through or under Tenant, including an insurance carrier or carriers, for any insurable loss or damage, and no such carrier shall have the right to subrogate against Landlord, or any other Tenant. All of the insurance policies required hereunder pertaining to the Demised Premises shall contain an endorsement by the insurance carrier or carriers waiving any and all rights of subrogation against Landlord, a copy of which endorsement or endorsements, or evidence thereof by way of certificate shall be furnished to the Landlord.

**4.7 Assumption of Risk.** Anything herein to the contrary notwithstanding, after the commencement of the term as provided in Article 1, or after Occupancy prior to Commencement as allowed in Article 2 whichever comes first, the Tenant assumes full risk of damage to its property, fixtures, equipment, tools, improvements, stock, goods, ware of merchandise, that it may have in or on or about the Demised Premises, resulting from fire, lightning, extended coverage perils, flood and any catastrophe, regardless of cause or origin, except to the extent it is caused by the intentional conduct or gross negligence of the Landlord. The Landlord shall not be liable to Tenant or anyone claiming by, through or under Tenant,

including Tenant's insurance carrier or carriers, for any loss or damage resulting from fire, lightning or extended coverage perils or from an act of God. Landlord shall not be liable to the insurance carrier for damages insured against, either directly or by way of subrogation, and Tenant hereby releases all claims against Landlord therefor.

**4.8 Common Area Operating Costs.** The Tenant shall pay when due all common area operating costs of the UNLV Research Park payable under the Ground Lease.

**ARTICLE 5. TENANT'S USE.** The Tenant may use the Demised Premises for operating its Charter School. Tenant shall use the Demised Premises only for lawful and proper purposes, which are permissible under applicable law (including under applicable zoning laws) and the uses permitted under the Ground Lease. Tenant shall not make any use of the Demised Premises which will cause cancellation of any insurance policy covering the same and shall not keep or use on the Demised Premises any article, item, or thing which is prohibited by the terms of the hazard insurance policy covering the improvements. Tenant shall not commit any waste upon the Demised Premises and shall not conduct or allow any business, activity or thing on the Demised Premises which is or becomes unlawful, prohibited, or a nuisance or which may cause damage to Landlord, to occupants in the vicinity, or to other third parties. Tenant shall comply with and abide by all laws, ordinances, and regulations of all municipal, county, state and federal authorities which are now in force or which may hereafter become effective with respect to use and occupancy of the Demised Premises.

Tenant represents to Landlord that neither Tenant nor any affiliates of Tenant will generate, store or dispose of any Hazardous Substances (as defined below) at or in the area of the Demised Premises and Property except as is customary with the use as a school.

Tenant covenants with Landlord: a) to prohibit any generation, storage or disposal of Hazardous Substances at the Demised Premises, b) to deliver promptly to Landlord true and complete copies of all notices received by Tenant from any governmental authority with respect to the generation, storage or disposal by Tenant of Hazardous Substances (whether or not at the Demised Premises); and c) to permit entry onto the Demised Premises by Landlord or Landlord's representative(s) at any reasonable time to verify Tenant's compliance with the foregoing.

Tenant agrees to indemnify and defend Landlord and/or DHCO (with legal counsel reasonably acceptable to Landlord and DHCO) from and against any costs, fees or expenses (including, without limitation, cleanup expenses, third party claims and environmental impairment expenses and reasonable attorneys' fees and expenses) incurred by Landlord in connection with (i) Tenant's generation, storage, or disposal of Hazardous Substances at or near the Demised Premises in accordance with the foregoing and with Tenant's compliance with the foregoing representations and covenants, and (ii) Tenant's use and occupancy of the Demised Premises. This indemnification by Tenant shall survive termination or expiration of this Lease.



Landlord agrees to indemnify and defend Tenant (with legal counsel reasonably acceptable to Tenant) from and against any costs, fees or expenses (including, without limitation, cleanup expenses, third party claims and environmental impairment expenses and reasonable attorneys' fees and expenses) incurred by Tenant in connection with Landlord's or DHCO' generation, storage, or disposal of Hazardous Substances at or near the Demised Premises. This indemnification by Landlord shall survive termination or expiration of this Lease.

"Hazardous Substances" shall mean (i) hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, (ii) "PCBs", as defined in 40 C.F.R. 761 et seq. and "TCDD" as defined in 40 C.F.R. 755 et seq. (or in either case analogous regulations promulgated under the Toxic Substances Control Act, as amended), (iii) "asbestos" as defined in 29 C.F.R. 1910.1001 et seq. (or analogous regulations promulgated under the Occupational Safety and Health Act of 1970, as amended), and (iv) waste oils and other petroleum hydrocarbon compounds.

**ARTICLE 6. POSSESSION.** Possession of the Demised Premises shall be delivered to the Tenant as herein provided, free and clear of all Tenants and occupants and the rights of either. The Demised Premises shall also be free of liens, encumbrances and violations of laws, ordinances and regulations adversely affecting the use and occupancy of the Demised Premises, except those presently of record including mortgages and trust deeds and those that may be specified herein. Tenant agrees to deliver to the Landlord physical possession of the Demised Premises, including all keys to the Demised Premises, upon the termination or expiration of this Lease or any extension thereof, in as good order, condition, and state of repair as when received by Tenant, reasonable wear and tear thereof and damage by fire (but only to the extent that Landlord is obligated to restore or repair the Demised Premises under Article 13 of this Lease), acts of God or the elements excepted.

#### **ARTICLE 7. RENT.**

**7.1 Minimum Rent.** The Tenant agrees to pay the Landlord at such address as shall from time to time be designated by Landlord, as minimum rental during the initial term of this Lease without right of offset or deduction, the sum of:

Partial Year 1	\$950,000	i.e.	\$95,000.00/month net/net/net
(10 Payments – 1 <sup>st</sup> Payment Due October 1, 2015)			
Year 2	\$1,360,000/year	i.e.	\$113,333.33/month net/net/net
Years 3-5	\$1,785,000/year	i.e.	\$148,750.00/month net/net/net
Years 6 –30	Previous Year Rent Plus 2% (2% increase each year)		
Plus two (2), five (5) year options to extend at then current market rates.			

Landlord hereby grants Tenant the right and option to renew this Lease Agreement for two (2) successive five (5) year option renewal terms. Should Tenant desire to exercise the renewal of this Lease, Tenant must notify Landlord in writing stating Tenant's intent to renew this Lease at least 180 days prior to the expiration of the primary Lease term. Tenant must also be current under all Lease

covenants and conditions for either of the Lease renewal rights to be valid and effective. During each such renewal term, all provisions of this Lease shall apply, except for any provision relating to the improvement of the Demised Premises by Landlord or at Landlord's expense, and except that the amount of minimum rental for each such renewal term shall be negotiated and determined by mutual agreement between the parties. If the parties are able to agree on the amount of the minimum rental for either such renewal term within thirty (30) days after receipt by Landlord of Tenant's notice of renewal, the parties shall promptly enter into an amendment to this Lease reflecting the new minimum rental and the new expiration date. If the parties, after using their best, commercially reasonable efforts, are unable to agree on the amount of the minimum rental for either such renewal term within such thirty (30)-day period (as evidenced by the execution and delivery of an amendment to this Lease), then such option to renew (and any subsequent option to renew) shall automatically terminate and be of no further force or effect.

Minimum rental shall be payable monthly, in advance, without demand on the first day of each calendar month throughout the Lease term.

**7.2 Late Penalty.** Tenant shall be charged a five percent (5%) late fee on all rental and other payments (minimum and/or additional rent) due under this Lease which are received by Landlord more than ten (10) days after their due date. Such late fee shall compensate Landlord for (i) the costs attributable to providing notice of delinquency; and (ii) the expense of servicing the mortgage loan on Landlord's Building from alternative funds. In addition, any rental or other payments due under this Lease which are not paid within twenty (20) days of their due date shall bear interest thereafter at the rate of one and one-half percent (1- 1 /2%) per month, or the highest rate permitted by law, whichever is lower, until paid.

**ARTICLE 8. SIGNS.** With the prior written approval of Landlord, which approval shall not be unreasonably withheld, and subject to the approval of CDMC and/or DHCO if required, Tenant shall have the right and privilege to place on the building or Demised Premises signage necessary for the operation of Tenant's business. Such sign installation shall not adversely affect or damage the physical structure of the building, nor detract from the overall harmony of the building and the UNLV Research Park development. All such signs must conform with the codes and regulations of Clark County and adhere to the signage criteria for the development.

Upon the expiration or termination of the lease, the Tenant shall remove all signage installed by Tenant and repair any damaged areas on the building or Demised Premises caused thereby, to a condition acceptable to the Landlord.

**ARTICLE 9. ALTERATIONS AND IMPROVEMENTS.** Tenant shall have the right, subject to Landlord's prior written approval, to make non-structural alterations, additions, or improvements (hereinafter collectively referred to as "improvements") to the interior of the Demised Premises. Said improvements and additions shall be accomplished at Tenant's sole cost and expense and shall be made in compliance with all building codes and ordinances, laws, and regulations applicable to the Demised Premises. Tenant shall cause all improvements to be accomplished in a good workmanlike manner using the same

quality and finish to match existing. Landlord shall have the right, but not the obligation, to require Tenant's removal of said improvements at the expiration or termination of the Lease, including restoration of the Demised Premises, to its original state of improvement, configuration, etc., unless Landlord previously approved such improvements in writing. Tenant shall keep the Demised Premises free from any liens arising out of any work performed, material furnished or obligation incurred by or for Tenant or any person or entity claiming through or under Tenant. In the event that Tenant shall not, within thirty (30) days following the imposition of any such lien, cause the same to be released by payment or posting of a bond, Landlord and/or DHCO shall have the right, but not the obligation, to cause such lien to be released by such means as Landlord deems proper, including payment of the claim giving rise to such lien. All such sums paid and all expenses incurred by Landlord in connection therewith shall be due and payable to Landlord by Tenant as additional rent within fifteen (15) days of Tenant's receipt of Landlord's invoice.

**ARTICLE 10. FIXTURES AND PERSONAL PROPERTY.** All fixtures (not including trade fixtures) installed or attached to the Demised Premises by and/or at the expense of Tenant shall become the property of DHCO. Any trade fixtures installed in the Demised Premises by and at the expense of the Tenant shall remain the property of the Tenant or Tenant's trade fixture Lessors, and the Landlord agrees that so long as Tenant is not in default hereunder, Tenant or its Lessors shall have the right at any time to remove any and all of its trade fixtures which it may have stored or installed in the Demised Premises. Landlord expressly agrees to waive or subordinate any claim which Landlord may or might have against the trade fixtures and personal property of Tenant in favor of a Lessor or UCC-1 creditor who intends to Lease any of the same to Tenant. Tenant shall be required, at the expiration or termination of this Lease Agreement or any extension or renewal thereof, to remove any and all of its trade fixtures which it may have stored or installed in the Demised Premises. Tenant will repair all damage to the Demised Premises occasioned by such trade fixture removal. If Tenant shall holdover beyond lease expiration or lease termination, with Landlord's approval of such holdover, for removal of fixtures and equipment (not to exceed ten (10) days), Tenant shall pay to the Landlord as rental therefore, a sum equal to the prorated portion of the previous monthly rental thereof. In the event Tenant has not completed the removal of its fixtures and equipment and restoration of the Demised Premises caused thereby, within the ten (10) day period following the expiration or termination of the lease, Landlord shall, in Tenant's behalf and at Tenant's sole and exclusive expense, cause such fixtures and equipment to be removed and the Demised Premises to be restored. Upon completion, the cost of said removal and restoration, plus twenty percent (20%) for overhead and profit, including prorated rental for the period of time required to accomplish such, shall be passed on to Tenant for Tenant's payment to Landlord.

**ARTICLE 11. UTILITIES.** The Tenant shall pay for all water, heat, gas, electricity, and other costs of utilities connected with, consumed, or used by it in connection with its occupancy of the Demised Premises. In the event any utility service to the Demised Premises is interrupted or temporarily discontinued for any reason whatsoever, Landlord shall not be liable therefore to Tenant and the rent required to be paid hereunder shall not be abated as a result thereof, and Tenant waives any claims it might otherwise have against Landlord as a result of any such interruption or discontinuation. Tenant



shall be responsible for all utilities beginning on the date Tenant takes possession in accordance with Article 3.

**ARTICLE 12. MAINTENANCE AND REPAIRS.** It is understood and agreed that the Landlord shall, at its sole cost and expense, keep and maintain, during the term of the Lease Agreement or any extension or renewal thereof, only the foundations and structural support portion of the improvements in proper condition and in a good state of repair. Landlord shall not be responsible for any maintenance or repair caused by the fault or neglect of the Tenant, or due to hazards and risks covered or required to be covered by insurance hereunder except as insurance proceeds are available therefor. All other maintenance and repair of said structure and other portions of the Demised Premises, including but not limited to, painting of walls, roof repair and maintenance, repair and replacement and maintenance of equipment, shall be the responsibility of the Tenant.

It is understood and agreed that should either party to this Agreement fail or refuse to start and to proceed thereafter with due diligence to make any repairs or maintenance as may be reasonably necessary for the purpose of fulfilling the terms and conditions of the agreements herein set forth within a reasonable length of time (not to exceed seven (7) days) after being notified in writing of the need thereof, that the other party hereto may make such repairs at the cost and expense of the party so failing or refusing. In the event of an emergency situation, Tenant may, in its discretion, make emergency repairs without giving written notification to Landlord, and Landlord shall reimburse Tenant in the event that such repairs were the responsibility of the Landlord hereunder and were not due to the fault of Tenant or Tenant's agents. The rights of Tenant hereunder specifically do not include the right to offset or deduct any amounts claimed hereunder from rentals due.

Landlord and DHCO reserves the right to enter upon the Demised Premises (in a manner that will not unnecessarily interfere with the business of Tenant) during business hours at any time to inspect the same and to make necessary repairs to fulfill Landlord's obligation hereunder.

Notwithstanding anything to the contrary in this Agreement, the parties agree that Landlord shall be responsible for all repairs on the Demised Premises for twelve months after the term of the Lease begins, except for repairs necessary due to Tenant's negligence or actions.

After the final certificate of occupancy is issued for the Demised Premises, the Tenant may have a commercial inspection done on the Demised Premises by a qualified inspector. Upon completion of such inspection, the Tenant shall forward a copy of such inspection to the Landlord, and the parties will work in good faith to resolve any issues identified by such inspection.

Also, in the event Tenant purchases the Demised Premises from Landlord, Landlord shall assign all warranties on the Demised Premises to Tenant.

**ARTICLE 13. RESTORATION OF DAMAGE.** If the Demised Premises are partially damaged by fire, the elements or other casualty, covered by the "all risk" insurance policy referred to hereinabove, Landlord

shall promptly repair all damage and restore the Demised Premises to their condition immediately prior to the occurrence of such damage. During the period of reconstruction referred to above, rent payable by Tenant shall ratably abate, based on the percentage of the Demised Premises usable during reconstruction. The term of the Lease shall extend one additional day for each day the entire Demised Premises are not usable due to the reconstruction process.

If the Demised Premises shall be totally destroyed and/or shall it be determined that more than one hundred eighty (180) days will be required to repair or rebuild the Demised Premises, either Landlord and Tenant shall have the right to terminate this Lease Agreement upon written notice to the other within thirty (30) days of the occurrence at which time this Lease Agreement shall become null and void.

**ARTICLE 14. EMINENT DOMAIN.** If, during the term hereof, or any renewal term, the entire Demised Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, this Lease and all right, title and interest of Tenant hereunder shall cease and come to an end on the date of vesting of title pursuant to such proceeding, or upon the date Tenant is dispossessed under an order of immediate occupancy, whichever first occurs. If less than all of the building comprising the Demised Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, by right of eminent domain, this Lease shall not terminate, but the rent payable hereunder during the unexpired portion of this Lease shall be reduced to such extent as may be fair and reasonable under all of the circumstances. If as a result of a taking part of the Demised Premises the Demised Premises is not reasonably suitable for continued operation of a Charter School, either Tenant or Landlord may terminate this lease by providing the Tenant or Landlord with written notice of such election within (30) thirty days of such taking, if either Landlord or Tenant elects to terminate the Lease pursuant this Article 14, this Lease shall terminate (30) days after receipt of the written termination notice. In any taking of the Demised Premises or any part thereof, whether or not this Lease is terminated as provided in this Paragraph, the parties hereto may claim and shall be entitled to receive an award or compensation therefor in accordance with their respective legal rights and interests.

**ARTICLE 15. DEFAULT IN PAYMENT OF RENT OR ABANDONMENT.** In the event of default by Tenant in the performance of its obligation to pay rent hereunder, or in the event Tenant shall vacate or abandon the Demised Premises, or in the event Tenant, or any guarantor hereunder, shall be adjudicated as bankrupt for the benefit of creditors, or enter into an arrangement or participate voluntarily or involuntarily in any bankruptcy or related proceeding under Federal or State Law, Landlord shall have the right to terminate this Lease and to re-enter the Demised Premises or any part thereof with or without process of law; or Landlord, at his option, without terminating this Lease, shall have the right to re-enter the Demised Premises and sublet the whole or any part thereof, for the account of the Tenant, upon as favorable terms and condition as the market will allow. In the latter event, the Landlord shall have the right to collect any rent which may thereafter become payable under such sublease and to apply the same first to the payment of any expenses incurred by the Landlord in the dispossessing the Tenant and in subletting the Demised Premises, and Landlord may charge interest at the rate equal to one percentage point higher than the prime bank rate of Zions Bank in Salt Lake City, which rate shall

vary from time to time as the prime bank rate varies, per annum on such expenses; and, second, to the payment of the rental herein reserved and the fulfillment of Tenant's covenants hereunder, and the Tenant shall be liable for amounts equal to the installments of rent as they become due, less any amounts actually received by the Landlord and applied on account of rental as aforesaid. The Landlord shall not be deemed to have terminated this Lease by reason of taking possession of the Demised Premises unless written notice of such termination has been served on the Tenant.

In the event Landlord relets the Demised Premises to a replacement tenant pursuant to this Article 15, Tenant shall not be responsible to Landlord for: (i) damage to the Demised Premises, to the extent caused by a replacement tenant or a replacement tenant's employees, contractors, representatives, or invitees; (ii) loss or injury to Landlord to the extent resulting from a replacement tenant's failure to maintain insurance coverages on the Demised Premises consistent with those required pursuant to the terms of this Lease; or (iii) other loss or injury to Landlord to the extent resulting from the "wrongful conduct" of a replacement tenant. For purposes of this Article 15, "wrongful conduct" of a replacement tenant shall include tortious conduct, intentional or negligent damage to property of Landlord, bringing hazardous materials upon the Demised Premises, and criminal conduct of the replacement tenant, but "wrongful conduct" shall not include the failure of a replacement tenant to pay rent, additional rent, or other amounts payable by Tenant under this Lease.

**ARTICLE 16. OTHER DEFAULTS BY TENANT.** It is mutually agreed that if the Tenant shall default in performing any of the terms or provisions of this Lease Agreement other than as provided in the preceding Article, and if the Landlord shall give to the Tenant notice in writing of such default, and if the Tenant shall fail to cure such default within fifteen (15) days after the date of receipt of such notice, or if the default is of such a character as to require more than fifteen (15) days to cure, and if Tenant shall fail to use reasonable diligence in curing such default, then in such applicable event the Landlord may cure such default for the account of and at the cost and expense of Tenant, plus interest at the rate equal to one percentage point higher than the prime bank rate of Zions Bank, in Salt Lake City, which rate shall vary from time to time as the prime bank rate varies, per annum, and the sum so expended by the Landlord and interest shall be deemed to be additional rent and on demand shall be paid by the Tenant on the day when rent shall next become due and payable. Failure to pay any additional rent as provided in this Article shall be deemed a failure to pay rent within the meaning of Article 15.

**ARTICLE 17. QUIET ENJOYMENT.** Landlord represents and warrants that it has full right and authority to enter into this Lease. Tenant, upon paying all rentals and performing all the Tenant's covenants, terms and conditions in this Lease Agreement, shall and may peaceably and quietly hold and enjoy the Demised Premises for the term of this Lease Agreement. Tenant understands that other persons and entities conduct businesses or reside near the Demised Premises. Tenant covenants and agrees to conduct its business in such a manner as to not unreasonably interfere with the occupants of surrounding properties. Landlord shall perform all of its obligations under Landlord's lease(s) so as not to interfere with Tenant's right to quiet enjoyment. Landlord shall provide notice to Tenant of any notice of default under Landlord's lease(s). Landlord represents and warrants that Landlord's lease(s) permit Landlord to sublease the Demised Premises.

**ARTICLE 18. WAIVER.** No delay or omission by either party hereto to exercise any right or power accruing upon any noncompliance or default by the other party with respect to any of the terms hereof shall impair any such right or power to be construed to be a waiver thereof. Subject to the provisions of this Article, every such right and power may be exercised at any time during the continuance of such default. It is further agreed that a waiver by either of the parties hereto of any of the covenants and agreements hereof to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any other covenants or agreements herein contained.

**ARTICLE 19. ATTORNEY'S FEES.** In the event of any action at law or inequity between Landlord and Tenant to enforce any of the provisions and/or rights hereunder or to recover damages for breach hereof, the unsuccessful party to such litigation covenants and agrees to pay to the successful party all costs and expenses, including reasonable attorney's fees, incurred therein by such successful party, and if such successful party shall recover judgment, in any such action or proceeding, such costs and expenses and attorney's fees shall be included in and as a part of such judgment.

**ARTICLE 20. NOTICES.** Any notices or demand required or permitted to be given under this Lease Agreement shall be deemed to have been properly given when, and only when, the same is in writing and has been deposited in the United States Mail, with postage prepaid, to be forwarded by certified mail and addressed as follows:

TO THE LANDLORD AT:

American Preparatory Schools, Inc.  
9123 Peruvian, Cir.  
Sandy, UT 84093  
Attn. Carolyn Sharette

TO THE TENANT AT:

American Preparatory Academy of Las Vegas

\_\_\_\_\_  
\_\_\_\_\_  
Attn. \_\_\_\_\_

WITH A COPY TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Such addresses may be changed from time to time by either party by serving notices as above provided.

**ARTICLE 21. SUBORDINATION & ESCROW.** This Lease shall be subject and subordinate to all mortgages or trust deeds, the Ground Lease and any other land lease which may now or hereafter affect the real property comprising the Demised Premises, and also to all renewals, modifications, consolidations and replacements of said mortgages and Trust Deeds, the Ground Lease and other land lease. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant will,

nevertheless, execute and deliver in a prompt and diligent manner such further instruments confirming such subordination of this Lease as may be desired by the holders of said mortgages or trust deeds.

Tenant receives income from the State of Nevada on a "per pupil" basis. Tenant shall receive income from the State of Nevada into an escrow account acceptable to Landlord. Said Escrow Account shall disburse funds in the following order:

1. To DHCO's (or assignee's) Lender for the minimum due under DHCO's Mortgage (Note: the sum of the payment to DHCO's Lender shall not exceed the minimum rent due under this lease).
2. To DHCO (or assignee) for the balance of the minimum rent due under the Master Building Lease after payment to DHCO's Lender (Note: the sum of the payment to DHCO's Lender and DHCO shall not exceed the minimum rent due under this lease).
3. To Landlord any other amounts then due to Landlord under this Lease.
4. To Tenant.

Upon written notice to escrow agent from DHCO's Lender, escrow agent may eliminate Payee #1 from the above disbursement list.

**ARTICLE 22. ASSIGNMENT AND SUBLEASING.** Without the specific prior written consent of Landlord first obtained, Tenant may not, at any time, assign this Lease or sublet all or any portion of the Demised Premises. Landlord's consent shall not be unreasonably withheld. Any purported assignment or sublease without Landlord's prior written approval shall be null and void and of no force and effect whatsoever. Landlord may assign this Lease without prior approval of Tenant.

**ARTICLE 23. THE ENTIRE AGREEMENT.** This Lease Agreement is the entire agreement between the parties and supersedes any prior agreements, representations, negotiations or correspondence between the parties except as expressed herein. Except as otherwise provided in this Lease, no subsequent change or additions to this Lease shall be binding unless in writing and signed by the parties of this Lease.

**ARTICLE 24. OBLIGATIONS OF SUCCESSORS.** Landlord and Tenant agree that all of the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof, and that all of the provisions hereof shall bind and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

**ARTICLE 25. HOLD OVER.** Tenant may not hold over in the Demised Premises at the expiration or termination of this Lease without the prior written consent of Landlord. If, at the expiration or termination of this Lease or any extension thereof, Tenant shall hold over for any reason, if Landlord consents to the holding over, the tenancy of Tenant thereafter shall be from month-to-month only and shall, in the absence of a written agreement to the contrary, be subject to all the other terms and

conditions of this Lease with the monthly rental adjusted to One Hundred twenty Percent (120%) of the monthly rental for the last month of the primary Lease term or subsequent Lease renewal terms.

**ARTICLE 26. Charter School Covenants.** Tenant shall comply with the following covenants:

- a. Conform to all requirements and covenants of the Charter with the Charter Authorizer.
- b. Provide Landlord with copies of material correspondence required by the Charter Authorizer, and all financial reports required by the Charter Authorizer and Department of Education in the prescribed form now required.
- c. Provide Landlord with internally generated quarterly financial statements within 45 days of quarter end.
- d. Provide Landlord with copies of unqualified audited annual financial statements within 180 days of fiscal year end.
- e. Provide Landlord with summaries of current student enrollment within 15 days after commencement of each school year, and notify Landlord of any material change in enrollment.
- f. Operate the schools in a manner to maintain the following total enrollment:
  - Year 1 - 971Students
  - Year 2 - 1,122 Students
  - Subsequent Years - 1,260 Students

Should Tenant fail to achieve the above enrollment, Landlord may require Tenant to retain at its own expense, a Charter School consultant acceptable to the DHCO and the Bank.

- g. Tenant shall not incur any additional indebtedness, in excess of \$100,000, other than payables in the ordinary course, nor permit any encumbrance of the pledged revenue without DHCO's and the Bank's written consent.

**ARTICLE 27. LEASE COMMENCEMENT CONDITION.** Commencement of this lease is conditional upon DHCO obtaining financing sufficient to construct the necessary improvements at terms acceptable to DHCO at DHCO's sole discretion. If DHCO is unable to obtain such financing, Landlord may, on written notice to Tenant, terminate this Lease, in which event all obligations of the parties hereunder shall cease and have no further force or effect.

**ARTICLE 28. FORCE MAJEURE.** In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section shall not operate to excuse Tenant from prompt payment of rent or any other payments required by the terms of this Lease.



**ARTICLE 29. ESTOPPEL CERTIFICATE.** Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment or hypothecation of the Demised Premises, an estoppel statement shall be required from Tenant. Tenant agrees to deliver to any proposed mortgagee or purchaser, or to Landlord, in recordable form a certificate certifying (if such be the case) that this Lease is in full force and effect, that there are not defenses or offsets thereto, or stating those claimed by Tenant and as to any other matters requested.

**ARTICLE 30. GOVENING LAW.** Nevada Law governs the performance and interpretation of this Sublease Agreement. In the event of a conflict between this Sublease Agreement and the any applicable law Nevada Law takes precedence.

*[Remainder of page intentionally left blank; signatures on following page]*

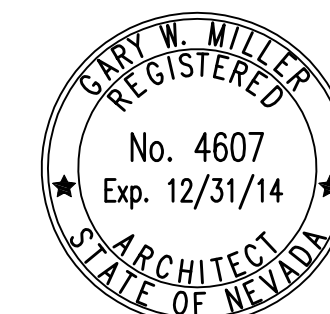
**IN WITNESS WHEREOF**, the Landlord and Tenant have duly executed this Lease Agreement on the day and year first above written.

**LANDLORD:** APS  
By: Carolyn Sharrette  
Printed Name: Carolyn Sharrette

**TENANT:** American Preparatory Academy, a Nevada Charter School  
By: LIA  
Lee Iglody, Chairman

- Attached hereto and incorporated herein:
- Exhibit "A"      Site Plan
  - Exhibit "B"      Preliminary Plans
  - Exhibit "C"      NOT USED
  - Exhibit "D"      Ground Lease
  - Exhibit "E"      Master Building Lease
  - Exhibit "B-1"    Final Plans and Specifications (incorporated by reference - not attached)
  - Exhibit "B-2"    Addenda #1 thru #3 to Plans & Specifications





initials	date	phase
	00/00/00	

mark	date	comment
------	------	---------

A	00/00/00	--
B		
C		
1		
2		
3		
4		
5		
6		
7		



AMERICAN PREPARATORY  
ACADEMY

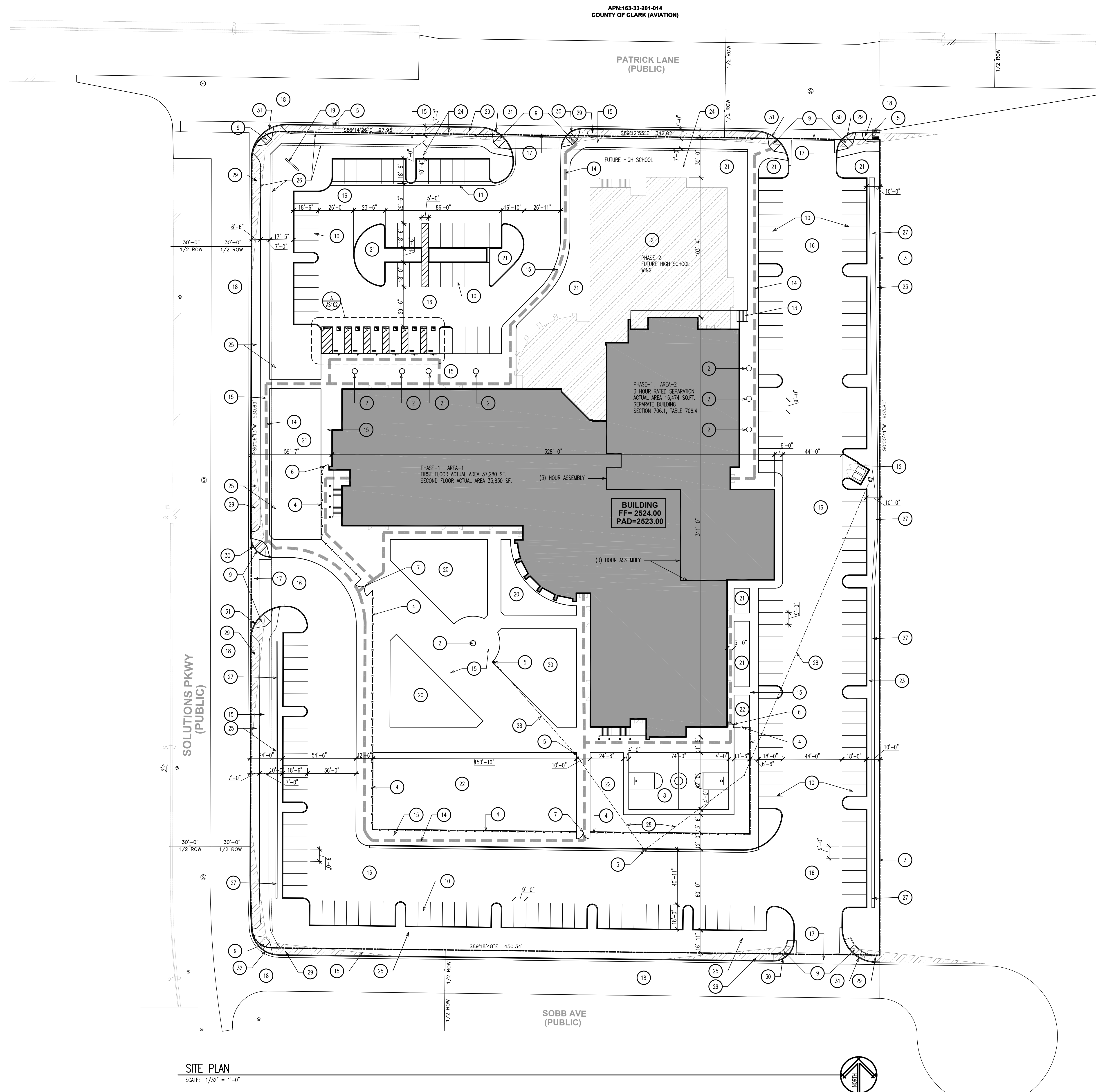
BOYD MARTIN CONSTRUCTION

# August 5, 2014 Bid Set

PROJECT NO:	1300080.LV
DWG FILE:	AS101.DWG
DRAWN BY:	KLR, HS
CHECKED BY:	GWM
DRAWING SCALE:	1/32" = 1'-0"
DATE:	03/15/2014

# SITE PLAN

AS101



1. FUTURE HIGH SCHOOL ADDITION (PHASE II)—STONE MULCH—NO PLANTINGS AT FUTURE FOOTPRINT
2. TREE WELL
3. 6" HIGH CMU PERIMETER FENCE—SEE DETAIL 10/AS501
4. 6" HIGH VINYL COATED CHAIN LINK FENCE
5. STORM DRAIN INLET
6. 3" MAN GATE
7. (2) 5'-0" MAN GATES
8. CONCRETE OUTDOOR BASKETBALL COURT
9. ACCESSIBLE SIDEWALK RAMP
10. 9'-0" X 18'-6" PARKING STALL (TYPICAL)
11. CONCRETE VALLEY GUTTER
12. CMU TRASH ENCLOSURE—SEE DETAIL 9/AS501
13. CONCRETE STAIRS WITH HANDRAILS—SEE DETAIL 4/AS501
14. ACCESSIBLE ROUTE TO PUBLIC RIGHT OF WAY
15. CONCRETE WALK
16. ASPHALT PARKING/DRIVE
17. CONCRETE APRON
18. 1/2 STREET IMPROVEMENTS
19. FUTURE UNLV RESEARCH PARK MONUMENT SIGN
20. ARTIFICIAL TURF WITH FALL PAD PROTECTION
21. XERISCAPE WITH AUTOMATIC SPRINKLER SYSTEM
22. GRASS WITH AUTOMATIC SPRINKLER SYSTEM
23. PERIMETER LANDSCAPE PER TITLE 30 FIGURE 30.64-11
24. PERIMETER LANDSCAPE PER TITLE 30 FIGURE 30.64-17
25. PERIMETER LANDSCAPE PER TITLE 30 FIGURE 30.64-13
26. UTILITY EASEMENT
27. LANDSCAPE SIGNALS
28. STORM DRAIN
29. SIGHT TRIANGLE RESTRICTION ZONE AREA SHOWN WITH A LINE AND TWO DOTS HATCH.
30. 15'-0" RADIUS
31. 25'-0" RADIUS
32. 20'-0" RADIUS

EXISTING APN NUMBERS

APN : 163-33-301-00  
APN : 163-33-301-01  
APN : 163-33-301-00

LEGAL DESCRIPTION  
BEING A PORTION OF THE NORTH HALF (N 1/2) OF THE  
SOUTHWEST QUARTER (SW 1/4) OF SECTION 33,  
TOWNSHIP 21 SOUTH, RANGE 60 EAST,  
M.D.M., CLARK COUNTY, NEVADA.

TOTAL SITE AREA = 279,220 sf = 6.45 ACRES

ZONING: APPLICATION REFERENCE NUMBER - UC-0752-13  
ZONING: CMA DEED RESTRICTED  
LAND USE: PUBLIC SCHOOL (CHARTER SCHOOL)

SETBACKS	
FRONT	PATRICK- 30 FEET
CORNER	SOLUTIONS-47 FEET
	SABB-156 FEET
REAR	78 FEET

PARKING CALCULATIONS

9'-0" X 18'-6"=TYPICAL PARKING STALL  
9'-0" X 18'-6"=TYPICAL ACCESSIBLE PARKING STALL

40 ELEM/MIDDLE CLASSROOMS @ 1/EA.	= 40 STALLS
12 HIGH SCHOOL CLASSROOMS @ 7/EA.	= 84 STALLS
4,000 SF OFFICE @ 4/1,000 SF	= 16 STALLS
<b>TOTAL STALLS REQUIRED</b>	<b>=140 STALLS</b>

TOTAL STANDARD STALLS PROVIDED	=187 STALLS
TOTAL ACCESSIBLE STALLS PROVIDED	= 6 STALLS
TOTAL STALLS PROVIDED	=193 STALLS

1st FLOOR BUILDING AREA = 68.012 sf = 24.4% COVERAGE

ARTIFICIAL TURF AREAS = 9,333 sf = 3.3%  
SOD W/ AUTO SPRINKLERS = 13,750 sf = 4.9%  
PLANTED W/ DRIP SYSTEM = 39,461 sf = 14.1%

ASPHALTED AREA	= 86,333 sf = 30.9%
C&G & SIDEWALK AREA	= 62,333 sf = 22.3%
<b>TOTAL HARDSURFACING</b>	<b>=148,874 sf = 53.3%</b>

## **ATTACHMENT C-16**

### **Ground Lease**

**See Following Pages**

**CONSTRUCTION AND LEASE AGREEMENT  
AT  
UNLV HARRY REID RESEARCH AND TECHNOLOGY PARK**

**by and between  
UNLV RESEARCH FOUNDATION,  
as Landlord  
and  
AMERICAN PREPARATORY SCHOOLS, INC.  
as Tenant**

**Dated:** June 3, 2014



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This CONSTRUCTION AND LEASE AGREEMENT, dated for reference purposes as of June 3, 2014 (this "Lease"), is made by and between UNLV Research Foundation, a Nevada non-profit corporation, as the landlord (the "Landlord"), and American Preparatory Schools, Inc., a Utah corporation, as the tenant (the "Tenant").

### RECITALS

- A. Capitalized words used in this Lease have the meanings set forth in Article 1.
- B. Landlord is the owner of certain real property located in Clark County, Nevada and commonly known as the UNLV Harry Reid Research & Technology Park (the "Technology Park").
- C. Tenant wishes to lease a portion of the Technology Park (the "Premises") from Landlord and to construct a school building and appurtenant facilities on the Premises to be subleased by Tenant to American Preparatory Academy of Las Vegas ("APALV") for operation of a charter school in cooperation with the Clark County School District.
- D. The Premises is depicted on Exhibit A-2 and contains approximately 279,220 square feet of contiguous land at the southeast corner of Solutions Parkway and Patrick Lane; being all of Clark County Assessor's Parcel Numbers 163-33-301-004, 163-33-301-005, and 163-33-399-001 and a portion 163-33-301-011.
- E. APALV has requested Landlord to enter into this Lease.
- F. Landlord wishes to lease the Premises to the Tenant and the Tenant wishes to lease the Premises from the Landlord.
- G. The execution and delivery of this Lease has been duly authorized by all necessary corporate action on the part of Landlord and Tenant.

NOW, THEREFORE, in consideration of the rent and the mutual covenants, agreements and conditions contained in this Lease, and for other valuable consideration, the receipt of which is hereby acknowledged, the Landlord and the Tenant hereby agree as follows:

### ARTICLE 1 DEFINITIONS

In this Lease, the following words and phrases shall have the following meanings, respectively:

- 1.1 "**Additional Rent**" means all amounts due and payable by the Tenant under this Lease other than Base Rent, including without limitation, Tenant's Share of Common Area Costs as described in Article 5.

1.2 **"Avigation Restriction"** means (i) that certain Restrictive Covenant and Reservation of Avigation & Clearance Easement dated June 15, 2005, which is attached as Exhibit B to a Quitclaim Deed by the County of Clark as grantor to the UNLV Research Foundation (i.e., the Landlord) as grantee, which Quitclaim Deed was recorded on June 22, 2005 as document number 20050622-0004750, and re-recorded on August 8, 2005 as document number 20050808-0003943, as amended, superseded, and replaced by (ii) that certain Restrictive Covenant and Reservation of Avigation & Clearance Easement, undated but executed on April 24, 2014 by the County of Clark as grantor and executed on April 10, 2014 by the UNLV Research Foundation as grantee, and recorded on April 25, 2014 as document number 20140425-0002429.

1.3 **"Base Rent"** means the components of Rent which are the fixed rental amounts determined in accordance with Section 4.1.

1.4 **"Certificate of Compliance"** means the certificate to be executed and delivered to the Tenant by the Landlord, which the Landlord shall issue pursuant to Section 8.7 .

1.5 **"Certificate of Occupancy"** means the certificate issued by the Clark County official having jurisdiction over the construction of the Improvements which provides that a particular affected portion of the Improvements may be legally occupied.

1.6 **"Commencement Date"** is defined in Section 3.1.

1.7 **"Design Development Submittal"** means the drawings and other documents which fix and describe the size and character of the proposed Improvements or Major Alterations as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate, to be submitted by the Tenant to the Landlord in accordance with Section 8.10.

1.8 **"Effective Date"** means June 2, 2014.

1.9 **"Event of Default"** means those events defined in Article 13 .

1.10 **"Final Plans and Specifications"** means a complete set of construction drawings and specifications setting forth in detail the requirements for the construction of the Improvements or Major Alterations submitted by the Tenant to the Landlord in accordance with Section 8.10.

1.11 **"Foreclosure"** as used in this Lease with respect to a Leasehold Mortgage shall include a judicial sale, nonjudicial sale, trustee's sale or other similar realization proceedings.

1.12 **"Hazardous Substances"** means asbestos (whether or not friable), petroleum and petroleum derivatives and products, and any industrial waste, toxic waste, chemical or other substance which, as of the date of this Lease, is listed, defined or otherwise designated as hazardous or toxic under any federal, state or local laws or regulations or any administrative agency rule or determination applicable to the Premises and which is present at levels or concentrations, to the extent levels or concentrations have

been established, requiring remediation, removal or other cleanup action under applicable laws, regulations, rules or determinations.

**1.13 "Improvements"** means the buildings, parking lots, driveways, sidewalks, landscaping and all other permanent improvements to be constructed on the Premises by the Tenant or any Occupant in accordance with the Final Plans and Specifications.

**1.14 "Index"** means the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) Los Angeles-Riverside-Orange County, CA, All Items 1982-1984 = 100 (as defined by the United States Department of Labor as of the Effective Date). If publication of the Index ceases, or the composition thereof or method of calculation thereunder is substantially changed, the calculations required by this Lease shall be computed upon the basis of whatever index published by the United States Department of Labor, or otherwise, is mutually agreed upon between the Landlord and the Tenant as most nearly comparable as a measure of general changes in price levels for the Las Vegas area. If the parties cannot agree upon an index to be so substituted for the Index, the same shall be selected pursuant to arbitration in the manner provided in Section 18.1.

**1.15 "Lease"** means this Construction and Lease Agreement as the same shall be amended from time to time.

**1.16 "Leasehold Estate"** means the estate of Tenant created by this Lease upon and subject to all the terms and conditions of this Lease.

**1.17 "Lease Interest Rate"** means the fluctuating prime rate of interest published in the Wall Street Journal (or, if the Wall Street Journal shall cease to publish such rate, a similar publisher of business statistical data), plus two percent (2%) per annum; provided, however, that such rate shall not exceed, in any event, the highest rate of interest which may be charged under applicable law without the creation of liability for penalties or rights of offset or creation of defenses.

**1.18 "Leasehold Mortgage"** means and includes a mortgage, a deed of trust, and any other security instrument or instruments by which Tenant's Leasehold Estate is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation in favor of a Leasehold Mortgagee.

**1.19 "Leasehold Mortgagee"** means a holder of a Leasehold Mortgage who has given notice to Landlord and whose notice has been received by Landlord as provided in Section 7.3. A "designee" of a Leasehold Mortgagee shall mean a subsidiary or other entity designated by a Leasehold Mortgagee to acquire any interest in the Leasehold Estate as contemplated by Article 7.

**1.20 "Major Alterations"** has the meaning set forth in Section 8.9.

**1.21 "Occupant"** means any lessee, licensee, concessionaire, franchisee or user of all or a portion of the Premises under a sublease, license, concession or franchise or similar agreement whether with Tenant or any other person including APALV.

1.22 **"Premises"** means the parcel of real property shown and described on Exhibits A-1, A-2 and A-3 hereto.

1.23 **"Project"** means the construction of the Improvements and all work of construction to be performed by Tenant and its contractors as required in this Lease and such additional work, if any, as may be required by Clark County or other governmental or quasi-governmental agencies and public utilities such as but not limited to, the Las Vegas Valley Water District, Southern Nevada Water Authority, Clark County Water Reclamation District, Clark County School District, NV Energy, Southwest Gas, and Republic Services, as a condition to issuance of building permits or a Certificate of Occupancy or provision of services to the Premises. Such work includes all ancillary obligations necessary to cause the complete and unconditional release of any bond, surety, lien or other security required in connection with the construction and the dedication of any improvements required or contemplated to be dedicated.

1.24 **"Recorder"** means the Office of the Clark County, Nevada Recorder.

1.25 **"Record of Survey"** has the meaning set forth in Sections 625.340 and 625.350 of the Nevada Revised Statutes.

1.26 **"Rent"** means, at any given time, Base Rent and Additional Rent.

1.27 **"Restoration Criteria"** means the criteria to be used to evaluate the Premises or the Improvements in the event of a Partial Taking as more particularly set forth in Section 12.4(a).

1.28 **"Substantial Completion"** means the completion of the Improvements located on the Premises (excluding Occupant improvements) in accordance with the Final Plans and Specifications approved by the Landlord and this Lease to the extent that only minor adjustments and punch list items remain to be performed.

1.29 **"Technology Park"** means the UNLV Harry Reid Research and Technology Park, a master planned business, research and technology community consisting of 122 gross acres near the intersection of Sunset Road and Durango Road in Las Vegas, Nevada

1.30 **"Tenant"** has the meaning set forth in the first sentence of this Lease.

1.31 **"Tenant Affiliate"** means any individual, corporation, joint venture, partnership, trust or other entity which is a partner with or in, or a beneficiary or shareholder of the Tenant, or which owns or controls the Tenant, or any partner or beneficiary or shareholder of any entity which owns or controls the Tenant; or any corporation, joint venture, partnership, trust or other entity owned or controlled, directly or indirectly, by the Tenant or by any of the partners, beneficiaries or shareholders of the Tenant or under common ownership of any type with the Tenant.

1.32 **"Tenant's Property"** has the meaning set forth in Section 6.7.

1.33 "Term" means the term of this Lease described in Article 3.

## **ARTICLE 2 DEMISE OF PREMISES; CONDITIONS**

### **2.1 Demise of Premises.**

The Landlord hereby demises and lets to the Tenant, and the Tenant hereby demises and lets from the Landlord, for the Term hereinafter described and upon the terms and conditions specified in this Lease, (i) the Premises; and (ii) all easements, rights and appurtenances relating to the Premises.

### **2.2 Record of Survey.**

Tenant shall, at Tenant's sole cost and expense, cause a Record of Survey of the Premises to be prepared and filed by a Nevada licensed professional land surveyor in such form as required by Clark County to subdivide the Premises from all adjacent properties within a commercial/industrial subdivision in accordance with Title 30 of the Clark County Code and Section 278.325 of the Nevada Revised Statutes within 90 days following the Effective Date. The Premises as shown on the Record of Survey will comprise approximately 279,220 square feet of land as shown on Exhibit A-2. Prior to filing or recording the proposed Record of Survey, Tenant will deliver the proposed Record of Survey to Landlord for Landlord's approval, which will not unreasonably be withheld or delayed. Landlord will cooperate as reasonably requested by Tenant in the preparation and recording of the Record of Survey, provided, Landlord does not bear any cost or expense.

### **2.3 Title and Condition of Premises.**

The Premises are demised and let subject to (i) all zoning regulations, restrictions, rules and ordinances, building codes and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction; (ii) to the extent they affect the Premises, the agreements listed in Exhibit B attached hereto; (iii) such real estate taxes and municipal betterment assessments as are not yet due and payable on the Effective Date (subject to proration as provided in Section 4.5); (iv) the Permitted Exceptions as set forth in Exhibit C attached hereto; and (v) all matters of public record, including those matters of record with the Recorder.

The Premises are demised and let in an "as is" condition as of the Effective Date. The Landlord covenants and warrants that the Premises are free and clear of all liens and encumbrances except those shown of record as of the Effective Date, and liens for real estate taxes not due and payable as of the Effective Date. The Tenant acknowledges that the title to the Premises as of the Effective Date is as set forth in a title policy of a recognized title insurance company (or in a commitment to issue such policy). The policy or commitment attached hereto as Exhibit D is acceptable to the Tenant.

### **2.4 Mapping and Right-of-Way Dedications.**

The Premises contains 6.41 acres of land, more or less, as shown on Exhibit A-2 bounded by the right-of-way line of Patrick Lane on the north; the right-of-way line of Solutions Parkway on the west; the right-of-way line of the proposed Sobb Avenue on the south; and the property line of the adjacent parcel



owned by a third part (APN 163-33-301-006) on the east.

Landlord reserves the right to dedicate a portion of the Premises, approximately 12 feet in width along the westerly boundary of the Premises to Clark County or other governmental agency for roadway purposes for the proposed right turn lane (the "Turn Lane") for north bound traffic on Solutions Parkway turning onto Patrick Lane. The Turn Lane to be constructed and dedicated shall be for as many linear feet as required by Clark County as a condition of approval of the Project or Landlord's future development plans on other parcels within the Technology Park.

Tenant also acknowledges and agrees that Landlord shall have the right to dedicate all or any part of the proposed right-of-way for Sobb Avenue, being approximately 60 feet in width from the southerly boundary of the Premises, to Clark County or other governmental agency for roadway purposes at any time or from time to time during the Term.

Landlord may make such dedications at any time or times as Landlord may elect and Landlord agrees to make such dedications upon request of Tenant if and to the extent required as a condition of approval of the Project.

## **2.5 Roadway Improvements.**

Tenant shall design and construct, as part of the Project, all the roadway improvements for the Turn Lane and for the north half of Sobb Avenue as required by Clark County as a condition to approval of the Project and in such manner, schedule, and to the specifications required by Clark County for dedication.

If for any reason Landlord is required by Clark County or other governmental authority to complete such roadway improvements as a condition to improvement of any other property within the Technology Park before Tenant has commenced construction thereof, Landlord shall have the right (but no obligation) to do so and the reasonable costs incurred by Landlord shall be payable by Tenant as Additional Rent.

Landlord shall promptly request that Clark County vacate the public right of way dedication of those portions of APN 163-33-399-001 that are not required for the Sobb Avenue improvements.

## **2.6 Common Areas within the Premises.**

Landlord reserves the right to construct and maintain monument signage, lighting and landscaping improvements and appurtenant facilities within the northwest corner of the Premises as shown on Exhibit H, being a nearly rectangular area of approximately one thousand five hundred square feet, the northerly and southerly sides of which are each 44 linear feet in length and the easterly and westerly sides of which are each 34 linear feet in length (the "Entry Monument Area"). Such improvements as are constructed within the Entry Monument Area will serve the entire Technology Park. Landlord will be solely responsible for the costs of design and construction of such improvements and for the maintenance thereof except for Tenant's obligation to pay its share of such maintenance costs pursuant to Section 5.3.

Tenant will install extensions of irrigation and electrical improvements within the Premises to

serve the Entry Monument Area with water and electric service as reasonably requested by Landlord as part of the Project; provided (i) Landlord shall reimburse Tenant for the reasonable cost of such extensions, and (ii) prior to using the water or power from such extensions, Landlord shall cause the water or power, respectively, to be separately metered and included in Common Area Costs.

Tenant shall design and construct the landscaping, lighting and sidewalk improvements within those areas of the Premises adjacent to Patrick Lane, the north half of Sobb Avenue, and Solutions Parkway, as shown on Exhibit A-2 (the "Perimeter Panels"). Tenant agrees to design, subject to Landlord's approval, and to construct and install the improvements within the Perimeter Panels as part of the Project and, upon completion, to convey the improvements to Landlord by appropriate bill of sale and quitclaim deed at no cost to Landlord. Tenant shall, during the Term, maintain, repair and replace the Perimeter Panels and all improvements therein in a clean, first-class condition, including regular pruning, irrigation maintenance and repair or replacement of sidewalks and landscape materials; provided, however, Landlord reserves the right to assume maintenance of such improvements by written notice to Tenant, in which event Tenant shall not be responsible for maintenance thereafter except for Tenant's payment of its share of costs pursuant to Section 5.3

## **2.7 Zoning of Premises.**

Landlord makes no assurance or guarantee, express, implied or otherwise, regarding Tenant's intended use of the Premises. The Technology Park and the Premises are zoned M-D (Designed Manufacturing) by Clark County. The purpose of this zoning classification is to provide areas suitable for a wide variety of light industrial type uses. M-D zoning also allows any use listed as a permitted use in the C-P (Office and Professional District), C-1 (Local Business District) and C-2 (General Commercial District) zoning districts.

A charter school use does not appear to be consistent with the M-D zoning district and will likely require a Special Use Permit which necessitates approval through an application process established by Clark County Nevada.

Tenant agrees that Tenant shall be solely responsible for obtaining a Special Use Permit, if required and appropriate, at Tenant's sole cost and expense. Landlord agrees to cooperate as reasonably requested by Tenant at no cost to Landlord.

The Technology Park also lies within the MUD-3 Subdistrict of the Mixed Use Overlay District (MUD) which was implemented by Clark County in areas of the valley impacted by McCarran International Airport and other area airports in January 2005.

## **2.8 Memorandum of Lease.**

The Tenant and the Landlord agree to execute a Memorandum of Lease in recordable form as set forth in Exhibit E attached hereto.

## **ARTICLE 3 TERM**

### **3.1 Commencement Date.**

The Term shall commence on the later of (a) the date that the Clark County Building Department issues a permit authorizing construction of a school building on the Premises, or (b) March 31, 2015 (the "**Commencement Date**"), or on such other date as mutually agreed by Landlord and Tenant in writing.

### **3.2 Term.**

Subject to the terms, covenants, agreements and conditions contained herein, the Tenant shall have and hold the Premises for a term (the "**Term**") of Ninety-nine (99) years commencing on the Commencement Date and ending on the Ninety-ninth anniversary of the Commencement Date.

## **ARTICLE 4 RENT AND OTHER CHARGES**

### **4.1 Base Rent for Premises.**

The basic, fixed rental for the Premises is \$2,036,000 (the "**Base Rent**"). Tenant shall pay the Base Rent to Landlord in three installments as follows:

- (a) \$50,000 is due and payable on the Effective Date.
- (b) \$1,070,000 is due and payable on the Commencement Date.
- (c) \$916,000 is due and payable on September 1, 2016.

Base Rent is not subject to deferral, deduction, offset, or recoupment for any cause.

Notwithstanding anything to the contrary in this Lease, in the event Tenant does make the payment of Base Rent in the amount of \$50,000 on or before the Effective Date, or the payment of Base Rent in the amount of \$1,070,000 on or before March 31, 2015 (or within five days of the Commencement Date, if sooner), this Lease shall terminate automatically without notice to either party and neither Landlord nor Tenant shall have any obligation to the other under this Lease or for such termination provided, however, (a) Landlord shall be entitled to all Rent paid through the date of termination, (b) Tenant shall promptly restore the Premises if any work has been performed on the Premises, and (c) Tenant shall hold Landlord and the Premises harmless from any liens or encumbrances resulting from any actions of Tenant.

### **4.2 Payment of Rent.**

All Rent shall be paid by the Tenant to the Landlord in lawful money of the United States of America at the Landlord's address set forth in Section 20.1 or at such other place or to such other person as the Landlord from time to time may designate.

### **4.3 Additional Rent.**

The Tenant covenants to pay and discharge, when the same shall become due, as Additional Rent,



all other amounts, liabilities and obligations which the Tenant assumes or agrees to pay or discharge pursuant to this Lease, including Tenant's Share of Common Area Costs, together with every fine, penalty, interest and cost which may be added for non-payment or late payment thereof and, in the event of any failure by the Tenant to pay or discharge any of the foregoing, the Landlord shall have all rights, powers and remedies provided herein, by law or otherwise in the case of non-payment of Rent.

#### **4.4 Net Lease.**

It is understood and agreed by Tenant that this Lease is a triple net lease and the Rent, Additional Rent and all other sums payable hereunder shall be absolutely net to the Landlord. Subject to Section 4.6, Tenant shall pay all costs and expenses associated with the use and occupancy of the Premises, including, without limitation, all taxes, payments in lieu of taxes, assessments, utility charges, liens, insurance, maintenance, repairs and all other costs associated with the Premises or the Improvements. The Tenant shall pay all sums payable hereunder without notice or demand, and without set-off, abatement, suspension or deduction.

Tenant shall not interpose any counterclaim or defense of whatever nature or description in any proceeding by the Landlord for the collection of money due under this Section 4.4.

#### **4.5 Taxes and Other Charges.**

Subject to Section 4.6, the Tenant will pay:

- (a) all taxes, assessments, levies, fees, water and sewer rents and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are, at any time prior to or during the Term, imposed or levied upon or assessed against (i) the Premises, (ii) any Rent, Additional Rent or other sum payable hereunder or (iii) this Lease or the Leasehold Estate hereby created, or which arise in respect of the operation, possession or use of the Premises;
- (b) all gross receipts or similar taxes imposed or levied upon, assessed against or measured by any Rent, Additional Rent or other sum payable hereunder;
- (c) all sales, use and similar taxes at any time levied, assessed or payable on account of the acquisition, leasing or use of the Premises; and
- (d) all charges for utilities serving the Premises.

Any such taxes, assessments and other charges with respect to the Premises for the then current tax period shall be apportioned as of the Commencement Date, and the pro rata share thereof shall be paid to the Landlord or credited to Tenant, as the case may be.

Notwithstanding anything herein to the contrary, Tenant shall have no obligation to reimburse Landlord for any costs incurred by Landlord prior to the Effective Date associated with negotiating or effecting a modification of the Avigation Restriction to permit the use of the Premises as a school.

The Tenant shall not be required to pay any franchise, transfer, income or similar tax of the Landlord (other than any tax referred to in Section 4.5(b) above) unless such tax is imposed, levied or assessed in substitution for any other tax, assessment, charge or levy which the Tenant is required to pay

pursuant to this Section 4.5, but only in an amount calculated as if the Landlord owned only the Premises and the Landlord's income consisted only of amounts payable hereunder.

The Tenant will furnish to the Landlord, promptly after demand therefor, proof of payment of all items referred to above which are payable by the Tenant. If any such assessment may legally be paid in installments, the Tenant may pay such assessment in installments; in such event, the Tenant shall be liable only for installments which are attributable to any period falling within the Term.

Subject to Section 4.6, the Landlord shall have the right to pay, discharge or remove any tax, assessment, levy, fee, rent, charge, lien or encumbrance on behalf of the Tenant and charge the Tenant therefor as Additional Rent; provided, Tenant shall have the right to dispute the imposition of any charge as provided in Section 4.6. Prior to making any such payment, Landlord shall provide Tenant with written notice and an opportunity to make the payment unless it is necessary for Landlord to make the payment immediately to avoid penalties or any loss of or damage to Landlord's interest in the Premises.

Since the Premises presently consists of several tax parcels and portions of tax parcels as designated by Clark County, the Landlord agrees to request the Assessor's Office of Clark County to assess the Premises as a single tax parcel separately from all other land of the Landlord, and to provide all information and material requested by the Clark County Assessor in connection therewith.

#### **4.6 Permitted Contests.**

The Landlord shall not require the Tenant, nor shall the Landlord have the right, to pay, discharge or remove any tax, assessment, levy, fee, rent, charge, lien or encumbrance, or to comply with any legal requirement applicable to the Premises or the use thereof, so long as the Tenant shall contest the existence, amount or validity thereof by appropriate proceedings which shall prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien or encumbrance so contested, and the sale, forfeiture or loss of the Premises or any Rent or any Additional Rent to satisfy the same, and which shall not affect the payment of any Rent provided that such contest shall not subject the Landlord to the risk of any criminal liability or civil penalty. The Tenant shall give such reasonable security as may be requested by the Landlord to insure payment of such tax, assessment, levy, fee, rent, charge, lien, encumbrance, liability or penalty and to prevent any sale or forfeiture of the Premises by reason of such nonpayment, and hereby indemnifies the Landlord for any such liability or penalty. Upon the termination after final appeal of any proceeding relating to any amount contested by the Tenant pursuant to this Section 4.6, the Tenant shall immediately pay any amount determined in such proceeding to be due, and in the event the Tenant fails to make such payment, the Landlord shall have the right to make any such payment on behalf of the Tenant and charge the Tenant therefor as Additional Rent. Notwithstanding this Section 4.6 or any other provision in this Lease, the Landlord may make any payment or take such other action as it may reasonably deem necessary in order to prevent the sale or foreclosure of the Premises.

## ARTICLE 5 COMMON AREAS

### 5.1 Common Areas Defined

In addition to the Premises hereinabove mentioned, Tenant and any agents, employees, successors, assigns, licensees, invitees, sub-lessees, concessionaires, customers, suppliers, and patrons of Tenant shall have the nonexclusive right in common with others entitled thereto to use and enjoy throughout the term of this Lease, all areas, improvements, space, equipment, and special services in or at the Technology Park as determined by Landlord from time to time to be devoted to the general use of all the tenants of the Technology Park and their employees, customers, and other invitees, including without limitation, private streets and driveways, entrances, exits, roadways, landscaped areas, lighting facilities, curbs, pedestrian malls, water, and sewage and storm water systems, accommodation areas such as sidewalks, grass plots, ornamental planting, entry monuments and signs, directional signals, and the like (collectively, the "Common Areas").

### 5.2 Control of Common Areas

The Common Area shall be subject to the exclusive control and management of Landlord and Landlord shall have the right to establish and modify, change, and enforce uniform and nondiscriminatory rules and regulations with respect to the commons areas, and Tenant agrees to abide by and conform to such rules and regulations. Landlord shall have the right to close any part of the Common Areas for such time or times as may, in the opinion of Landlord, be necessary (i) to prevent a dedication thereof or the accrual of any rights of any persons, but any such closing or restriction shall be for limited times only and in a manner that will not interfere with Tenant's use, enjoyment, and occupancy of the leased Premises during normal business hours, or (ii) for the benefit of all of the tenants in the Technology Park, or (iii) in the event of any emergency or any unusual conditions. Landlord's reasonable determination of the need for such closure shall be conclusive and binding on all persons whomsoever.

### 5.3 Common Area Costs

Tenant covenants and agrees to pay its pro rata share of the Common Area Costs. "Common Area Costs" shall include all of Landlord's costs and expenses of every kind and nature of operating, managing, equipping, lighting, decorating, repairing, cleaning, replacing, reconstructing, insuring, maintaining, securing, paying taxes and insurance premiums, electrical, water, sewer and other utility charges, and protecting the Common Areas in a manner consistent with a first-class business and industrial park, plus a reasonable sum for depreciation of equipment actually used, and for overhead costs equal to ten percent (10%) of the total of the foregoing expenses. It is understood that Landlord may cause any or all of said services to be provided by an independent contractor or contractors.

For purposes of determining the Common Area Costs and the Tenant's Share thereof under Section 5.4, the Common Areas shall be deemed to be only those portions of the Technology Park that have been developed and occupied.

#### **5.4 Tenant's Share**

Tenant's pro rata share ("Tenant's Share") of Common Area Costs shall be determined by multiplying the total of the Common Area Costs by a fraction, the numerator of which is total square footage of the Premises and the denominator of which is the total net square footage of all parcels in the Technology Park. Equitable adjustments shall be made so that only that pro rata part of Landlord's Common Area Costs shall be paid by the Tenant for fractions of the Term at the beginning or end of the Lease that are included in the calendar year in which such costs are incurred.

#### **5.5 Payment of Tenant's Share**

The charge required hereunder shall be paid by Tenant to Landlord in monthly installments in such amounts as are reasonably estimated and billed by Landlord at the beginning of each calendar year (or such other twelve-month period commencing and ending on dates designated by Landlord); each such installment being due on the first of each month. Within ninety days after the end of each such twelve month period, Landlord shall deliver to Tenant a statement of the actual Common Area Costs incurred by Landlord during the preceding twelve month period and Tenant's Share of these costs. There shall be an adjustment between Landlord and Tenant, with payment to Landlord or credit given to Tenant, as the case may be, to reflect the actual Common Area Costs. Landlord shall make available for Tenant's inspection (and keep available for inspection for a period of three years) Landlord's records of expenses for such Common Area Costs for such preceding period, and the balance (or refund) due shall be paid promptly thereafter.

### **ARTICLE 6 USE AND QUIET ENJOYMENT; SURRENDER**

#### **6.1 Use; Conditions.**

The Tenant covenants, promises and agrees that it shall not cause or permit the Premises to be used for any purpose other than the following:

- (a) Educational facilities and educational support for schools with grades kindergarten through twelfth grades.
- (b) Laboratories, offices, vivaria and other related facilities intended for basic and applied research, development and/or testing of technology based products and services.
- (c) Facilities necessary for the production or assembly of products of a technological nature and inside storage of technology related products.
- (d) Testing facilities in which prototype processes or products of a technological nature planned for use elsewhere can be assembled and tested.
- (e) Facilities for the manufacture, production or assembly, inside storage, and shipping of products of a technological nature.
- (f) Facilities for the manufacture, production and issuance of cards containing

computer/machine readable data and other similar implements designed to facilitate merchant and other commercial sales and purchases of goods and services; for the clearing and processing of mercantile and other commercial transactions and similar applications; and for other activities related thereto.

- (g) Short-term laboratories and office space for product invention, testing or limited production.
- (h) Corporate or administrative headquarters and support facilities.
- (i) Any general office purpose.
- (j) Conference and training facilities.

## **6.2 Prohibited Uses**

Notwithstanding any other provision of this Lease to the contrary, the following uses are not permitted on the Premises:

(a) The Premises is restricted exclusively to non-residential use. No portion of the Premises may be used for rural estate occupancy, single family homes, mobile homes, low, medium or high density housing, apartments, group quarters, condominiums, time-sharing apartments, condominium hotels or motels, townhouses, transient lodging, hotels, motels, inns, lodges or bed and breakfasts.

(b) No portion of the Premises shall be utilized as an adult theater, adult bookstore, adult video store or other establishment which shows, previews, or prominently includes, as a part of its stock-in-trade for sale, rental or other consumption or entertainment, or which otherwise conspicuously displays, advertises, or conspicuously promotes for sale or rental: (a) movies, films, videos, magazines, books, discs or other medium (whether now or hereafter developed) that are rated "X" by the movie production industry (or any successor rating established by the movie production industry) or are otherwise of a pornographic or obscene nature; or (b) sexually explicit games, toys, devices, or similar merchandise.

(c) No portion of the Premises shall be utilized as an adult nightclub, tanning parlor, massage parlor or any other establishment which offers entertainment or services by nude, topless or partially clothed male or female persons or which is designed to arouse the prurient interest in another.

(d) No portion of the Premises shall be utilized as a tattoo parlor, body piercing shop, and so-called head shops (i.e., shops offering or promoting illegal drug paraphernalia or items intended for or commonly associated with the use of illegal drugs).

(e) No portion of the Premises shall be utilized as a university for higher learning with the exception of University of Nevada, Las Vegas.

(f) No Tenant or Occupant of the Premises shall engage in any use, or change the use of the Premises or portion thereof for any purpose not listed as a permitted use in Section 6.1 unless



and until such use has been approved in writing by Landlord.

### **6.3 Compliance with Permits and Approvals**

The Tenant covenants, promises and agrees to use the Premises in accordance with the terms and conditions of any permits which may be issued by Clark County and to comply with the requirements therein specified.

### **6.4 Quiet Enjoyment.**

If and so long as the Tenant shall pay all Rent, Additional Rent and other charges herein provided and shall observe and perform all covenants, agreements and obligations contained herein, the Landlord warrants peaceful and quiet occupation and enjoyment of the Premises by the Tenant; provided, that the Landlord and its agents may enter upon and examine the Premises as provided herein.

### **6.5 Compliance with Law.**

Subject to the rights granted to Tenant by Section 4.6, the Tenant shall, at its expense, comply with and shall cause the Premises and the Improvements and all Occupants of any portion thereof to comply with all governmental statutes, laws, rules, orders, regulations and ordinances affecting the Premises, the Improvements or any portion thereof, or the use thereof, including those which require the making of any structural, unforeseen or extraordinary changes, whether or not any of the same which may hereafter be enacted involve a change of policy on the part of the governmental body enacting the same.

### **6.6 Compliance with Contractual Requirements.**

The Tenant shall, at its expense, comply with the requirements of all policies of insurance which are carried by Tenant (or by the Landlord when permitted by the terms of Article 13 of this Lease) which at any time may be in force with respect to the Premises or the Improvements or any portion thereof, and with the provisions of all contracts, agreements and restrictions entered into by Tenant or by which Tenant is legally bound (it not being intended that this Section 6.6 bind Tenant to any contracts, agreements or restrictions which would not otherwise be binding upon Tenant) affecting the Premises or the Improvements or any portion thereof or the ownership, occupancy or use thereof, including, without limitation, the contracts listed in Exhibit B hereto.

### **6.7 Tenant's Property and Yield Up.**

The Tenant or the Occupants shall have the right to remove furniture, equipment and trade fixtures and Leasehold or Occupant improvements installed by Occupants or on their behalf in or on the Premises ("Tenant's Property") from the Premises at any time during the Term of this Lease; **but not** structural members, and that portion of any heating, ventilating, air conditioning, plumbing and electrical systems and lighting and communications equipment and systems for the distribution of such services throughout the Premises, and which are shown on construction drawings depicting the base building prior to the construction of any Leasehold improvements in connection with any Occupant's occupancy of the Premises, without Landlord's written consent, which will not be unreasonably withheld.

If any furniture, fixtures or equipment installed on the Premises is leased by Tenant or financed in a manner that requires Tenant to grant a security interest to a third party, Landlord shall consent to the removal thereof so long as the removal is performed without damage to the Premises.

Tenant shall, upon the request of the Landlord, remove all furniture, equipment and trade fixtures belonging to Tenant or Occupants at the expiration or termination of this Lease.

If any such Tenant's Property is removed, the Tenant, at its expense, shall repair any damage resulting from such removal. If the Tenant leases, or gives the Landlord notice of its intention to lease, Tenant's Property for use in the Premises, the Landlord agrees that it will, without undue delay, execute a written instrument for the benefit of any equipment lessor, on such form as shall be furnished by such equipment lessor or by Tenant wherein the Landlord shall recognize that its rights to such leased Tenant's Property, if any, shall be subordinate to the rights of the equipment lessor. Any Tenant's Property remaining on the Premises beyond ninety (90) days after the expiration or termination of this Lease shall be deemed to be abandoned by the Tenant and shall become the property of the Landlord. The Landlord may thereafter cause any furniture, equipment and trade fixtures belonging to Tenant or Occupants to be removed from the Premises and disposed of, but the cost of any such removal and disposition and the cost of repairing any damage caused by such removal shall be borne by the Tenant.

#### **6.8 Ownership of Improvements.**

The Improvements shall be or become part of the Premises upon Substantial Completion of construction, but such Improvements shall be owned by the Tenant until the expiration or earlier termination of the Term of this Lease, and the Tenant alone shall be entitled to depreciation deductions and investment tax credit thereon for income tax purposes.

#### **6.9 Surrender of Premises.**

At the expiration or earlier termination of the Term of this Lease or any portion thereof, the Tenant shall peaceably leave, quit and surrender the Premises or the portion thereof so terminated. Subject to the rights of a Leasehold Mortgagee as provided in Article 7, upon such expiration or termination all Improvements on the Premises or portion thereof so terminated shall become the sole property of the Landlord at no cost to the Landlord and shall be free of all liens and encumbrances and in good condition, subject only to reasonable wear and tear and, in the event of a casualty, to the provisions of Article 11.

#### **6.10 Permits and Approvals.**

The Tenant shall, at its sole cost and expense, obtain all permits, certificates, approvals, licenses and all other necessary or appropriate actions of any Federal, State or City authorities required to enable the leasing, construction, maintenance, operation and use of the Improvements.

#### **6.11 Construction and Maintenance Easements.**

The Landlord shall grant such reasonable rights of access, utility easements and construction easements to the Tenant across portions of the Technology Park now or hereafter owned by the Landlord and not yet subject to a lease and across adjacent land owned by the Landlord as are reasonably necessary

for the construction and operation of the Improvements. Tenant shall grant similar easements in or over the Premises to the Landlord or to tenants of other portions of the Technology Park now or hereafter owned by the Landlord as may be reasonable and required for the efficient functioning of the portion of the Technology Park. In each case, the party exercising any right under this Section 6.11 will indemnify the other party for any loss or damage arising out of such use and will restore any property damaged at its own expense.

## **ARTICLE 7 TENANT FINANCING**

### **7.1 Leasehold Mortgage Authorized.**

On one or more occasions during the Term, Tenant may mortgage or otherwise encumber the Leasehold Estate under one or more Leasehold Mortgages and assign this Lease as security for such Leasehold Mortgage or Leasehold Mortgages.

### **7.2 No Lien on Landlord's Interest**

Tenant shall not place or create any mortgage, deed of trust, or other lien or encumbrance affecting Landlord's fee interest in the Premises or Landlord's interest in this Lease, and all financing of the Premises by Tenant shall, to the extent the same is secured by the Premises, be secured by one or more Leasehold Mortgages pursuant to the terms of this Article 7.

### **7.3 Notice to Landlord.**

Any Leasehold Mortgage shall be expressly subject to the terms and conditions of this Lease. The Tenant shall give prior notice to the Landlord of its intent to enter into a Leasehold Mortgage. Such notice shall be made to the Landlord in writing.

Upon request by the Landlord, the Tenant shall furnish the Landlord with copies of the signed commitment letter, the proposed mortgage documents and such other information as the Landlord may reasonably request and shall also furnish the Landlord with a certified copy of the Leasehold Mortgage as executed and recorded. Tenant shall thereafter also provide Landlord from time to time with a copy of each material amendment, modification or supplement to such instruments promptly following execution thereof.

The Tenant shall not mortgage, pledge, hypothecate or otherwise use its interest in this Lease, the Premises or any Improvements to secure the performance of any obligation other than (i) activities, financings and endeavors directly related to the design, construction and development of the Project and the carrying out of Tenant's obligations under this Lease, and (ii) an obligation to repay money evidenced by a note or notes for which this Lease, the Premises, the Improvements and other property within the Technology Park leased by Tenant or a Tenant Affiliate constitute the only real property serving as security and which note or notes and Leasehold Mortgage or other security agreement do not contain cross default or cross collateralization provisions relating to any other note, security or obligation.

Each time Tenant shall mortgage the Leasehold Estate, the holder of such Leasehold Mortgage shall



provide Landlord with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Leasehold Mortgagee. Following receipt of such notice by Landlord, the provisions of this Article 7 shall apply in respect to such Leasehold Mortgage. In the event of any assignment of a Leasehold Mortgage or in the event of a change of address of a Leasehold Mortgagee or of an assignee of such Leasehold Mortgage, notice of the new name and address shall be provided to Landlord.

#### **7.4 Protection of Leasehold Mortgagees.**

If Tenant, or Tenant's successors or assigns, shall mortgage this Lease in compliance with the provisions of this Article 7, then so long as any such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) **Consent.** No cancellation, surrender or modification of this Lease shall be effective as to any Leasehold Mortgagee unless consented to in writing by such Leasehold Mortgagee, except that such consent shall not be required with respect to a termination in accordance with this Article 7 or with Article 12 upon condemnation.

(b) **Notice of Default.** Landlord, upon providing Tenant any notice of: (i) default under this Lease, or (ii) a termination of this Lease, or (iii) a matter on which Landlord may predicate or claim a default, shall at the same time provide a copy of such notice to every Leasehold Mortgagee of which Landlord has been provided notice in accordance with Section 7.3. Landlord shall have no liability for the failure to give any such notice, except that no such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been so provided to every Leasehold Mortgagee of which Landlord has been provided notice in accordance with Section 7.3. From and after the time such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice, or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in Sections 7.4(c) and 7.4(d) to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are specified in such notice. Landlord shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold Mortgagee for such purpose.

(c) **Notice to Leasehold Mortgagee.** Anything contained in this Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to terminate this Lease, Landlord shall have no right to terminate this Lease unless, following the expiration of the period of time given Tenant to cure such default or the act or omission which gave rise to such default, Landlord shall provide written notice ("Termination Notice") to every Leasehold Mortgagee of Landlord's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if the nature of such default is the failure to pay a sum of money to Landlord and at least ninety (90) days in advance of the proposed effective date of such termination in the

event of any other default.

(d) **Leasehold Mortgagee's Cure.** The provisions of Section 7.5 below shall apply only if, during such 30 or 90-day termination notice period, any Leasehold Mortgagee shall:

(i) Notify Landlord of such Leasehold Mortgagee's desire to nullify such Termination Notice; and

(ii) Pay or cause to be paid all Rent and other payments (i) then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and (ii) any of the same which become due during such 30 or 90-day period as and when they become due; and

(iii) Comply, or in good faith and with reasonable diligence and continuity, commence to comply with all non-monetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee; provided, however, that such Leasehold Mortgagee shall not be required during such 30-day or 90-day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against Tenant's Leasehold Estate or the Premises junior in priority to the lien of the mortgage held by such Leasehold Mortgagee.

#### **7.5 Procedure on Default.**

(a) If Landlord shall elect to terminate this Lease by reason of any default of Tenant, and a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 7.4(d), this Lease shall not be deemed terminated so long as such Leasehold Mortgagee shall:

(i) Pay or cause to be paid the Rent and other monetary obligations of Tenant under this Lease as the same become due, and continue its good faith efforts to perform all of Tenant's other obligations under this Lease excepting only:

(A) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's Leasehold Estate junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee, and

(B) past non-monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee; and

(ii) If not enjoined or stayed, take steps to acquire or sell Tenant's Leasehold Estate by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same with due diligence.

(b) Nothing in this Article 7 shall be construed to extend this Lease beyond the original Term nor require a Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

(c) If a Leasehold Mortgagee is complying with subsection 7.5(a), upon the acquisition of the Leasehold Estate by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise and the discharge of any lien, charge or encumbrance against Tenant's Leasehold Estate or the Premises which is junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee and which Tenant is obligated to satisfy and discharge by reason of the terms of this Lease, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

(d) The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or the Leasehold Estate hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder, but the purchaser at any sale of this Lease and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage, shall be deemed to be an assignee or transferee and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be performed hereunder from and after the date of such purchase and assignment.

(e) If the Leasehold Mortgagee or its designee shall become holder of the Leasehold Estate and if the Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or such designee shall be obligated to repair, replace or reconstruct the Improvements to the extent Tenant is required to do so by the terms of Article 11 of this Lease.

(f) Any Leasehold Mortgagee or other acquirer of the Leasehold Estate pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings, and any tenant under a New Lease (as defined in Section 7.6) may, upon acquiring the Leasehold Estate, without further consent of Landlord sell and assign the Leasehold Estate on such terms and to such persons and organizations ("Subsequent Assignee") as are acceptable to such Leasehold Mortgagee or acquirer and thereafter be relieved of all obligations under this Lease; provided such Subsequent Assignee has delivered to Landlord its written agreement to be bound by all of the provisions of this Lease.

(g) Notwithstanding any other provision of this Lease, any sale of this Lease and of the Leasehold Estate hereby created in any proceedings for the Foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Estate hereby created in lieu of the Foreclosure of any Leasehold Mortgage, shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the Leasehold Estate hereby created.

#### 7.6 New Lease.

In the event of the termination of this Lease as a result of Tenant's default, Landlord shall promptly,

within a reasonable time, provide each Leasehold Mortgagee with written notice that this Lease has been terminated ("**New Lease Notice**"), together with a statement of all sums which would at that time be due under this Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("**New Lease**") of the Premises with such Leasehold Mortgagee or its designee for the remainder of the Term of this Lease, effective as of the date of termination, at the same Rent and upon the terms, covenants and conditions of this Lease; provided:

(a) **Request.** Such Leasehold Mortgagee shall make written request upon Landlord for such New Lease within sixty (60) days after the date such Leasehold Mortgagee receives Landlord's New Lease Notice given pursuant to this Section 7.6.

(b) **Procedure.** Such Leasehold Mortgagee or its designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Lease, including interest as required under the terms of this Lease, but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant. Upon the execution of such New Lease, Landlord shall allow to Tenant named therein as an offset against the sums otherwise due under this Section 7.6(b) or under the New Lease, an amount equal to the net income received by Landlord from the Premises during the period from the date of termination of this Lease to the date of the beginning of the term of such New Lease. In the event of a controversy as to the amount to be paid to Landlord pursuant to this Section 7.6(b), the payment obligation shall be satisfied if Landlord shall be paid the amount not in controversy, and the Leasehold Mortgagee or such designee shall agree to pay any additional sum ultimately determined to be due plus interest at the rate specified in Section 19.3 and such obligation shall be adequately secured. The parties shall cooperate to determine any disputed amount promptly in accordance with the terms of this Lease. Any such disputes shall be subject to arbitration in accordance with Article 18.

(c) **Cure.** Such Leasehold Mortgagee or such designee shall agree to remedy any of Tenant's defaults of which such Leasehold Mortgagee was notified by Landlord's New Lease Notice and which are reasonably capable of being so cured by Leasehold Mortgagee or such designee.

(d) **Priority.** Any New Lease made pursuant to this Section 7.6 shall have the same priority with respect to any mortgage or other lien, charge or encumbrance on the Premises as this Lease, and Tenant under such New Lease shall have the same right, title and interest in and to the Premises and the Improvements thereon as Tenant had under this Lease as of the date of the New Lease.

#### **7.7 New Lease Priorities.**

If more than one Leasehold Mortgagee shall request a New Lease pursuant to Section 7.6, Landlord

shall enter into such New Lease with the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien, or with the designee of such Leasehold Mortgagee. Landlord, without liability to Tenant or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgagee title insurance policy issued by a responsible title insurance company doing business in the State of Nevada as the basis for determining the appropriate Leasehold Mortgagee who is entitled to such New Lease.

#### **7.8 Certain Defaults.**

Nothing herein contained shall require any Leasehold Mortgagee or its designee as a condition to its exercise of rights hereunder to cure any default of Tenant which by its terms is not reasonably susceptible of being cured by such Leasehold Mortgagee or such designee in order to comply with the provisions of Sections 7.5 or as a condition of entering into the New Lease provided for by Section 7.6. The financial condition of any Leasehold Mortgagee or successor to Tenant's interest under this Lease or a New Lease shall not be a consideration in the determination of the reasonable susceptibility of cure of such a default.

No default or Event of Default, the cure of which, and no obligation of Tenant, the performance of which, requires possession of the Premises shall be deemed reasonably susceptible of cure or performance by any Leasehold Mortgagee or successor to Tenant's interest under this Lease or a New Lease not in possession of the Premises, provided such holder:

(a) Is diligently complying with the requirements described in Section 7.5(a)(ii) to acquire or sell Tenant's Leasehold Estate by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same with due diligence; and

(b) Upon obtaining possession promptly proceeds to cure any such default then reasonably susceptible of cure by such Leasehold Mortgagee or successor; nor shall any Leasehold Mortgagee be required to cure the bankruptcy, insolvency or any related or similar condition of Tenant.

#### **7.9 Eminent Domain.**

Tenant's portion, as provided by Article 12, of the proceeds arising from an exercise of the power of eminent domain shall, subject to the provisions of Article 12, be disposed of as provided for by any Leasehold Mortgage.

#### **7.10 Arbitration.**

Landlord shall give each Leasehold Mortgagee of which Landlord has notice prompt notice of any arbitration or legal proceedings between Landlord and Tenant involving obligations under this Lease. Each such Leasehold Mortgagee shall have the right to intervene, within sixty (60) days after receipt of such notice of arbitration or legal proceedings, in any such proceedings and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. Any intervening Leasehold Mortgagee shall be bound by the outcome of such proceedings. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, Landlord shall give the Leasehold Mortgagee notice of, and a copy of any award or decision made in any such proceedings, which shall be binding on all



Leasehold Mortgagees not intervening after receipt of notice of such proceedings. In the event Tenant shall fail to appoint an arbitrator, as provided in Section 15.1 hereof, a Leasehold Mortgagee (in order of seniority if there be more than one) shall have an additional period of thirty (30) days, after notice by Landlord that Tenant has failed to appoint such arbitrator, to make such appointment, and the arbitrator so appointed shall thereupon be recognized in all respects as if he had been appointed by Tenant.

**7.11 No Merger.**

So long as any Leasehold Mortgage is in existence, unless all Leasehold Mortgagees shall otherwise expressly consent in writing, the fee title to the Premises and the Leasehold Estate of Tenant therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

**7.12 Bankruptcy.**

In the event of any proceeding by or against either Landlord or Tenant under the United States Bankruptcy Code (Title 11 U.S.C.) as now or hereafter in effect:

(a) If this Lease is rejected in connection with a bankruptcy proceeding by Tenant or a trustee in bankruptcy for Tenant, such rejection shall be deemed an assignment by Tenant to the Leasehold Mortgagee (or if there is more than one Leasehold Mortgagee, to the one highest in priority) of the Leasehold Estate and all of Tenant's interest under this Lease, in the nature of an assignment in lieu of foreclosure, and this Lease shall not terminate and the Leasehold Mortgagee shall have all the rights of the Leasehold Mortgagee under this Article 7 as if such bankruptcy proceeding had not occurred, unless such Leasehold Mortgagee shall reject such deemed assignment by notice in writing to Landlord within thirty (30) days following the later of (i) rejection of this Lease by Tenant or Tenant's trustee in bankruptcy or (ii) approval of such rejection by the bankruptcy court. If any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by Tenant or the trustee in connection with any such proceeding, the rights of any Leasehold Mortgagee to a New Lease from Landlord pursuant to Section 7.6 hereof shall not be affected thereby.

(b) If this Lease is rejected or otherwise terminated in connection with a bankruptcy proceeding by Landlord or by Landlord's trustee in bankruptcy:

(i) Tenant shall not have the right to treat this Lease as terminated except with the prior written consent of all Leasehold Mortgagees and the right to treat this Lease as terminated in such event shall be deemed assigned to each and every Leasehold Mortgagee, whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of Tenant and each Leasehold Mortgagee shall be required as a condition to treating this Lease as terminated in connection with such proceeding.

(ii) Unless this Lease is treated as terminated in accordance with 7.12(b)(i), then this Lease shall continue in effect upon all the terms and conditions set forth herein,

including Rent, but excluding requirements that are not then applicable or pertinent to the remainder of the Term. Thereafter, Tenant or its successors shall be entitled to any offsets against Rent payable hereunder for any damages arising from such rejection or other termination and any such offset properly made shall not be deemed a default under this Lease. The lien of any Leasehold Mortgage then in effect shall extend to the continuing possessory rights of Tenant following such rejection or other termination with the same priority as it would have enjoyed had such rejection or other termination not taken place.

(c) Landlord and Tenant acknowledge and agree that the Premises are unique and that Tenant cannot and shall not be compelled, in a legal or equitable proceeding, to accept a money satisfaction in lieu of Tenant's rights under this Lease.

#### **7.13 Rights Against Tenant.**

The rights of a Leasehold Mortgagee hereunder shall not diminish any right or claim of Landlord against Tenant for damages or other monetary relief under this Lease.

#### **7.14 Notices to Leasehold Mortgagee**

Notices from Landlord to the Leasehold Mortgagee shall be mailed to the address furnished Landlord pursuant to Section 7.3 and those from the Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Section 20.1. Such notices, demands and requests shall be given in the manner described in Section 20.1 and shall in all respects be governed by the provisions of that Section.

## **ARTICLE 8 DESIGN AND CONSTRUCTION OF IMPROVEMENTS**

### **8.1 The Improvements.**

The Tenant hereby agrees to construct on the Premises at its sole cost and expense the Improvements in accordance with the Final Plans and Specifications.

### **8.2 Permits; Compliance with Codes.**

All building permits and other permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Improvements and any subsequent improvements, repairs, replacements or renewals to the Premises shall be acquired as required by applicable laws, ordinances or regulations by and at the sole cost of Tenant. Landlord agrees to cooperate reasonably with Tenant and all governmental authorities having jurisdiction, at Tenant's sole cost and expense, to facilitate Tenant's construction, maintenance and operation of the Premises, including, without limitation, Landlord's joinder in documents relating to the granting of entitlements, easements and similar matters.

### **8.3 Schedule for Construction.**

No construction shall be performed on the Premises prior to (i) the Commencement Date,

(ii) issuance of all necessary construction permits by Clark County, (iii) notice to Landlord of the Contractor as provided in Section 8.14, (iv) payment by Tenant of the second installment of Base Rent as described in Section 4.1(b), whichever shall occur last. The Tenant shall commence construction of the Improvements within ninety (90) days of the Commencement Date, shall prosecute such construction diligently and shall Substantially Complete such construction not later than twelve (12) months following the Commencement Date (the "Completion Date").

#### **8.4 Construction Requirements.**

The Tenant shall construct the Improvements in a good and workmanlike manner, with new first-class materials and equipment, and in conformity with all applicable Federal, State and local laws, ordinances and regulations.

#### **8.5 Offsite Improvements**

All offsite improvements required by Clark County in connection with the development of the Premises and construction of the Improvements shall be paid by Tenant at its sole cost and expense. If Tenant requests that Clark County enter into a development agreement or similar agreement associated with offsite traffic signal costs and such agreement constitutes or is secured by a lien on the Premises, Landlord's consent to such lien shall be conditioned on Tenant (a) placing in escrow the full cost of such improvements (currently estimated at \$320,000), with Nevada Title Company or another escrowee acceptable to Landlord, or (b) providing Landlord with an unconditional letter of credit drawn on a financial institution acceptable to Landlord and in form acceptable to Landlord and for such amount guaranteeing payment to Clark County. The escrowee or institution issuing the letter of credit may be changed from time to time with Landlord's written consent. Such escrowed funds or letter of credit shall be released by escrowee or Landlord only upon completion of the required offsite improvements, full release of any lien on the Premises, and payment by Tenant of the Base Rent payment due on the Commencement Date.

#### **8.6 Monthly Progress Reports.**

The Tenant shall submit to the Landlord a detailed estimated progress schedule at the time construction is begun, in a format generally used in the construction of buildings. This schedule shall be updated at any time there is material change in the schedule. This monthly submission shall be accompanied by a written report by the Tenant citing any adjustments to the progress forecast, analyzing the causes thereof, and, where applicable, noting corrective efforts.

#### **8.7 Certificate of Compliance.**

Promptly upon Substantial Completion of the Improvements, the Tenant shall give to the Landlord written notice thereof. Not later than fifteen business days after the receipt of such notice, the Landlord will either (i) issue to the Tenant a Certificate of Compliance, in recordable form, or (ii) provide the Tenant with a written statement indicating in reasonable detail in what respect the Tenant has failed to complete the Improvements, and what measures will be necessary, in the opinion of the Landlord, for the Tenant to take to obtain such Certificate.



#### **8.8 Inspection.**

Notwithstanding any other provision of this Lease, all construction work of the Tenant hereunder shall be subject to inspection by representatives of the Landlord at any time without notice to the Tenant. Such representatives shall abide by all reasonable and usual rules of the workplace established by the general contractor, including, without limitation, safety requirements.

#### **8.9 Alterations of Completed Improvements.**

After a Certificate of Compliance shall have been issued, the Tenant shall not make or permit to be made any substantial alteration of, addition to or change in the exterior facade (which shall include, without limitation, entrance locations, materials, windows and cornices forming a part of such facade) or the landscaping, other exterior features, or publicly accessible major interior features of the Improvements to which such Certificate of Compliance relates or otherwise materially alter the Premises in a manner contrary to the use and design features set forth in the Approved Development Plan ("Major Alterations") without the prior written consent of the Landlord. Any request for such consent shall be accompanied by graphic, financial and other materials sufficient to illustrate the nature and extent of the proposed alteration, its impact, if any, upon improvements existing upon or planned for under the Approved Development Plan on other portions of the Technology Park, and shall be submitted to the Landlord in accordance with the Review Process established in Section 8.10. Upon any reasonable disapproval thereof by the Landlord, the Tenant shall have no right, within six (6) months after such disapproval, to resubmit for approval any request for substantially the same alterations or changes unless so permitted by the Landlord. The Tenant may alter and make Leasehold improvements for occupants in areas of the Improvements not visible from outside the building. All alterations and additions made in accordance with this Section 8.9 shall be constructed in a good and workmanlike manner, with new first-class materials and equipment and in conformity with all applicable Federal, State and local laws, ordinances and regulations and shall be completed with all due diligence. If the Tenant shall fail to comply with the foregoing requirements, the Landlord may, within a reasonable time after its discovery thereof, direct in writing that the Tenant so modify, reconstruct or remove such portion or portions of the Improvements as were reconstructed, demolished or subtracted from or added to or extended without the prior approval of the Landlord. The Tenant shall promptly comply with such directive, and shall not proceed further with such reconstruction, demolition, subtraction, addition or extension until such directive is complied with.

#### **8.10 Review Process.**

The Tenant shall cause Improvements or Major Alterations to be constructed upon the Premises only in accordance with the Conceptual Design Plan and Final Plans and Specifications, each as approved by Landlord, that have been approved by the Landlord pursuant to the requirements of the following Review Process:

- (a) All subsequent submissions shall be consistent with the Approved Development Plan.
- (b) Within a reasonable time but not later than ten (10) business days after submission by the Tenant of any materials which require approval in accordance with the Review Process, the

Landlord, in writing, shall either approve such materials or notify the Tenant of the specific respects in which it finds such materials to be unacceptable. The criteria which the Landlord shall use in the Review Process and the requirements for design submittals are set forth in **Exhibit F** attached hereto. If the Landlord does not notify the Tenant in writing within said five (5) day period of all specific respects in which the same is unacceptable, such materials shall be treated as having been approved by the Landlord, as will all elements within such submission which are not so specified as unacceptable. In regard to any specific matters of which the Landlord disapproves, the Tenant shall, within thirty (30) days (or such additional time as may be requested by the Tenant and reasonably approved by the Landlord) after the Tenant receives written notice of such disapproval, resubmit appropriate material, altered in an effort to remove the basis for such disapproval. All resubmissions and subsequent approvals or disapprovals thereof shall be made and given in accordance with the procedure hereinabove provided for the original submission, until the relevant materials shall be approved or shall be treated as having been approved by the Landlord as set forth above, or until this Agreement has been terminated pursuant to the provisions of this Lease.

(c) After the Final Plans and Specifications have been approved by the Landlord, the Tenant shall not make or permit to be made any Major Alterations without the prior consent of the Landlord. Tenant may make changes which do not constitute Major Alterations provided that notices of any such changes are promptly given to the Landlord. In connection with the foregoing, the parties contemplate and agree that submission and review of design and relevant materials will be a continuing process with the parties working cooperatively, expeditiously, reasonably, and in good faith with respect to the design and implementation of the Project, continually coordinating the same to the extent required or deemed advisable with Clark County.

(d) Either party may notify the other that it deems any action or submission or disapproval unreasonable or in bad faith, and describing the consequences of such action and requesting accelerated review of the submission to ameliorate such consequences. Failure to give written notice within thirty (30) days of any such action shall be deemed acquiescence in the reasonableness thereof. Failure to make written protest of any notice within ten (10) days thereof shall constitute acquiescence to the requested relief.

(e) The first review by Landlord of the Conceptual Design Plan and Final Plans and Specifications shall be made at Landlord's sole cost and expense. In the event that any resubmittal and review is required as a result of Tenant or Tenant's architects', engineers', consultants' or other design professionals' failure to comply with the terms of this Lease or any law, regulation, building code or similar governmental or utility company requirement, Landlord may condition its review and approval of such resubmittal on Tenant's payment or agreement to pay the costs incurred by Landlord to perform such review, including reasonable expenses for Landlord's consulting professionals.

#### **8.11 Record of Plans.**

The Tenant shall keep complete, accurate, up-to-date and permanent records of all changes made

to the Improvements during the Term of this Lease, including changes made to the Final Plans and Specifications during construction of the Improvements and in connection with any alterations and additions constructed pursuant to Section 8.9 or Article 11 or Article 12 and shall provide copies of such records to the Landlord.

#### **8.12 Design Documents.**

At all stages of the design process set forth in Section 8.10, the Landlord shall have access to all design documents and technical backup information supporting such documents. The Tenant shall disclose to the Landlord the existence of all design contracts and other technical contracts, and all architectural, engineering or other contracts entered into by the Tenant relating to the design of Major Alterations (including without limitation all plans, specifications, renderings, engineering data, soil reports and other technical documents) are hereby collaterally assigned, to the extent assignable, to the Landlord. All documents produced thereunder, to the extent assignable, shall become the property of the Landlord if this Lease is terminated as a result of default by the Tenant (subject to the rights of any Leasehold Mortgagee if such Leasehold Mortgagee exercises a right to receive a new Lease pursuant to Article 7); provided, however, that the Landlord shall pay any outstanding amounts due to said contractors or consultants as of the date of such termination for any work completed or in progress as of such date if the Landlord wishes to assert its rights to such design documents or other work products.

#### **8.13 Design Services Contract.**

The Tenant and a responsible architectural, planning, design, engineering and consulting firm or firms (the "Architect") which firm or firms shall be approved by the Landlord, such approval not to be unreasonably withheld, shall enter into a contract or contracts, satisfactory in form to the Landlord, for the design of the Improvements or any Major Alterations and, where appropriate, for supervision of construction. The Tenant may, at any time thereafter, change such firm or firms or enter into contracts with new firms with the approval of the Landlord, such approval not to be unreasonably withheld.

#### **8.14 Construction Contract.**

The Tenant and a financially responsible general contracting firm or firms (the "Contractor"), which firm or firms shall be approved by the Landlord, such approval not to be unreasonably withheld, shall enter into a contract or contracts, satisfactory in form to the Landlord, for the construction of the Improvements or any Major Alterations, in accordance with the Final Plans and Specifications referred to in Section 8.10, and the Tenant may, at any time thereafter, change such firm or firms or enter into contracts with new firms with the approval of the Landlord, such approval not to be unreasonably withheld.

#### **8.15 Final Construction Documents.**

Prior to commencing construction of the Improvements or Major Alterations, the Tenant shall furnish the Landlord with:

- (a) Final Plans and Specifications approved by the Landlord and by any Leasehold Mortgagee or other lenders requiring approval (which may be delivered in such electronic format

as reasonably acceptable to Landlord);

(b) The design services contract(s) and construction contract(s) referred to in Sections 8.13 and 8.14 above, based upon the Final Plans and Specifications approved by the Landlord, with any change orders as of the start of construction;

(c) A lien bond and a performance and payment surety bond. Such bonds shall be in a form satisfactory to Landlord and to any Leasehold Mortgagee and shall be issued with the Contractor as principal and the Tenant, the Leasehold Mortgagee and the Landlord as beneficiaries, as their respective interests may appear. The amount of said bonds shall not be less than the full amount of the construction contracts with the Contractor. In lieu of a bond, but subject to the terms of Section 8.18, Landlord shall not unreasonably withhold its consent to a completion guaranty in the form of Exhibit G hereto, acceptable to Landlord, and from a financially capable guarantor or guarantors who individually or collectively have and maintain an aggregate unrestricted net worth of at least \$10,000,000 (exclusive of any interest any of them may have in Tenant or any sums owed to the guarantors by Tenant), of which at least \$2,000,000 in the aggregate shall be unrestricted liquid assets.

(d) Evidence reasonably satisfactory to the Landlord that the Tenant has the equity capital and final commitments for a Leasehold Mortgage or other financing adequate for the construction of the approved Improvements or Major Alterations; and

(e) All licenses, permits, approvals, certificates and all other necessary or appropriate actions of any Federal, State or City authorities required to enable leasing, construction, maintenance, operation and use of the Improvements or Major Alterations in accordance with the Final Plans and Specifications approved by the Landlord and reasonably obtainable given the status of the Project; provided that the Landlord shall, within 30 days of its receipt thereof, review and approve or give its reasons for its disapproval of any document prepared and submitted by the Tenant describing all such licenses, permits, approvals, certificates, environmental reviews and other actions which the Tenant intends to deliver, and the delivery of documentation evidencing compliance with each item on such a submittal shall conclusively be deemed to satisfy this provision; and

(f) Building permits for each portion of the Improvements or Major Alterations for which construction is proposed to commence based upon the Final Plans and Specifications approved by the Landlord which permits shall conclusively be deemed to be satisfactory evidence that such portion complies with applicable zoning and building code requirements.

#### **8.16 Responsibilities of the Tenant.**

With respect to construction of the Improvements or Major Alterations, the Tenant shall be responsible for the following activities (as the same may be reasonably required):

(a) Obtaining adequate financing;

(b) Obtaining all required governmental approvals, permits, certificates, rulings or



other actions necessary for the Improvements;

(c) Ascertaining that the Landlord's continued fee simple title to the Premises is satisfactory to the Tenant and any Leasehold Mortgagee; and

(d) Obtaining necessary contracts with the Architect and Contractor and all other necessary agreements for the construction and operation of the Improvements.

#### **8.17 Mechanics and Labor Liens.**

Tenant agrees that Tenant will not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against the Premises for work or materials furnished to Tenant or Tenant's subtenants in connection with any construction, improvements, or maintenance or repair thereof made by Tenant or any agents or subtenants of Tenant upon the Premises. Tenant shall cause any such claim of lien to be fully discharged within 10 days after the date of filing thereof; provided, however, that in the event Tenant, in good faith, disputes the validity or amount of any such claim of lien, and if Tenant shall give to Landlord such security as Landlord may reasonably require to insure payment thereof and prevent any sale, foreclosure, or forfeiture of the Premises or any portion thereof by reason of such nonpayment, Tenant shall not be deemed to be in breach of this Section 8.17 so long as Tenant is diligently pursuing a resolution of such dispute with continuity and, upon entry of final judgment resolving the dispute, if litigation or arbitration results therefrom, discharges said lien within the time limits specified above.

Tenant shall provide security for the completion of the Project, and all changes or alterations thereto, and for the payment in full of claims of all persons for work performed in or materials furnished for construction by either of the following methods:

(a) Posting a surety bond issued by a corporate surety acceptable to Landlord in an amount equal to the cost of each improvement, said bond to be deposited with Landlord and to remain in effect until the Project shall have been constructed and insured as provided in this Lease, and the entire cost of the Project, or any alterations thereto, shall have been paid in full, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and materialmen. Said bond shall be conditioned upon the faithful performance of the provisions of this Lease by Tenant, and shall give all claimants the right to action to recover upon such bond.

(b) Any other method first approved in writing by Landlord.

In addition, Landlord shall have the right to record one or more notices of nonresponsibility as permitted by NRS 108.234 or any successor or similar provision of Nevada law.

#### **8.18 Lien Releases**

If Tenant elects to provide a Completion Guaranty in lieu of bonding pursuant to Section 8.15(c), Tenant shall provide Landlord with each of the following, within five (5) business days of Tenant's receipt thereof:

(a) Any written notice, as required or permitted by law, that a lien upon the Premises

may be claimed for any amounts unpaid for materials furnished or labor performed by any person or party;

(b) Lien waivers showing that there are no statutory liens on record for labor or material arising out of the construction or rehabilitation of the Improvements; provided, however, that if there are any such liens, Tenant shall have made arrangements satisfactory to Landlord for the disposition or bonding thereof;

(c) Final conditional lien waivers (conditioned only upon final payment), in form and substance reasonably satisfactory to Landlord, from the Tenant's Contractor and all other parties who have furnished materials or services or performed labor of any kind in connection with the Project; and

(d) Final lien releases from all subcontractors, suppliers and materialmen who have supplied services and/or materials at the Premises or otherwise in connection with the Project, and a final contractor's affidavit of payment in full and final release of lien.

Not later than the tenth (10<sup>th</sup>) day of each calendar month, Tenant shall furnish to Landlord an affidavit of Tenant, as to whether or not Landlord has previously been served with all written notices, as required by this Section 8.18 that have been received by Tenant through and including the last day of the immediately preceding calendar month and a copy of each such notice, if any, that were not previously delivered to Landlord shall be attached to such affidavit.

## **ARTICLE 9 MAINTENANCE, REPAIR AND OPERATION**

### **9.1 Maintenance and Repair, Operation.**

The Tenant agrees that it will, during the Term of this Lease, at its sole cost and expense, keep, maintain, use and operate the Premises and the Improvements, including any altered, rebuilt, additional or substituted buildings, structures and other improvements thereto, in good repair and appearance and in a first-class and tenantable condition, and will promptly make all structural and non-structural, foreseen and unforeseen, and ordinary and extraordinary changes and repairs of every kind and nature which may be required to be made upon or in connection with the Premises and the Improvements or any part thereof in order to keep and maintain the Premises and the Improvements in good repair and appearance and in a tenantable condition. The Tenant shall keep, maintain, use and operate the Premises and the Improvements in a manner that will enhance the neighborhood and the Technology Park and reflect well upon the Landlord. The Tenant shall, at its own expense, keep the Premises in a clean, neat and sanitary condition and shall make good faith efforts to keep the Premises leased and occupied. The Landlord shall not be required to maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature or description to the Premises or the Improvements or any part thereof, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to maintain the Premises or the Improvements or any part thereof in any way. The Tenant hereby expressly waives any right to make repairs at the expense of the Landlord.

### **9.2 Inspection by the Landlord.**

The Landlord and its authorized representatives shall have the right to inspect the Premises during regular business hours upon 24 hours prior oral notice, provided that such inspections do not unreasonably interfere with the operations of the Tenant or any Occupant. In the event of any emergency conditions, such inspection by the Landlord may take place at any time without prior notice.

### **9.3 Hazardous Substances**

The Tenant unconditionally agrees that neither it nor any Occupant will dump, flush, or in any way introduce any Hazardous Substances into the septic, sewage or other waste disposal system serving the Premises; and in the event of any such prohibited introduction, at its sole cost and expense, will clean up promptly any damage occasioned by such. The Tenant further unconditionally agrees that neither it nor any Occupant will generate, store or use (except in accordance with all applicable governmental regulations) or dispose of Hazardous Substances in or on the Premises, or dispose of Hazardous Substances from the Premises into the air or to any other location, except a properly approved disposal facility and then only in compliance with any and all Federal, state and local laws and ordinances regulating such activity.

## **ARTICLE 10 INDEMNITY, LIENS AND INSURANCE**

### **10.1 Indemnification.**

The Tenant agrees to pay and to defend, indemnify and hold harmless the Landlord from and against any and all liabilities, losses, damages, costs, expenses (including all reasonable attorney's fees and expenses of the Tenant and the Landlord), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from any of the following occurrences:

- (a) any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property on the Premises, or on adjoining sidewalks, streets or ways, in each case growing out of or connected with the use, non-use, possession, ownership, condition or occupation of the Premises, the Improvements, or any part thereof;
- (b) violation of any agreement or condition of this Lease by Tenant;
- (c) violation by the Tenant of any contract or agreement to which the Tenant is a party or any restriction, statute, law, ordinance or regulation, in each case affecting the Premises, or the Improvements or any part thereof or the ownership, occupancy or use thereof; and
- (d) any contest referred to in Section 4.6.

The Landlord shall give the Tenant prompt and timely notice of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 10.1. Subject to the prior rights, if any, of insurers, the Tenant shall be entitled to control the defense and any compromise of any such claim or suit to the extent of any actual or potential claim for indemnification made or reserved by the Landlord (as well as any claim made

against the Tenant or any of those for whom it is legally responsible), and the Tenant shall give the Landlord the opportunity to participate in the defense and any compromise of any such claim or suit to the extent of the Landlord's interest therein. The obligations of the Tenant under this Section 10.1 shall survive the expiration or any earlier termination of the Term of this Lease.

#### **10.2 Liens.**

The Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to the Tenant or any of its contractors or subcontractors in connection with the development, construction, reconstruction, furnishing, repair, maintenance or operation of the Improvements and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to the Landlord, or pay or cause to be paid in full forthwith, any mechanic's, materialmen's or other lien or encumbrance that arises against the Premises other than Leasehold Mortgages permitted by Article 7. The Tenant shall have the right to contest any such lien or encumbrance.

Nothing contained in this Lease shall be construed as constituting the consent or request of the Landlord, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Premises or the Improvements or of any part thereof. Notice is hereby given that the Landlord will not be liable for any labor, services or materials furnished or to be furnished to the Tenant, or to anyone holding the Premises or the Improvements or any part thereof through or under the Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of the Landlord in and to the Premises or the Improvements.

#### **10.3 Insurance Prior to Commencement Date**

Notwithstanding the terms of Section 10.4, Tenant shall carry the insurance described in Section 10.4(a) at all times that Tenant or any of its agents, contractors, consultants, or others acting on behalf of Tenant enter upon the Premises for any purpose prior to the Commencement Date.

#### **10.4 Insurance Requirements.**

Beginning on the Commencement Date and continuing until the expiration or earlier termination of the Term, the Tenant shall at all times carry such liability, workers' compensation, property and other insurance coverage with respect to the Premises, the Improvements and any other insurable property and equipment therein or thereon (all of the above known as "Insurable Property") as may be required from time to time by a Leasehold Mortgagee, but in no event shall the Tenant carry less than the following:

- (a) commercial general liability insurance (or equivalent) applicable to the Insurable Property for death and bodily and other personal injury with a combined single limit of \$2,000,000, and for property damage in the amount of \$2,000,000, any or all of which may be increased or decreased, as the case may be, from time to time to reflect changes in amounts of such insurance carried by owners of comparable properties in Clark County (portions of which liability and property damage coverages may be provided under an umbrella policy); and



(b) workers' compensation insurance required by law and employer's liability insurance in respect of any work performed by Tenant's employees on or about the Premises; and

(c) demolition and debris removal insurance (if not included as part of the insurance carried pursuant to Section 10.4(d)) payable in the event that the debris or demolition is occasioned by damage to or destruction of the Improvements or any portion thereof, including any casualty pursuant to Article 11, or, to the extent such insurance is available, by condemnation pursuant to Article 12, in each case sufficient to pay for the removal of any portion of the Improvements if required pursuant to Article 11 or Article 12; and

(d) causes of loss property insurance with extended coverage and additional risk insurance (or equivalent) to the same extent and amount which is required by the Leasehold Mortgagee, such insurance to be in amounts sufficient to comply with any co-insurance clause applicable to the location and character of the Insurable Property and, in any event, in amounts not less than one hundred percent (100%), of the then repair and replacement cost of the Insurable Property, with an agreed upon value endorsement and commercially reasonable deductibles; and

(e) during any construction periods, builder's risk coverage in amounts appropriate for the construction work undertaken; and

(f) rent insurance to cover Base Rent to the Landlord, including but not limited to periods of time when the Premises are unusable by reason of casualty pursuant to Article 11.

All such insurance shall contain such contingent liability endorsements as shall make such insurance congruent with the fire, extended coverage and demolition and debris removal insurance required by 10.4(d) and 10.4(e).

The amount and types of coverages stated in this Section 10.4 shall be reviewed annually by the Landlord and the Tenant and shall be modified at such intervals if increases or changes are necessary to reflect inflation or changes in the nature or degree of risks insured.

The dollar amount stated in 10.4(a), shall be adjusted on the fifth anniversary following the Commencement Date and every fifth anniversary date thereafter (hereafter anniversary date) during the Term of this Lease to a dollar amount that bears the same ratio to the original dollar amount set forth herein as the Index figure published for the latest date prior to the date such adjustment is to be effective bears to such Index figure published for the latest month prior to the Effective Date.

In the event the index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula, or table for converting the Index as may be published by the Bureau of Labor Statistics. In the event the Index shall cease to be published, then, for the purposes of this Lease, there shall be substituted for the Index such other index as Landlord and Tenant shall agree upon, and if they are unable to agree within 90 days after the Index ceases to be published, such matter shall be determined by arbitration in accordance with Article 18. Any provision in this Section notwithstanding, under no circumstances shall the dollar amounts identified in subsection 10.4(a), be less than stated therein.

#### **10.5 Insurance Provisions.**

Insurance maintained by the Tenant pursuant to the requirements of Section 10.4 shall:

(a) be by standard policies, obtained from financially sound and responsible insurance companies authorized to do business in Nevada;

(b) have attached thereto a clause making the loss payable to the Tenant, any Leasehold Mortgagee, and the Landlord as their respective interests may appear, in the case of property insurance, and naming the Landlord as an additional insured, in the case of liability insurance;

(c) be written to become effective at the time the Tenant becomes subject to the risk or hazard covered thereby, and shall be continued in full force and effect for such period as the Tenant is subject to such risk or hazard;

(d) if available, provide for waiver of subrogation and payment of losses to the Tenant, the Leasehold Mortgagee and the Landlord, respectively, notwithstanding any act of negligence of the Tenant or the Landlord; and

(e) provide that any cancellation, change or termination thereof shall not be effective with respect to the Landlord until after at least thirty (30) days' prior notice has been given to the Landlord to the effect that such insurance policies are to be cancelled, changed, or terminated at a particular time.

Certified copies of such policies and renewals, showing the issuance and effectiveness of each such policy and the amount of coverage afforded thereby, shall be filed with the Landlord.

#### **10.6 Waiver of Subrogation.**

Each of the Landlord and the Tenant hereby waives all rights or recovery against the other for loss or injury against which the waiving party is protected by insurance but only to the extent of such insurance.

### **ARTICLE 11 CASUALTY**

#### **11.1 Collection of Claims.**

If the Improvements or any portion thereof shall be damaged or destroyed by fire or other casualty prior to the expiration of the Term, the Tenant shall proceed promptly to establish and collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction.

#### **11.2 Special Escrow Account.**

If the total amount of all proceeds of any such claims (hereinafter called "**Insurance Proceeds**") and any other monies provided for the reconstruction, restoration or repair of the Improvements shall exceed \$100,000, the same shall be paid into an escrow account, with an escrow agent which shall be appointed by Landlord. Payments from such escrow account shall conform to the requirements of this

Article 11 and, in the event of restoration, shall be made on a progress payment basis against vouchers certified by a registered architect selected by the Tenant and supervising the work of restoration and shall be subject to reasonable retainage and made in accordance with usual and reasonable disbursement requirements of the Leasehold Mortgagee and Landlord.

### **11.3 Restoration.**

Unless otherwise determined in accordance with Section 11.6, Tenant shall fully repair and reconstruct the Improvements to their condition at the time of such damage or destruction and the Insurance Proceeds and any other funds so collected shall be used and expended by the Tenant for such purpose. Any deficiency shall be paid by the Tenant. Tenant's obligation hereunder shall not be affected by the unavailability or insufficiency of Insurance Proceeds. Any excess proceeds after such repair or reconstruction has been fully completed shall be retained by the Tenant, subject to the rights of the Landlord to require that such excess be applied to the extent necessary to pay any outstanding Rent, Additional Rent and other amounts owed by the Tenant to the Landlord pursuant to this Lease.

### **11.4 Original or Modified Plans.**

Any restoration undertaken pursuant to the provisions of this Article 11 shall in all respects substantially conform to the provisions of the Final Plans and Specifications for the damaged Improvements, incorporating any alterations or modifications approved by the Landlord prior to the casualty, or shall be built in accordance with such new or modified plans and specifications as the Tenant, the Landlord and, at its election, the Leasehold Mortgagee, may at the time agree upon and approve, subject to any applicable building and zoning laws or other similar requirements then in existence.

### **11.5 Commencement and Completion of Restoration.**

When reconstruction or repair of the Improvements, or any portion thereof, which have been destroyed or damaged, is required by the provisions of this Article 11, such reconstruction or repair shall be commenced within a period not to exceed ninety (90) days after the Insurance Proceeds have been received by the Tenant (or, if the conditions then prevailing require a longer period, such longer period as shall reasonably be required by Tenant proceeding with due diligence), and the Tenant shall diligently prosecute such reconstruction or repair to completion, such reconstruction or repair to be completed within two (2) years after the commencement thereof.

### **11.6 Determination of Whether or Not to Restore.**

In the event of substantial damage or destruction by a casualty insured against (i) which damage, by joint agreement of the Landlord and the Tenant or, if the Tenant and the Landlord disagree, by determination of an arbitrator in the manner provided in Section 18.1, is such that the reconstruction of economically viable improvements is not practicable, or (ii) which damage occurs during the last five (5) years of the Term, then the Tenant, subject to the rights of any Leasehold Mortgagee, shall have the right to terminate this Lease upon 30 days' notice to the Landlord in which event the Insurance Proceeds (or a sum equivalent to such amount) shall be payable as set forth in Section 11.7.

#### **11.7 Allocation of Proceeds.**

If such casualty occurs and the Tenant elects to terminate this Lease in accordance with Section 11.6, the Insurance Proceeds shall be allocated between and paid to the Landlord and the Tenant in order that following the disbursement of the Insurance Proceeds, each has an amount of the Insurance Proceeds bearing the same proportion to the aggregate Insurance Proceeds as its respective interest in the Improvements bear to the aggregate value of the Improvements immediately prior to the casualty giving rise to termination of this Lease. The Landlord and the Tenant shall attempt to allocate the Insurance Proceeds between the Landlord and the Tenant fairly to effect such allocation. If the parties are unable to agree on such allocation, the allocation shall be made pursuant to arbitration in the manner provided in Section 18.1.

In determining the value of the Tenant's interest in the Improvements, the parties or the arbitrators, as the case may be, shall take into account the present value of the Tenant's Leasehold Estate for the remainder of the Term unencumbered by any mortgages, subject to all of the terms and conditions of this Lease.

In determining the value of the Landlord's interest in the Improvements, the parties or the arbitrators, as the case may be, shall take into account the present value of (i) the right to receive Rent, Additional Rent and other charges and payments required to be paid under this Lease for the balance of the Term, and (ii) the projected residual value of the Improvements as of the originally scheduled expiration of the Term.

#### **11.8 Tenant's Responsibilities on Termination.**

If the Tenant terminates this Lease following a casualty in accordance with Section 11.7, the Tenant, at its sole expense, shall deliver to the Landlord any plans or other technical materials related to the design and construction of the Improvements and, at the request of the Landlord, shall remove any remaining Improvements and restore the Premises to a cleared and safe condition and at a grade approximately level with abutting land. Upon the completion of any such demolition or other site preparation work to the reasonable satisfaction of the Landlord and the payment of such Insurance Proceeds to the Landlord, the Tenant shall surrender the Premises to the Landlord in accordance with Section 6.9 of this Lease and this Lease shall be terminated without liability or further recourse to the parties hereto, provided that any Rent, Additional Rent, and other amounts payable or obligations owed by the Tenant to the Landlord as of the date of said termination shall be paid or otherwise carried out in full.

#### **11.9 Demolition and Debris Removal Insurance.**

Proceeds of demolition and debris removal insurance, if separately obtained pursuant to Section 10.4(c), shall be separately accounted for by the escrow agent and shall be used to the extent available to pay the cost of any such demolition and debris removal occasioned by a casualty unless otherwise agreed by the Landlord, the Tenant and any Leasehold Mortgagee named as a loss payee on the policy of demolition and debris removal insurance, with Tenant responsible for paying any shortfall between such proceeds and the cost of such demolition and debris removal.

## ARTICLE 12 CONDEMNATION

### 12.1 Taking.

This Article 12 shall apply to any taking of the title to, access to, or use of the Premises or the Improvements or any portion thereof by any governmental authority or any conveyance under the threat thereof, for any public or quasi-public use or purpose (a "Taking"). Takings may be total or partial, permanent or temporary, as provided below.

### 12.2 Special Escrow Account.

The full amount of any award whether pro tanto or final for any Taking (the "Award") shall, notwithstanding any allocation made by the awarding authority, be paid into an escrow account in accordance with the procedures established in Section 11.2 above, provided that there shall first be deducted from the Award all reasonable fees and expenses of collection, including but not limited to, reasonable attorneys' fees and experts' fees. The Landlord and the Tenant shall then attempt to fairly allocate the Award between the Landlord's interest in the Premises and the Tenant's interest in the remainder of the Term of this Lease, taking into account their respective interests, any restoration obligation of the Tenant, any existing appraisals used to determine or to contest the amount of the Award and any other relevant information and analysis.

If the parties are unable to agree on such allocation, the allocation shall be made pursuant to arbitration in the manner provided in Section 18.1. Upon determination of the allocation of the Award between the Landlord and the Tenant, either by agreement of the parties or by decision of the arbitrators, the Landlord's portion thereof shall be paid forthwith to the Landlord, and the Tenant's portion shall be paid as provided in this Article 12. The portion of the Award so allocated to the Landlord shall be known herein as the "Landlord's Award", and the portion so allocated to the Tenant shall be known herein as the "Tenant's Award".

### 12.3 Total Taking.

In the event of a permanent Taking of the fee title to or of control of the Premises or the Improvements or of the entire Leasehold Estate hereunder (a "Total Taking"), the Tenant, upon the request of the Landlord and at the Tenant's sole expense, shall deliver to the Landlord any plans or other technical materials related to the design and construction of the Improvements, and this Lease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that any Rent, Additional Rent, or other charges payable or obligations owed by the Tenant to the Landlord as of the date of said Total Taking shall be paid or otherwise carried out in full. The Tenant's Award for a Total Taking shall be applied first, to the extent necessary to pay any outstanding Rent, Additional Rent and other amounts owed by the Tenant to the Landlord pursuant to this Lease, and then to the Tenant.

#### **12.4 Partial Taking: Procedures and Criteria for Course of Action.**

In the event of a permanent Taking of less than all of the Premises or the Improvements (a "Partial Taking"),

(a) if the continued use and occupancy of the remainder of the Premises by the Tenant is or can reasonably be made to be economically viable, structurally sound and otherwise feasible (the "Restoration Criteria"), then the Premises and the Improvements shall be restored pursuant to Section 12.5;

(b) if the continued use and occupancy of the remainder of the Premises by the Tenant is not or cannot reasonably be made to be economically viable, structurally sound and otherwise feasible, then this Lease may be terminated pursuant to Section 12.6.

After consultation with the Landlord and the Leasehold Mortgagee, the Tenant shall within ninety (90) days after the effective date of the Partial Taking give notice to the Landlord, together with back-up analysis, as to whether it elects to restore the Premises or terminate this Lease pursuant to this Section 12.4. If the Landlord disagrees with the Tenant's election, then the decision shall be made by arbitration pursuant to Section 18.1.

#### **12.5 Restoration.**

If a decision is made pursuant to Section 12.4 to restore the remainder of the Premises and the Improvements, the Tenant, the Landlord and, at its election, the Leasehold Mortgagee, shall reasonably agree upon and approve plans and specifications to modify the remaining Improvements, which plans and specifications shall be, as nearly as possible, in accordance with the original Final Plans and Specifications, amended to take account of the Taking and incorporating alterations or modifications approved by the Landlord prior to the Taking, subject to any applicable building and zoning laws or other requirements then in existence. Upon approval of said plans, the Tenant shall promptly proceed, at its expense, to commence and complete the restoration pursuant to the provisions of Section 11.5. Subject to the procedures of the escrow account set forth in Section 11.2, the Tenant may use the entire Tenant's Award for such restoration, and may retain for its own use any portion of the Tenant's Award remaining after the completion of the restoration subject to the rights of the Landlord to require that any such excess be applied first to the extent necessary to pay any outstanding Rent, Additional Rent and other amounts owed by the Tenant to the Landlord pursuant to this Lease. If the cost of the restoration shall exceed the amount of the Tenant's Award, the deficiency shall be paid by the Tenant. Tenant's obligation hereunder shall not be affected by the unavailability or insufficiency of Tenant's Award.

#### **12.6 Termination upon Non-Restoration.**

Following a Partial Taking, if a decision is made pursuant to Section 12.4 that the remaining portion of the Premises and Improvements is not to be restored, the Tenant, upon the request of the Landlord and at the Tenant's sole expense, shall deliver to the Landlord any plans used for the design and construction of the Improvements and, at the request of the Landlord made within thirty (30) days after Tenant's election not to restore, shall demolish and remove any Improvements not taken and restore the remaining Premises



to a cleared and safe condition and at a grade approximately level with abutting land. Upon completion of any such demolition or other site preparation work to the reasonable satisfaction of the Landlord, the Tenant shall surrender the Premises to the Landlord in accordance with Section 6.9 and this Lease shall thereupon be terminated without liability or further recourse to the parties hereto, provided that any Rent, Additional Rent, and other amounts payable or obligations owed by the Tenant to the Landlord as of the date of the Taking shall be paid in full. The Tenant's Award shall be applied to the extent necessary to pay such amounts.

#### **12.7 Temporary Taking.**

If the use or occupancy of the Premises or any part thereof shall be temporarily requisitioned by any government authority, civil or military (including, without limitation, any requisition or Taking arising out of the exercise of governmental war powers or any other emergency governmental powers) (a "**Temporary Taking**"), then any Award made as a result of such Temporary Taking shall be payable solely to the Tenant and this Lease shall continue in full force and effect and there shall be no abatement of Rent as a result thereof.

#### **12.8 Demolition and Debris Removal Insurance.**

Proceeds of demolition and debris removal insurance required pursuant to Section 10.4(c) shall be used to the extent available to pay the cost of any such demolition and debris removal occasioned by a Taking or Partial Taking, with Tenant responsible for paying any shortfall between such proceeds and the cost of such demolition and debris removal.

### **ARTICLE 13 DEFAULT; REMEDIES**

#### **13.1 Events of Default.**

An event of default ("**Event of Default**") by the Tenant shall occur:

- (a) if the Tenant fails to pay when due the Rent, any Additional Rent or any other payments due under this Lease and any such default shall continue for fifteen (15) days after the receipt of written notice thereof by the Tenant; or
- (b) if the Tenant fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder, and shall fail to cure, correct or remedy such failure within thirty (30) days after the receipt of written notice thereof, unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to continue if the Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof; or
- (c) if the Tenant abandons the Premises, or any substantial portion thereof; or
- (d) if any representation or warranty of the Tenant set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request

delivered to the Landlord by the Tenant pursuant to this Lease shall prove to be incorrect in any material and adverse respect as of the time when the same shall have been made and the same shall not have been remedied to the satisfaction of the Landlord; or

(e) if the Tenant shall be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "Bankruptcy Laws"), or if the Tenant shall (a) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or liquidator (or other similar official) of the Tenant or of any substantial portion of the Tenant's property; (b) generally not pay its debts as they become due or admit in writing its inability to pay its debts generally as they become due; (c) make a general assignment for the benefit of its creditors; (d) file a petition commencing a voluntary case under or seeking to take advantage of any Bankruptcy Law; or (e) fail to controvert in a timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against the Tenant pursuant to any Bankruptcy Law; or

(f) if an order for relief against the Tenant shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against the Tenant shall be entered pursuant to any other Bankruptcy Law, or if a petition commencing an involuntary case against the Tenant or proposing the reorganization of the Tenant under the Federal Bankruptcy Code shall be filed in and approved by any court of competent jurisdiction and not be discharged or denied within sixty (60) days after such filing, or if a proceeding or case shall be commenced in any court of competent jurisdiction seeking (a) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of the Tenant, (b) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or other similar official of the Tenant or of any substantial portion of the Tenant's property), or (c) any similar relief as to the Tenant pursuant to any Bankruptcy Law, and any such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect for thirty (30) days.

### **13.2 Remedies for Default.**

If there is an Event of Default on the part of the Tenant and no condition precedent to any obligation of Tenant exists unfulfilled or unwaived, the Landlord may terminate this Lease pursuant to Section 13.3 and may exercise its other remedies set forth in this Article 13.

### **13.3 Termination of Lease for Tenant's Default.**

Landlord may, when permitted by Section 13.2, terminate this Lease upon not less than thirty (30) additional days' written notice to the Tenant, and any Leasehold Mortgagee of which it has notice, setting forth the Tenant's uncured, continuing default and the Landlord's intent to exercise its rights to terminate under this Section 13.3, whereupon this Lease shall terminate on the termination date therein set forth unless the Tenant's alleged default has been cured before such termination date.



Upon such termination, the Tenant's interest in the Premises shall automatically revert to the Landlord, the Tenant shall promptly quit and surrender the Premises and the Improvements to the Landlord, without cost to the Landlord, and the Landlord may, without demand and further notice, re-enter and take possession of the Premises and the Improvements, or any part thereof and repossess the same as the Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which the Landlord might otherwise have for arrears of Rent or for a prior breach of the provisions of this Lease. The obligations of Tenant under this Lease which arose prior to termination shall survive such termination.

#### **13.4 Rights Upon Termination.**

Upon termination of this Lease pursuant to Section 13.3, the Landlord may:

- (a) re-enter and take possession of the Premises and the Improvements, or any part thereof and repossess the same by summary proceedings, ejectment or otherwise; and
- (b) retain, at the time of such termination, any Rent, Additional Rent or other fees or payments made hereunder, without any deduction, offset or recoupment whatsoever; and
- (c) enforce its rights under any bond outstanding at the time of such termination; and
- (d) require the Tenant to deliver to the Landlord, or otherwise effectively transfer to the Landlord any and all rights of possession, ownership or control the Tenant may have in and to, any and all plans, specifications, renderings, engineering data, soils or water report and other technical documents or material related to the design and construction of the Improvements and architect's and construction contracts relating to the Improvements; and
- (e) recover as damages a sum equal to the amount by which the Rent, Additional Rent and other payments called for hereunder for what would have been the remainder of the Term exceeds the fair rental value of the Premises.

In addition to the above remedies of the Landlord, the Tenant agrees to reimburse the Landlord for any and all actual expenditures incurred and for any and all actual damages suffered by the Landlord by reason of such termination, however caused.

#### **13.5 Performance by the Landlord.**

If the Tenant shall fail to make any payment or perform any act required under this Lease, the Landlord may (but need not) after giving not less than fifteen (15) additional days' notice to the Tenant and without waiving any default or releasing Tenant from any obligations, cure such default for the account of the Tenant. The Tenant shall promptly pay the Landlord the amount of such charges, costs and expenses (including payroll costs of employees plus 10% for the Landlord's overhead) as the Landlord shall have incurred in curing such default, together with interest at the Lease Interest Rate.

#### **13.6 Legal Costs.**

The Tenant shall be liable for the reasonable and actual legal expenses of the Landlord in connection with any collection of Rent, Additional Rent or other funds owed under this Lease, the

remedying of any default under this Lease or any termination of this Lease where such collection, remedying or termination results from an Event of Default.

### **13.7 Remedies Cumulative.**

Unless otherwise specifically provided in this Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every power and remedy given by this Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by the Landlord to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. The absence in this Lease of any enumeration of events of default by the Landlord or remedies of either party with respect to money damages or specific performance shall not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity.

### **13.8 Waiver as to Surety.**

The Tenant and the Landlord, for themselves and their successors and assigns, and all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Lease, hereby waive, to the fullest extent permitted by law and equity, all claims or defenses otherwise available on the grounds of its or their being or having become a person in the position of a surety, whether real, personal, or otherwise, or whether by agreement or operation of law. Such waiver shall include, but shall not be limited to, all claims and defenses based upon extensions of time, indulgence, or modification of terms of this Agreement.

### **13.9 Force Majeure.**

If either party shall be delayed in performing any obligation under this Lease, except any obligation to pay Rent, Additional Rent or any other sums of money payable hereunder, the time for such performance shall be extended by a period of time equal to such delay, and the party shall not be deemed to be in default where such delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; epidemics; quarantine; restrictions; freight embargoes; acts or failure to act of Clark County or any other public or governmental agencies or entity that cause a significant portion of the Premises to be unusable in accordance with this Lease; acts of the other party in violation of this Lease; continued illegal occupancy of persons in possession of the Premises; or any other reasonable cause relating to this Lease beyond the control or without the fault of the party claiming an extension of time to perform; provided that the party whose performance is delayed shall have commenced and is assiduously pursuing all reasonable and available means and measures necessary to minimize or eliminate such delay resulting from any such causes or conditions. Each party shall give written notice of any such delay to the other party within five (5) days of such party's knowledge of the occurrence of such event.

## **ARTICLE 14**

### **RESTRICTIONS ON ASSIGNMENT AND TRANSFER**

#### **14.1 Selection of the Tenant.**

The parties have entered into this Lease to permit and encourage the development of the Premises in accordance with the terms of this Lease and not to permit speculation in landholdings. The Tenant acknowledges that:

(a) The qualifications and identity of the Tenant and APALV and their respective management personnel are of particular concern to the Landlord; and

(b) It is because of such qualifications and identity that the Landlord is entering into this Lease; and

(c) In doing so, the Landlord is willing to accept and rely upon the obligations of the Tenant for the faithful performance of all undertakings and covenants to be performed by it under this Lease.

The Tenant also acknowledges that, because a school is considered to be a valuable amenity in the start-up of the Technology Park, the Landlord has a unique interest in having assurance that Tenant and APALV will remain involved in the development and operation of a school on the Premises until at least such time as the school has been in operation for several years and become established and recognized as a quality educational institution in the community.

#### **14.2 Prohibited Transfers.**

For the reasons set forth in Section 14.1 and except as otherwise provided in this Lease, the Tenant shall not, for a period of five (5) years beginning on the Commencement Date, transfer (by sale, assignment, pledge, sublease or otherwise) all or any of its rights under this Lease or its title to any Improvements or to the Premises to any person (including, but not limited to, any individual, partnership, joint venture, trust or corporation) unless the consent thereto of the Landlord has first been obtained.

#### **14.3 Permitted Transfers.**

The restrictions set forth in Section 14.2 shall not apply to any transfer:

(a) by a sublease to APALV, American Preparatory Schools ("APS"), or American Preparatory Education Foundation ("APEF"); provided, (i) there shall be no uncured Event of Default under this Lease, and (b) APALV, APS, or APEF, as the case may be, by instrument in writing and in form acceptable for recording with the Recorder, shall for itself and its successors and assigns, and expressly for the benefit of the Landlord, have expressly assumed all the obligations of the Tenant under this Lease, and agreed to be subject to all of the conditions and restrictions to which the Tenant is subject.

(b) of Tenant's Leasehold Estate to any Approved Mortgage Holder after any assignment in lieu of foreclosure, entry as a Leasehold Mortgagee in possession or foreclosure or

as to any tenant, its successors and assigns under a New Lease entered into pursuant to Section 7.6; provided, that (i) there shall be no uncured Event of Default under this Lease, and (ii) the proposed transferee, by instrument in writing recordable with the Recorder, shall for itself and its successors and assigns, and expressly for the benefit of the Landlord, have expressly assumed all the obligations of the Tenant under this Lease, and agreed to be subject to all of the conditions and restrictions to which the Tenant is subject, and (iii) the proposed transferee shall have a reputation of high quality; and (iv) the proposed transferee shall have, in the reasonable opinion of the Landlord, the qualifications, experience and financial responsibility required to fulfill the obligations contained herein for the continued first-class management and operation of the Improvements or, if the proposed transferee does not have the qualifications and experience required to manage and operate the Improvements, it shall be, in the reasonable opinion of the Landlord, financially responsible and shall have a contract with an entity which has, in the reasonable opinion of the Landlord, qualifications and experience required to fulfill the obligations contained herein; and (v) if the proposed transferee is chartered, or directly controlled by a person chartered, in a country other than the United States of America, the transaction of business with such person shall not violate or otherwise be in conflict with any law, regulation, order or decree of the government of the United States of America; and (vi) confirmation shall be obtained from the Landlord that the proposed transferee satisfies the requirements of this Section 14.3(b) pursuant to the provisions of Section 14.4;

(c) of Tenant's Leasehold Estate as security to any Leasehold Mortgagee; and

(d) of any interest in the Premises, or any part thereof, for utility or like easements necessary to permit the construction and use of the Improvements and the Project.

#### **14.4 Landlord's Consent.**

If the consent of the Landlord to any transfer is required by this Article 14, the Tenant shall notify the Landlord of the entity to whom such transfer is proposed, and such notice shall provide reasonably sufficient information to enable the Landlord to evaluate the acceptability of the proposed transferee. Within 30 days of its receipt of a request for confirmation that a proposed transferee satisfies the criteria set forth in Section 14.3(b) or of any request for consent to transfer of any interest in this Lease, the Landlord shall either determine that the proposed transferee satisfies the applicable criteria, or is otherwise satisfactory to the Landlord, or it shall notify Tenant of the specific respects in which such proposed transferee does not satisfy the applicable criteria, or, if Section 14.3(b) is not applicable, does not otherwise satisfy the Landlord, or it shall indicate with reasonable specificity what further information it requires to make its determination. If the Landlord does not notify the Tenant in writing within said 30-day period of all specific respects in which the proposed transferee does not satisfy the applicable criteria or, if Section 14.3(b) is not applicable, otherwise satisfy the Landlord, or of the further information the Landlord requires to make its determination, the transfer to such proposed transferee shall be deemed approved. If the Landlord requests further information concerning a proposed transferee, within 15 days of receipt of such additional information, the Landlord shall confirm that the proposed transferee satisfies the applicable criteria, or is otherwise satisfactory to the Landlord, or it shall notify Tenant of the specific

respects in which such proposed transferee does not satisfy the applicable criteria or, if Section 14.3(b) is not applicable, otherwise satisfy the Landlord. If the Landlord does not so notify Tenant within said 15-day period, the transfer to such proposed transferee shall be deemed approved. The recording of an affidavit by the Tenant to the effect that such approval has been deemed to have been received by the passage of such a period shall be conclusive evidence thereof. If an assignment or other agreement to transfer is not entered into with the proposed transferee to which consent is given or deemed given hereunder within 120 days of the date such consent is given or deemed given, then such consent shall be void. Notwithstanding anything to the contrary contained elsewhere in this Lease, the consent of the Landlord or an objection by the Landlord to any proposed transferee shall be made or withheld at the absolute discretion of the Landlord except as otherwise specifically provided in Section 14.3(b) of this Lease.

## **ARTICLE 15**

### **SUBLETTING, ESTOPPEL CERTIFICATES, AND NON-DISTURBANCE AND ATTORNMEN AGREEMENTS**

#### **15.1 Subletting.**

The Tenant shall not enter into any subleases, leases, license agreements, concession or occupancy arrangements of any kind for any portion of the Premises or the Improvements without the prior consent of the Landlord, which consent shall not be unreasonably withheld.

If the Tenant shall contemplate making any sublease or other agreement with respect to which the Landlord's approval is required, the Tenant shall submit to the Landlord two copies of such proposed sublease or agreement together with any information concerning the identity and financial worth of the proposed Occupant as the Landlord may reasonably request. The Tenant may also submit to the Landlord in writing from time to time prior to submitting the text of such sublease or agreement, information concerning the identity and financial worth of a proposed Occupant or proposed terms of a sublease or agreement. The Landlord agrees that it will respond promptly after receipt of any such information or of such proposed sublease or agreement and information, and notify the Tenant whether the proposed terms, sublease or agreement or Occupant are approved and, if the same are not approved, the reasons for such disapproval. In any event, if the Landlord shall fail to so respond within thirty (30) days after receipt of any such proposed sublease and information, the same shall be conclusively deemed to have been approved by the Landlord. The form of all subleases, leases, license agreements and occupancy arrangements used by the Tenant with respect to the Premises shall be subject to the prior approval of the Landlord and a copy of all executed subleases, leases, license agreements and occupancy arrangements entered into by Tenant shall be delivered to the Landlord.

No sublease made as permitted by this Section 15.1 shall impose any obligations on the Landlord or otherwise affect any rights of the Landlord under this Lease.

#### **15.2 Rent and Charges to Occupants.**

The Tenant shall not impose or collect any rent or other charge under any sublease, lease, license, concession or other agreement in any way relating to the use or occupancy of any part of the Premises



which is based on the "income" or "profits" of any person so as to render any part of the Rent payable under this Lease "unrelated business taxable income" to the Landlord under Section 512 of the Internal Revenue Code of 1954 or successor provision. The Tenant shall not impose any charge for the delivery of utilities and services to Occupants in excess of the cost to Tenant therefor nor impose any charge for the cost of work initially to prepare or subsequently to alter any space in, or to restore, contemplated Occupant improvements in excess of the cost to Tenant therefor.

### **15.3 Estoppel Certificates.**

The Landlord and the Tenant, as the case may be, will execute, acknowledge and deliver to each other or to any Leasehold Mortgagee, within fifteen (15) days after a written request therefor, a certificate certifying

- (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications);
- (b) the dates, if any, to which Rent, Additional Rent and other sums payable hereunder have been paid;
- (c) whether or not, to the knowledge of the Landlord or the Tenant, as the case may be, there are then existing any defaults under this Lease (and if so, specifying the same); and
- (d) such other matters relating to this Lease as may be reasonably required.

### **15.4 Non-Disturbance and Attornment Agreements.**

At the request of a Leasehold Mortgagee, the Landlord agrees to execute and deliver to such Leasehold Mortgagee a non-disturbance agreement in a form reasonably requested by such Leasehold Mortgagee, provided such Leasehold Mortgagee executes and delivers an appropriate attornment agreement. At the request of Tenant, the Landlord agrees to execute and deliver to Occupants non-disturbance agreements containing reasonable terms on forms prepared by Tenant, provided (i) that any such Occupant also executes and delivers an appropriate attornment agreement and (ii) if any such request shall relate to a lease or sublease which the Landlord had not previously approved pursuant to Section 15.1 Tenant shall provide a copy of such lease or sublease to the Landlord. If the Landlord reasonably believes that any Occupant's lease violates Section 6.1, Section 6.2, or Section 15.2 or would require the Landlord to provide parking spaces which, when added to all the parking spaces required to be provided under other Occupants' Leases which the Landlord has agreed to recognize, would exceed the number of Required Parking Spaces, or otherwise constitutes a breach of obligations contained in a Leasehold Mortgage or this Lease then the Landlord shall have no obligation to execute and deliver a non-disturbance agreement with respect thereto.

## **ARTICLE 16**

### **NON-DISCRIMINATION AND AFFIRMATIVE ACTION**

#### **16.1 Compliance with Equal Opportunity Laws and Regulations.**

The Tenant shall comply with all applicable federal, state and local laws in effect from time to time pertaining to Equal Employment, Anti-Discrimination and Affirmative Action, including executive orders and rules and regulations of appropriate federal, state and local agencies unless otherwise exempt therefrom.

#### **16.2 Information and Reports.**

The Tenant will provide all information and reports pertinent to the Landlord's Equal Employment, Anti-Discrimination and Affirmative Action requirements requested by the Landlord and will permit access to its facilities and any of its books, records, or other sources of information which may be determined by the Landlord to affect the Tenant's obligation hereunder.

#### **16.3 Notices to Contractors and Vendors.**

The Tenant will include the provisions of Section 16.1 in every contract or purchase order, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors and vendors, so that such provisions will be binding upon each such contractor and vendor.

## **ARTICLE 17**

### **REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE COVENANTS**

#### **17.1 Representations and Warranties.**

The parties hereto each represent and warrant with respect to themselves:

(a) The execution of this Lease and the performance of the obligations herein described, and of any acts which may be reasonably necessary or appropriate to accomplish the purposes set forth herein, have been duly authorized by each of the respective parties.

(b) Each party has full power and authority to enter into this Lease and this Lease and any agreements to be executed herewith or pursuant hereto are or will be, upon execution, the duly executed, legal, valid and binding obligations of each of the respective parties, enforceable in accordance with their terms as the same may be limited by bankruptcy, insolvency or similar laws affecting the rights of creditors generally.

(c) This Lease and the agreements to be executed herewith or pursuant hereto are not in conflict with any joint venture agreement, charter, statutory authority, or any indenture agreement or other instrument to which any party hereunder is a party or by which any party hereto is bound.

(d) There is no litigation or administrative proceeding pending or anticipated which would in any way affect the ability of the party making the warranty to carry out its obligations

under this Lease or which would otherwise affect the Project.

#### **17.2 Affirmative Covenants of Tenant.**

The Tenant covenants and agrees that, during the period of this Lease, it will undertake the actions set forth below:

(a) **Conduct of Business.** The Tenant will conduct and maintain its business in compliance with all laws, regulations and ordinances and in accordance with this Lease. The Tenant shall maintain cordial relationships with Clark County and the neighbors of the Technology Park and shall be sensitive to the concerns of the Landlord and the neighborhood.

(b) **Compliance with Agreements.** The Tenant will comply with all material provisions of all contracts, agreements, undertakings or other instruments to which it is a party relating to or affecting the Premises or the Improvements.

(c) **Notification of Defaults.** The Tenant will promptly notify the Landlord of any material default, or the acceleration of any debt, under any agreement, lease or other instrument to which it is a party or by which it is bound and which affects the Premises or the Improvements and any default in the payment or performance of any of its obligations under or pursuant to this Lease, whether or not any requirement or notice or lapse of time, or both, or any other condition has been satisfied or has occurred.

(d) **Notification of Disputes.** The Tenant will promptly notify the Landlord of any materially adverse claims, actions or proceedings affecting the Premises or the Improvements or its performance of this Lease.

(e) **Notification of Attachments.** The Tenant will promptly notify the Landlord of any levy, attachment, execution or other process against its assets, which will adversely affect the Premises or the Improvements or its performance of this Lease.

(f) **Agency Reports.** The Tenant will provide the Landlord with copies of any reports furnished to any state or federal agency or regulatory body relative to the Premises or the Improvements.

(g) **Further Information.** The Tenant will promptly furnish the Landlord from time to time such other information regarding its operations, business affairs and financial condition concerning the Premises as the Landlord may reasonably request.

(h) **Further Assurances.** Upon request, the Tenant will execute and deliver, or cause to be executed and delivered, such further instruments and do or cause to be done such further acts, as may reasonably be necessary or proper to carry out the intent and purpose of this Lease.

(i) **Current Information.** The Tenant will promptly furnish the Landlord from time to time current information which changes in any material adverse manner information previously submitted to the Landlord by the Tenant.

(j) **Tax-Free Status of the Landlord.** The Tenant will take no actions which would



jeopardize or reasonably be expected to jeopardize the status of the Landlord as a tax-exempt nonprofit corporation or which would create or reasonably be expected to create "unrelated business taxable income" for the Landlord as defined under Section 512 of the Internal Revenue Code of 1954, or successor provision.

(k) **General Tenant Covenant.** The Tenant will perform and observe, or cause to be performed and observed, all the terms, covenants, conditions and agreements provided in this Lease and in any amendments hereto.

### **17.3 Affirmative Covenants of Landlord.**

The Landlord hereby covenants and agrees that, during the period of this Lease and with respect to matters related to this Lease, it will undertake the actions set forth below:

(a) **Notice; Further Information and Assurances.** The Landlord will provide notice, further information and assurances to the Tenant with respect to matters under the control or within the knowledge of the Landlord in a manner identical with obligations imposed on the Tenant pursuant to Sections 17.2(c), 17.2(d), and 17.2(e) above.

(b) **General Landlord Covenant.** The Landlord will perform and observe, or cause to be performed and observed, all the terms, covenants, conditions and agreements provided in this Lease and in any amendments hereto to be so performed and observed by it.

## **ARTICLE 18 ARBITRATION**

### **18.1 Applicability.**

When so specified in this Lease, any dispute, controversy or claim arising out of this Lease shall be settled by expedited mandatory arbitration as set forth in this Article 18.

### **18.2 Notice of Demand.**

Either party may demand arbitration by notifying the other party in writing in accordance with the notice provisions of Article 20. The notice shall describe the reasons for such demand, the amount involved, if any, and the particular remedy sought.

### **18.3 Response.**

The party that has not demanded arbitration shall respond to the notice of demand within ten (10) calendar days of receipt of such notice by delivering a written response in accordance with the notice provisions of Article 20. The response shall also describe counterclaims, if any, the amount involved, and the particular remedy sought.

### **18.4 Selection of Arbitrators.**

The matter in controversy shall be determined by impartial arbitrators, one to be chosen by the Tenant, one to be chosen by the Landlord, and a third to be selected, if necessary, as below provided. Such

impartial arbitrators shall be qualified, independent real estate professionals with experience in transactions of a size and character similar to the Project. The unanimous written decision of the two first chosen (without selection and participation of a third arbitrator), or otherwise the written decision of a majority of three arbitrators chosen as herein provided shall be conclusive and binding upon the Landlord and the Tenant. The Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall select an impartial third arbitrator. Such third arbitrator and the first two chosen shall render their decision within thirty (30) days following the date of appointment of the third arbitrator and shall notify the Landlord and the Tenant thereof.

#### **18.5 Arbitration Hearing; Discovery; Venue.**

The arbitration hearing shall commence within thirty (30) calendar days of selection of the arbitrator as described in Section 18.4. The hearing shall in no event last longer than two (2) calendar days. There shall be no discovery or dispositive motion practice (such as motions for summary judgment or to dismiss or the like) except as may be permitted by the arbitrator; and any such discovery or dispositive motion practice permitted by the arbitrator shall not in any way conflict with the time limits contained herein. The arbitrator shall not be bound by any rules of civil procedure or evidence, but rather shall consider such writings and oral presentations as a reasonable business person would use in the conduct of that business person's day to day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. It is the intention of the parties to limit live testimony and cross examination to the extent absolutely necessary to insure a fair hearing to the parties on significant and material issues. Venue of any arbitration hearing pursuant to this Article 18 shall be in Clark County, Nevada.

#### **18.6 Decision.**

The arbitrator's decision shall be made in no event later than ten (10) calendar days after the commencement of the arbitration hearing. Absent fraud, collusion or willful misconduct by the arbitrator, the award shall be final and judgment may be entered in any court having jurisdiction thereof. The arbitrator may award specific performance of this Agreement. The arbitrator may also require remedial measures as part of any award but shall not have the authority to award and shall not award punitive damages to any party. Judgment may be entered in any court of competent jurisdiction upon an award reflecting the decision of such arbitrators. The Landlord and Tenant shall divide equally all expenses of arbitration; provided, the arbitrators in their discretion may award attorneys' fees and costs to the more prevailing party.

### **ARTICLE 19 MISCELLANEOUS PROVISIONS**

#### **19.1 Designation of Authorized Officers.**

The Landlord and the Tenant shall each designate an authorized person to be responsible for granting the approvals and concurrences required pursuant to this Lease and for maintaining

communications between the parties.

The authorized person for the Landlord for purposes of this Section 19.1 and Section 19.7 shall be Ronald C. Brooks and/or such other persons as the Landlord may designate from time to time.

The authorized person for the Tenant for purposes of this Section 19.1 and Section 19.7 shall be the person who has signed this Lease below on behalf of the Tenant and/or such other persons as the Tenant may designate from time to time.

Each party shall be entitled to rely on concurrences or approvals of the other party's authorized officer until such time as a party receives notice from the other party revoking the authority of such authorized officer and designating a replacement.

#### **19.2 Memorandum of Lease.**

The Landlord and the Tenant agree that this Lease shall not be recorded and that, upon the execution and delivery of this Lease, each will execute and deliver to the other a Memorandum of Lease substantially in the form attached hereto as Exhibit E, which Tenant or Landlord shall be entitled to record.

#### **19.3 Interest.**

Except as otherwise specifically provided herein, any amounts due from one party to the other pursuant to the terms of this Lease, including amounts to be reimbursed one to the other, shall bear interest from the due date or the date the right to reimbursement accrues at the Lease Interest Rate. For purposes of interest calculations, the due date of amounts or the date the right to reimbursement accrues shall be deemed the date that it originally was owing but may have been disputed, as distinguished from the date of final settlement or the making of a judicial or arbitration award.

#### **19.4 No Merger of Title.**

There shall be no merger of the Leasehold Estate created by this Lease with the fee estate in the Premises by reason of the fact that the same person or entity may own or hold (a) the Leasehold Estate created by this Lease or any interest in such Leasehold Estate, and (b) the fee estate in the Premises or any interest in such fee estate; and no such merger shall occur unless and until all persons, including the Landlord, having any interest in (i) the Leasehold Estate created by this Lease, or (ii) the fee estate in the Premises, shall join in a written instrument effecting such merger and shall duly record the same.

#### **19.5 No Waiver.**

The failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Lease, or to exercise any option or election herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant, option or election unless this Lease specifies otherwise. A receipt by the Landlord of Rent with knowledge of the breach of any covenant herein shall not be deemed a waiver of such breach.

#### **19.6 No Broker.**

The Landlord and the Tenant each represent to the other that there was no broker involved in

consummating this Lease and that, to the best of their knowledge, there is no broker entitled to a commission in connection with this Lease.

**19.7 Consents and Approvals.**

Except as herein otherwise expressly provided, wherever in this Lease the consent or approval of the Landlord, the Tenant or a Leasehold Mortgagee is required, such consent or approval shall not be unreasonably withheld, delayed or qualified and shall be in writing signed by an authorized officer (designated pursuant to the provisions of Section 19.1) of the party granting such consent or giving such approval. Unless otherwise specifically provided herein, the party requesting consent or approval is entitled to a decision either granting or denying (with reasons for any denial specified) such request within thirty (30) days the receipt of such request, and any such request which has not been responded to within said thirty (30) day period shall be deemed to have been granted.

**19.8 Time of Essence.**

Time is of the essence of this Lease, and the parties hereto shall diligently, promptly and punctually perform the obligations required to be performed by each of them and shall diligently, promptly and punctually attempt to fulfill the conditions applicable to each of them it being understood that the date by which either party is required to perform any obligation under this Lease shall be determined by taking into account the provisions of Section 13.9, if applicable.

**19.9 Due Diligence and Good Faith.**

Both parties agree to pursue in good faith and with due diligence the purposes set forth herein and all acts in furtherance thereof, specifically including all acts required of either party by the terms of this Lease.

**19.10 Survival of Obligations.**

All of the obligations, representations, warranties and covenants made in this Lease shall be deemed to have been relied upon by the party to which they were made and to be material and shall survive the execution and performance of any agreements related hereto to the extent that they are by their terms, or by a reasonable interpretation of the context, to be performed or observed or relied upon after the execution or performance of such agreements.

**19.11 Supplemental Documents.**

Recognizing that the implementation of the provisions of this Lease may require the execution of supplemental documents the precise nature of which cannot now be anticipated, each of the parties agrees to assent (subject, in the case of Tenant, to the consent of any Leasehold Mortgagee, which consent shall not unreasonably be withheld) to, execute and deliver such other and further documents (including, without limitation, votes, certificates and opinions of outside independent counsel) as may be reasonably requested or required by the other party hereto (or any Leasehold Mortgagee) so long as such other and further instruments and documents are consistent with the terms and provisions of this Lease, shall not impose additional obligations on any party, shall not deprive any party of the privileges herein granted to

it and shall be in furtherance of the intent and purposes of this Lease. To the extent any provisions of any agreement hereafter executed by the parties hereto pursuant to this Lease are inconsistent with the provisions of this Lease, the terms of such agreement shall govern, but such agreements shall be interpreted, if possible, to implement the spirit of this Lease, and shall not be used to frustrate the purposes set forth herein.

**19.12 Invalidity of Provisions.**

If any one or more of the phrases, sentences, clauses or paragraphs contained in this Lease shall be declared invalid by the final and unappealable order, decree or judgment of any court, this Lease shall be construed as if it did not contain such phrases, sentences, clauses or paragraphs, provided that such construction does not substantially alter the material benefits and burdens of the respective parties as set forth in this Lease.

**19.13 Binding Effect.**

Except as otherwise provided in this Lease, all of the covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective authorized successors and assigns of the Landlord and the Tenant to the same extent as if each such successor and assign were in each case named as a party to this Lease. Any person, corporation or other legal entity acquiring any or all of the rights, title and interest of the Tenant in and to the Leasehold Estate in the Premises, (i) under any judicial sale made under a Leasehold Mortgage or as the result of any action or remedy provided therein; (ii) by foreclosure proceeding or action in lieu thereof, in connection with any such Leasehold Mortgage; or (iii) as a result of any legal process or proceedings (other than eminent domain proceedings by public authority), shall thereby become liable under and be fully bound by all of the provisions of this Lease and, with the prior written consent of the Landlord, the Tenant may be fully or partially released from its obligations under this Lease.

**19.14 Pronouns.**

Whenever the context may require, any pronouns used in this Lease shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

**19.15 Rights of Others.**

Nothing in this Lease, express or implied, is intended to confer upon any person other than the parties hereto and their authorized successors and assigns, rights or remedies under or by reason of this Lease.

**19.16 Amendments.**

This Lease may not be amended, changed, modified or discharged except by an instrument in writing signed by the Landlord and the Tenant and consented to by any Leasehold Mortgagee.

**19.17 Captions and Headings.**

The captions and headings throughout this Lease are for convenience and reference only, and they shall in no way be held or deemed to define, modify or add to the meaning, scope or intent of any provisions of this Lease.

**19.18 Governing Law.**

This Lease shall be governed by and interpreted under the laws of the State of Nevada.

**ARTICLE 20  
NOTICES AND PAYMENTS**

**20.1 Notices, Demands and Other Instruments.**

Unless otherwise expressly permitted by the terms of this Lease, all notices, demands, submissions, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given upon delivery or refusal to accept delivery if delivered by email, hand delivery or overnight courier service to the addressee or sent by registered or certified United States mail, postage prepaid, return receipt requested, and

(a) If directed to the Landlord addressed to:

Nancy H. Strouse  
Executive Director, UNLV Research Foundation  
4505 South Maryland Parkway, Box 451006  
Las Vegas, Nevada 89154-1006  
nancy.strouse@unlv.edu

with a copy to:

Gerry Bomotti  
Senior Vice President of Finance and Business  
University of Nevada, Las Vegas  
4505 South Maryland Parkway  
Las Vegas, Nevada 89154-1004  
gerry.bomotti@unlv.edu

(b) If directed to the Tenant addressed to:

American Preparatory Schools, Inc.  
11938 Lone Peak Parkway  
Draper, Utah 84020  
Attn: [the person who has signed this Lease below on behalf of the Tenant]

or to such other address as may from time to time be specified in writing by any party hereto. Unless otherwise specified in writing, each party shall direct all sums payable to another party to said party's address for notice purposes.

## **ARTICLE 21**

### **LANDLORD'S RIGHT TO RELOCATE THE PREMISES**

#### **21.1 Substitute Premises.**

The Landlord and the Tenant acknowledge that Landlord may, at some time during the Term, make arrangements for the redevelopment of the Premises (referred to hereafter in this Article 21 only as the "**Initial Premises**") and hereby agree that the Landlord shall have the right to substitute a different parcel within the Technology Park (the "**Substitute Premises**") for the exclusive use by the Tenant in accordance with the provisions of this Article 21.

#### **21.2 Conditions for Substitution of Premises.**

The Landlord shall not be entitled to substitute a Substitute Premises for the Premises then in use by the Tenant unless and until each of the following conditions has been satisfied in a manner to which neither the Tenant nor the Leasehold Mortgagee makes any reasonable objection:

(a) Landlord has given Tenant written notice of Landlord's intent to relocate the Premises at least 180 days prior to the date on which Tenant is to take occupancy of the Substituted Premises and vacate the Initial Premises.

(b) The Substitute Premises shall contain be at least the same square footage of land as the Initial Premises.

(c) Access shall be provided to the Substitute Premises by improved and dedicated public right of way with at least three points of access to provide flow-through traffic for delivery and pick-up of students.



(d) Landlord shall construct Improvements on the Substitute Premises in conformance with Section 21.3 that are at least equivalent to the Improvements originally constructed by Tenant on the Initial Premises in terms of quality of materials and workmanship.

(e) Landlord shall pay for all reasonable costs of moving Tenant's furnishings and fixtures from the Initial Premises to the Substitute Premises or replacing such items with substitutes of equivalent value and such relocation or replacement shall be performed in a manner and at a time that do not cause an interruption in Tenant's operations.

(f) An amendment to this Lease and the Memorandum of Lease shall have been executed by the Landlord and the Tenant solely for the purpose of evidencing the substitution and demising of the Substitute Premises in accordance with the terms of this Article 21 and such amendment to the Memorandum of Lease shall have been recorded. The Tenant agrees promptly to execute and deliver to the Landlord any such amendments.

(g) The Tenant and the Leasehold Mortgagee shall have received assurances in the form described below that the Substitute Premises is included as a portion of the Premises demised under this Lease for the balance of the Term (subject to the Landlord's substitution rights provided for in this Article 21), subject only to the Leasehold Mortgage, the leases and other encumbrances to which such Substitute Premises will become subject by virtue of being included within the property demised under this Lease, liens for taxes not yet due and payable, and restrictions and easements which will not adversely affect the exclusive use and occupancy of such Premises for the purposes for which it is permitted to be used under Article 6.

(h) If either the Tenant or the Leasehold Mortgagee has title insurance, such assurances shall be in the form of an amendment of its existing title insurance policy which alters the description of the insured leasehold premises to delete the Initial Premises being removed and to include the Substitute Premises effective as of the date of recording of the Memorandum of Lease referred to in Section 21.2(f). Any such amendments shall contain customary affirmative insurance with respect to survey matters, access and the area affected by any restrictions, easements and encumbrances and insuring the insured against any loss or damage arising from or relating to the existence of any such restriction, easement or encumbrance. If either the Tenant or the Leasehold Mortgagee does not then have a title insurance policy in effect, then such assurances may take the form of an opinion of counsel satisfactory to such title insurers as the Leasehold Mortgagee and the Tenant may designate for the purpose.

(i) The Tenant and the Leasehold Mortgagee shall have received an opinion of counsel or other customary evidence reasonably satisfactory to them that the Substitute Premises is in compliance with all applicable requirements of the zoning ordinance, building codes, rent control ordinances and other regulations applicable to the construction and operation of the Substitute Premises, that all permits for the operation of the parking facilities on the Premises have been issued, and that the Premises, following such substitution of the Premises, will be in compliance with any law or regulation applicable to the Premises with respect to the provision of parking for automobiles and bicycles and any other mode of transportation required by law to be



provided for.

(j) The Tenant and the Leasehold Mortgagee shall have received a hazardous waste report satisfactory to each of them with respect to the Substitute Premises. The acceptance by the Tenant or a Leasehold Mortgagee of a hazardous waste report with respect to any Premises shall not be deemed to establish a standard for any subsequent report.

(k) The Substitute Premises shall have constructed thereon in accordance with all applicable permits parking facilities for the Required Parking Spaces (determined as of the date of such substitution) and such parking facilities shall be fully operational and in a condition equal to or better than the parking facilities on the Premises in use prior to such substitution.

(l) Landlord shall have Substantially Completed improvements on the Substituted Premises that are comparable to the Improvements on the Initial Premises.

(m) The Tenant, at its sole discretion, agrees to the substitution.

The documents provided for in item (i) above shall not be delivered or recorded until each of the other conditions set forth in this Section 20.4 has been satisfied and upon the execution, delivery and recording of the documents provided for in item (i) above, the Substitute Premises in question shall become subject to the terms of this Lease and ten (10) days thereafter, the Premises intended to be replaced shall cease to be subject to the terms of this Lease.

### **21.3 Construction of Substitute Improvements**

The construction performed by Landlord on the Substituted Premises pursuant to the provisions of this Article 21 shall in all respects substantially conform to the provisions of the Final Plans and Specifications for the completed Improvements on the Initial Premises, incorporating any alterations or modifications approved by the Landlord prior to the casualty, or shall be built in accordance with such new or modified plans and specifications as the Tenant, the Landlord and, at its election, the Leasehold Mortgagee, may at the time agree upon and approve, subject to any applicable building and zoning laws or other similar requirements then in existence.

## **ARTICLE 22 EXHIBITS**

### **22.1 Exhibits.**

The following Exhibits A-1, A-2, A-3, B, C, D, E, and F are referred to in this Lease and are hereby made a part of this Lease:

**Exhibit A-1** -- Premises – Vicinity Map

**Exhibit A-2** -- Premises – Site Plan

**Exhibit A-3** -- Premises – Site Description

**Exhibit B** -- Agreements to which the Premises are Subject

Exhibit C -- Permitted Exceptions

Exhibit D -- Title Policy/Commitment

Exhibit E -- Memorandum of Lease

Exhibit F -- Criteria for Design Review

Exhibit G -- Form of Completion Guaranty

Exhibit H -- Entry Monument Area

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as a sealed instrument by their respective duly authorized agents, as of the date and year first set forth above.

LANDLORD:

UNLV Research Foundation,  
a Nevada non-profit corporation

By: Nancy H. St. John  
Title: Executive Director  
Date: June 13, 2014

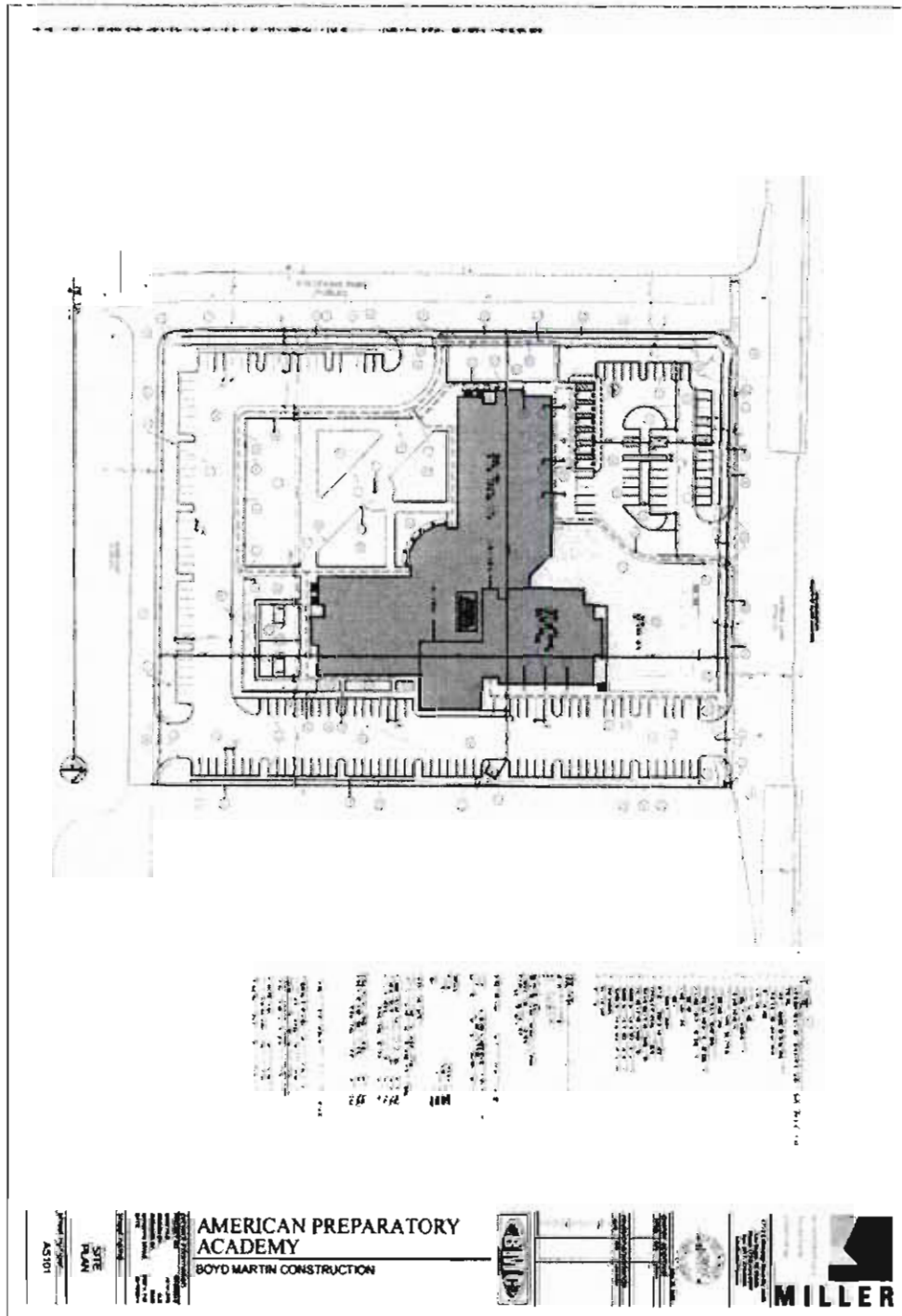
TENANT:

American Preparatory Schools, Inc.,  
a Utah corporation

By: Carolyn Sharette  
Title: President  
Date: June 3, 2014

[illegible]Page 203  
Part C: Attachments

**EXHIBIT A-2  
PREMISES -- SITE PLAN**



## **EXHIBIT A-3**

### **PREMISES -- SITE DESCRIPTION**

**Assessor's Parcel Numbers affected by Premises:** 163-33-301-005, 163-33-301-011 & 163-33-301-004

**Legal Description:** Being a portion of the North Half (N ½) of the Southwest Quarter (SW ¼) of Section 33, Township 21 South, Range 60 East, MDM, Clark County, Nevada.

**Total Parcel Area:** 279,220 Square Feet or 6.41 Acres

**EXHIBIT B**  
**AGREEMENTS TO WHICH THE PREMISES ARE SUBJECT**

NONE OTHER THAN AS DESCRIBED IN THE PERMITTED EXCEPTIONS

**EXHIBIT C**  
**PERMITTED EXCEPTIONS**

ALL MATTERS OF RECORD AND AS OTHERWISE DISCLOSED IN THIS LEASE, INCLUDING THE  
TITLE COMMITMENT ATTACHED HERETO

**EXHIBIT D**  
**TITLE POLICY/COMMITMENT – PAGES 7 TO 23**





**First American**

Reference: 13-10-0790-DTL  
Address: Vacant Land (UNLV Harry Reid Research & Tech Park), NV  
Our Order No.: 13-10-0790-DTL  
Escrow Officer: Troy Lockhead

## COMMITMENT FOR TITLE INSURANCE

### First American Title Insurance Company

#### INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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Schedule B-1 - Requirements	
Schedule B - 2 - Exceptions	
Conditions	

**YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.**  
If you have any questions about the Commitment,  
please contact the issuing office.

## COMMITMENT FOR TITLE INSURANCE

ISSUED BY

***First American Title Insurance Company***

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

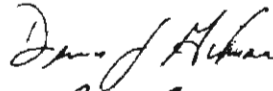
The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

***First American Title Insurance Company***

BY



PRESIDENT

ATTEST



SECRETARY

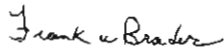
## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE A

1. Effective Date: May 12, 2014 at 7:30 a.m.
2. Policy or Policies to be issued: Amount
  - a. Owners Policy ALTA Owner Standard: \$ TBD  
Proposed Insured: American Preparatory Academy Las Vegas, a charter school
  - b. Loan Policy ALTA Lender 2006: \$ TBD  
Proposed Insured: TBD
3. The estate or interest in the land described or referred to in this Commitment is  
Fee
4. Title to the estate or interest in the land is at the effective date vested in:  
UNLV Research Foundation, a Nevada non-profit corporation
5. The land referred to in this Commitment is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART  
HEREOF

This Commitment shall not be valid or binding until countersigned by a validating officer or  
authorized signatory.



---

Title Officer: Frank W. Brader

American Land Title Association Commitment 2006

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE B – SECTION I**

**REQUIREMENTS**

The following are the requirements to be complied with:

1. Payment of the agreed amounts for the interest(s) to be insured.
2. Payment of all premiums, fees and charges due the Company.
3. Instruments satisfactory to create the estate of interest to be insured must be properly prepared, executed, delivered and filed for record, to wit:

Grant, Bargain Sale Deed from the current owner to the Proposed Insured.  
Deed of Trust to be Insured herein, if any.

NOTE: A properly completed, executed and acknowledged State of Nevada Declaration of value form must accompany each deed submitted for recordation: real property transfer tax is calculated at the rate of \$2.55 per \$500.00 of consideration, basic recording fees are \$17.00 for the first page, and \$1.00 per page thereafter; a \$25.00 Nonstandard Document fee may apply.

4. The Company must be advised in writing of the name of any party not referred to in this Commitment who will acquire an interest in the land, or who will either obtain or make a loan or mortgage encumbering the land. The Company may then make additional requirements, or take additional exceptions to coverage on Schedule B, Section II.
5. Pay all taxes, charges, assessments levied and assessed against the land which are already due and payable, or which will be due and payable as of the effective date of the policy anticipated by this Commitment.
6. Release(s) or Reconveyance(s) of the Following:  
  
None
7. Our search in the public record did not disclose any open deeds of trust on the herein described property. Please confirm with your seller/borrower that there are no liens or encumbrances affecting the herein described property other than those shown on the Preliminary Report or Commitment bearing the above referenced escrow number.

8. The Company requires a satisfactory statement from the lessor and lessee that:
  - a) There are no unrecorded amendments, modifications, or transfers affecting the lease which have not been disclosed to the Company
  - b) The lease is current and not in default and there is no breach of any terms of the lease
  - c) The current transaction is authorized by the lessor
  - d) The lease, or a memorandum there of, be recorded

The Company requires for its review a copy of the lease and of any amendments, modifications, or assignments. At that time, the Company may make additional requirements or exceptions.

9. **In the event that work has commenced on said land shown on this report to be insured herein, the requirement that the following be delivered to title 5 days prior to the close of escrow:**

1. **Cost Breakdown of the project contemplated by the construction loan**
2. **Annual Financial Statements of American preparatory Academy Las Vegas**
3. **Construction Loan Agreement of the Lender**
4. **Evidence of the method to be used to control funds**

**Further requirement: Send letter(s) on the above referenced requirement to the proper parties. Copy Letter to Title Officer.**

**NOTE: Upon receipt and review of the above items, additional requirements may be made.**

**NOTE: The Policy when issued will include a Pending Disbursement Endorsement (FA 61).**

10. It is required that Seller furnish a fully executed Owner's Affidavit prior to close of this transaction if ALTA Extended coverage is contemplated.

The right is reserved to make additional exceptions and/or requirements upon examination of said documentation.

11. Prior to the issuance of an ALTA form Policy of Title Insurance, it shall be required that this Company be furnished with an ALTA/VACSM LAND TITLE SURVEY conforming to the minimum standard requirements as revised on February 23, 2011.
12. **The requirement that an inspection of the subject land be made prior to the close of escrow.**

**NOTE: Additional exceptions and/or requirements may be added to this report upon completion of said inspection.**

Order Number 13-10-0790-DTL

13. Underwriter approval is needed to close this transaction; therefore, submit all documentation, including but not limited to requested endorsements, at least ONE WEEK prior to the contemplated closing date.

**UNDERWRITER APPROVAL REQ.:** The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in satisfaction of the requirement above.

14. The requirement that a copy of the documentation together with all supplements, amendment, etc., thereto, of UNLV Research Foundation be furnished to this company.
15. The requirement that a copy of the documentation together with all supplements, amendment, etc., thereto, of American Preparatory Academy Las Vegas be furnished to this company.

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE B – SECTION II

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
4. Easements, liens or encumbrances or claims thereof, which are not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
7. Taxes for the fiscal year 2013-2014 are currently exempt.

Parcel No. 163-33-301-004

8. Taxes for the fiscal year 2013-2014 are currently exempt.

Parcel No. 163-33-301-005

Order Number:

9. Taxes for the fiscal year 2013-2014 are currently exempt.

Parcel No. 163-33-301-011

10. Any supplemental or recapture taxes under NRS Chapter 361, as amended, which may become a lien on the subject property by reason of increased valuations due to land use, improvements or otherwise.
11. The herein described property lies within the boundaries of CLARK COUNTY WATER RECLAMATION DISTRICT and may be subject to all assessments and obligation thereof.
12. Reservations and Easements in the patent from the United States of America, recorded March 14, 1980, in Book 1200 as Document No. 1159130, of Official Records.
- Said patent further reserves, and is subject to, a right-of-way not exceeding Thirty-three (33) feet in width along said boundaries, for roadway and public utility purposes.
- The interest of the U.S.A. in and to all mineral rights and rights-of-way were transferred to Clark County, by instrument recorded January 28, 2000, in Book No. 20000128 as Document No. 00913 of Official Records.
- Partial Release of Patent Easement Rights of Nevada Power Company, recorded June 19, 2008, in Book 20080619 as Document no. 0003101 of Official Records.
13. Reservations and Easements in the patent from the United States of America, recorded April 2, 1999, in Book 990402 as Document No. 01639, of Official Records.
- The interest of the U.S.A. in and to all mineral rights and rights-of-way were transferred to Clark County, by instrument recorded January 28, 2000, in Book No. 20000128 as Document No. 00913 of Official Records.
14. The effect of the matters disclosed by a Certificate of Land Division number 50-80, recorded May 13, 1980, in Book 1226 as Document No. 1185779 of Official Records.
15. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Restrictive Covenant and Reservation of Avigation & Clearance Easement", as disclosed by Quit Claim Deed, recorded June 22, 2005, in Book 20050622 as Document No. 0004750, of Official Records.
- The above document was re-recorded on August 8, 2005 in Book 20050808 as Document No. 0003943.



Order Number:

16. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Perpetual Avigation & Clearance Easement Grant of Easement and Waiver", recorded January 24, 2006, in Book 20060124 as Document No. 0000022, of Official Records.
17. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Grant of Easement", in favor of Clark County Water Reclamation District, recorded October 22, 2009, in Book 20091022 as Document No. 0000857, of Official Records.
18. Terms, covenants, conditions and provisions in an instrument entitled, "Covenant Regarding Use of Real Property", recorded January 20, 2010, in Book 20100120 as Document No. 0002909, of Official Records.
19. Terms, covenants, conditions and provisions in an instrument entitled, "Covenant Regarding Use of Real Property", recorded February 22, 2010, in Book 20100222 as Document No. 0004779, of Official Records.  
  
Terms, covenants, conditions and provisions in an instrument entitled, "First Amendment to Covenant Regarding Use of Real Property", recorded June 14, 2011, in Book 20110614 as Document No. 0002557, of Official Records.
20. The effect of an instrument entitled, Order of Vacation, dated August 13, 2010, Recorded August 18, 2010 in Book 20100818 as Document No. 0004989 of Official Records.  
  
**NOTE:** The Clark County Assessor's Office has not accepted the above Vacation.
21. Terms, covenants, conditions, provisions and easements in an instrument entitled, "Dedication of Right-of-Way Easement for Traffic Control and Utility Purposes", in favor of County of Clark, recorded August 19, 2010, in Book 20100819 as Document No. 0000589, of Official Records.
22. Terms, covenants, conditions and provisions in an instrument entitled, "Revocable License and Maintenance Agreement", recorded May 11, 2011, in Book 20110511 as Document No. 0002286, of Official Records.
23. The effect of any failure to comply with the terms, covenants, conditions, and provisions of the Lease or Leases described in Schedule A.
24. Water rights, claims or title to water, whether or not shown by the public records.
25. Subject to the rights of party or parties in possession in accordance with any unrecorded leases affecting portions of said land for the term and upon the terms, covenants, conditions and provisions therein contained.

NOTE: Should an inspection of the real property disclose any work of improvement in progress, this Company may be unwilling to provide mechanic's lien coverage.

Order Number:

26. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
27. Any Claim of Lien for labor and/or materials that may be filed against said land by reason of work or improvement thereon, as may be disclosed by an inspection of said premises.

SB

Order Number:

Note: Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

Order Number:

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL I:**

THOSE PORTIONS OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 33, TOWNSHIP 21 SOUTH, RANGE 60 EAST IN CLARK COUNTY, NEVADA, M.D.M. DESCRIBED AS FOLLOWS:

THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHWEST QUARTER (SW1/4) AND;

THE SOUTHWEST QUARTER (SW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHWEST QUARTER (SW1/4) AND;

THE WEST HALF (W1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHWEST QUARTER (SW1/4) AND;

THE NORTHEAST QUARTER (NE1/4) OF THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4) AND;

THE EAST HALF OF THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHWEST QUARTER (NW1/4) OF THE SOUTHWEST QUARTER (SW1/4).

EXCEPTING THEREFROM THOSE PORTIONS DEDICATED TO THE COUNTY OF CLARK BY DOCUMENTS RECORDED FEBRUARY 11, 2000 IN BOOK 20000211 AS DOCUMENT NO. 00693, AND RECORDED JANUARY 22, 2001 IN BOOK 20010122 AS DOCUMENT NO. 01831 OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

FURTHER EXCEPTING THEREFROM ANY PORTION LYING WESTERLY OF THE EASTERLY LINE OF SOLUTIONS PKWY, AS DEDICATED BY DEED RECORDED AUGUST 18, 2010 IN BOOK 20100818 AS DOCUMENT NO. 0004990, OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

**PARCEL II:**

THE NORTHWEST QUARTER (NW1/4) OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 33, TOWNSHIP 21 SOUTH, RANGE 60 EAST, M.D.B. & M

EXCEPTING THEREFROM THAT PORTION CONVEYED TO CLARK COUNTY BY DEED RECORDED MAY 13, 1980 IN BOOK 1226 AS DOCUMENT NO. 1185780 OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

Order Number:

ALSO SHOWN AS LOT TWO (2) OF LAND DIVISION 50-80 RECORDED IN BOOK 1226  
DOCUMENT NO. 1185779 OF OFFICIAL RECORDS.

**PARCEL III:**

THE SOUTHWEST QUARTER (SW1/4) OF THE NORTHWEST QUARTER (NW1/4) OF  
THE NORTHEAST QUARTER (NE1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF  
SECTION 33, TOWNSHIP 21 SOUTH, RANGE 60 EAST, M.D.M.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO CLARK COUNTY BY  
DEED RECORDED MAY 13, 1980 IN BOOK 1226 AS DOCUMENT NO. 1185780 OF  
OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

ALSO SHOWN AS LOT ONE (1) OF LAND DIVISION 50-80 RECORDED IN BOOK 1226  
DOCUMENT NO. 1185779 OF OFFICIAL RECORDS.

Subject property commonly known as: Vacant Land (UNLV Harry Reid Research & Tech Park),  
Las Vegas, NV

Order Number:

#### **SCHEDULE C**

**Privacy Notice (15 U.S.C. 6801 and 16 CFR Part 313):** Nonpublic personal information about you is provided to us from information you submit on forms and documents and from others who are involved in your transaction. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. A fullpage explanation of our privacy policy is being delivered to you separately. If you do not receive it, or if you have questions about it, please call us, and a duplicate copy will be provided to you.



## CONDITIONS

### 1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

### 2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

### 3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

### 4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

### 5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.





**First American**

## PRIVACY POLICY

### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guide lines that govern our use of personal information regardless of its source. First American calls these guide lines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### Types of Information

- Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:
- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us, or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**EXHIBIT E**  
**MEMORANDUM OF LEASE**

This Memorandum of Lease is made as of [date], with respect to the following described Lease:

1. Date of Lease:
2. Name of Landlord: UNLV Research Foundation
3. Name of Tenant
4. Description of leased Premises
5. Term:
6. Rights of extension:
7. Option to buy: None

This Memorandum of Lease is prepared for recording and for the purpose of making a public record of said Lease, and it is intended that the parties shall be subject to all of the provisions of said Lease, and that nothing herein shall be deemed to alter or change any of the terms or provisions of said Lease.

Nothing contained in the Lease shall be construed as constituting the consent or request of the Landlord, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Premises or any improvements or of any part thereof.

**NOTICE IS HEREBY GIVEN THAT THE LANDLORD WILL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO THE TENANT,** or to anyone holding the Premises or the Improvements or any part thereof through or under the Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of the Landlord in and to the Premises or any improvements.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be duly executed as of the day and year first above written.

**LANDLORD:**

UNLV Research Foundation,  
a Nevada non-profit corporation

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

Title: \_\_\_\_\_

**TENANT:**

American Preparatory Schools, Inc.,  
a Utah corporation

By: Carolyn Sharrette

Title: President

STATE OF NEVADA            }  
  } ss.  
COUNTY OF CLARK         }

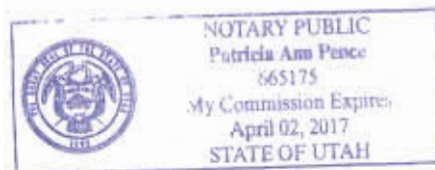
This instrument was acknowledged before me on \_\_\_\_\_, 2014  
by \_\_\_\_\_ as the \_\_\_\_\_  
\_\_\_\_\_ of UNLV Research Foundation.

\_\_\_\_\_  
Notary Public, State of Nevada

<sup>Utah</sup>  
STATE OF ~~NEVADA~~ <sup>Ut</sup>            }  
  } ss.  
<sup>Salt Lake</sup>  
COUNTY OF ~~CLARK~~ <sup>Ut</sup>         }

This instrument was acknowledged before me on June 3<sup>rd</sup>, 2014  
by Carolyn Sharrett as the President  
\_\_\_\_\_ of American Preparatory Schools, Inc.,.

Patricia Pence  
Notary Public, State of ~~Nevada~~  
<sup>Utah</sup>



## EXHIBIT F

### DESIGN REVIEW PROCEDURES

**A. Conceptual Design Review.** The Landlord shall consider approval of the proposed building site and the preliminary concept of the building based on the relationship of the proposed design concept(s) to the master plan of the Technology Park and neighboring projects. Tenant shall submit to the Landlord the following items for Conceptual Design Review illustrating the scale and relationship of the components of the Improvements or Major Alterations to the Improvements, which items are collectively referred to as the "Conceptual Design Plan":

Drawings and other material which the Tenant believes will best illustrate the final schematic designs for the proposed Project, including the following:

1. Site plans of the proposed improvements including dimensions of front, side and rear yards and other related site development information and calculations.

a. Location, size, and other characteristics of all elements to be placed on the Premises.

b. Topography and provisions for drainage.

c. Preliminary landscaping plan showing limits of irrigation, proposed plant material, and water sources for all planted areas, the location and types of plants, and the delineation of landscape areas. The plans should reflect sidewalks, paving patterns, sidewalk widths, and distance from curb to street, trees, and preliminary plant material list. Colored elevations should show plant materials and buildings.

d. A preliminary lighting plan showing exterior building, parking lot and other exterior site lighting fixtures, including drawings or catalog cuts of proposed fixtures and all light locations.

f. A preliminary signage plan, including exterior signage location, drawings or catalog cuts of proposed signs, whether signage is permanent or temporary, whether for directional, Project identification, or other purposes, sign sizes, and illustrations showing dimensions.

g. Traffic plans for vehicular movements showing anticipated number and types of vehicles and how such traffic will be routed to and from Tenant's site including the location of specific curb cuts.

h. Pedestrian and bicycle pathway connections to existing pedestrian and bicycle paths within the UNLV Research Park.

i. All proposed exterior materials on the Premises including colors proposed.

j. Service area plans including trash pickup and loading dock layout.

k. Parking lot plans including arrangement of bays, stalls, islands, and mix by numbers of standard, compact, handicapped and motorcycle parking spaces.

The parking plan must describe the parking concept (surface parking areas, covered parking spaces and/or structured parking facilities) including vehicle count and Fire Department access. Parking restrictions must be described to ensure that the Tenant will not permit its employees, licensees or invitees to utilize any parking facilities outside of the premises which could have the effect of diminishing parking facilities available to the remaining occupants of the Technology Park.

2. Building plans, showing floor plans and exterior elevations of buildings from all sides at an appropriate scale sufficient to indicate the placement and massing of the buildings. The following building details shall also be provided:

- a. Heights of all improvements.
- b. Windows, doors and other fenestrations.
- c. Window treatments and shading devices.
- d. All building exterior materials and colors.
- e. Roof plan, at an appropriate scale, indicating the location and sizes of all roof-mounted equipment and proposed method for screening all equipment.
- f. Locations of proposed renewal energy equipment.

**B. Final Design Review.**

Following Conceptual Design Review approval by the Landlord, Tenant will submit detailed Final Plans and Specifications to Landlord prepared by a licensed architect or engineer. The purpose of the Final Design Review is to review and approve Final Plans and Specifications for all items related to the building and the Premises including landscaping, service areas, trash collection, finished grades, utilities, lighting, signage, parking and exterior building materials and for substantial conformity with the approved Conceptual Design Plans.

**C. Time for Approval.**

If Landlord does not approve or deny any submission within 5 days, that submission shall be deemed approved.

## EXHIBIT G COMPLETION GUARANTY

THIS AGREEMENT OF GUARANTY AND SURETYSHIP is made as of June 3, 2014 (this "Agreement"), by the undersigned (collectively, "Guarantors"), jointly and severally, to and for the benefit of UNLV Research Foundation, a Nevada non-profit corporation, as the landlord (the "Landlord").

### RECITALS:

WHEREAS, as more fully provided in a Construction and Lease Agreement, dated for reference purposes as of June 3, 2014 (as amended from time to time, the "Lease"), between Landlord and American Preparatory Schools, Inc., a Utah corporation ("Tenant"), Landlord has agreed to lease to Tenant the real property described in the Lease (the "Premises");

NOW, THEREFORE, to induce Landlord to enter into the Lease, and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, Guarantors, jointly and severally hereby covenant and agree as follows:

1. Unless otherwise defined herein, all capitalized terms herein shall have the meanings ascribed to them in the Lease.

2. Guarantors hereby unconditionally guarantee and become sureties that (the following being herewith collectively referred to as the "Obligations"):

(a) Tenant shall construct, equip and complete the Improvements in accordance with the Lease and the Final Plans and Specifications on or before the Completion Date and shall pay all costs and expenses and shall pay, perform and discharge all liabilities and obligations contained in the Lease with respect to the construction, equipping and completion of the Improvements;

(b) Tenant shall at all times keep the Premises and Improvements free and clear of all liens (except those liens permitted by Landlord) and claims which may arise from or in any way relate to the construction, equipping and completion of the Improvements, including, without limitation, liens and claims of any and all persons and entities performing labor or furnishing materials, or both, with respect to the Improvements; and

(c) Tenant shall promptly discharge all other obligations, liabilities, costs and expenses relating to the completion of the Improvements.

3. If Tenant does not do the matters specified in Section 2 hereof on or before the times such matters are to be done by Tenant, Guarantors unconditionally and irrevocably covenants and agrees that such matters shall be done at such Guarantors' sole cost and expense and that Guarantors shall:

(a) construct, equip and complete the Improvements on or before the times required by, and otherwise in accordance with, the Lease and the Final Plans and Specifications and pay all costs and expenses and discharge all liabilities, with respect to such construction, equipping and completion;

(b) remove all liens and satisfy all claims which may arise from or in any way relate to the construction, equipping or completion of the Improvements, including, without limitation, the liens and claims of any and all persons and entities performing labor or furnishing materials, or both, with respect to the Improvements;

(c) discharge all other obligations, liabilities, costs and expenses relating to the completion of the Improvements.

(d) pay all other costs and expenses related to the completion of the Improvements, including all expenses incurred by or on behalf of Landlord and all monies advanced by Landlord, at its option, to secure, protect, partially complete or complete in full the Improvements.

4. Landlord shall have and may exercise, in addition to all other rights, privileges or remedies available to it hereunder and by law, the specific rights and remedies, exercisable by Landlord in its discretion, to sue for and obtain specific performance by Guarantors of Guarantors' covenants set forth herein, all at the cost of Guarantors.

5. In the event of any default by Guarantors hereunder, Guarantors shall indemnify and defend Landlord against, and hold Landlord harmless from all liability, damage, cost and expense, including costs of suit and reasonable attorneys' fees, which Landlord may incur by reason of such default by any of Guarantors.

6. Landlord may, at its option, proceed to enforce this Agreement against Guarantors in the first instance without first proceeding against Tenant or any other person and without first resorting to any security held by Landlord as security or to any other remedies, and the liability of Guarantors hereunder shall be in no manner affected or impaired by any failure, delay, neglect, omission or election by Landlord not to realize upon or pursue any persons or security liable for the Obligations or the other obligations of Tenant under the Lease.

7. Landlord, from time to time and before or after any Events of Default by Tenant under the Lease and with or without further notice to or assent from Guarantors and without in any manner affecting the liability of Guarantors and upon such terms and conditions as it may deem advisable, may: (a) extend in whole or in part (by renewal or otherwise), modify, accelerate, change or release (or consent to any of the foregoing) the Lease and any other agreements, documents or instruments in any way related to the Obligations hereby guaranteed and any other indebtedness, liability or obligation of Tenant or of any other person secondarily or otherwise liable for any such indebtedness, liability or obligation of Tenant, or waive any default with respect thereto; (b) sell, release, surrender, modify, impair, exchange, substitute or extend any and all security at any time held by Landlord as security for the payment or performance of the Obligations and any other indebtedness, liability or obligation of Tenant to Landlord; and (c) settle, adjust or compromise any claim of Landlord against Tenant or any other person secondarily or otherwise liable (including, but not limited to, any other Guarantors) for the Obligations or any other indebtedness, liability or obligation of Tenant to Landlord. Guarantors hereby ratifies and confirms any such extension, renewal, change, release, waiver, surrender, exchange, modification, impairment, substitution, settlement, adjustment, compromise or consent and agrees that the same shall be binding upon Guarantors, and Guarantors hereby expressly waives any and all defenses, counterclaims or offsets which Guarantors might or could have by reason thereof, it being understood that Guarantors shall at all times be bound by this Agreement and remain liable to Landlord hereunder until all of the Obligations hereunder shall have been



performed in full. Guarantors agrees that its, his or her obligations hereunder shall not be discharged, limited or otherwise affected by any circumstances which otherwise would constitute a legal or equitable discharge of Guarantors as surety or Guarantors.

8. Landlord may without the consent of Guarantors at any time and from time to time: (a) amend any provisions of the Lease and any other agreements, instruments or documents relating in any way to the Obligations hereby guaranteed, any change in the time or manner of payment thereunder, and any change in the obligations to be performed thereunder; (b) make any agreement with Tenant for the extension, renewal, modification, payment, compounding, compromise, discharge, exchange, settlement, waiver or release of any provision of the Lease, and any other agreements, documents or instruments relating in any way to the Obligations hereby guaranteed, or of any person liable for or any security for the performance of any of the Obligations hereby guaranteed, without notice to or the consent of Guarantors; and (c) without limiting the generality of the foregoing, surrender to Tenant, or to deal with or modify the form of, any security which Landlord may at any time hold to secure the performance of any Obligation hereby guaranteed, and the Obligations herein undertaken by Guarantors shall not be impaired or affected by any of the foregoing but shall include any other obligations thereby undertaken by the Tenant.

9. Guarantors hereby waives all requirements that Landlord shall institute any action or proceedings at law or in equity against Tenant or anyone else or with respect to any other security held by Landlord as a condition precedent to bringing an action against Guarantors upon this Agreement, and Guarantors further agrees to make and perform its Obligations hereunder whether or not any one or more of the following events have occurred: (a) Landlord has made any demand on Tenant; (b) Landlord has taken any action of any nature against or has pursued any rights which Landlord has against any other person, partnership, corporation, association or entity who may be liable for performance of the obligations with respect to the completion of the Improvements; (c) Landlord holds or has resorted to any security for the Obligations or any other liabilities or obligations hereby guaranteed; or (d) Landlord has invoked any other remedies or rights Landlord has available with respect to the Obligations or the liabilities or Obligations hereby guaranteed. Guarantors' obligations hereunder as Guarantors and surety are joint and several and unconditional, and Guarantors agrees to perform the same even if the Lease or any other agreement, document or instrument relating in any way to the Obligations hereby guaranteed is for any reason invalid or unenforceable. All remedies afforded to Landlord by reason of this Agreement are separate and cumulative remedies and none of such remedies, whether exercised by the Landlord or not, shall be deemed to be in exclusion of any one of the other remedies available to Landlord and shall not in any way limit or prejudice any other legal or equitable remedy available to Landlord.

10. Guarantors shall not be released by any act or thing which might, but for this provision of this Agreement, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, extension, modification, forbearance or delay of Landlord or its failure to proceed promptly or otherwise in the enforcement of the Lease or any other agreement, document or instrument relating in any way to the Obligations hereby guaranteed, and Guarantors hereby expressly waive and surrender any defense to its, his or her, or their liability under this Agreement based upon any of the foregoing acts, things, agreements or waivers.

11. Guarantors hereby waive presentment for payment, demand, protest, notice of protest and of dishonor, notice of acceptance hereof, notices of default and all other notices now or hereafter provided by law.



12. Guarantors hereby agree that this instrument contains the entire agreement between the parties with respect to the subject matter hereof, and there is and can be no other oral or written agreement or understanding whereby the provisions of this instrument have been or can be affected, varied, waived or modified in any manner unless the same be set forth in writing and signed by Landlord, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. This Agreement is and shall be deemed to be a contract entered into under and pursuant to the laws of the State of Nevada and shall be binding upon Guarantors and its, his or her, or their heirs, successors and assigns. Guarantors agree the state and federal courts located in Las Vegas, Nevada, shall have jurisdiction and venue with respect to all actions by or against Guarantors under or pursuant to this Agreement and hereby consent to the jurisdiction of such courts and to service of process, effective upon receipt by personal service, overnight express delivery or registered or certified mail to Guarantors at the address given below each Guarantor's signature hereto. Guarantors shall promptly notify Landlord in writing of any change in Guarantors' address.

14. Guarantors shall not, by reason of the performance of the terms and provisions of this Agreement, succeed to or be subrogated to the rights and privileges of Landlord against Tenant or be deemed to be the successor or assign of Landlord, unless and until each and every indebtedness, liability and obligation of Tenant to Landlord shall have been fully paid, performed and discharged.

15. No delay on the part of Landlord in exercising any rights hereunder or under the Lease or failure to exercise the same shall operate as a waiver of such rights. All of the rights, powers and remedies hereunder and under any other agreement entered into between Guarantors and Landlord shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to all of Landlord's rights, powers and remedies provided by law.

16. Guarantors agree to pay all costs and expenses which may be incurred by Landlord, its successors and assigns, in the enforcement of this Agreement or otherwise relating to this Agreement, including, but not limited to, reasonable attorneys' fees through and including the costs of any appeals and any appellate costs and regardless of whether any specific legal proceedings shall be commenced in connection therewith.

17. Guarantors hereby represent and warrant that this Agreement constitutes the legal, valid and binding obligation of Guarantors, enforceable against it, and their respective successors and assigns in accordance with its terms.

18. This Agreement is irrevocable.

19. Each Guarantor waives all exemption rights which it may have under or by virtue of the Constitution or the laws of the United States of America or of any state against this Agreement, any renewal hereof, or any indebtedness or liability represented hereby.

20. As security for the liabilities and obligations of Guarantors hereunder, Guarantors hereby transfer and convey to Landlord any and all balances, credits, deposits, accounts, items and monies of Guarantors now or hereafter in the possession or control of or otherwise with Landlord, and Landlord is hereby given a lien upon, security title to and a security interest in all property of Guarantors of every kind

and description now or hereafter in the possession or control of Landlord for any reason. Landlord may, without demand or notice of any kind, at any time, or from time to time, when any amount shall be due and payable hereunder by Guarantors, appropriate and apply toward the payment of such amount, and in such order of application as Landlord may from time to time elect, any property, balances, credits, deposits, accounts, items or monies of Guarantors in the possession or control of Landlord for any purpose.

21. This Agreement shall not be deemed to affect, limit, modify or otherwise have any impact or effect upon, or be affected, limited or modified by, any other agreement of guaranty or suretyship given by Guarantors with respect to the obligations under the Lease. Notwithstanding anything to the contrary herein contained, this Agreement shall be deemed supplemental to, and not in derogation of, any such agreement of guaranty or suretyship or any other instrument now or hereafter executed by Guarantors in favor of Landlord.

22. In case any one or more of the provisions of this Agreement shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions shall be in no way affected, prejudiced or disturbed thereby.

23. In the event that Guarantors consists of more than one party, then each of such parties acknowledges and agrees that all obligations of Guarantors hereunder shall be joint and several, and all references to Guarantors herein shall be deemed to refer to each of such parties comprising Guarantors both individually and collectively with the other such party or parties.

24. GUARANTORS AND LANDLORD EACH WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON OR RELATED TO THE SUBJECT MATTER OF THIS AGREEMENT OR OF THE LEASE OR ANY OF THE TRANSACTIONS RELATED TO THE LEASE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY GUARANTORS, AND GUARANTORS ACKNOWLEDGES THAT NEITHER LANDLORD NOR ANY PERSON ACTING ON BEHALF OF LANDLORD HAS OR HAVE MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. GUARANTORS FURTHER ACKNOWLEDGE THAT GUARANTORS HAVE BEEN REPRESENTED (OR HAVE HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF THEIR OWN FREE WILL, AND THAT GUARANTORS HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

25. This Agreement may be executed in any one or more counterparts, each of which shall be deemed an original document and all of which shall be deemed the same document.

26. Except as otherwise specified herein, any notice, consent, request or other communication required or permitted to be given hereunder shall be in writing, addressed to the other party as set forth below (or to such other address or person as either party or person entitled to notice may by notice to the other party specify), and shall be: (a) personally delivered; or (b) delivered by Federal Express or other comparable overnight delivery service; or (c) mailed by United States certified mail, return receipt requested, postage prepaid; or (d) transmitted on a Business Day by facsimile with confirmed receipt, to:

Landlord:

Nancy H. Strouse

Executive Director, UNLV Research Foundation  
4505 South Maryland Parkway, Box 451006  
Las Vegas, Nevada 89154-1006  
[nancy.strouse@unlv.edu](mailto:nancy.strouse@unlv.edu)

with a copy to:

Gerry Bomotti  
Senior Vice President of Finance and Business  
University of Nevada, Las Vegas  
4505 South Maryland Parkway  
Las Vegas, Nevada 89154-1004  
[gerry.bomotti@unlv.edu](mailto:gerry.bomotti@unlv.edu)

Guarantors: As noted below each Guarantors' signature

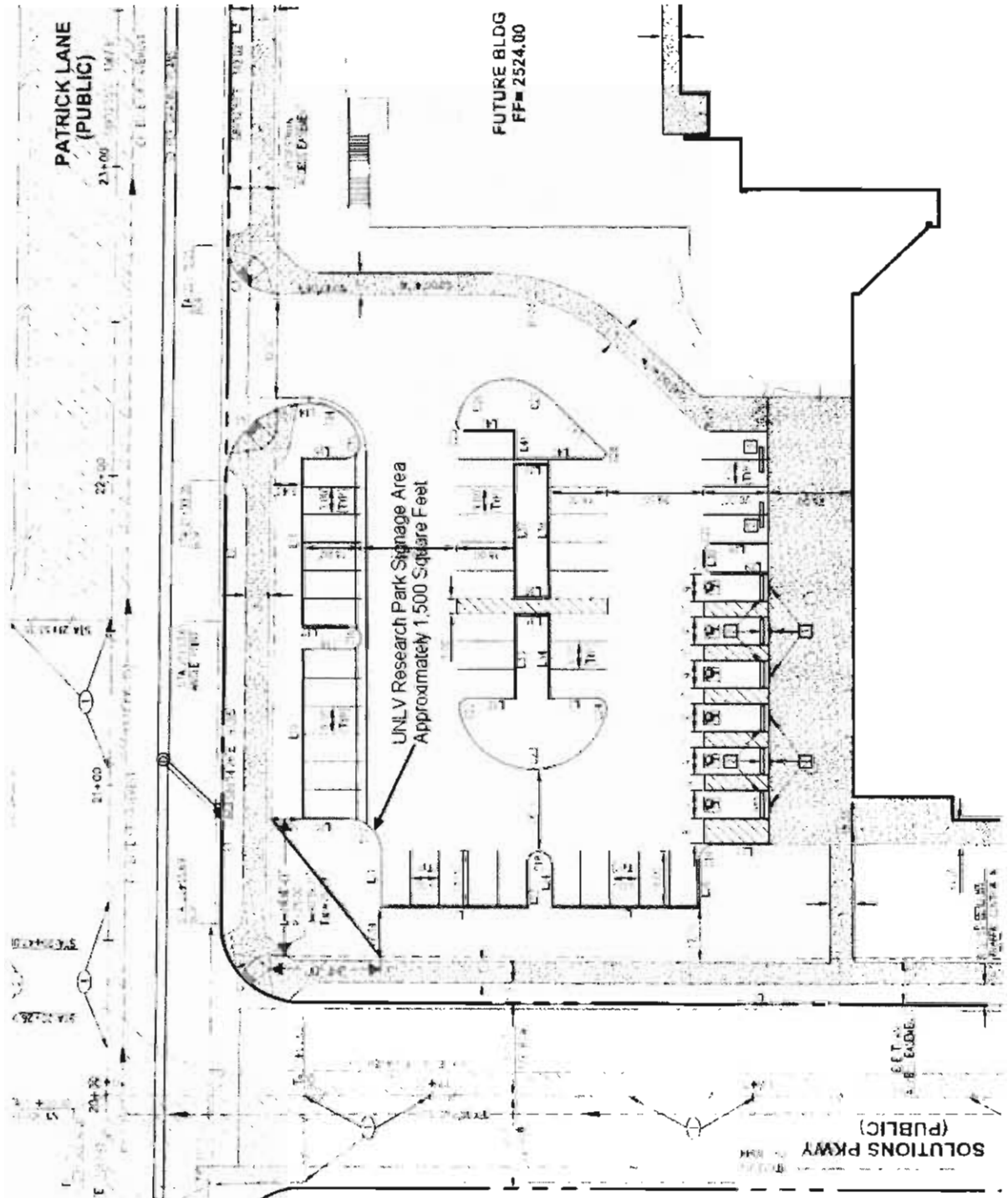
27. Unless otherwise specified, all notices and other communications shall be deemed to have been duly given on the first to occur of actual receipt of the same or: (i) the date of delivery, if personally delivered; (ii) one (1) business day after depositing the same with the delivery service, if by overnight delivery service; (iii) three (3) days following posting, if mailed; or (iv) the date of transmittal, if by facsimile.

28. Guarantors have and shall maintain at all times an aggregate unrestricted net worth of at least \$10,000,000 (exclusive of any interest any of them may have in Tenant or any sums owed to Guarantors by Tenant), of which at least \$2,000,000 in the aggregate shall be unrestricted liquid assets.

IN WITNESS WHEREOF, Guarantors have duly executed this Agreement as of the day and year first above written.

*[GUARANTORS' SIGNATURES, ADDRESSES, & NOTARIES]*

# EXHIBIT H ENTRY MONUMENT AREA



**ATTACHMENT C-17**

**Lease Termination**

**See Following Pages**

### Exhibit 3

## TERMINATION AND RELEASE OF SUBLEASE OBLIGATION

This Release Agreement (the "Agreement") is made and effective [DATE],

**BETWEEN:** **American Preparatory Schools, Inc.** (the "Lessor"), a Utah corporation organized and existing under the laws of the State of Utah, with its head office located at:

12894 S. Pony Express Rd. Unit 600  
Draper, UT 84020

**AND:** **American Preparatory Academy - Las Vegas** (the "Lessee"), a Nevada Charter School existing under the laws of the State of Nevada with its main address located at:

8377 W. Patrick Ln.  
Las Vegas, NV 89113

### RECITALS:

Whereas, Lessor has entered into a Master Lease with DHCO Properties, LLC for the premises located at 8377 W. Patrick Lane, Las Vegas, Nevada (The Premises); and,

Whereas, on the 29th of December, 2014, a Sublease Agreement (Sublease) was executed between Lessor and Lessee for The Premises, a copy of which is attached hereto and made a part hereof; and

Whereas, DHCO, the owner of the Master Building Lease is transferring its interest in The Premises to a new owner: Charter Facility Support Foundation, LLC (CFSF), with an anticipated closing date of October 19th.

Now, therefore, the Parties agree as follows:

1. Upon closing, Lessor shall relinquish any and all interest it has in the Sublease Agreement.
2. The parties desire to terminate all obligations of either party under the Sublease.
3. In consideration of rents paid to Lessor, from Lessee, and all obligations performed by both parties pursuant to the Sublease, Lessor does hereby release Lessee from all obligations and duties of Lessee set forth in the above referenced Sublease. Lessor, for itself, its heirs, legal representatives and assigns also releases Lessee, its heirs, legal representatives and assigns from all claims, demands and causes of action that lessor had, has or may have against lessee or against its heirs, legal representatives or assigns in regard to said Sublease.

In consideration of the release set forth above, Lessee hereby releases Lessor from any responsibilities or obligations under the aforementioned Sublease.

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

LESSOR

LESSEE

---

American Preparatory Schools, Inc.

Carolyn Sharette  
Executive Director

---

American Preparatory Academy – Las Vegas

Lee Iglody  
Board Chairman

## **ATTACHMENT C-18**

### **Governing Board**

**See Following Pages**



# Governing Board



***Rick Peterson***, appointed in 2012, currently serves as the Chairman of the Board. Mr. Peterson was an original founding member of the American Preparatory Academies charter school in Utah, and served as chairman of the APA-Utah Governing Board. Mr. Peterson graduated in Business Management and specializes in small business rehabilitation and acceleration.



***Howard Headlee***, appointed in 2012, was an original founding member of the American Preparatory charter school in Utah, and served as chairman of the APA-Utah Governing Board. Mr. Headlee has an accounting degree from BYU and an MBA from the University of Utah and currently is the President of the Utah Bankers Association.



***Mike Headlee***, appointed in 2012, previously served on a local school board for 14 years, 3 of which he served as President. Mr. Headlee is active in his ecclesiastical community, having served as missionary and Mission President in the Democratic Republic of Congo. Mr. Headlee graduated from BYU in French and Italian and is a Registered Investment Advisor.



***Kreg Wagner***, appointed in 2017, has served on previous boards formed for the purpose of holding APA school property. Mr. Wagner earned his Juris Doctor from the University of St. Thomas School of Law and was admitted to the Utah Bar in 2011. Mr. Wagner is currently the General Counsel for the Utah Association of Realtors.



***Heather Wall***, appointed in 2017, is a parent to children attending APA schools and has been a passionate supporter of the APA mission. Ms. Wall has a degree in Business Management from BYU and a Master of Business Administration from Arizona State University. Ms. Wall is currently a Regional Operations Officer for Intermountain Healthcare.



***Pamela Graves***, appointed in 2017, has a degree in Design and Art History from BYU. Ms. Graves owned and operated a custom fashion design company – Pamela Pfeifer. Ms. Graves is actively involved in church and community and volunteers as a genealogist.



APA-LV Governing Board,

American Preparatory Education Foundation (APEF) is a non-profit organization that provides energy, focus, and expertise as it raises funds for capital improvements, program enhancements, and scholarships to students, parents, and educators connected with American Preparatory Academy (APA) schools. The Foundation's mission is to enhance the APA experience for our students and to provide that experience for an increased number of students and families.

Over the past three years the Foundation's relationship with APA-LV has been fruitful. Some of the ways that we have been able to fulfill our mission are:

1. Secured over \$2,200,000 for furniture, fixtures, and equipment for the Oakey and Sunset campuses using tax-exempt financing at a favorable interest rate through our 501(c)3 status.
2. Provided \$29,793.61 for teacher bonuses and staff appreciation through our Builders Club program, a subscription-based donation program with members in Utah and Nevada.
3. Provided \$1,531.50 in hardship funds to APA-LV staff members at times of crisis.
4. Raised more than \$62,000 for PE, orchestra, and band equipment, and athletics and clubs.

APEF has committed to support APA's future physical expansion needs by soliciting corporate or foundation support, and develop funding for projects such as playing fields, physical education and team sports and performing arts facilities whenever possible.

Recently APEF has obtained the right to purchase the Sunset facility from the current landlord. APEF is in a unique position to secure tax-exempt financing at a favorable rate. This will allow APEF to reduce the school's lease rate overall over the next 32 years, and will result in approximately \$12,000,000 in savings for the school over that lease term.

We are very excited about the savings that this will represent for the school. We propose that the APA-LV governing board consider the new lease between APA-LV and the Charter Facility Support Foundation - a new LLC owned by APEF that was created solely for holding the Sunset campus.

The school's current lessor, APS, has agreed to and provided a release from APA-LV's current lease, and it is attached to this letter as Exhibit 3.

Our current timeline requests a resolution stating the APA-LV board's approval of the new lease agreement (sans the final lease payment schedule) by September 30<sup>th</sup>, 2017. A projected lease payment schedule can be found in Exhibit 1, but the final lease payment

schedule will not be available until after the issuance of the bonds. We anticipate closing on the bonds by October 26<sup>th</sup>, 2017.

We look forward to continuing our relationship with APA-LV, and working to improve the educational experience for your families.

Sincerely,

A handwritten signature in black ink, appearing to be 'RGP', with a stylized, cursive-like script.

Rick Peterson

American Preparatory Education Foundation

## **ATTACHMENT C-19**

### **Conflict of Interest Disclosure**

**See Following Page**

**American Preparatory Academy Las Vegas  
Potential Annual Conflict of Interest Disclosure Statement**

Please complete the questionnaire below, indicating any potential conflicts of interest. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action, policy or transaction in the space allowed. Attach additional sheets as needed.

A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by American Preparatory Academy. The interested party would not have obtained this benefit were it not for his/her relationship with American Preparatory Academy.

- ☐ Has American Preparatory Academy proposed to contract or contracted to purchase or lease goods, services, or property from you or from any of your relatives or associates?
- ☐ Has American Preparatory Academy offered employment to you or to any of your relatives or associates?
- ☐ Have you used your relationship with American Preparatory Academy to obtain a contract, employment for yourself or any of your relatives or associates, from a person or entity that does business with American Preparatory Academy?
- ☐ Have you or any of your relatives been provided use of the facilities, property, or services of American Preparatory Academy in a way that is not available to others who benefit from the organization's services?
- ☐ Have you, a relative or an associate been in a position to benefit financially from an action, policy or transaction made by American Preparatory Academy?
- ☐ Other issues or situations not addressed above \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I have received and carefully read the Conflict of Interest Policy for board members. I have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy.

I hereby state that I do not have any conflict of interest, financial or otherwise that may be seen as competing with the interests of American Preparatory Academy, nor does any relative or associate have such a potential conflict of interest.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the Chair of the Board of Directors.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

**ATTACHMENT C-20**

**Lease Savings Analysis**

**See Following Page**

**American Preparatory Academy - Las Vegas**  
**Estimated Lease Savings Analysis**

<b>Fiscal Year</b>	<b>Existing Lease Payment</b>	<b>Partial Year Existing Lease Payment</b>	<b>Estimated New Lease Payment</b>	<b>Estimated Savings</b>	<b>Cumulative Savings</b>
2018-19	1,785,000.00	648,833.00	1,128,803.13	7,363.87	110,499.85
	1,785,000.00		1,681,864.02	103,135.98	
	1,785,000.00		1,695,335.52	89,664.48	
	1,820,700.00		1,739,452.85	81,247.15	
2021-22	1,857,114.00		1,804,105.55	53,008.45	334,419.93
	1,894,256.28		1,839,693.20	54,563.08	
	1,932,141.41		1,878,721.17	53,420.24	
	1,970,784.23		1,915,738.40	55,045.83	
2026-27	2,010,199.92		1,950,744.87	59,455.05	623,567.45
	2,050,403.92		1,983,740.60	66,663.32	
	2,091,412.00		1,983,225.57	108,186.43	
	2,133,240.23		1,985,413.25	147,826.98	
2036-37	2,175,905.04		1,986,016.47	189,888.57	3,694,523.75
	2,219,423.14		1,985,035.25	234,387.89	
	2,263,811.60		1,982,469.57	281,342.03	
	2,309,087.84		1,983,569.45	325,518.39	
	2,355,369.59		1,982,820.80	372,548.79	
	2,402,374.98		1,980,223.62	422,151.36	
	2,450,422.48		1,981,027.92	469,394.56	
	2,499,430.93		1,979,719.62	519,711.31	
	2,549,419.55		1,981,548.72	567,870.83	
	2,600,407.94		1,981,001.15	619,406.79	
	2,652,416.10		1,983,326.90	669,089.20	
	2,705,464.42		1,983,011.90	722,452.52	
	2,759,573.71		1,980,056.15	779,517.56	
	2,814,765.19		1,979,709.65	835,055.54	
	2,871,060.49		1,981,708.32	889,352.17	
	2,928,481.70		1,980,538.10	947,943.60	
	2,987,051.33		1,976,198.97	1,010,852.36	
	3,046,792.36		1,979,190.95	1,067,601.41	
	3,107,728.31		1,978,485.87	1,129,242.44	
	3,169,882.77		1,979,333.75	1,190,549.02	
2050-51	3,233,280.43		1,976,220.50	1,257,059.93	16,704,067.03
	3,297,946.03		1,974,396.12	1,323,549.91	