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STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Approval of June 12, 2015**

**SPCSA Board Meeting Minutes**

- /  /   Public Workshop
- /  /   Public Hearing
- /  /   Consent Agenda
- /  /   Regulation Adoption
- /  /   Approval
- /  /   Appointments
- /  x/   Information
- /x  /   Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 2

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Kathleen Conaboy, Chair, State Public Charter School Authority**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 5 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**June 12, 2015**

Nevada Department of Education  
Conference Room  
9890 South Meadows Parkway  
Las Vegas, Nevada

And

Nevada Department of Education  
700 East 5<sup>th</sup> Street  
Room 2135  
Carson City, Nevada

**MINUTES OF THE MEETING**

**BOARD MEMBERS PRESENT:**

**In Las Vegas:**

Kathleen Conaboy  
Robert McCord  
Nora Luna  
Michael Van

**In Carson City:**

Melissa Mackedon

**Conference Line:**

Marc Abelman  
Elissa Wahl

*Due to technical difficulties, Member Abelman and Member Wahl were unable to participate*

**BOARD MEMBERS ABSENT**

**AUTHORITY STAFF PRESENT:**

**In Las Vegas:**

Patrick Gavin, Director, State Public Charter School Authority  
Joan Jurgensen, Education Program Professional, State Public Charter School Authority  
Nya Berry, Education Programs Professional, State Public Charter School Authority  
Traci House, Business Process Analyst, State Public Charter School Authority

**In Carson City:**

Jessica Hoban, Administrative Services Officer, State Public Charter School Authority  
Angela Blair, Education Program Professional, State Public Charter School Authority  
Kathy Robson, Education Program Professional, State Public Charter School Authority  
Katie Higday, Management Analyst, State Public Charter School Authority  
Danny Peltier, Administrative Assistant, State Public Charter School Authority

**LEGAL STAFF PRESENT:****In Carson City:**

Greg Ott, Deputy Attorney General

**AUDIENCE IN ATTENDANCE:****In Las Vegas:**

Michelle Hall  
Berkeley Hall  
Ben Gerhardt  
Heidi Arbuckle  
Teresa Balbo  
Bill Bukovi  
Orlando Dos Santos  
Caroline McIntosh  
Lonnie Wright  
Gene Smith  
Tami Bass  
Dan Tafoya  
Lisa Dzierbicki  
Jalen Barlow  
Kara Hendricks  
Anne Mendehall  
Don Curry  
Ryan Reeves  
Colin Bringhurst  
Trevor Goodell  
Nick Sarisaha  
Ercan Aydogdu  
Marlo Tsuchiyama  
Christine Cadman  
Victoria Carreon  
Richard Gordon  
Kasina Douglas-Boone  
Theresa Davis  
Clayton Howell  
Tommie Townsend

**In Carson City:**

Steve Werlein

Tammie Stockton  
Leigh Berdorw  
Christina Saenz  
Edie Grub  
Maureen Stair  
Blaine Spires  
Donna Wix  
Jamie Winter  
Steve Knight  
Jenny Rickman  
Lauren Hulse  
Scott Baez  
Jessica Bailer Dands

## **CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE; APPROVAL OF AGENDA**

President Conaboy called the meeting to order at 9:05am with attendance as reflected above.

### **Agenda Item 1 - Public Comment**

No members of the public wished to make a comment.

Chair Conaboy asked for a motion for a flexible agenda.

**Member McCord moved for a flexible agenda. Member Luna seconded. The motion carried unanimously.**

### **Agenda Item 5 – Legislative Update**

Senator Becky Harris, chair of Senate Education, and Director Gavin discussed the legislative session that ended in early June. Senator Harris began by saying 18 major education bills were presented to her committee, of which 13 passed. She felt it was a positive sign that more bills relating to charter schools were being heard. Some of the bills related to charter schools having access to school police, facility issues, application process and materials, alternative schools and frameworks and others that affected the SPCSA itself. She specifically referenced SB509, which she felt strengthens Nevada's charter law.

Director Gavin discussed the bills that will have the most effect on charter schools, including: AB351 enhances charter schools' ability to work with the Department of Business and Industry to float low interest revenue bonds to build facilities.

SB390 is an enrollment preference bill, allowing schools to give enrollment preference to pupils who were enrolled in overcrowded or low-performing schools..

SB209 requires charter schools to notify their surrounding communities within a two mile radius when they plan to open. This facilitates a more equitable enrollment process. Director Gavin thanked CSAN for their assistance in moving this bill. Senator Harris noted that this bill will help charter schools to become more reflective of the communities in which their campuses are located.

SB460 defines alternative schools and provides for the development of an alternative framework that would better measure the performance at schools that serve at-risk populations. SB460 also compliments provisions in SB509, including charter restarts and governing board reorganization. Senator Harris said the bill dovetails with the Achievement School District which will allow underperforming district schools to convert to charter schools under the Department of Education. SB509 was the SPCSA's omnibus bill, with clean up language and a number of new provisions. The bill gives limited regulatory authority to SPCSA. It also clarifies that the start-up loans administered by SPCSA are prospective. The bill contains a number of accountability measures, including restarting charter schools and reconstituting charter boards. The ability for the SPSA to hire additional professional staff was also covered in the bill,

Director Gavin said that the Authority would consult heavily with the charter schools when the Authority begins working on the new regulations in the fall.

Chair Conaboy spoke about the funding bills passed in the session. She said that significant new categorical funding was added to the budget, most of which will be available to charter schools. Also, in the second year of the biennium, there will be some movement toward setting weights for the DSA funding based on students special needs. Senator Harris highlighted the fact that the full funding for kindergartners is a significant improvement in early childhood education.

Senator Harris mentioned AB321, which will allow charter schools to contract with district school police for services. This will allow local law enforcement to include charter schools in code yellow and red warnings when incidents are occurring near a charter school.

Director Gavin identified issues that will need to be addressed during the 2017 session. He said access to class size reduction money is currently unavailable to charter schools and he hopes that after the next session this will change. He also said facility money that district schools currently have access to hopefully will be made available to charter schools after the 2017 session. Charter schools in the Achievement School District will be considered LEAs when they open in 2016.

Leigh Berdrow, ACE High School, spoke during public comment following Senator Harris' presentation. She said she was very excited about the outcomes of the ion; . Kim Regan, Sierra Nevada Academy, echoed Ms. Berdrow's comments..

**Agenda Item 2 - Approval of March 16, 2015 SPCSA Board Meeting Minutes, Approval of April 6, 2015; April 20, 2015; May 4, 2015 and May 18, 2015 Legislative Update meetings Member McCord moved for the approval of the meeting minutes. Member Mackedon seconded. The motion was passed unanimously.**

### **Agenda Item 3 – Authority Update**

Chair Conaboy said she had already covered her update during Senator Harris' presentation.

### **Agenda Item 4 – Director's Report**

Director Gavin also said he covered his update during Senator Harris' presentation. He did add that staff was already working on the new application packet to reflect changes that were made during the session.

He then introduced Nya Berry, new SPCSA Education Programs Professional, who will be working with Federal Programs and Special Education..

### **Agenda Item 13 - Silver State Charter Schools amendment request pursuant to NAC 386.325**

Silver State Charter School requested an amendment to their charter to eliminate the middle school program. Silver State's governing board met on March 31, 2015 to approve the closure of the middle schools program, based on underperformance at the school as measured by the Nevada School Performance Framework. They said the reported statistics do not take into account the transformations of students who have to attend school in a non-traditional setting. They felt their school's overall academic profile was impacted negatively by this rating system.

Member McCord asked about a pending lawsuit the school currently faces. Mr. Knight, Executive Director of Silver State, said they had a problem with a lease and were going through the proper legal challenges to ensure the state did not lose money. Member Mackedon asked about the school's NSPF rating and how that was used in deciding to keep 8<sup>th</sup> grade in place for more one year. Blaine Spires, SSHS principal, said parents of children enrolled in 7<sup>th</sup> grade asked that the school allow their students to complete Silver State's middle school program so they wouldn't have to find a middle school for one year.

Director Gavin asked that board keep in mind that Silver State will be considered for renewal in 2016 and the decision today regarding the elimination of the middle school would have no impact on the renewal

decision for 2016. Member McCord asked Chair Conaboy that Director Gavin's statement be noted in the minutes and that this decision would not have an impact on the 2016 renewal decision.

Joan Jurgensen, Education Program Professional, summarized the school's academic performance as measured by the NSPF and the SPCSA's performance framework. Ms. Jurgensen said the school had been rated as unsatisfactory and critical in math and reading. Ms. Jurgensen said there was also a considerable performance gap between the students at zoned schools and Silver State students. The high school data was better than the middle school data, but still below other high schools in Nevada.

Chair Conaboy said she had received a letter from a concerned neighbor at Silver State. The letter said students were loitering around local businesses and had been causing problems for tenants and customers. Mr. Knight assured the Authority that the school had increased staffing outside the school to better watch the students during lunch and after school.

**Member McCord moved for approval of Silver State Charter School's request for amendment to eliminate their middle school program. Member Van seconded. There was no further discussion. The motion carried unanimously.**

**Agenda Item 10 –Beacon Academy amendment request pursuant to NAC 386.325**

Representatives of Beacon Academy were not in attendance and asked that their amendment request be placed on the SPCSA's next regularly scheduled board meeting agenda.

**Agenda Item 12 – Mater Academy amendment request pursuant to NAC 386.325**

Olivia Carbahall, assistant principal, presented Mater Academy's request to adjust their enrollment priorities. Their governing board unanimously decided to change the policies at their April 23, 2015 governing board meeting. The school asked to allow a student who is enrolled in Mater Academy's state-funded kindergarten or other early childhood education program at the school to be waived from the lottery pursuant to NAC 386.353.

**Member McCord moved for approval of Mater Academy's amendment request to change the lottery policy. Member Luna seconded. Member Mackedon congratulated the school on their efforts to serve an at-risk population. There was no further discussion. The motion carried unanimously.**

**Agenda Item 15 - Consideration of Willie H. Brooks Soar Academy request for an extension of Subsection 7 per NAC 386.240(1)**

Tami Bass and Cassina Douglas Boon spoke on behalf of Willie H. Brooks Soar Academy. Ms. Bass began by presenting a history of Willie H. Brooks and its Sub 7 approval under the State Board of Education. She said she felt the school was not treated fairly as they were trying to open in 2008. The SPCSA granted an extension of the Sub 7 in 2013, but Ms. Bass felt the Authority did not assist the school in opening. She felt the Authority had been difficult to work with. Both representatives said they were requesting another extension to the Subsection 7 in order to allow the school to open in 2016.

Chair Conaboy asked that all documents that Willie H. Brooks had in their possession be submitted to Epicenter for staff review. She said that startup schools are required to follow the pre-opening requirements prescribed by the SPCSA and that those requirements and documents need to be submitted for review prior to making a decision on the extension. Ms. Bass said the school would work with the SPCSA staff to ensure that all documents were uploaded and they would be back at the July 13 board meeting for consideration of their request.

### **Agenda Item 14 - Coral Academy amendment request pursuant to NAC 386.325 and bond application consideration**

Ercan Aydogdu spoke on behalf of Coral Academy, requesting both an amendment to their charter and consideration of their bond application. The amendment that Coral was requesting was approval to expand by building and operate a charter school at the Nellis Air force Base, under a contract with the Air force. Nellis chose Coral from a pool of bidders because of their strong track record in STEM education.

Member McCord cautioned the school to be aware of the budget and plan for situations where the US Government makes changes to the staffing and makeup of the base. Although Nellis is not in any jeopardy of closing, there is always the chance that things may change operationally. Member McCord also asked if there was going to be a restricted enrollment for students who either lived on, or had parents who worked at, Nellis. Mr. Aydogdu said SB200(passed during at the 2015 Legislative session),allows charter schoolslocated on a federal military installation to give enrollment priority to pupils who live or whose parents work or serve on the base. Member McCord asked if the program Coral currently offers would be altered in any major ways at the Nellis campus. Mr. Aydogdu said the program would not be altered in any significant ways because it was part of the Request for Proposal by Nellis that the charter school be a STEM school, which Coral already is.

Chair Conaboy asked for reasoning behind the estimated enrollment. Mr. Aydogdu said they based their projections on enrollment at the CCSD school that currently operates at Nellis. Discussion continued between the Authority and Coral regarding the logistics of operating a charter school on a military institution. Member Conaboy said that Coral must provide more detailed financial information to the Authority as the project progresses.

Coral Academy also requested approval for the bond application to build the campus on the Nellis base. Coral will enter into a ground lease and construct educational facilities located on almost 11 acres at Nellis CASLV proposed to finance construction through the issuance of revenue bonds handled by the Public Finance Authority.

**Member McCord moved for approval of both Coral Academy's amendment request and bond application. Member Van seconded. There was no discussion. The motion carried unanimously.**

### **Agenda Item 7 - Discussion and possible action regarding the 2015 SPCSA Call for Quality Charter Schools**

Director Gavin led the Authority through the new charter application that was modified to reflect changes enacted during the 2015 session; the packet and call for applications will be issued in the next several weeks. This iteration of the eCall for Quality Charter Schools and Request for Proposals (RFP) marks the SPCSA's fourth generation of charter authorizing and reflects the sweeping education reforms adopted during the 2015 Legislative Session. Some of those statutory changes will not take effect until the winter or fall of 2016 and some regulations may not come into effect immediately. However, the SPCSA has designed this process to assist applicants during the fall 2015 application cycle in meeting the new requirements now.

Member McCord asked what the mindset was in developing the new application, saying he hoped the application would contain more useful information about the proposed school as opposed to regulatory language that had been included in the past. Director Gavin said the development of the application kept that thought in mind and he hoped it would provide better information on how the school will look, operate and succeed,as opposed to how the school will follow the rules and regulations. Board members

had multiple questions, which Driectro Gavin addressed. . Chair Conaboy and Member McCord hoped the application would be used in relation to the pre-opening requirements document to allow school the best chance of a successful opening.

**Agenda Item 6 - Discussion and possible action regarding the recruitment and hiring of a business consulting firm to assist the SPCSA staff with logistical operations**

Jessica Hoban, Administrative Services Officer, updated the Authority about planning for the revised operational structure of the SPCSA. She said other state agencies had successfully used a consultant to help recommend and define operational strategies to better handle the agency's workload. She said that a third-party review and insights will be very useful. .

**Member McCord moved for approval for SPCSA staff to empower staff to proceed with the recruitment and hiring of a business consulting firm to assist the SPCSA staff with logistical operations. Member Van seconded. There was no further discussion. The motion carried unanimously.**

Chair Conaboy also added she would still like to recruit an entity to assist charter school boards with governance.

**Agenda Item 8 - Overview of Pre-K grant including but not limited to development, implementation and management of grant and sub-grantee relationship with Nevada Department of Education**

Nya Berry, Education Program Professional, discussed the Pre-K grant development, implementation and management; SPCSA is engaged in a sub-grantee relationship with the Nevada Department of Education. The Nevada state-funded Pre-Kindergarten program was first funded during the 2001 legislative session, with the major goal being school readiness for Nevada's prekindergarten children. Parent involvement was a crucial part of the program as outlined in the original document *Public Support of Pre-Kindergarten Education for School Readiness* in Nevada (2000).

A The 2015 Nevada Legislature has approved funds to match federal support of the four-year PreK expansion program. SPCSA is planning to implement 320 seats in Clark County and 100 seats in Washoe County over the next four years.

For the first time in Nevada's history, content standards have been developed to describe appropriate outcomes for children at the end of their preschool experience, in preparation for entering kindergarten. The standards were developed based on the rich body of research that shows that pre-K can promote children's success in kindergarten, diminish the achievement gap and facilitate long-term outcomes such as high school graduation and college entry. . The standards are focused on the following six areas: Creative Arts; Language/Literacy; Math; Physical Development/Health; Science; Social Studies/Social Emotional.

**Agenda Item – 15 Member Comment**

Member McCord asked the Authority to request Equipo Academy to give an update on their progress toward opening in the fall of 2015. Chair Conaboy asked that appointments to the Authority be placed on the next agenda. She also asked that Member McCord and Member Mackedon work with SPCSA staff to help with the process that charter schools will use to submit amendments.

**Agenda Item 16 – Next Board Meeting**

The next SPCSA board meeting was scheduled for Monday, July 13, 2015.

**Agenda Item 17 – Public Comment**

There were no members of the audience who wished to speak during public comment

Member McCord motioned for adjournment. Member Luna seconded. The motion carried unanimously.

The meeting adjourned at 2:05 pm.

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT**S U B J E C T: Authority Update**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 3

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Kathleen Conaboy, Chair, State Public Charter School Authority****FISCAL IMPACT:****BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):****LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins****SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT**S U B J E C T: Director's Report**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 4

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, State Public Charter School Authority****FISCAL IMPACT:****BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):****LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins****SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Overview and Update of SPCSA  
and NDE progress on submission of the 2015**

**Federal CSP**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x/  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 5

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, State Public Charter School Authority**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins**

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**SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT**S U B J E C T: Infinite Campus Update**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 6

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Traci House, Business Process Analyst, SPCSA**

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**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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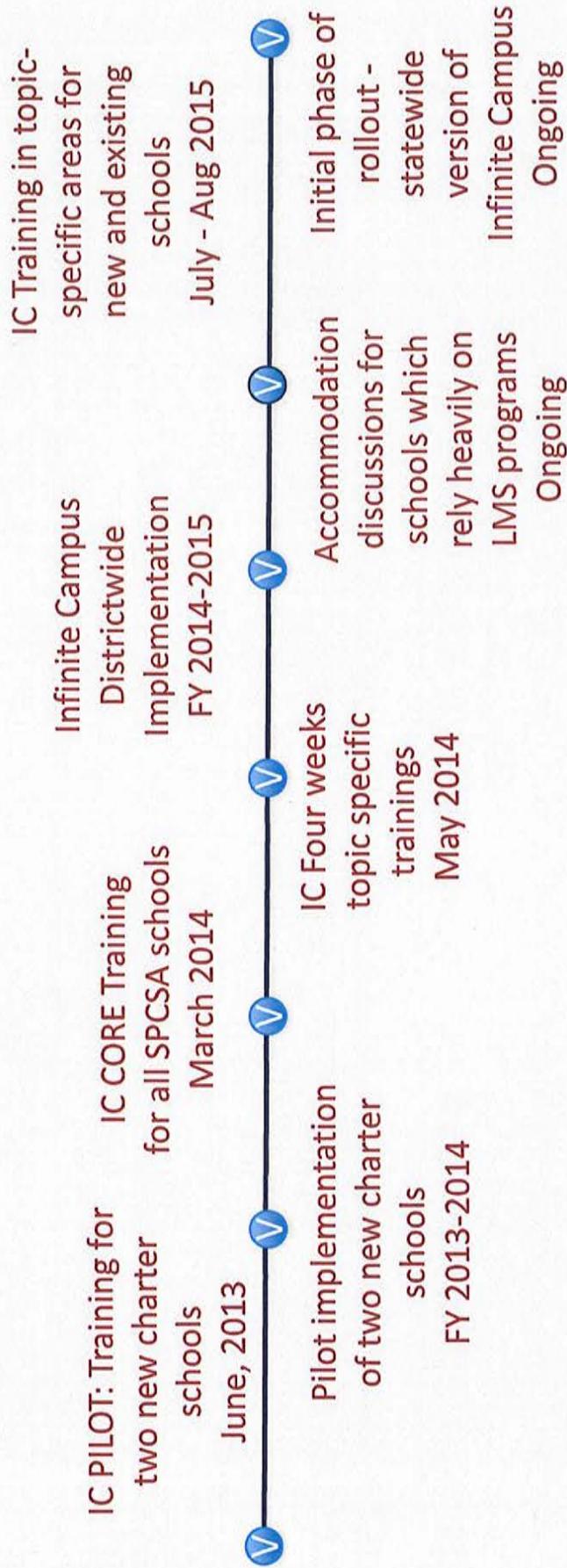
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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins**

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**SUBMITTED BY:** \_\_\_\_\_

# SPCSA INFINITE CAMPUS IMPLEMENTATION



## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Development of Charter School  
Expansion policy regarding multiple charter  
campuses**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x/  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 7

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 mins**

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**SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T:** Overview for development of Regulations by the Authority Board including but not limited to process, timeline, adoption, legislative requirements, workshops and public hearings

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 8

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S):** Patrick Gavin, Director, SPCSA; Greg Ott, Deputy Attorney General

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES):** 30 mins

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**SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Consideration of Mater Academy's interest in applying with Mater Florida for the federal charter school program replication and expansion grant**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 9

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Mater Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 20 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113**

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Mater Academy's interest in applying with Mater Florida for the federal charter school program replication and expansion grant  
**DATE:** July 10, 2015

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Summary of Request

Mater Academy of Florida, the replicated school of Mater Academy of Nevada, is applying for the federal Charter Schools Program Replication and Expansion Grant. The R&E grant is a highly competitive program through which high-performing charter schools and non-profit charter management organizations may receive funding to develop new schools and campuses in their existing or new markets. To strengthen their application, Mater is requesting that the SPCSA provide a letter of support for the application.

Background

The replication of Mater Academy was approved by the SPCSA board in 2014 based on the academic track record of the existing Florida network. The vast majority of Mater Florida campuses are rated in the highest or second highest tier of the Florida statewide system of accountability. The Las Vegas school commenced operation in 2014 and just concluded its first year of operation. It was the Authority's first school located in the urban core of Clark County. The school has not received any notices of concern or breach related to its academic, financial, or organizational performance, although data to prompt such sanctions is limited.

Recommendation: Approve

It is important to note that a letter of support from the Authority does not constitute approval to open new sites or to expand beyond the enrollment cap in the school's charter contract. Such expansion must be earned based on prior performance in Nevada and is subject to Authority board approval. As noted previously, the R&E grant program is highly competitive. The vast majority of CMOs and high quality single site operators seeking to replicate will be vying for these funds. Mater is the only high achieving out-of-state charter network serving urban students currently operating in Nevada. As we seek to attract new operators, a track record of authorizer support for the efforts of high quality operators will be a significant consideration for other best in class CMOs.

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT**SUBJECT: Update on the progress of  
Equipo Academy for starting in the Fall of 2015**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 10

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Representatives of Equipo Academy****FISCAL IMPACT:****BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):****LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 20 mins****SUBMITTED BY:** \_\_\_\_\_

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Appoint SPCSA Board Member  
to preside over Nevada Virtual Academy**

**Amendment request**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 11

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Kathleen Conaboy, Chair, SPCSA**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 5 mins**

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**SUBMITTED BY:** \_\_\_\_\_

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Nevada Virtual Academy  
amendment request pursuant to NAC 386.325**

- /  /   Public Workshop
- /  /   Public Hearing
- /  /   Consent Agenda
- /  /   Regulation Adoption
- /  /   Approval
- /  /   Appointments
- /  x/   Information
- /  x /   Action

MEETING DATE: July 13, 2015  
 AGENDA ITEM: 12  
 NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Nevada Virtual Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113**

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Nevada Virtual Academy Charter Contract Amendment Requests pursuant to NAC 386.325  
**DATE:** July 9, 2015

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Summary of Requests

Nevada Virtual Academy has submitted a series of linked requests which staff recommends be considered separately by the SPCSA Board.

Request 1: NVA's charter contract, executed in 2013, caps the school's enrollment at "the lessor of 4,446 pupils or the count day enrollment for SY2013-2014" (section 2.3.2). The school's actual count day enrollment in 2013-14 was 3,606. The school is seeking a charter amendment to formally establish that number as the contractual cap on enrollment for the 2014-15 school year.

Request 2: Section 2.3.4 of NVA's charter contract requires that the school seek a charter amendment for any variance in enrollment greater than 5 percent in subsequent years of the contract. The school's count day enrollment in 2014-15 was 2,662. The school is seeking a charter contract amendment to reflect this fact.

Request 3: NVA is seeking significant modifications to its academic program and operating model to facilitate the addition of several blended and dual enrollment options. NVA staff and board members will make a presentation and will be available to answer questions regarding this model.

Request 4: NVA is seeking authority to acquire one or more sites in Clark County for the purpose of bringing face-to-face instructional options closer to its student body. These facilities acquisitions would not permit the school to expand its student enrollment.

Background

Nevada Virtual Academy is a statewide distance education charter school which was chartered by the State Board of Education in 2007 and was renewed by the SPCSA board in 2013. The renewal was predicated on a high-stakes review of the school's academic, financial, and organizational

performance by the SPCSA board in the fall of 2015. The school received a notice of concern for its academic performance in fall 2013 and received a notice of breach for its performance in fall 2015. Both NVA's elementary school and its high school are currently on the state's list of low-performing schools.

Recommendations:

Request 1: Approve

The school is seeking to clarify the actual count day enrollment in 2013-14 to ensure there is no ambiguity regarding the enrollment cap.

Request 2: Approve with Modification

The school had a variance of more than 5 percent of its approved enrollment. This is a material change necessitating a charter contract amendment. Following approval, the school's new contractual enrollment cap will be 2,662. Furthermore, SB511 of the 2015 legislative session has changed the state's pupil accounting model from a single count day to a quarterly average daily enrollment model. Consequently, the reference to count days in the contract should be modified to reflect this change in law. Staff recommends that the references to the fall count day be replaced with references to October 1 to ensure consistency with the new pupil accounting model. Based on the school's history of declining enrollment, staff further recommends that the language of the contract be modified to downwards-cap the enrollment in subsequent years, thereby clarifying that the October 1 enrollment count in 2015-16 will be the maximum approved enrollment of the school for the 2016-17 and that the October 1 count in each year will be the basis for the cap of the following year. Staff request authority to work with counsel to develop language consistent with this intent and to make technical adjustments as necessary to ensure consistency with current law. Staff further request delegated authority to furnish the approved amendment language to the school and execute the final contract modification on behalf of the Board.

Request 3: Approve with Modification

The school is to be applauded for its acknowledgement that significant changes are necessary to improve student academic performance. Staff recommends that the board approve the changes to the academic program, subject to several modifications:

***Prohibit the school from operating instructional facilities outside of Clark County:*** NAC 386.340 provides that a charter school, including a school providing distance education, may not operate facilities for the purpose of instruction in more than one county. While the Authority has permitted virtual schools to operate offices in multiple jurisdictions and provide parent outreach, tutoring, test proctoring, and other federal and state-approved or mandated services face to face in multiple counties on an occasional basis, the provision of regularly scheduled instruction is prohibited under current law and regulation. Moreover, while SB509 does give the Authority board the power to create its own regulations regarding multi-county charters, those regulations have not yet been drafted, let alone approved, and the statute will not come into full effect until January 1, 2016. Consequently, the Board lacks the legal authority to permit the school to operate sites in more than one county for the purpose of instruction or to contract with a provider, including a college or university, to provide scheduled face-to-face instruction in more than one county.

***Require Additional Clarification on the Criteria for Student Assignment to School Pathways:***

Staff wish to ensure that there are clear, objective criteria, including test score data and a formal staff evaluation, to determine the program and pathway to which a student will be assigned by the

school. Based on the school's past performance and the operating history of other virtual schools statewide, it is unclear that a parent/student opt-in model will yield stronger academic outcomes than the school's present academic program. Moreover, the criteria must also make it clear that the student's individual needs—not the convenience to the school or the family—is the sole driver placement decisions. Put simply, the most robust, site-based academic model must be the default option for all newly enrolled students in order for the school to be able to ensure that it is making academic placement decisions based on academic need versus operational concerns.

***Prohibit the Enrollment of New Students from Outside of Clark County:*** As noted above, the SPCSA lacks the legal authority to permit a school to operate instructional facilities in more than one county. The school is proposing an unprecedented shift in academic and operating model which, combined with current statutory and regulatory provisions, will create a two-tier model. Students residing in Clark County will benefit from a far more robust academic model with a broad range of pathways and delivery systems, while students who live outside the county will have only one option, a legacy academic program which the school understands is not the model best suited to meet the academic needs of much of its current student body. Consequently, staff recommends that the school be prohibited from enrolling any new students residing outside of Clark County.

***Robust Analysis of the Effectiveness of Pathways and Delivery Systems:*** Staff recommends that the SPCSA Board require the school to contract with a reputable third party evaluator, approved by the SPCSA, for the purpose of evaluating the effectiveness of these different pathways.

***Affirm the Board's Commitment to the High Stakes Review:*** None of the proposed Amendments seek to eliminate or delay the upcoming high stakes review. However, notwithstanding its recommendation of approval of the previously discussed items, staff recommends that the SPCSA Board emphasize that the high stakes review will occur during the 2015-16 school year. Staff also recommend that the Board delegate to staff the authority to modify the language around the high stakes review to permit the Board, at its discretion, to postpone the high stakes review until the winter of 2016 in the event that counsel or staff recommend that any decision regarding the future of the school be deferred to permit evaluation of the potential impacts of recent or impending statutory or regulatory changes.

***Align the Charter Contract and Performance Framework:*** Additionally, staff recommends that the charter contract and the school's performance framework be amended to specifically include the criteria set for in SB509 and other bills defining a low-performing charter or traditional public school and clarifying that a school can be placed into breach of contract or served with notice of closure based on persistent underperformance—including but not limited to performance which precedes the effective date of the charter contract.

**Request 4: Approve**

The most recent revisions to NAC specifically permit a sponsor to deny a request to occupy a new facility if the school is not rated three star or above. Nevada Virtual Academy's elementary and high schools are both rated at the 2 star level. However, the regulations were crafted to grant a sponsor significant discretion in such cases. It is important to note that this additional facility is not intended to serve new students. Rather, the school's stated intent is to ensure that there are multiple, easily accessible facilities in Clark County to meet the needs of its current students—a geographically dispersed student body. The switch from a fully virtual to a blended model will be a significant disruption to students and families. Consequently, the addition of new facilities for the purpose of better serving its current approved enrollment is an appropriate and sensitive means of accommodating a broader cross-section of the school's student body.



**Proposed Amendment to NVVA Charter Contract  
Amendment 4**

WHEREAS on June 29, 2007, the State Board of Education approved the proposed charter application submitted by Nevada Virtual Academy Charter School (“NVVA” or “Charter School”) and on July 7, 2007, the Parties entered into a written agreement for the establishment of the Charter School;

WHEREAS on June 28, 2013, NVVA renewed its contract with the State Public Charter School Authority (the “Authority”) hereinafter (“Charter Contract”);

WHEREAS as part of the Charter Contract the Authority approved NVVA’s renewal application and incorporated it by reference therein;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is here acknowledged, Charter School seeks to add facilities.

Pursuant to NAC 386.3265, NVVA is asking the Authority to consider and approve the expansion of facilities. This amendment would allow NVVA to add a facility to the Las Vegas valley in order to better serve the current population of students, without expanding enrollment for the 2015-16 school year. The current mailing address and main office will not be changed.

The following details the required information as per NAC 386.3265:

- (a) The proposed facility is located at 4801 South Sandhill Rd. 89121 Las Vegas, Nevada. The major cross streets are US-95 and Tropicana. It is a freestanding building which covers 12,500 square feet. The property is set on a 2.0 acre lot.
- (b) The facility is built out as a school, previously occupied by Explore Knowledge Academy- a Clark County sponsored charter school.
- (c) The floor plan is attached hereto as **Attachment C**.
- (d) The owner of the location is Community Lutheran Church of Paradise Valley, a Nevada corporation. Address: 3720 E. Tropicana Ave., Las Vegas, NV 89121
- (e) The Draft Office Lease Agreement is attached hereto as part of **Attachment F**
- (f) (1) The Certificate of Occupancy is attached hereto as **Attachment F**.  
  
(2) The inspection documents are attached hereto as **Attachment G**. They include: a solar panel permit, fire safety, fire riser and alarm, acoustical ceiling permit and Notice of Final Action from the Clark County Zoning Commissioner.

(g) Not Applicable

(h) The communication with the Division of Industrial Relations of the Department of Business will be forwarded as soon as it is made available.

(i) The required insurance will be forwarded as soon as it is made available.



## DEPARTMENT OF DEVELOPMENT SERVICES

4701 W. RUSSELL RD. LAS VEGAS, NEVADA 89118 (702) 455-3000

# CERTIFICATE OF OCCUPANCY

Permit # : 03-21267 Zone: C-1  
 Site Address : 4801 S SANDHILL RD  
 Prop. Description: PARCEL MAP FILE 7 PAGE 92 LOT 2  
 Project Name : EXPLORE KNOWLEDGE ACADEMY  
 Tenant Name : EXPLORE KNOWLEDGE CHARTER Tenant # :  
 Owner Name : CHURCH LUTHERAN PARADISE VALLE  
 Contractor Name : WINTER CONTRACTING INC State Lic. # : 0036115  
 Contractor Addr. : 5855 JANELL  
 LAS VEGAS NV 89149  
 Ctr. Phone : (702) 395-6400 Parcel # : 161-19-405-003 # of Units : 0  
 Principal Design Professional :  
 Construction Type : V-N Occupancy : E1 Occupant Load : 503  
 Sq. Ft. : 9100 Building Final : 5/20/03 Issue Date : 5/21/03  
 Application Type : EDUCATIONAL BLDG-REMODEL  
 Description of Work INTERIOR REMODEL

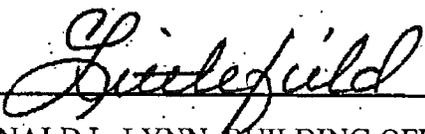
## NOTICE TO APPLICANT

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.

5/21/03

DATE APPROVED

 for  
 RONALD L. LYNN, BUILDING OFFICIAL

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

# DRAFT LEASE

**OFFICE LEASE AGREEMENT**  
4801 S. Sandhill Rd., Las Vegas, NV 89121

**THIS OFFICE LEASE AGREEMENT** (the "Lease") is made and entered into as of the \_\_\_\_ day of July, 2015 by and between **Community Lutheran Church of Paradise Valley, a Nevada corporation** ("Landlord") and **Nevada Virtual Academy, a \_\_\_\_\_** ("Tenant"). Pursuant to the terms of this Lease, Landlord agrees to lease the Premises (hereinafter defined) to Tenant and Tenant agrees to lease the Premises from Landlord. The Lease includes the following exhibits and attachments, which are incorporated herein by this referenced as if set forth in full:

- Exhibit A** (Outline and Location of Premises)
- Exhibit B** (Expenses and Taxes)
- Exhibit C** (Tenant Work Letter, if required)
- Exhibit D** (Building Rules and Regulations)
- Exhibit E** (Additional Provisions, if required)

## 1. Basic Lease Information

1.01 "**Building**" shall mean the building located at **4801 S. Sandhill Ave., Las Vegas, NV 89121**. "**Property**" shall mean the Building and the parcel(s) of land on which it is located commonly known as **APN 161-19-405-003 and APN 161-19-405-004**. "~~Common Areas~~" shall mean the portion of the Building and Property that are designated by Landlord for the common use of tenants and others, which shall specifically refer to the stairways, elevators, lobby area and parking area.

1.02 "**Premises**" shall mean the area shown on **Exhibit A** to this Lease. The Premises shall include the Building and Property. The "**Rentable Square Footage of the Premises**" is deemed to be **12,500 square feet** on approximately **2.0 acres of land**.

### 1.03 "Base Rent":

Period or Months of Term	Net Monthly Base Rent
1 – 2	Abated
3 - 12	\$8,750.00
13 - 24	\$9,013.00
25 - 36	\$9,283.00
37 - 48	\$9,561.00
49 – 60	\$9,848.00

Tenant shall pay for their own utilities and janitorial. ~~Landlord shall provide utilities and janitorial for the common areas.~~

1.04 "**Tenant's Pro Rata Share**": **100%**. Tenant shall pay Tenant's Pro Rata Share of Taxes and Expenses in accordance **Exhibit B** of this Lease

### 1.05 INTENTIONALLY DELETED

1.06 "**Term**": A period of **Sixty (60)** months. Subject to Section 2, the Term shall commence on **August 1, 2015** (the "**Commencement Date**") and, unless terminated early in accordance with this Lease, end on **July 31, 2020** (the "**Termination Date**").

### 1.07 "Security Deposit": \$12,000.00

1.08 "**Broker(s)**": Suzette LaGrange with Colliers International represents the Landlord and Kara Walker with Colliers International represents the Tenant.

# DRAFT LEASE

1.09 **"Permitted Use"**: General office and educational instruction of a Kindergarten through 12<sup>th</sup> grade charter school use only.

1.10 **"Notice Addresses"**:

**Landlord:**

Community Lutheran Church of Paradise Valley  
Attn: Flo Hillman, Administrator  
3720 E. Tropicana Ave.  
Las Vegas, NV 89121

**Tenant:**

Nevada Virtual Academy  
Attn: Caroline McIntosh, Principal  
8965 S Eastern Ave. Suite 330  
Las Vegas, NV 89123

1.11 **"Landlord Work"** means the work, if any, that Landlord is obligated to perform in the Premises pursuant to a separate work letter agreement (the **"Tenant Work Letter"**), if any, attached to this Lease as **Exhibit C**.

## 2. Adjustment of Commencement Date; Possession.

2.01 ~~If Landlord is required to perform any Landlord Work prior to the Commencement Date, the following additional provisions shall apply: (a) the date set forth in Section 1.06 as the Commencement Date shall instead be defined as the **"Target Commencement Date"**; (b) the actual Commencement Date shall be the date on which the Landlord Work is substantially complete, as reasonably determined by Landlord; and (c) the Termination Date will be the last day of the Term as determined based upon the actual Commencement Date. If the Termination Date does not fall on the last day of a calendar month, Landlord and Tenant may elect to adjust the Termination Date to the last day of the calendar month in which Termination Date occurs by the mutual execution of a commencement letter agreement setting forth such adjusted date. Landlord's failure to substantially complete the Landlord Work by the Target Commencement Date shall not be deemed to be a default by Landlord or otherwise render Landlord liable for damages. If Landlord is delayed in the performance of the Landlord Work as a result of the acts or omissions of Tenant, the Tenant Related Parties (defined in Section 12) or their respective contractors or vendors, including, without limitation, changes requested by Tenant to approved plans, Tenant's failure to comply with any of its obligations under this Lease, or the specification of any materials or equipment with long lead times (a **"Tenant Delay"**), the Landlord Work shall be deemed to be Substantially Complete on the date that Landlord could reasonably have been expected to Substantially Complete the Landlord Work absent any Tenant Delay.~~

2.02 The Premises described in this Lease are accepted by Tenant in "as is" condition and configuration without any further obligations, representations or warranties required of Landlord. Landlord shall not be liable for any failure to deliver possession of the Premises or any other space due to the holdover or unlawful possession of such space by any party. In such event, and so long as Landlord acts with reasonable diligence to remove the holdover or unlawful possession, the commencement date for such space shall be equivalently postponed until the date Landlord actually delivers possession of the Premises to Tenant free from occupancy by any party; provided, however, should that not occur within 90 days of the intended commencement date, Tenant or Landlord may elect to terminate this Lease..

3. **Rent.** Tenant shall pay Landlord, without any setoff or deduction all Base Rent and Additional Rent due for the Term (collectively referred to as **"Rent"**). **"Additional Rent"** means all sums (exclusive of Base Rent) that Tenant is required to pay Landlord under this Lease. Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent. Base Rent and recurring monthly charges of Additional Rent shall be due and payable in advance on the first day of each calendar month without notice or demand. All other items of Rent shall be due and payable by Tenant on or before 30 days after billing by Landlord provided that the installment of Base Rent and Additional Rent for the first full calendar month of the Term shall be payable upon the execution of this Lease by Tenant. Rent shall be made payable to the entity and sent to the address Landlord designates. Tenant shall pay Landlord an administration fee equal to 5% of any past due Rent. In addition to late charges, past due Rent shall accrue interest at 12% per annum until brought current. Rent for any partial month during the Term shall be prorated. No restrictive endorsement or negating statement on a check or letter accompanying payment shall be considered an accord and satisfaction of Rent then due Tenant's covenant to

# DRAFT LEASE

pay Rent is independent of every other covenant in this Lease; shall survive the termination of this Lease (except as may be otherwise stated); and any Rent in default may be independently assigned for collection by Landlord.

**4. Compliance with Laws; Use.** The Premises shall be used for the Permitted Use and for no other use whatsoever. Tenant shall comply with all statutes, codes, ordinances, orders, rules and regulations of any Federal, Nevada, municipal or other governmental or quasi-governmental entity ("**Laws**"), regarding the operation of Tenant's business and the security, life-safety, use, condition, configuration and occupancy of the Premises. Tenant shall strictly comply with the rules and regulations of the Building attached as Exhibit D and such other reasonable rules and regulations adopted by Landlord from time to time.

**5. Security Deposit.** The Security Deposit shall be delivered to Landlord upon the execution of this Lease by Tenant and shall be held by Landlord without liability for interest or other investment element (even if invested and unless required by Law) as security for the performance of Tenant's obligations. The Security Deposit is not an advance payment of Rent and/or is not a measure of damages. Landlord may use all or any portion of the Security Deposit to satisfy past due Rent or to cure any Default (defined in Section 17) by Tenant. If Landlord uses any portion of the Security Deposit, Tenant shall be placed on notice of the use; amount used; and shall be noticed and will promptly restore the Security Deposit to its full, original amount within 10 days of said notice. Landlord shall return any unapplied portion of the Security Deposit to Tenant within 45 days after the later to occur of the following: (a) a determination of the final Rent due from Tenant and payment of that Rent; or (b) the later to occur of the Termination Date or the date Tenant surrenders the Premises to Landlord in compliance with Section 24 and payment of all remaining Rent. Landlord shall not be required to keep the Security Deposit separate from its other deposits, accounts or investments.

**6. Building Services.** Tenant shall be responsible for all Building Services and shall therefore contract directly for janitorial services, quarterly HVAC service and maintenance, building repairs, interior and exterior lights, pest control, window washing, landscape maintenance, data and telecommunication services, garbage pickup, power and gas

**7. Leasehold Improvements.** All improvements in and to in the Premises, including any Alterations (collectively, "**Leasehold Improvements**") shall remain affixed to the Premises at the end of the Term without compensation to Tenant. Landlord, however, by written notice to Tenant at least 30 days prior to the Termination Date, may require Tenant, at Tenant's sole expense, to remove any electronic, phone and data cabling and related equipment (collectively, "**Cable**") or any unique built-in feature, installed by or for the benefit of Tenant and any Landlord Work or Alterations that, in Landlord's reasonable judgment, are not standard office improvements and are of a nature that would require significant removal and repair costs (collectively referred to as "**Required Removables**").

## **8. Repairs and Alterations.**

8.01 Tenant shall periodically inspect the Premises to identify any conditions that are dangerous or in need of immediate or other maintenance or repair and shall promptly provide Landlord with notice of any such conditions. Tenant shall, at its sole cost and expense, promptly perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under this Lease, and shall keep the Premises at all times in good condition and repair, reasonable wear and tear excepted. If Tenant fails to maintain and make any repairs to the Premises for more than 15 days after notice by Landlord to do so (and notice shall be deemed not to be required in an emergency), Landlord may intercede and make the repairs, and Tenant shall pay the reasonable cost of the repairs, together with an administrative charge in an amount equal to 10% of the cost of the repairs. All repairs within the Premises shall be made by Tenant, except that Landlord shall perform all maintenance and repairs upon the: (a) structural elements of the Building, including damage to interior elements necessary to reach said areas; (b) mechanical, electrical, plumbing and fire/life safety systems serving the Building in general (but not specific sub-systems maintained by Tenant that tie into these systems); ~~(c) Common Areas, including the Common Area restrooms;~~ (d) roof of the Building, including its water-tight nature; ~~(e) exterior windows of the Building, including periodic window cleaning;~~ (f) stairways and elevators serving the Building; and, ~~(g) directory and monument signage.~~

# DRAFT LEASE

8.02 Tenant shall not make alterations, repairs, additions or improvements or install any Cable (collectively referred to as "**Alterations**") without first obtaining the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. In order to obtain such approvals, Tenant shall furnish Landlord with detailed plans and specifications drawn by qualified professionals; names of contractors acceptable to Landlord; required permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord and naming Landlord as an additional insured; and any security for performance in amounts reasonably required by Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant's plans and specifications for Alterations and construction controls to monitor the course of construction. In addition, Tenant shall pay Landlord a fee for Landlord's oversight and coordination of any Alterations, said fee not to exceed 10% of the cost of the Alterations. Upon completion, Tenant, at Tenant's expense, shall furnish "as-built" plans to Landlord accurately representing each of the Alterations completed, completion or occupancy certificates and a full set of final waivers of liens by all contractors and materialmen.

**9. Entry by Landlord.** Landlord may during reasonable and appropriate times enter the Premises to inspect its condition, determine proper use, show the Premises to interested buyers or future tenants, provide the services set forth in this Lease (which will require entry after normal business hours), to make any repairs, alterations or additions required by the Lease (which may require entry after normal business hours) and to perform or facilitate maintenance, repairs, alterations or additions to any portion of the Building. Except in emergencies or to provide normal Building services, Landlord shall attempt to provide Tenant with reasonable prior verbal notice of entry. With or without notice, entry by Landlord shall not constitute a constructive eviction or entitle Tenant to an abatement or reduction of Rent.

**10. Assignment and Subletting.** Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use all or any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord, which consent shall not be unreasonably withheld if Landlord does not exercise its recapture rights (described below). Any attempted Transfer in violation of this Article shall, at Landlord's option, be voidable by Landlord. Within 15 Business Days after receipt of executed copies of the transfer documentation and such other information as Landlord may request, Landlord shall either: (a) consent to the Transfer by execution of a consent agreement in a form reasonably designated by Landlord; (b) refuse to consent to the Transfer for stated reasons, such as inappropriate use of the Premises not within the permissible uses; or (c) recapture the portion of the Premises that Tenant is proposing to Transfer. If Landlord exercises its right to recapture, the Lease shall automatically be amended to delete the applicable portion of the Premises from the Lease effective on the proposed effective date of the Transfer. In no event shall any Transfer release or relieve Tenant from any obligation under this Lease as to the portion of the Premises not recaptured, even if the Transfer is approved, and Tenant shall remain on the Lease as an obligated party unless and until released by an authorized representative of Landlord in writing. Tenant shall reimburse Landlord a review fee equal to Landlord's fees and costs incurred to review the requested Transfer, including legal fees. Tenant shall pay Landlord as Additional Rent 50% of all rent and other consideration which Tenant receives as a result of a Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer. If Tenant is in Default, Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of Tenant's share of payments received by Landlord.

**11. Liens.** Tenant shall not permit mechanic's or other liens to be placed upon the Property or Premises in connection with any work purportedly done by or for the benefit of Tenant or its transferees. Tenant shall, within 10 days of notice from Landlord, fully discharge any lien by settlement, by bonding or by insuring over the lien in the manner prescribed by Law. If Tenant fails to do so, Landlord may bond, insure over or otherwise discharge the lien and Tenant shall reimburse Landlord for any amount paid by Landlord, including, without limitation, reasonable attorneys' fees, costs, bonding premiums or other expenses.

**12. Indemnity and Waiver of Claims.** Tenant hereby waives all claims, causes of action, damages or any other loss claimed by any person or entity against Landlord and expressly releases Landlord and its members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees and agents (the "**Landlord Related Parties**") from any and all claims for any injury to or death of persons, direct or indirect damage to property or business loss in any manner related to (a) acts of God, including weather, earth movement or any other act beyond the control of Landlord, (b) any acts of Tenant or any third parties, (c) the bursting, leaking or clogging of any water heater, faucet, tank, water closet, drain or other pipe, except as to the Landlord's subsequent obligation to repair said bursting, leaking or clogged pipe, drain or tank; (d) the inadequacy or failure of any security services, personnel or equipment.

# DRAFT LEASE

or (e) any matter outside of the reasonable control of Landlord, such as fire, criminal act (including theft) and other matters. Except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties or any of Tenant's transferees, contractors or licensees.

**13. Insurance.** Tenant shall maintain the following insurance ("**Tenant's Insurance**"): (a) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of \$2,000,000.00; (b) Property/Business Interruption Insurance written on an All Risk or Special Perils form, with coverage for broad form water damage including earthquake sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises ("**Tenant's Property**") and any Leasehold Improvements installed by or for the benefit of Tenant; (c) Workers' Compensation Insurance as required by Law and in amounts as may be required by applicable statute and Employers Liability Coverage of at least \$1,000,000.00 per occurrence. Any company writing Tenant's Insurance shall have an A.M. Best rating of not less than A-VIII. All Commercial General Liability Insurance policies shall name Landlord (or its successors and assignees), any managing agent for the Building (or any successor), and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear, as additional insureds. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least 30 days' advance written notice of any cancellation, termination, material change or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises, and thereafter as necessary to assure that Landlord always has current certificate(s) evidencing Tenant's Insurance.

**14. Subrogation.** Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

**15. Casualty Damage.** Landlord, by notice to Tenant within 60 days of the date of the fire or other casualty (a "**Casualty**"), shall have the right to terminate this Lease if all or any part of the Premises is damaged to the extent that it cannot reasonably be repaired within 120 days after the date of the Casualty. If this Lease is not terminated, Landlord shall promptly and diligently, restore the Premises. Such restoration shall be to substantially the same condition that existed prior to the Casualty, except for modifications required by Law. Upon notice from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's Insurance with respect to any Leasehold Improvements performed by or for the benefit of Tenant; provided if the estimated cost to repair such Leasehold Improvements exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, the excess cost of such repairs shall be paid (or proven to be available for draw) by Tenant to Landlord prior to Landlord's commencement of repairs. Within 15 days of demand, Tenant shall also pay Landlord for any additional excess costs that are determined during the performance of the repairs. Landlord shall not be liable for any inconvenience to Tenant, or injury to Tenant's business resulting in any way from the Casualty or the repair thereof. Provided that Tenant is not in Default, during any period of time that all or a material portion of the Premises is rendered untenable as a result of a Casualty, the Rent shall abate for the portion of the Premises that is untenable and not used by Tenant.

**16. Condemnation.** Either party may terminate this Lease if all or any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building. The terminating party shall provide written notice of termination to the other party within

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45 days after it first receives notice of the Taking. The termination shall be effective on the date the physical taking occurs. All compensation awarded for a Taking, or sale proceeds, shall be the property of Landlord unless specifically awarded to compensate the Tenant's terminated tenancy. Landlord may require Tenant to separately apply for a condemnation award with regard to the value, if any, of Tenant's terminated tenancy.

**17. Events of Default.** Each of the following occurrences shall be considered to be a "**Default**": (a) Tenant's failure to pay any portion of Rent when due, if the failure continues for 3 days after written notice to Tenant, which notice shall be in satisfaction of, and not in addition to, notice required by Law ("**Monetary Default**"); or (b) Tenant's failure (other than a Monetary Default) to comply with any term, provision, condition or covenant of this Lease, if the failure is not cured within 10 days after written notice to Tenant, which notice shall be in satisfaction of, and not in addition to, notice required by Law; provided, however, if Tenant's failure to comply cannot reasonably be cured within 10 days, Tenant shall be allowed additional time (not to exceed 60 days) as is reasonably necessary to cure the failure so long as Tenant commences to cure within 10 days and Tenant diligently pursues the cure to completion.

## **18. Remedies.**

18.01 Upon Default, Landlord shall have the right to terminate this Lease or Tenant's right to possession, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may, in compliance with Law, enter upon and take possession of the Premises. Even with a surrender of the Premises, Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's Default, including, without limitation, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises. "**Costs of Reletting**" shall include all costs and expenses incurred by Landlord in reletting or attempting to relet the Premises, including, without limitation, reasonable legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant. Landlord may collect and retain all rents and other income from the reletting. Landlord shall not be responsible or liable for the failure to relet all or any part of the Premises or for the failure to collect any rent.

18.02 In lieu of calculating damages under Sections 18.01 above, Landlord may elect to receive as damages the sum of (a) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (b) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting. The fair market rental value shall be demonstrated by a rental survey of rental property of a similar type, services and quality within the general geographic area the Premises is located within. If Tenant is in Default of any of its non-monetary obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Landlord. The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under the Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be non-exclusive, cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity.

## **19. Limitation of Liability.**

THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) SHALL BE LIMITED TO THE LANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD OR ANY LANDLORD RELATED PARTY. NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY AND IN NO EVENT SHALL LANDLORD OR ANY LANDLORD RELATED PARTY BE LIABLE TO TENANT FOR ANY LOST PROFIT, DAMAGE TO OR LOSS OF BUSINESS OR ANY FORM OF SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGE. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD, TENANT SHALL GIVE LANDLORD AND THE MORTGAGEE(S) (DEFINED IN SECTION 22 BELOW) WHOM TENANT HAS BEEN NOTIFIED HOLD MORTGAGES (DEFINED IN SECTION 22 BELOW), NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT.

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**20. Relocation.** ~~Landlord, at its expense, at any time before or during the Term, may relocate Tenant from the Premises to space of reasonably comparable size and utility ("Relocation Space") within the Building or adjacent buildings within the same project upon 60 days' prior written notice to Tenant. From and after the date of the relocation, "Premises" shall refer to the Relocation Space into which Tenant has been moved and the Base Rent and Tenant's Pro Rata Share shall be adjusted based on the rentable square footage of the Relocation Space.~~

**21. Holding Over.** If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise.

**22. Subordination to Mortgages; Estoppel Certificate.** Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage"). This clause shall be self-operative, but upon request from the holder of a Mortgage (a "Mortgagee"), Tenant shall execute a commercially reasonable subordination agreement (including estoppel and attornment provisions). Upon request, Tenant shall, without charge, attorn to any successor to Landlord's interest in the Lease. Tenant shall, within 10 days after receipt of a written request from Landlord, execute and deliver a commercially reasonable estoppel certificate to those parties as are reasonably requested by Landlord.

**23. Notice.** All demands, approvals, consents or notices shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Section 1. Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address without providing a new Notice Address, 3 days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

**24. Surrender of Premises.** At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property and any designated Required Removables from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. If Tenant fails to remove any of Tenant's Property within 2 days after termination, Landlord, at Tenant's sole cost and expense, shall be entitled to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred. If Tenant fails to remove Tenant's Property from the Premises or storage within 30 days after notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to Tenant's Property shall vest in Landlord. If Tenant fails to remove any of the designated Required Removables by the Termination Date or perform related repairs in a timely manner, Landlord may perform such work at Tenant's expense.

## 25. Miscellaneous.

25.01 If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default shall not constitute a waiver of the default, nor shall it constitute an estoppel.

25.02 Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of the Security Deposit or Rent), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**"). Force Majeure shall not include financial difficulties of the party required to perform.

# DRAFT LEASE

25.03 Landlord shall have the right to transfer and assign, in whole or in part, all of its ownership interest, rights and obligations in the Building, Property or Lease, including the Security Deposit, and upon transfer Landlord shall be promptly released from any further obligations hereunder, and Tenant agrees to look solely and exclusively to the successor in interest of Landlord for the performance of such obligations and the return of any Security Deposit.

25.04 Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. Tenant represents that it has dealt directly with and only with the Broker set forth above as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease.

25.05 The expiration of the Term, whether by lapse of time, termination or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

25.06 Tenant shall, and may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

25.07 This Lease constitutes the entire agreement between the parties and supersedes all prior agreements and understandings related to the Premises. This Lease may be modified only by a written agreement signed by Landlord and Tenant. This Lease shall be interpreted and enforced in accordance with the Laws of the state or commonwealth in which the Building is located.

25.08 Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, among the individuals or entities identified on any list compiled for the purpose of identifying suspected terrorists.

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# DRAFT LEASE

Landlord and Tenant have executed this Lease as of the day and year first above written.

**LANDLORD:**

**Community Lutheran Church of Paradise Valley,  
a Nevada corporation**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

**Nevada Virtual Academy,  
a \_\_\_\_\_**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
**Tenant's Tax ID Number (SSN or FEIN)**

# DRAFT LEASE

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EXHIBIT A

OUTLINE AND LOCATION OF PREMISES

[TO BE ATTACHED]

# DRAFT LEASE

EXHIBIT B

## EXPENSES AND TAXES

This Exhibit is attached to and made a part of the Lease by and between **Community Lutheran Church of Paradise Valley** ("Landlord") and **Nevada Virtual Academy** ("Tenant") for the Building located at **4801 S. Sandhill Ave., Las Vegas, NV 89121**.

### 1. Payments.

1.01 Tenant shall pay Tenant's Pro Rata Share of Operating Expenses and Taxes along with the Monthly Base Rent. Landlord shall provide Tenant with a good faith estimate of the Expenses and Taxes for each calendar year during the Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one-twelfth of Tenant's Pro Rata Share of Landlord's estimate of both the Expenses and Taxes. If Landlord does not provide Tenant with an estimate of the Expenses and Taxes by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate(s) until Landlord provides Tenant with the new estimate.

1.02 As soon as is practical following the end of each calendar year, Landlord shall furnish Tenant with a statement of the actual Expenses and the actual Taxes for the prior calendar year. If the estimated Expenses or estimated Taxes for the prior calendar year is more than the actual Expenses or actual Taxes, as the case may be, for the prior calendar year, Landlord shall either provide Tenant with a refund or apply any overpayment by Tenant against Additional Rent due or next becoming due, provided if the Term expires before the determination of the overpayment, Landlord shall refund any overpayment to Tenant after first deducting the amount of Rent due. If the estimated Expenses or estimated Taxes for the prior calendar year is less than the actual Expenses or actual Taxes, as the case may be, for such prior year, Tenant shall pay Landlord, within 30 days after its receipt of the statement of Expenses or Taxes, any underpayment for the prior calendar year.

### 2. Expenses.

2.01 "**Expenses**" means all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, and managing the Building and the Property. Expenses include, without limitation: (a) all labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (b) management fees; (c) the cost of equipping, staffing and operating an on-site and/or off-site management office for the Building, provided if the management office services one or more other buildings or properties, the shared costs and expenses of equipping, staffing and operating such management office(s) shall be equitably prorated and apportioned between the Building and the other buildings or properties; (d) accounting costs; (e) the cost of services; (f) rental and purchase cost of parts, supplies, tools and equipment; (g) insurance premiums and deductibles; (h) electricity, gas and other utility costs; and (i) the amortized cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business) made subsequent to the Base Year which are: (1) performed primarily to reduce current or future operating expense costs, upgrade Building security or otherwise improve the operating efficiency of the Property; or (2) required to comply with any Laws that are enacted, or first interpreted to apply to the Property, after the date of this Lease. The cost of capital improvements shall be amortized by Landlord over the lesser of the Payback Period (defined below) or the useful life of the capital improvement as reasonably determined by Landlord. The amortized cost of capital improvements may, at Landlord's option, include actual or imputed interest at the rate that Landlord would reasonably be required to pay to finance the cost of the capital improvement. "**Payback Period**" means the reasonably estimated period of time that it takes for the cost savings resulting from a capital improvement to equal the total cost of the capital improvement. Landlord, by itself or through an affiliate, shall have the right to directly perform, provide and be compensated for any services under this Lease. If Landlord incurs Expenses for the Building or Property together with one or more other buildings or properties, whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared costs and expenses shall be equitably prorated and apportioned between the Building and Property and the other buildings or properties.

Expenses shall exclude the utilities and janitorial paid directly by the Tenant for their own use.

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2.02 Expenses shall not include: the cost of capital improvements (except as set forth above); depreciation; principal payments of mortgage and other non-operating debts of Landlord; the cost of repairs or other work to the extent Landlord is reimbursed by insurance or condemnation proceeds; costs in connection with leasing space in the Building, including brokerage commissions; lease concessions, rental abatements and construction allowances granted to specific tenants; costs incurred in connection with the sale, financing or refinancing of the Building; fines, interest and penalties incurred due to the late payment of Taxes or Expenses; organizational expenses associated with the creation and operation of the entity which constitutes Landlord; or any penalties or damages that Landlord pays to Tenant under this Lease or to other tenants in the Building under their respective leases.

~~2.03 If at any time during a calendar year the Building is not at least 95% occupied or Landlord is not supplying services to at least 95% of the total Rentable Square Footage of the Building, Expenses shall, at Landlord's option, be determined as if the Building had been 95% occupied and Landlord had been supplying services to 95% of the Rentable Square Footage of the Building. If Expenses for a calendar year are determined as provided in the prior sentence, Expenses for the Base Year shall also be determined in such manner. Notwithstanding the foregoing, Landlord may calculate the extrapolation of Expenses under this Section based on 100% occupancy and service so long as such percentage is used consistently for each year of the Term. The extrapolation of Expenses under this Section shall be performed in accordance with the methodology specified by the Building Owners and Managers Association.~~

3. **"Taxes"** shall mean: (a) all real property taxes and other assessments on the Building and/or Property, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Property, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (b) all personal property taxes for property that is owned by Landlord and used in connection with the operation, maintenance and repair of the Property; and (c) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (a) and (b), including, without limitation, any costs incurred by Landlord for compliance, review and appeal of tax liabilities. Without limitation, Taxes shall not include any income, capital levy, transfer, capital stock, gift, estate or inheritance tax. If a change in Taxes is obtained for any year of the Term during which Tenant paid Tenant's Pro Rata Share of any Taxes, then Taxes for that year will be retroactively adjusted and Landlord shall provide Tenant with a credit, if any, based on the adjustment. Likewise, if a change is obtained for Taxes for the Base Year, Taxes for the Base Year shall be restated and the Taxes for all subsequent years shall be recomputed. Tenant shall pay Landlord the amount of Tenant's Pro Rata Share of any such increase in the Taxes within 30 days after Tenant's receipt of a statement from Landlord.

4. **Audit Rights.** Tenant, within 90 days after receiving Landlord's statement of Expenses, may give Landlord written notice ("**Review Notice**") that Tenant intends to review Landlord's records of the Expenses for the calendar year to which the statement applies. Within a reasonable time after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review. If any records are maintained at a location other than the management office for the Building, Tenant may either inspect the records at such other location or pay for the reasonable cost of copying and shipping the records. If Tenant retains an agent to review Landlord's records, the agent must be with a CPA firm licensed to do business in the state or commonwealth where the Property is located. Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within 60 days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice (an "**Objection Notice**") stating in reasonable detail any objection to Landlord's statement of Expenses for that year. If Tenant fails to give Landlord an Objection Notice within the 60 day period or fails to provide Landlord with a Review Notice within the 365 day period described above, Tenant shall be deemed to have approved Landlord's statement of Expenses and shall be barred from raising any claims regarding the Expenses for that year. The records obtained by Tenant shall be treated as confidential. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of Expenses unless Tenant has paid and continues to pay all Rent when due.

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EXHIBIT C

## TENANT WORK LETTER

This Exhibit is attached to and made a part of the Lease by and between **Community Lutheran Church of Paradise Valley** ("Landlord") and **Nevada Virtual Academy** ("Tenant") for the Building located at **4801 S. Sandhill Rd., Las Vegas, NV 89121**.

1. **Defined Terms.** All capitalized terms referred to in this Exhibit C (this "Agreement") not defined below shall have the same meaning as defined in the Lease to which this Agreement is incorporated therein.

2. **Construction of Tenant Improvements.** Tenant shall cause the Tenant Improvements to be constructed in accordance with the Lease, this Agreement and the approved Construction Plans.

3. **Definitions.** Each of the following terms shall have the following meaning:

**"Architect"** shall mean a **Nevada Licensed Architect**. Architect shall be employed by Tenant and all costs of Architect will be the responsibility of Tenant as part of the Tenant Improvement Cost.

**"Base Tenant Improvement Allowance"** shall mean the amount to be contributed by Landlord toward Tenant Improvement Cost. The Base Tenant Improvements Allowance shall be an amount not to exceed \$0.00 per useable square foot, which is -0- dollars and -0- cents (\$0.00). Notwithstanding anything to the contrary contained herein or in the Lease, in no event shall Landlord have any obligation to pay any costs or expenses incurred in connection with or arising out of the Tenant Improvements in excess of the Base Tenant Improvement Allowance specified above.

**"Building"** shall mean the Building Shell and the Tenant Improvements.

**"Building Shell"** shall mean the basic minimum enclosure of the Building consisting of the foundation and floors, structural framework, roof coverings, exterior walls and exterior doors and windows, plumbing system stubs, underground electrical power stubs, the parking lots and landscaping appurtenant to the Complex, but excluding all Tenant Improvements.

**"Construction Plans"** shall mean the complete plans and specifications for the construction of the Tenant Improvements, which shall be in substantial compliance with the Approved Preliminary Plans, consisting of all architectural, engineering, mechanical and electrical drawings and specifications which are required to obtain all building permits, licenses and certificates from the applicable governmental authority(ies) for the construction of the Tenant Improvements. The Construction Plans shall be prepared by Architect, and in all respects shall be in compliance with all applicable laws, rules, regulations, and building codes for the Clark County.

**"Contractor"** shall mean a Nevada licensed general contractor with experience and expertise in constructing projects similar to the Tenant Improvements as mutually agreed to by Landlord and Tenant pursuant to Section 6, below. Contractor shall be responsible for construction of the Tenant Improvements.

**"Premises"** shall mean the portion of the Building Shell wherein the Tenant Improvements are to be constructed. Landlord shall deliver the Premises to Tenant in broom clean

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condition, with all building systems existing as of the date of execution of this Lease in good working order and repair, and otherwise in "AS-IS WHERE-IS" condition. Tenant acknowledges that the Base Tenant Improvement Allowance is provided to Tenant by Landlord for the purpose of remodeling and/or rehabilitating the Premises, and other than providing the Base Tenant Improvement Allowance in the time and manner provided for herein, Landlord shall have no responsibility for the condition of the Premises or the improvements located therein.

**"Tenant's Personal Property"** shall mean all personal property constructed or installed in the Premises by Tenant at Tenant's expense, including furniture, fixtures, equipment and all data and telephone cabling to be constructed or installed in the Premises by Tenant, but excluding the Tenant Improvements.

**"Tenant Improvements"** shall mean all interior portions of the Building to be constructed by Tenant for Tenant pursuant to this Agreement and the Approved Construction Plans, including but not limited to, electrical systems, heating, ventilating and air conditioning systems ("HVAC"), and plumbing (to the extent such electrical, HVAC, plumbing and fire sprinkler systems are not included in the Building Shell), interior partitions, millwork, floor coverings, acoustical ceilings, interior painting, and similar items.

**"Tenant Improvement Cost"** shall mean the costs for construction and installation of the Tenant Improvements, inclusive of the fees charged by Architect. The costs for construction and installation shall include, but not be limited to, the following:

(a) architectural / space planning fees and costs charged by Architect in the preparation of the Preliminary Plans, Construction Plans and/or any Change Requests;

(b) any and all other fees and costs charged by architects, engineers and consultants in the preparation of the Construction Plans, including mechanical, electrical, plumbing and structural drawings and of all other aspects of the Construction Plans, and for processing governmental applications and applications for payment, observing construction of the work, and other customary engineering, architectural, interior design and space planning services;

(c) surveys, reports, environmental and other tests and inspections of the site and any improvements thereon necessary for the construction of the Tenant Improvements;

(d) labor, materials, equipment and fixtures supplied by the Contractor, its subcontractors and/or materialmen;

(e) the furnishing and installation of all HVAC duct work, terminal boxes, distributing diffusers and accessories required for completing the heating, ventilating and air conditioning system in the Premises, including costs of meter and key control for after-hour usage;

(f) all electrical circuits, wiring, lighting fixtures, and tube outlets furnished and installed throughout the Premises, including costs of meter and key control for after-hour electrical power usage;

(g) all window and floor coverings in the Premises:

(h) all fire and life safety control systems, such as fire walls, and fire alarms, including piping, wiring and accessories installed within the Premises;

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- (i) all plumbing, fixtures, pipes and accessories installed within the Premises;
- (j) fees charged by the city and/or county where the Building is located (including, without limitation, fees for building permits and plan checks) required for the construction of the Tenant Improvements in the Premises;
- (k) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements;
- (l) all costs and expenses incurred to comply with all Laws and Regulations, as well as all rules, regulations or ordinances of any governmental authority in connection with the construction of the Tenant Improvements including, without limitation, any costs of complying with the ADA in the Complex required as a condition to approving the construction of the Tenant Improvements.
- (m) Exterior Signage.

Tenant Improvement Costs shall not include the cost of any of Tenant's Personal Property or the installation thereof, which shall be performed by Tenant at its sole cost and expense. Subject to the payment by Landlord of the Base Tenant Improvement Allowance, Tenant shall be solely responsible for paying all Tenant Improvement Costs immediately upon receipt of an invoice therefore. Tenant's failure to fully pay and satisfy such invoice within twenty (20) days following receipt thereof shall constitute a Default under the Lease.

#### 4. Space Plan for Tenant Improvements.

4.1 **Approved Preliminary Plan.** The space plan ("Preliminary Plan") for the Tenant Improvements shall be prepared by the Architect, and reviewed and approved by Landlord, Contractor and Tenant (the "Approved Preliminary Plan").

#### 5. Construction Plans for Tenant Improvements.

5.1 **Preparation by Architect.** As soon as reasonably possible following the full execution of this Agreement and the Lease, Architect shall provide Tenant and Landlord with completed Construction Plans showing (i) Tenant's partition layout and the location and details; (ii) the location of telephone and electrical outlets; (iii) the location, style and dimension of any desired special lighting; (iv) the location, design and style of all doors, floor coverings and wall coverings; (v) the location, design, style and dimensions of cabinets and casework; and (vi) all details, including "cut sheets," for the Tenant Improvements, which shall be in conformity with the Approved Preliminary Plans. The Construction Plans shall be in a form satisfactory to appropriate governmental authorities responsible for issuing permits and licenses required for construction of the Tenant Improvements. Tenant shall sign indicating approval of plan for submittal for Landlord's approval.

5.2 **Landlord's Review of Construction Plans for Tenant Improvements.** Within ten (10) business days after receipt of the Construction Plans, Landlord shall notify Tenant in writing of any changes necessary to bring the Construction Plans into substantial conformity with the Approved Preliminary Plans. If any changes requested by Landlord are reasonably necessary to bring the Construction Plans into substantial conformity with the Approved Preliminary Plans, Architect shall make such changes and provide the revised Construction Plans to Landlord for its review and approval, such approval not to be unreasonably withheld or delayed. Within ten (10) business days thereafter, Landlord

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shall either (i) notify Tenant in writing of any changes necessary to bring the Construction Plans into substantial conformity with the Approved Preliminary Plans, or (ii) approve such revised Construction Plans. Architect shall continue to revise the Construction Plans as required by Landlord and Tenant until Landlord's and Tenant's written approval is received. The Construction Plans approved in writing by both Landlord and Tenant shall be deemed the "Approved Construction Plans."

~~Notwithstanding anything to the contrary set forth in this Agreement or the Lease, final Approved Construction Plans must be completed no later than \_\_\_\_\_, \_\_\_\_\_. The Commencement Date shall be increased commensurate with each day beyond \_\_\_\_\_, \_\_\_\_\_ until final Approved Construction Plans are available.~~

6. **Contractor.** Contractor shall be a Nevada Licensed Contractor approved by the Landlord. Such approval shall not be unreasonably conditioned or withheld.

7. **Building Permit.** Tenant shall be responsible for obtaining a building permit ("Building Permit") for the Tenant Improvements. Tenant, the Architect or the Contractor shall submit the Approved Construction Plans to the appropriate governmental body for plan checking and a Building Permit.

8. **Change Requests.** No changes to the Approved Construction Plans requested by Tenant (each, a "Change Request") shall be made without Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed, subject to the following:

(a) No Change Request shall affect the structure or operating systems of the Building;

(b) A Change Request shall constitute an agreement by Tenant to any delay in completion of the Tenant Improvements and Commencement Date caused by reviewing, processing and implementing the Change Request;

Any and all costs incurred in connection with a Change Request approved by Landlord shall be paid for solely by Tenant, including, without limitation, increased architectural or engineering fees and costs, permit re-submittal fees and costs, increased construction costs, costs incurred as a result of any delay in constructing the Tenant Improvements caused by the Change Request, costs incurred by Landlord in having the proposed Change Request reviewed by third parties, and any other costs and expenses incurred in connection with or arising out of such Change Request.

Tenant shall designate, in writing, an individual as its "Authorized Representative" who shall be the only person authorized on behalf of Tenant to request or make a Change Request. Tenant's Authorized Representative is \_\_\_\_\_, which designation may only be changed in writing to Landlord and Contractor.

9. **Payment of Additional Costs.** If Tenant requests changes per Paragraph 8 above and to the extent said changes cause the Tenant Improvement Cost to exceed the Base Tenant Improvement Allowance (the "Additional Costs"), and such Additional Costs have not previously been paid by Tenant, Tenant shall be solely responsible for payment of such Additional Costs.

10. **Requirements.** All construction and installation of the Tenant Improvements shall be subject to strict conformity with the following requirements:

(a) Landlord shall give tenant at least ten (10) days' prior written notice of commencement of the construction of the Tenant Improvements;

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(b) All Tenant Improvements shall be constructed in a skillful and workmanlike manner, consistent with the best practices and standards of the construction industry, and pursued with diligence in accordance with the Approved Construction Plans and in full accord with all applicable laws, regulations and ordinances, including without limitation, the ADA. All material, equipment, and articles incorporated in the Tenant Improvements are to be new, and of recent manufacture, and of the most suitable grade for the purpose intended; and

(c) Tenant Improvements shall be completed on or prior to the Commencement Date subject to the effects of any approved Change Requests pursuant to Paragraph 8, the occurrence of any other delays in completing construction of the Premises or Tenant Improvements caused by the Tenant or the occurrence of any events of Force Majeure.

"Force Majeure" or "Force Majeure event" shall mean any of the events (provided such events are beyond the control of Landlord or Contractor and are not due to an act or omission of Landlord or Contractor) which materially and adversely affects Landlord's or Contractor's obligations hereunder and which event (or the effects of which event) could not have been avoided by due diligence and use of reasonable efforts by Landlord or Contractor: (a) Any earthquake, hurricane or other natural disaster; any fire or other physical destruction or damage, including lightning, explosion, drought, rain, flood, storm or action of the natural elements; (b) Any epidemic, blockade, rebellion, war, riot, act of sabotage, terrorism or civil commotion, or any strikes, work slowdown, work stoppage, secondary boycott, walkout or other similar occurrence; (c) The discovery at, near or on the property of any site containing archaeological, pale ontological or cultural resources or Hazardous Substance which was not disclosed in any documents made available to the Landlord or Contractor or otherwise known to Landlord or Contractor prior to the date of the Lease; (d) The discovery at, near or on the property of any species listed as threatened or endangered under the federal or state endangered species act; (e) Any change in a Governmental Rule, or change in the judicial or administrative interpretation of any law, rule, regulation or ordinance ("Governmental Rule"), or adoption of any new Governmental Rule which imposes additional costs on Landlord or Contractor or which adversely affects the property, (including, but not limited to, a building moratorium, the imposition of additional fees or assessments or additional requirements or conditions related to the development of the property) except any such change in or new Governmental Rule which was passed or adopted but not yet effective as of the date of the Lease. (f) the suspension, termination, interruption, unavailability, expiration, denial or failure to obtain or nonrenewal of any permit, license, consent, will-serve commitment, sewer capacity or allocations, water capacity or allocations, service commitment from applicable utility purveyors, utility service, water rights, authorization or approval (including all governmental approvals) which is necessary for the development of the property; (g) Any lawsuit seeking to restrain, enjoin, challenge or delay construction or development on the property or the granting or renewal of any governmental approval.

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## EXHIBIT D

### BUILDING RULES AND REGULATIONS

The following rules and regulations shall apply, where applicable, to the Premises, the Building, the parking garage (if any), the Property and the appurtenances. In the event of a conflict between the following rules and regulations and the remainder of the terms of the Lease, the remainder of the terms of the Lease shall control. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways, elevators and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Building or Property.
2. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances. Damage resulting to fixtures or appliances by Tenant, its agents, employees or invitees, shall be paid for by Tenant, and Landlord shall not be responsible for the damage.
3. No signs, advertisements or notices shall be painted or affixed to exterior or interior windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord, in Landlord's sole discretion. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks or screws shall be inserted into any part of the Premises or Building except by the Building maintenance personnel without Landlord's prior approval, which approval shall not be unreasonably withheld.
4. ~~Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants, and no other directory shall be permitted unless previously consented to by Landlord in writing.~~
5. ~~Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right to retain at all times and to use keys or other access codes or devices to all locks within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys without Landlord's further written consent. The keys may be stamped or embossed with "Do Not Duplicate" or similar references. All keys shall be returned to Landlord at the expiration or early termination of this Lease.~~
6. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time. Said persons shall confine their activities to the Premises.
7. ~~Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours reasonably designated by Landlord. Tenant shall obtain Landlord's prior approval by providing a detailed listing of the activity. If approved by Landlord, the activity shall be under the supervision of Landlord and performed in the manner required by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. No overweight items shall be placed in any elevator and strict observance of weight restrictions for the elevator shall be adhered to. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.~~

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8. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises, which approval shall not be unreasonably withheld. Damage to the Building by the installation, maintenance, operation, existence or removal of Tenant's Property shall be repaired at Tenant's sole expense.
9. Corridor doors, when not in use, shall be kept closed. Any automated fire doors shall be used in the manner intended as posted on the door.
10. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise to interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute, or cause to be distributed, in any portion of the Building, or under any door, at any time, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a disturbance, annoyance to any other occupants or constitute a nuisance.
11. No animals, except those assisting handicapped persons or under the direction of law enforcement, shall be brought into the Building or kept in or about the Premises.
12. Absolutely no inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property, except for those substances that are typically found in similar premises used for general office purposes and are being used by Tenant in the directed, safe manner and in accordance with all applicable laws, rules and regulations. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant, and shall remain solely liable for the costs of abatement and removal.
13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purposes, as each of those terms are broadly construed.
14. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or any of the Landlord Related Parties, nor shall the Commencement Date of the Term be extended as a result of the above actions.
15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Tenant shall not furnish auxiliary or supplemental cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.
16. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees and invitees and located entirely within the Premises.
17. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas, if any, that may be designated by Landlord.

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18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building, its occupants, entry, use and contents, such as alarm systems, announcement systems, video surveillance, guard services or such other controls as Landlord may deem necessary. Tenant, its agents, employees, contractors, guests and invitees shall comply with each of Landlord's systems and procedures.
19. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Tenant shall not imply it is part of the business of or associated with Landlord as a part of its advertising. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately and shall, instead, only refer to the building address.
20. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in any of the Common Areas, unless the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a completely non-smoking building.
21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun. No advertising shall be placed in any window visible from the exterior without Landlord's prior written consent and Landlord may promptly remove any noncompliant advertising.
22. Deliveries to and from the Premises shall be made only at the times, in the areas and through the entrances and exits reasonably designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.

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## EXHIBIT E

### ADDITIONAL PROVISIONS

This Exhibit is attached to and made a part of the Lease dated by and between \_\_\_\_\_ ("Landlord") and \_\_\_\_\_ ("Tenant") for space in the Building located at \_\_\_\_\_.

1.

**Draft Board Minutes 6/30/2015  
Attachment A**

**AGENDA  
REGULAR BOARD MEETING  
BOARD OF DIRECTORS  
Nevada Virtual Academy  
Tuesday – June 30, 2015  
5:00pm  
NVVA Office  
8965 S. Eastern Ave. Suite 330  
Las Vegas, NV. 89123**

*Persons wishing to attend via conference call may do so by calling the Nevada Virtual Academy Office  
24 hours in advance at 702-407-1825 for phone number and passcode. Posted June 24, 2015*

**INSTRUCTIONS FOR PRESENTATIONS TO  
THE BOARD BY PARENTS AND CITIZENS**

The Nevada Virtual Academy (“School”) welcomes your participation at the School’s Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of the School in public. We are pleased that you are in attendance and hope that you will visit these meetings often. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided.

1. Agendas are available to all audience members at the door to the meeting, by requesting the agenda from the School’s Office (702-407-1825 ext. 7016) or on the School’s website at: [www.nvvacommunity.org](http://www.nvvacommunity.org)
2. “Requests to Speak” forms are available to all audience members who wish to speak on any agenda items or under the general category of “Oral Communications.” Speakers may also request to be placed on “Speakers List” by calling the School’s Office (702-407-1825 ext. 7016) seventy two hours in advance of the meeting.
3. The “Oral Communications” portion is set-aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.
4. With regard to items that are on the agenda, you may specify that agenda item on your request form and you will be given an opportunity to speak for up to three (3) minutes when the Board discusses that item.
5. When addressing the Board, speakers are requested to state their name and address from the podium and adhere to the time limits set forth.
6. Citizens may request that a topic related to school business be placed on a future agenda by submitting a written request at least seventy-two (72) hours in advance of any regular meeting. Once such an item is properly agenzed and publicly noticed, the Board can respond, interact, and act upon the item.

## I. PRELIMINARY

### A. CALL TO ORDER

Meeting was called to order by Board Chair at 5:04 pm.

### B. ROLL CALL

Member	Title	Term	Present	Absent	In	Out
Mr. Don Curry	President	2015	X		5:00	6:40
Mr. Richard Gordon Esq	Vice President	2015	X		5:40	6:40
Mr. William Bukovi	Secretary/Treasurer	2016	X		5:00	6:40
Mrs. Heather Haslem	Member	2015		X		
Mr. John Vettel	Member	2016	X		5:00	6:40
Dr. Anne Mendenhall	Member	2015	X		5:00	6:40
VACANT	Member	2017				

### C. FLAG SALUTE

## II. COMMUNICATIONS

A. ORAL COMMUNICATIONS/PUBLIC COMMENTS: No individual comment shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Board members may respond to comments however no action can be taken. The Board may give direction to staff following comment.

**None**

B. APPROVED PRESENTATIONS: Presentations are previously approved by the Board President for the purpose of information, innovation, or student and staff achievement and accomplishments. Board members may respond to presentations however no action can be taken.

**None**

C. BOARD PRESIDENT ADDRESS AND RECOGNITION **None**

D. APPROVAL OF PREVIOUS BOARD MINUTES – The minutes of May 19, 2015 are presented for review and vote.

**Motion** by Mr. Vettel to approve the minutes of May 19, 2015 as prepared and presented. **Second** by Mr. Bukovi. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		x			
Mr. Richard Gordon Esq					x
Mr. William Bukovi	2 <sup>nd</sup>	x			
Mrs. Heather Haslem					x
Mr. John Vettel	M	x			
Dr. Anne Mendenhall		x			
VACANT					
Motion	Carried ( X )	Not Carried( )	Vote, (A 4 ) (N ) (Ab )	Tabled( )	

E. HEAD OF SCHOOL'S REPORT: Caroline McIntosh

Mr. Dos Santos shared the status of the summer school programs for high school and K-8. He also stated that there will be five (5) more students attending a graduation in August with a potential of many more currently working towards that goal this summer. STEM camps are ongoing throughout the summer and have been seeing a great amount of student involvement.

III. CONSENT AGENDA ITEMS

*(Information/Public Comment/Action-If discussion is needed on any item then it shall be placed in Scheduled for Action IV)*

All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board votes on them. The Head of School recommends approval of all consent agenda items.

- Approval of contracts- licensed personnel:  
 High School: LaTasha Morgan & Lindsey Furse, English; Christina Weems, Technology  
 Elementary: Alma Alexander, Kim Fortuno & Monica Papushak  
 Middle School: Tiffany Poulsen, 5<sup>th</sup> Grade; Josie Cruz, Katharine Cruz, & Amandalynn Lemon, Math; Meredith Allard & Sasha Vincent, English;  
 Special Education: Kim Hodge, Facilitator; Polly Rapp & Jacqueline Sgobba, Teachers

Motion to Approve Mr. Vettel Second Dr. Mendenhall Vote (A 4 ) (N ) (Ab )

IV. SCHEDULED FOR ACTION

*(Information/Public Comment/Discussion/Action)*

A. BUSINESS

**BDRPT-01\_063015**

**Consideration to approve Mrs. Beth Wells as a NV Virtual Board member to serve the remaining one year term vacated by member Steven Walters. This term will expire on 7/1/2016.**

Mr. Curry provided background history about Mrs. Wells and stated that her information is included in the board packet. **Motion** by Mr. Vettel to approve Mrs. Beth Wells as a board member for the remainder of the term vacated by Mr. Steven Walters. **Second** by Dr. Mendenhall. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq					X
Mr. William Bukovi		X			
Mrs. Heather Haslem					X
Mr. John Vettel	<b>M</b>	X			
Dr. Anne Mendenhall	<b>2nd</b>	X			
VACANT					
Motion	Carried ( <b>X</b> )	Not Carried( )	Vote, (A <b>4</b> ) (N ) (Ab )		Tabled( )

#### **BDRPT-02\_063015**

**Consideration to approve Mr. Don Curry, NV Virtual Board member, to fill a three year term effective July 1, 2015. (term expires 7/1/2015)**

**Motion** by Mr. Vettel to approve Mr. Don Curry to another three year term effective July 1, 2015. **Second** by Mr. Bukovi. Motion passed unamously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry				x	
Mr. Richard Gordon Esq					X
Mr. William Bukovi	<b>2nd</b>	X			
Mrs. Heather Haslem					X
Mr. John Vettel	<b>M</b>	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells		X			
Motion	Carried ( <b>X</b> )	Not Carried( )	Vote, (A <b>4</b> ) (N ) (Ab )		Tabled( )

#### **BDRPT-03\_063015**

**Consideration to approve Mr. Richard Gordon, NV Virtual Board member, to fill a three year term effective July 1, 2015. (term expires 7/1/2015)**

**Motion** by Mr. Vettel to approve Mr. Richard Gordon as a board member to fill a three year term effective July 1, 2015. **Second** by Mr. Bukovi. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq					X
Mr. William Bukovi	2nd	X			
Mrs. Heather Haslem					X
Mr. John Vettel	M	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells		X			
Motion	Carried ( X )	Not Carried( )	Vote, (A 5 ) (N ) (Ab )		Tabled( )

**BDRPT-04\_063015**

**Consideration to approve Mrs. Heather Haslem, NV Virtual Board member, to fill a two year term effective July 1, 2015. (term expires 7/1/2015)**

**Motion** by Mr. Bukovi to approve Mrs. Heather Haslem as a board member to fill a two year term effective July 1, 2015. **Second** by Mr. Vettel. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq					X
Mr. William Bukovi	M	X			
Mrs. Heather Haslem					X
Mr. John Vettel	2nd	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells		X			
Motion	Carried ( X )	Not Carried( )	Vote, (A 5 ) (N ) (Ab )		Tabled( )

**BDRPT-05-063015**

**Consideration to approve election of NVVA Board Officers SY2015-16.**

**Office of President**

**Motion** by Mr. Vettel to re-elect Mr. Don Curry as the President of the Board of Trustees for SY2015-2016. **Second** by Dr. Mendenhall. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry				x	
Mr. Richard Gordon Esq					X
Mr. William Bukovi		X			
Mrs. Heather Haslem					X
Mr. John Vettel	M	X			
Dr. Anne Mendenhall	2nd	X			
Mrs. Beth Wells		X			
Motion	Carried ( X )	Not Carried( )	Vote, (A 4) (N ) (Ab )		Tabled( )

### Office of Vice President

**Motion** by Mr. Vettel to re-elect Mr. Richard Gordon to the office of Vice President for the Board of Trustees for SY2015-2016. **Second** by Mr. Curry. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry	2nd	X			
Mr. Richard Gordon Esq					X
Mr. William Bukovi		X			
Mrs. Heather Haslem					X
Mr. John Vettel	M	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells				X	
Motion	Carried ( X )	Not Carried( )	Vote, (A 4) (N ) (Ab )		Tabled( )

### Office of Secretary/Treasurer

**Motion** by Mr. Vettel to re-elect Mr. William Bukovi as the Secretary/Treasurer for SY2015-2016. **Second** by Mr. Curry. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry	2nd	X			
Mr. Richard Gordon Esq					X
Mr. William Bukovi				X	
Mrs. Heather Haslem					X
Mr. John Vettel		X			
Dr. Anne Mendenhall	M	X			
Mrs. Beth Wells		X			
Motion	Carried ( X )	Not Carried( )	Vote, (A 4) (N ) (Ab )		Tabled( )

**BDRPT-06\_063015**

**Consideration to approve the renewal of the Insperty Service Contract and adjustments to employee health insurance options.**

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry					
Mr. Richard Gordon Esq					
Mr. William Bukovi					
Mrs. Heather Haslem					
Mr. John Vettel					
Dr. Anne Mendenhall					
Mrs. Beth Wells					
Motion	Carried ( )	Not Carried( )	Vote, (A ) (N ) (Ab )		Tabled(X)

**BDRPT-07\_063015**

**Consideration to approve the K12 Marketing Plan options.**

Mr. Curry provided background data about previous discussions with the State Public Charter School Authority (SPCSA) regarding restrictions given to Nevada Virtual Academy related to advertising within the State. He stated that the K12 Marketing Plan presented would only be implemented when the SPCSA approves of the marketing plan that will be presented to them.

Mrs. Kara Hendricks, School Attorney, presented her views on the proposal and discussion ensued.

**Motion** by Mr. Bukovi to approve the K12 Marketing Plan for submission to the State Public Charter School Authority for review and approval before being authorized to begin implementation. **Second** by Mr. Vettel. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq		X			
Mr. William Bukovi	M	X			
Mrs. Heather Haslem					X
Mr. John Vettel	2nd	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells				X	
Motion	Carried ( X )	Not Carried( )	Vote, (A 5 ) (N ) (Ab )		Tabled( )

**BDRPT-08\_063015**

**Consideration to approve the amendments to the NV Virtual Charter Contract presented to the State Public Charter School Authority.**

Mr. Curry provided information regarding the meeting with the State Public Charter School Authority in June. Mrs. Kara Hendricks provided a review of the modified amendments and discussion ensued. **Motion** by Mr. Vettel to approve the amendments as presented by Mrs. Hendricks to be presented in a July meeting with the SPCSA. **Second** by Dr. Mendenhall. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq		X			
Mr. William Bukovi		X			
Mrs. Heather Haslem					X
Mr. John Vettel	<b>M</b>	X			
Dr. Anne Mendenhall	<b>2nd</b>	X			
Mrs. Beth Wells		X			
Motion	Carried ( <b>X</b> )	Not Carried( )	Vote, (A <b>6</b> ) (N ) (Ab )		Tabled( )

**BDRPT-09\_063015**

**Consideration to approve negotiations for satellite learning center.**

Mr. Dos Santos shared information regarding two potential locations under consideration that would allow NV Virtual to meet the needs of a blended learning platform, student testing and other school needs. Mr. Curry stated that he had also seen these buildings and feels that a satellite site is needed to fulfill the educational components being considered in the Charter Amendments. After discussion, **Motion** was made by Mr. Bukovi to allow the school administrators to explore building options in the Las Vegas and North Las Vegas areas. **Second** by Mr. Gordon. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq	<b>2nd</b>	X			
Mr. William Bukovi	<b>M</b>	X			
Mrs. Heather Haslem					X
Mr. John Vettel		X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells		X			
Motion	Carried ( <b>X</b> )	Not Carried( )	Vote, (A <b>6</b> ) (N ) (Ab )		Tabled( )

**B. INSTRUCTION AND CURRICULUM**

**BDRPT-10\_062315****Consideration to approve the school calendar revision for SY2015-2016.**

Mr. Okuda stated that the school calendar was revised to meet the criteria required by the State to match the format of the districts. **Motion** by Mr. Vettel to approve the school calendar for SY2015-2016. **Second** by Mrs. Wells. Motion passed unanimously.

Member	Motion	Aye	No	Abstain	Absent
Mr. Don Curry		X			
Mr. Richard Gordon Esq		X			
Mr. William Bukovi		X			
Mrs. Heather Haslem					X
Mr. John Vettel	M	X			
Dr. Anne Mendenhall		X			
Mrs. Beth Wells	2nd	X			
Motion	Carried ( X )	Not Carried( )	Vote, (A 6 ) (N ) (Ab )	Tabled( )	

**C. PERSONNEL**

None

**D. PUPIL SERVICES****BDRPT-11\_063015****Consideration to approve the provision of laptop or desktop only for students on an Individualized Education Plan (IEP), if requested.**

**This item is not a voting item but for information purposes only.**

Mr. Curry stated that he had been tasked with finding avenues of expenditure that could be safely trimmed while not impacting student achievement. Mr. Jim Coffey presented data on costs. After reviewing the costs of NV Virtual providing technology equipment it was determined that some savings could be seen in this area by restricting future technology assignments to students based on IEP eligibility and family need. These would be reviewed on a case-by-case basis.

**V. ITEMS SCHEDULED FOR INFORMATION**

- School Balance Sheet: Donna Fiery, NVVA Finance Manager
  - School Credit Card Review: Caroline McIntosh, NVVA Head of School

**VI. NON-MEETING SESSION**

The NVVA Board will retire to discuss items listed. This part of meeting is closed to the general public. Any proposal will be brought forth for action in the general meeting.

## VII. CLOSING PROCEDURES

- A. PUBLIC COMMENTS: No individual comment shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Board members may respond to comments however no action can be taken. The Board may give direction to staff following comment.

Mr. Curry welcomed Jolynn Wimer to the audience. Mrs. Wimer is looking for employment with NV Virtual and wanted to do some research on the school.

- B. BOARD DISCUSSION - SUGGESTIONS FOR FUTURE AGENDA ITEMS:  
A presentation on the new high school platform OLS

- C. ADJOURNMENT

Motion Mr. Vettel <sup>2<sup>nd</sup></sup> Mr. Bukovi

Meeting Adjourned at 6:40 PM (am/pm)



8965 South Eastern Avenue  
 STE. 330  
 Las Vegas, NV 89123  
 ph: 866.912.3350  
 fx: 702.407.5055

[K12.com/NVVA](http://K12.com/NVVA)

July 2, 2015

Mr. Patrick Gavin, Director  
 Nevada State Public Charter School Authority  
 1749 North Stewart Street, Suite 40  
 Carson City, Nevada 89706-2543

***Re: Proposed Amendments to NVVA Charter Contract & Educational Enhancements***

Dear Mr. Gavin:

The Board of Directors of Nevada Virtual Academy (“NVVA”), by this letter, is requesting amendments to its June 28, 2013 (“Charter Contract”). Additionally, NVVA is requesting that it be placed on the agenda for the State Public Charter School Authority (the “Authority”) board meeting scheduled for July 13, 2015.

The proposed amendments are attached hereto as **Attachments 1 through 5**. An overview of the revisions NVVA is seeking are set forth below.

First, NVVA hereby seeks an amendment to reflect that NVVA’s enrollment declined to 3,606 in the 2013-14 school year.

Second, NVVA hereby seeks an amendment to reflect that NVVA’s enrollment declined to 2,622 in the 2014-15 school year.

Third, NVVA is seeking approval from Authority to implement enhancements to its educational program. As you are aware, NVVA has been diligently working to improve student learning outcomes through additional face-to-face instruction. The proposed enhancements would affect Section 3.1.1 of the Charter Contract. NVVA has developed a Learning Pathways Program and Blended Learning Program that will better support the current curriculum used by the school. NVVA is requesting that this supplemental information be incorporated by reference in the proposed amendment.

Fourth, NVVA is asking the Authority to consider and approve the expansion of facilities. This amendment would allow NVVA to add a facility to the Las Vegas valley in order to better serve the current population of students, without expanding enrollment for the 2015-16 school year.

Following the procedure outlined in the Nevada Charter School Operation Manual (“For requests to amend aspects of the school’s charter not addressed above”, p. 4),

NVVA's Board of Directors met on June 30, 2015, to consider these amendments which were clearly stated in the meeting agenda. At the meeting, after discussion, the Board voted to request the amendments. A copy of the Board Minutes is attached hereto as **Attachment A**.

Additionally, out of an abundance of caution, NVVA is seeking the Authority's consent to proceed with additional marketing. Based on concerns raised by the Authority during NVVA's renewal application, NVVA would like the Authority's blessing to proceed with the marketing plan attached hereto as **Attachment B**. NVVA's Board will have direct involvement in any marketing plan that is implemented. The goal of additional marketing efforts will be to bridge the gap between NVVA's 2014-2015 enrollment number and the maximum enrollment number set by the proposed **Amendment 2**.

We sincerely appreciate the Authority's time and assistance with these matters.

Best Regards,

Don Curry  
President  
Board of Directors  
Nevada Virtual Academy

# **ATTACHMENT E**

## **RENEWAL APPLICATION**

**SUBMITTED TO SPCSA, BUT  
NOT PRINTED DUE TO PAGE  
COUNT**

# Overview of comprehensive multi-channel approach and marketing plan



**1. Generate awareness, interest and consideration among the segments who are most likely to be successful at the Nevada Virtual Academy**  
 (Self-directed Overachievers, Overachievers who want help, Students whose parents want to be more involved)

**2. Reach prospective parents via an integrated, multi-channel approach to messaging**

- ✓ Local Events
- ✓ Online – Paid Search (SEM), Organic Search (SEO), Display, Social
- ✓ New School Community Website
- ✓ Local Television Ads
- ✓ eMail – Prospect and Nurture
- ✓ Response Direct Mail
- ✓ Public Relations

Market	Partner/Details	Q1															
		JULY			AUGUST			SEPTEMBER									
		4	11	18	25	1	8	15	22	29	5	12	19	26			
NV-STATEWIDE	SEM																
NV-STATEWIDE	Display																
NV-STATEWIDE	Social																
NV-STATEWIDE	Prospect email																
NV-STATEWIDE	Event																
NV-LAS VEGAS	Local TV																
NV-STATEWIDE	Prospect email																
NV-LAS VEGAS	Local TV																
NV-LAS VEGAS	Local Radio																

**3. Employ new Creative Messaging to engage with prospects, and build the school brand**

- Messages tied to needs of target segments
- School-generated talking points used by Family Support Enrollment Center agents

# Q1 Proposed Event Plan



Q1

DMA	Event Title	JULY					AUGUST					SEPTEMBER				
		2	9	16	23	30	6	13	20	27	3	10	17	24	1	
Las Vegas, NV	Henderson Information Session															
Las Vegas, NV	Las Vegas Information Session															
Las Vegas, NV	Summerlin Ice Cream Social															
Online	Online Information Session															
Las Vegas, NV	Henderson Ice Cream Social															
Las Vegas, NV	Las Vegas Ice Cream Social															
Las Vegas, NV	North Las Vegas Information Session															
Las Vegas, NV	Las Vegas Ice Cream Social															
Las Vegas, NV	Las Vegas Information Session															
Las Vegas, NV	Summerlin Information Session															
Online	Online Information Session															
Las Vegas, NV	Las Vegas 51s															
Las Vegas, NV	Henderson Information Session															
Las Vegas, NV	Cox Back to School Fair															
Online	Online Information Session															
Reno, NV	Reno Information Session															
Las Vegas, NV	Jump in to the School Year															
Las Vegas, NV	North Las Vegas Information Session															
Las Vegas, NV	Summerlin Information Session															
Las Vegas, NV	Cox Back to School Fair															
Online	Online Information Session															
Reno, NV	Jump in to the School Year															
Reno, NV	Reno Lunch & Learn															
Las Vegas, NV	Explore Nevada Virtual Academy at Exploration Park															
Las Vegas, NV	Las Vegas Snacks & Facts															
Las Vegas, NV	Summerlin lunch & Learn															
Las Vegas, NV	Cox Back to School Fair															
Online	Online Information Session															
Las Vegas, NV	Learn to Code															
Las Vegas, NV	Cox Back to School Fair															
Las Vegas, NV	K-3 Open House															
Las Vegas, NV	MS Open House															
Las Vegas, NV	HS Open House															

# **CHARTER APPLICATION**

**NOT PRINTED DUE TO  
PAGE COUNT**

**Proposed Amendment to NVVA Charter Contract  
Amendment 1**

WHEREAS on June 29, 2007, the State Board of Education approved the proposed charter application submitted by Nevada Virtual Academy Charter School (“NVVA” or “Charter School”) and on July 7, 2007, the Parties entered into a written agreement for the establishment of the Charter School;

WHEREAS on June 28, 2013, NVVA renewed its contract with the State Public Charter School Authority (the “Authority”) hereinafter (“Charter Contract”);

WHEREAS as part of the Charter Contract the Authority approved NVVA’s renewal application and incorporated it by reference therein;

WHEREAS Charter School’s enrollment numbers have changed since entering into the Charter Contract;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is here acknowledged, Charter School seeks to amend the Charter Contract as follows:

Section 2.3.2 of the Charter Contract states:

The Charter School shall enroll pupils up to a maximum enrollment that is equal to the lessor of 4,446 pupils or the count day enrollment for SY2013-2014. Once the enrollment is determined for SY2013-2014 in the manner stated above, that enrollment number shall be the maximum enrollment of the Charter School under this Charter Contract.

NVVA hereby seeks an amendment to reflect that NVVA’s enrollment declined to 3,606 in the 2013-14 school year.

**Proposed Amendment to NVVA Charter Contract  
Amendment 2**

WHEREAS on June 29, 2007, the State Board of Education approved the proposed charter application submitted by Nevada Virtual Academy Charter School (“NVVA” or “Charter School”) and on July 7, 2007, the Parties entered into a written agreement for the establishment of the Charter School;

WHEREAS on June 28, 2013, NVVA renewed its contract with the State Public Charter School Authority (the “Authority”) hereinafter (“Charter Contract”);

WHEREAS as part of the Charter Contract the Authority approved NVVA’s renewal application and incorporated it by reference therein;

WHEREAS Charter School’s enrollment numbers have changed since entering into the Charter Contract;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is here acknowledged, Charter School seeks to amend Section 2.3.2 of the Charter Contract as follows:

NVVA hereby seeks an amendment to reflect that NVVA’s enrollment declined to 2,622 in the 2014-15 school year.

The screenshot shows the Infinite Campus web application interface. At the top, the browser address bar displays the URL <https://nspcsa.infinitecampus.org/campus/main.xsl>. The page header includes the Infinite Campus logo and "District Edition". Navigation elements include "Year 14-15", "School All Schools", and "Calendar All Calendars".

The main content area displays the student record for **Blare, Breanna**, identified as a "Special Education Program to Programs" student. Key details include Grade 12, ID #184120236, DOB 03/21/1997, and Gender F. The interface offers tabs for "Summary", "Enrollments", "Schedule", "Attendance", and "FI".

A left-hand navigation menu lists various administrative functions under "Student Information", including "General", "Counseling", "Academic Planning", "Program Participation", "Health", "Medicaid", "PLP", "Response to Intervention", and "Special Ed".

The "Special Ed" section is expanded, showing a list of "Blank Forms" such as "Restrains Aversive Ir", "School Event Level T", "School level NDE rep", "Student Level Templa", "Teacher Level Templa", "Technical Assistance", "Testing Accommodati", "Worksheet A Notice c", "Worksheet B Notice c", "Worksheet C Notice c", "Authorization to Reles", and "Behavior intervention".

The main form area contains several input fields and dropdown menus for enrollment management, including "Variance Date", "Variance Code", "1st Grade Config", "2nd Grade Config", "3rd Grade Co", "21st Century", "Resident District", "Washoe(16)", "Resident Sc", "Attending School", "School Choice", "Opt Out", "CTE", "State Equivalent Grade Level", "Foster", and "Nevada Alternate Assessment".

Below these fields is a "Special Ed Fields" section with the following data points:

- Special Ed Status:** 1: Yes
- Primary Disability:** HI: Health Impairment
- Secondary Disability:** (Field is empty)
- Student Placement:** B9: Regular class 80-100%
- Special Ed Exit Date:** (Field is empty)
- Special Ed Exit Reason:** (Dropdown menu is open, showing a list of reasons: B18: Standard diploma, B19: Advanced Diploma, B21: Adjusted diploma, B23: Advanced Honors Diploma, B52: Dropped Out, D24: Transferred to Regular Education, D25: Parent Refused Services, D40: Moved known to be continuing, D41: Moved not known to be continuing, D43: Reached Max Age, EB1: Died)

The Windows taskbar at the bottom shows icons for Internet Explorer, Office applications, and other background processes.

**Proposed Amendment to NVVA Charter Contract  
Amendment 3**

WHEREAS on June 29, 2007, the State Board of Education approved the proposed charter application submitted by Nevada Virtual Academy Charter School (“NVVA” or “Charter School”) and on July 7, 2007, the Parties entered into a written agreement for the establishment of the Charter School;

WHEREAS on June 28, 2013, NVVA renewed its contract with the State Public Charter School Authority (the “Authority”) hereinafter (“Charter Contract”);

WHEREAS as part of the Charter Contract the Authority approved NVVA’s renewal application and incorporated it by reference therein;

WHEREAS Charter School desires to enhance the educational program it offers to students by among other things implementing a Learning Pathways Program and Blended Learning Program that will supplement its current curriculum and allow the Charter School to evolve;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is here acknowledged, Charter School seeks to amend section 3.1.1.

NVVA’s proposed enhancements require an evolution in some operational aspects of the school. The related changes from NVVA’s original Charter Application (attached hereto as Attachment D) and NVVA’s Charter Renewal Application (attached hereto as Attachment E) are below.

**PART 1: FACILITY, PERSONNEL AND EQUIPMENT**

**I. Overview**

NVVA proposes to enter facilities leases or rentals for the 2015-2016 school year to accommodate its blended learning enhancement. One of the benefits of the blended learning enhancement is to provide students with more face-to-face instruction. Satellite learning centers are necessary to accommodate the student population in the Las Vegas Valley and Reno. In connection with this enhancement, the school is seeking approval by the Authority, as sponsor, solely in respect of the proposed real property and leasing or renting, pursuant to the authority granted by Nevada Revised Statutes Section 386.560.

**II. The School**

NVVA is a K-12 virtual charter school that began operation in 2007. The School currently operates virtually throughout the state with its main office located at 8965

South Eastern Ave., Suite 330 in Las Vegas, NV. Total 2014-2015 enrollment for NVVA was 2632 students.

### III. **The Facilities**

NVVA intends to maintain a main office location in the Las Vegas valley and add additional facilities in the Las Vegas valley and Reno areas.

### IV. **Plan of Financing**

The School Board will approve allocated monies in its General Fund for leases and possible tenant improvement costs incurred through acquiring the new facilities.

### V. **Personnel**

No increase in staffing will be incurred to accommodate the blended enhancement. NVVA adjusts personnel in accordance with school enrollment.

## **PART 2: EDUCATIONAL PROGRAM**

### 2.1 **Projected Enrollment**

Based on previous enrollments, it is projected that 2600 K-12 students will enroll at NVVA for the 2015-2016 school year.

### 2.2 **Enrollment by Grade Levels**

The projections for enrollment of K-12 students by grade level at Nevada Virtual Academy are:

GRADES	EXPECTED ENROLLMENT
	2015-2016
Jr. Kdgt.	0
Kdgt.	140
First	140
Second	170
Third	170
Fourth	190
Fifth	200
Sixth	250
Seventh	270
Eighth	320
Ninth	260
Tenth	220
Eleventh	150
Twelfth	120
<b>TOTAL</b>	<b>2600</b>

## 2.5 Fees, charges and deposits

2.5 (a) and (b)- Nevada Virtual Academy will cover all tuition costs. It is possible that certain high school pathway courses may have nominal additional fees and charges for materials.

## 2.6 Curriculum and course descriptions

2.6 (a)- Families who enroll in Nevada Virtual Academy's program for the 2015-2016 school year can look forward to a new and more personalized experience offered through unique Learning Pathways. The academic team, in partnership with the students and parents, will determine which Pathway best serves the individual student. Different Learning Pathways have been developed for students attending grades K-8 and students attending high school. Descriptions of each Pathway are set forth below.

### **K-8 Learning Pathways**

Students attending grades K-8 will have three Pathways to choose from which include Independent Study, Virtual, and Blended programs.

Independent Study Pathway - The Independent Study Pathway is a fully-immersive, virtual program which allows students to advance through curriculum at a much quicker pace than other, more traditional, academic programs.

- Students are provided a curricular sequence at the beginning of each semester and are provided windows for their assignment and assessment due dates.
- Students are permitted to work months ahead of their classmates and can, potentially, complete more than one full year of academic progress within a standard school year.
- Teachers routinely check on students and learning coaches for progress monitoring.
- Students enrolled in this Pathway:
  - Have a proven track record of independence
  - Are self-directed learners
  - Pick up material quickly but know where to find help when they need it
  - Consistently perform above grade level
  - Have active support at home

Virtual Pathway - Nevada Virtual Academy's Virtual Pathway is a more structured approach to distance education.

- Students are assigned class periods each day which are required for attendance purposes.
- Mandatory live, virtual classes focus on targeted grade level skills which support the students in advancing their knowledge within the Common Core State Standards.
- The curriculum is less dependent on progress within the Online Learning School and more reliant upon virtual packet assignments given to students every Friday.
- Students can expect to attend around 4 hours of classes per day- depending upon grade level.
- Students enrolled in this Pathway:
  - Benefit from consistent live instruction
  - Excel when given a structured schedule
  - Benefit from frequent teacher interactions
  - Routinely perform at grade level

Blended Learning Pathway - The Blended Learning Pathway at NVVA is a new program designed for students who would benefit from participation in their courses at home, online, and on campus.

- This Pathway combines the Virtual Learning Pathway with a face to face experience.
- Students enrolled in the Blended Learning Pathway are required to attend on-campus instruction one day per week for 3 hours.
- Attendance for these in-person classes is mandatory.
- Students enrolled in this Pathway:
  - Would benefit from consistent live and face to face instruction
  - Excel when given a structured schedule
  - Would benefit from frequent teacher interactions
  - Enjoy social interaction with students and teachers
  - Thrive with hands-on activities
  - Are performing at, above, or below grade level
  - New to Virtual platform

### High School Learning Pathways

Nevada Virtual Academy High School will offer five academic Learning Pathways to pursue college and career readiness. Each Pathway affords students a unique opportunity to participate in an individualized, blended educational experience. The academic team, in partnership with the student and parent, will determine which Pathway best serves the individual student's needs. The Learning Pathways include ACT Work Readiness, ELA/Math Readiness, Jump Start College, Advanced Dual Credit, and Virtual.

ACT Work Readiness Pathway - Students enrolled in this Pathway will have the opportunity to prepare and participate in the nationally recognized ACT Work Readiness program. In addition to core studies, this Pathway consists of a series of courses that help students gain knowledge and skills important for on-the-job success.

- Upon completion of the coursework and participation in the ACT Work Keys assessments, students will have the opportunity to earn the ACT National Career Readiness Certificate.
- This curriculum will be offered face-to-face, one day per week for up to 3 hours.

ELA/Math Readiness Pathway - This Pathway will allow students who are deficient in Mathematics or English skills to receive additional face-to-face instruction a minimum of 1 day per week for up to 3 hours.

- Students who have demonstrated a need for support in these areas through state test results, or credit deficiency, will be enrolled in this Pathway.
- Students in this Pathway will have an additional Math and English class included in their coursework. Class connect sessions will be required.
- Students who are college-bound, but may be required to take a remedial Math or English course at the college level, will have the opportunity to receive this additional instruction in high school to avoid the cost of these courses at the higher educational institutions.

Jump Start College Pathway - The goal of the Pathway is to increase college degree attainment. Students who participate in the full Jumpstart program will have the opportunity to earn an Associate of Arts degree along with their high school diploma.

- A collaboration with Western Nevada College to provide transferrable college courses to high school students.
- Primarily designed for 11<sup>th</sup> and 12<sup>th</sup> grade students.

- College courses will be taught by a Western Nevada College professor, and facilitated by Nevada Virtual Academy teachers, in-person, 2 days per week at either a Nevada Virtual Academy campus, or 3 community college campuses across the state.
- Nevada Virtual Academy will incur all tuition costs for this program.

Advanced Dual Credit Pathway - University-bound students will have the opportunity to participate in the Advanced Dual Credit Pathway, which allows Nevada Virtual Academy students to enroll as non-degreed students at University of Nevada-Las Vegas and University of Nevada-Reno.

- Students are eligible to take up to 24 credits that will transfer to a degreed program of their choice when they enroll as a full-time university student.
- Students are eligible to enroll in online or on-campus courses (subject to acceptance into the university).
- Nevada Virtual Academy will cover the cost of all course fees for students who are accepted into the program.
- There is no face-to-face requirement for this Pathway.

Virtual Pathway - Current students who have demonstrated an ability to thrive in a completely virtual setting will have the opportunity to continue their current virtual education experience.

For students who live in remote areas (more than 50 miles from designated learning centers in Las Vegas or Reno), the Pathways listed above may be modified to meet their needs. Counselors and administrators will work directly with the students and families to determine a Pathway that works towards the students' best interests.

### **PART 3: GOVERNANCE AND STAFFING**

The blended learning education enhancements do not affect the governance or staffing of the school.

### **PART 4: HEALTH AND SAFETY**

#### 4.1 Transportation

Nevada Virtual Academy will not be offering a primary mode of transportation to school facilities.

#### 4.2 Health Services and Immunization Records

4.2 (a) Nevada Virtual Academy will be providing health screening and services based on need for students coming to a Nevada Virtual Academy campus for blended learning. Nursing services will be contracted out. However, no contracts have been entered into for the provision of health services at this time. The school will not be responsible for providing health services to students not participating in the blended enhancements.

#### 4.3 Building, Fire, Safety, Health and Sanitation Codes

Nevada Virtual Academy shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety, including but not limited to state laws regarding the reporting of child abuse, accident prevention and disaster response, and any applicable state and local regulations governing the operation of school facilities.

#### 4.4 Evidence that NVVA has communicated with the Division of Industrial Relations

Nevada Virtual Academy has been in contact with the Nevada Department of Health and Human Services as well as the Division of Industrial Relations of the Department of Business and Industry to review and inspect all facilities granted to the School by the amendment in accordance with the Federal Occupational Safety and Health Act of 1970.

#### 4.5 Drills

Nevada Virtual Academy will work with local law enforcement, fire departments, and Nevada Department of Health and Human Services to develop a schedule for emergency drills that complies with both state and federal regulations. Staff will be trained at the beginning of each school year on items including, but not limited to, posted emergency drill maps, fire extinguishers, first aid kits, and AED defibrillators.

### **PART 5: MISCELLANEOUS**

#### 5.4 Truancy and Absenteeism

##### Absenteeism

Students Enrolled in a program or pathway that requires physical attendance at a school facility must adhere to the school attendance policy. Chronic absences for any blended, or face to face instruction, will result in progressive discipline. The following is Nevada Virtual Academy's progressive discipline policy for absences:

- **FIRST ABSENCE-** Student will be marked absent in the school attendance records.

- SECOND ABSENCE- Student will be marked absent in the school attendance records. Learning Coach and student will be contacted by the school in order to set up a corrective action plan.
- THIRD ABSENCE- Student will be marked absent in the school attendance records. Learning Coach and student will again be contacted by the school. Family will be reminded of the corrective action plan and the consequences of further absences will be discussed.
- FOURTH ABSENCE- The student and Learning Coach will be required to hold an in-person meeting with an administrator from the school or designee. This meeting will be scheduled by the administrative office.

### Tardy Policy

Nevada Virtual Academy understands that arriving late to any scheduled class, physical or virtual, is disruptive to student progress and learning. Students are expected to arrive on time and remain on campus or in their designated on-line classroom during their assigned virtual and blended instructional blocks. The progressive discipline policy is as follows:

- FIRST TARDY- Student will be given a verbal or written warning.
- SECOND TARDY- Student will be given a verbal or written warning. Learning Coach and student will be contacted by the school in order to set up a corrective action plan.
- THIRD TARDY- Student will be required to meet, either virtually or in-person, with an administrator and/or administrative designee. Family will be reminded of the corrective action plan and the consequences of further absences will be discussed.
- FOURTH TARDY- The student will be required to have a mandatory in-person meeting with an administrator and their parent. This meeting will be scheduled by the administrative office.

**Proposed Amendment to NVVA Charter Contract  
Amendment 4**

WHEREAS on June 29, 2007, the State Board of Education approved the proposed charter application submitted by Nevada Virtual Academy Charter School (“NVVA” or “Charter School”) and on July 7, 2007, the Parties entered into a written agreement for the establishment of the Charter School;

WHEREAS on June 28, 2013, NVVA renewed its contract with the State Public Charter School Authority (the “Authority”) hereinafter (“Charter Contract”);

WHEREAS as part of the Charter Contract the Authority approved NVVA’s renewal application and incorporated it by reference therein;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is here acknowledged, Charter School seeks to add facilities.

Pursuant to NAC 386.3265, NVVA is asking the Authority to consider and approve the expansion of facilities. This amendment would allow NVVA to add a facility to the Las Vegas valley in order to better serve the current population of students, without expanding enrollment for the 2015-16 school year. The current mailing address and main office will not be changed.

The following details the required information as per NAC 386.3265:

- (a) The proposed facility is located at 4801 South Sandhill Rd. 89121 Las Vegas, Nevada. The major cross streets are US-95 and Tropicana. It is a freestanding building which covers 12,500 square feet. The property is set on a 2.0 acre lot.
- (b) The facility is built out as a school, previously occupied by Explore Knowledge Academy- a Clark County sponsored charter school.
- (c) The floor plan is attached hereto as **Attachment C**.
- (d) The owner of the location is Community Lutheran Church of Paradise Valley, a Nevada corporation. Address: 3720 E. Tropicana Ave., Las Vegas, NV 89121
- (e) The lease agreement will be forwarded as soon as it is made available.
- (f) (1) The Certificate of Occupancy is attached hereto as **Attachment F**.  
  
(2) The inspection documents are attached hereto as **Attachment G**. They include: a solar panel permit, fire safety, fire riser and alarm, acoustical ceiling permit and Notice of Final Action from the Clark County Zoning Commissioner.

(g) Not Applicable

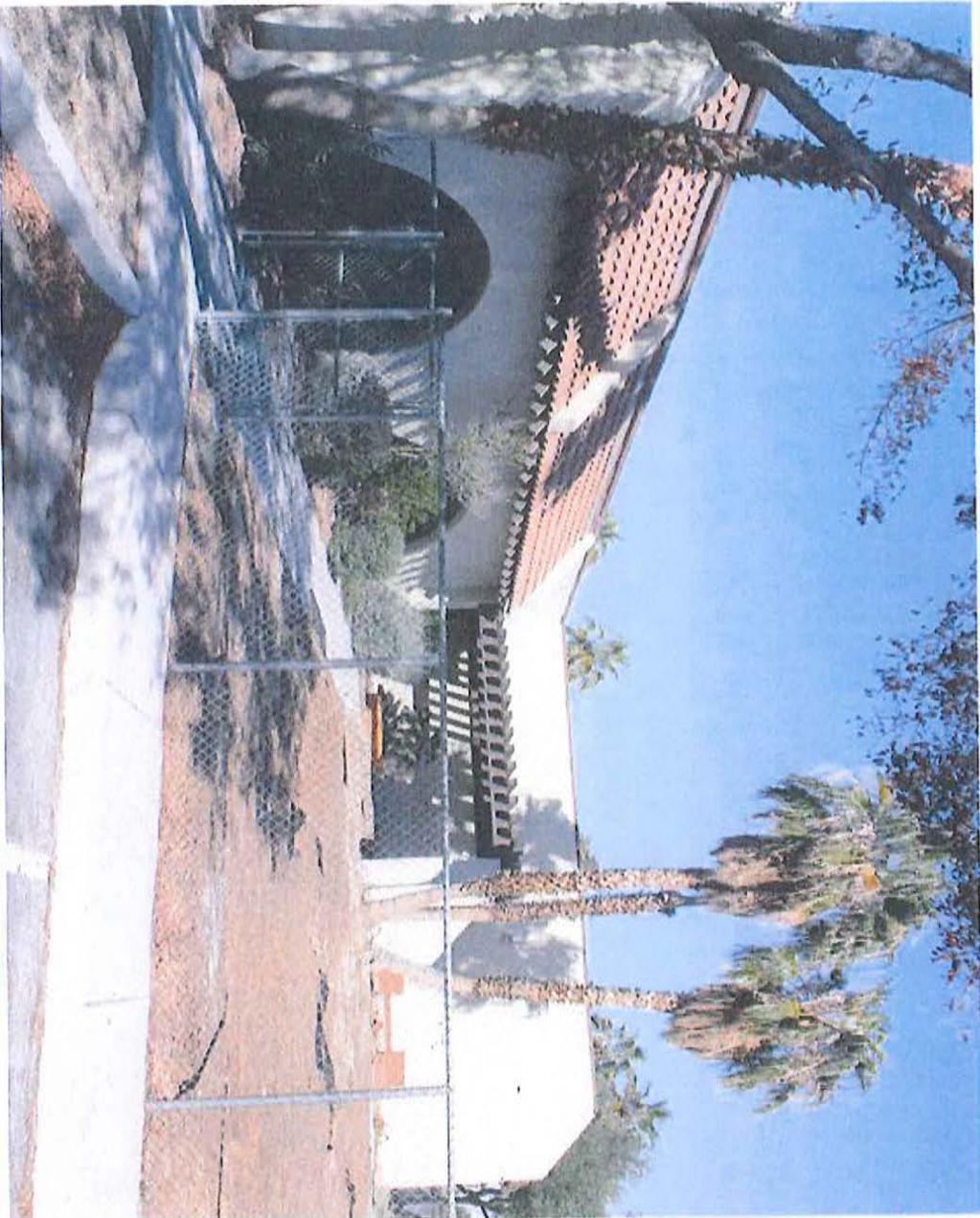
(h) The communication with the Division of Industrial Relations of the Department of Business will be forwarded as soon as it is made available.

(i) The required insurance will be forwarded as soon as it is made available.

FOR LEASE > OFFICE BUILDING OR SCHOOL WITH 7.4:1000 PARKING

# 4801 S. SANDHILL ROAD

LAS VEGAS, NEVADA 89121 | \$0.70 PSF NNN



## PROPERTY OVERVIEW

- 12,500 SF Freestanding Building
- 2.0 Acre-Site Provides for 7.4:1,000 Parking or Playground Areas
- Two Large Open Areas for Call Center, Cubicals, or Classrooms / Training Rooms
- Administrative Offices, Multi-Stall Restrooms & Lunchroom
- All Brand New HVAC Units Throughout
- Rooftop Solar Panels to Offset Power Costs
- Fully Fire Sprinklered
- Zoned C-1 (Clark County)
- Immediate Occupancy
- One-Half Mile from US-95 at Tropicana

SUZETTE LAGRANGE

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KARA WALKER 

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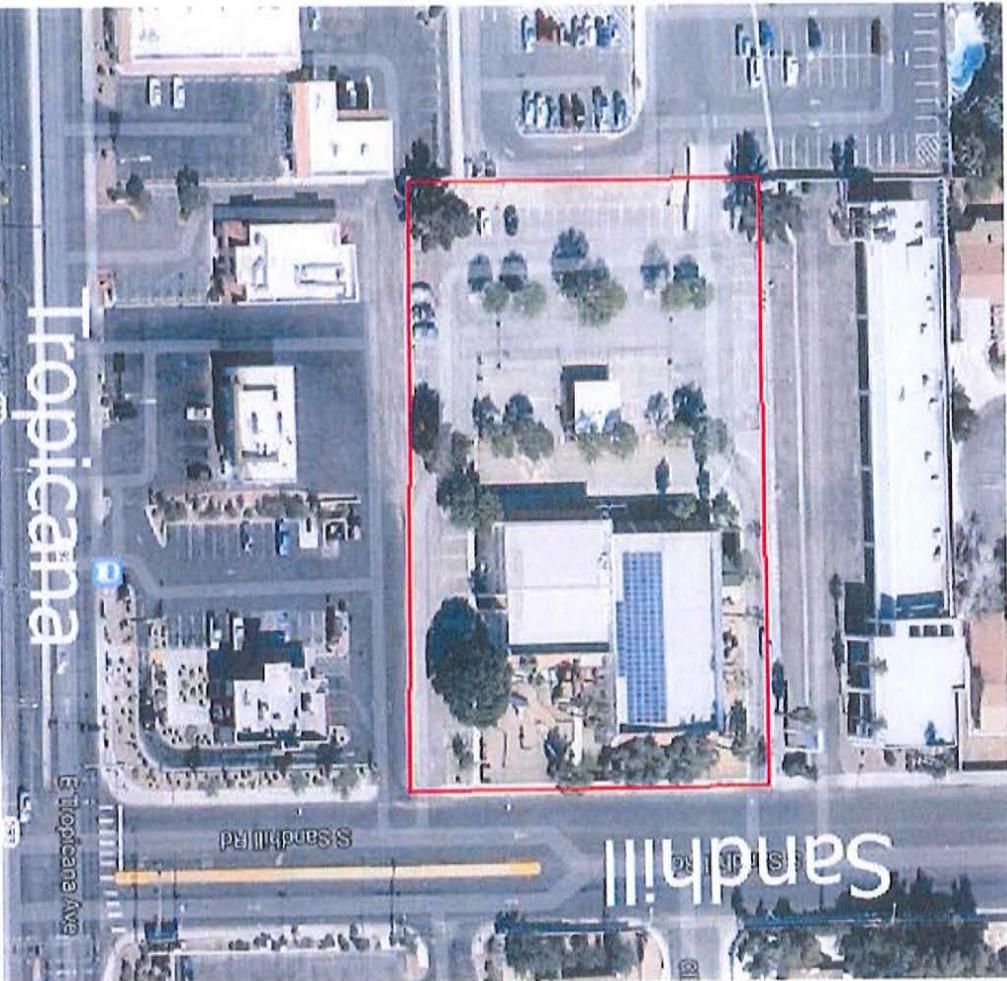
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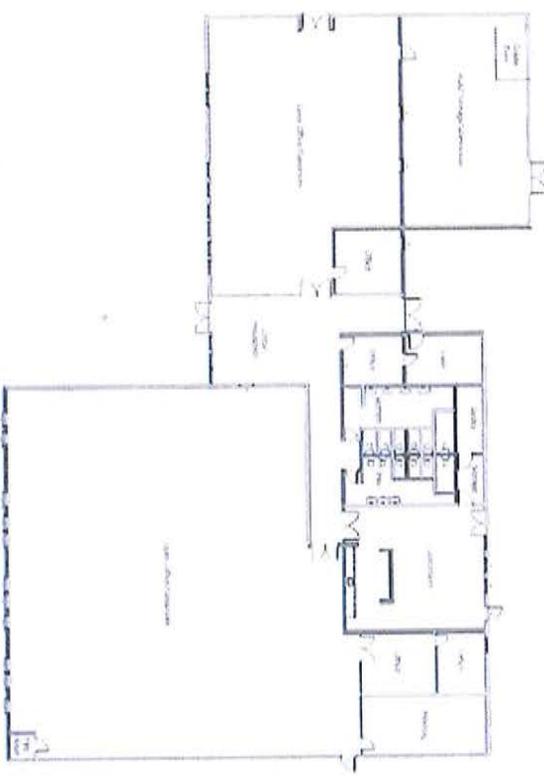
FOR LEASE > OFFICE BUILDING OR SCHOOL WITH 7.4:1000 PARKING

# 4801 S. SANDHILL ROAD

LAS VEGAS, NEVADA 89121 | \$0.70 PSF NNN



FLOOR PLAN



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The information furnished has been obtained from sources we deem reliable and is submitted subject to errors, omissions and changes. Although Colliers Nevada, LLC has no reason to doubt its accuracy, we do not guarantee it. All information should be verified by the recipient prior to lease purchase, exchange or execution of legal documents.



## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Beacon Academy amendment  
request pursuant to NAC 386.325**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 13

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Beacon Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

---

**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Beacon Academy amendment request pursuant to NAC 386.325  
**DATE:** July 9, 2015

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Summary of Requests

Beacon Academy has submitted a series of linked requests which staff recommends be considered separately by the SPCSA Board.

Request 1: Section 2.3.4 of Beacon's charter contract requires that the school seek a charter amendment for any variance in enrollment greater than 10 percent of its approved enrollment. The school's 2014-15 first semester enrollment was 524; the second semester enrollment was 557. This is a decline of more than 10 percent from 807 students the school served in the previous year and the number the school had contemplated serving in its first year under the charter contract.

Request 2: Section 2.3.4 of Beacon's charter contract requires that the school seek a charter amendment for any variance in enrollment greater than 10 percent of its approved enrollment. As discussed previously, the school's 2014-15 first semester enrollment was 524; the second semester enrollment was 557. The school seeks permission to enroll up to 630 students in 2015-16.

Request 3: Beacon is seeking to modify its school schedule to allow the school to schedule students in 2 or 3 classes which are studied intensively over the course of a quarter instead of studying 4-6 subjects across a full semester.

Background

Beacon Academy was chartered by the State Board of Education in 2008 and was renewed by the SPCSA board in 2014. The renewal was predicated on a high-stakes review of the school's academic, financial, and organizational performance by the SPCSA board in the fall of 2015. While the school had a long history of unacceptable academic performance prior to 2013-14, the

school's results on the 2014 CRTs were sufficient to permit them to exit the SPCSA's intervention ladder.

Recommendations:

*Request 1: Approve Contingent Upon School Acceptance of Additional Recommendation 1 and Modification Outlined Below Under Request 2*

The school is seeking to clarify the actual count day enrollment in 2013-14 to ensure there is no ambiguity regarding the enrollment cap.

*Request 2: Deny and Modify Contract to Conform to Statute and Clarify Intent*

Consistent with previous board action, staff recommends that the Board deny this request. Enrollment increases must be earned based on academic, financial, and organizational performance. Beacon has historically been one of the lowest performing schools in the state. While the school made some academic improvement last year, one data point does not constitute a trend. Staff recommends multiple years of sustained improvement before the school is permitted to expand. SB511 of the 2015 legislative session has changed the state's pupil accounting model from a single count day to a quarterly average daily enrollment model. To ensure consistency with the new statute and with the board's stated desire to reserve enrollment expansion for schools with strong and consistent academic performance, staff recommends that the enrollment calculation in the contract be based on the October 1 enrollment to ensure consistency with the new pupil accounting model and provide more clarity to the school. Based on the school's declining enrollment, staff further recommends that the language of the contract be modified to downwards-cap the enrollment in subsequent years, thereby clarifying that the October 1 enrollment count in 2015-16 will be the maximum approved enrollment of the school for the 2016-17 and that the October 1 count in each year will be the basis for the cap of the following year. Staff request authority to work with counsel to develop language consistent with this intent and to make technical adjustments as necessary to ensure consistency with current law. Staff further request delegated authority to furnish the approved amendment language to the school and execute the final contract modification on behalf of the Board.

*Request 3: Approve Contingent Upon NDE Approval and School Acceptance of Additional Recommendations 1 & 2 and Modification Outlined Above Under Request 2*

Staff are forwarding this request as it was submitted simultaneously with the previous requests and it provides context on some changes the school is making with the stated intent of improving pupil outcomes. The school is to be applauded for its acknowledgement that significant changes are necessary to improve student academic performance and for being willing to experiment with strategies which may allow some students to be more academically successful. Staff recommends that the board approve the changes to the schedule contingent upon the NDE approval for an alternate schedule mandated by NAC.

*Additional Recommendation 1: Affirm the Board's Commitment to the High Stakes Review:*

None of the proposed amendments seek to eliminate or delay the upcoming high stakes review. However, notwithstanding its recommendation of approval of several of the previously discussed items, staff recommends that the SPCSA Board emphasize that the high stakes review will occur during the 2015-16 school year. Staff also recommend that the Board delegate to staff the authority to modify the language around the high stakes review to permit the Board, at its discretion, to postpone the high stakes review until the winter of 2016 in the event that counsel or

staff recommend that any decision regarding the future of the school be deferred to permit evaluation of the potential impacts of recent or impending statutory or regulatory changes.

**Additional Recommendation 2: Align the Charter Contract and Performance Framework:**

Additionally, staff recommends that the charter contract and the school's performance framework be amended to specifically include the criteria set for in SB509 and other bills defining a low-performing charter or traditional public school and clarifying that a school can be placed into breach of contract or served with notice of closure based on persistent underperformance—including but not limited to performance which precedes the effective date of the charter contract.



**Beacon Academy Of Nevada**  
STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

**Request Letter for Beacon Academy Charter Amendment**

*State Public Charter School Authority  
1749 North Stewart Street Suite 40  
Carson City, Nevada 89706  
775-687-9174*

Dear Mr. Gavin,

On behalf of the Beacon Academy of Nevada (BANV) Governing Body, I respectfully request your approval of a material amendment to our charter. It is our intent to rectify our enrollment numbers for the 2014-2015 school year. According to the Contract between BANV and the SPCSA, article 2.3.3. states that we submit a material amendment when our total enrollment increases or decreases 10% from the prior school year. During the 2014-2015 school year, the total enrollment dropped to 524 students for semester one and 557 students for semester two. During the 2013-2014 school year, 804 students counted toward total enrollment. This is a significant drop in our total enrollment. This change in total enrollment was not done intentionally and has been attributed to the uncertainty of our charter renewal.

On March 25, 2015, the BANV Governing Body made a motion to request a material amendment for the 2014- 2015 school year in regards to decreasing our total enrollment from 804 students to 524 for semester one and 557 for semester two. The Governing Body acknowledges that this is more than a 10% decrease from the prior school year.

The *BANV* Governing Body approved this request on March 25, 2015 at a board meeting held in compliance with Nevada Open Meeting Laws.

Please contact Tambre Tondryk, Principal of Beacon Academy if you have any questions regarding this request.

Sincerely,

  
Ernest Freggiaro  
BANV Governing Body, President

  
Tambre Tondryk  
Principal, BANV



**Beacon Academy Of Nevada**  
STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

**Request Letter for Beacon Academy Charter Amendment**

*State Public Charter School Authority  
1749 North Stewart Street Suite 40  
Carson City, Nevada 89706  
775-687-9174*

Dear Mr. Gavin,

On behalf of the Beacon Academy of Nevada (BANV) Governing Body, I respectfully request your approval of a material amendment to our charter. It is our intent to modify our current plan of study, which requires a student to take 6 courses simultaneously (or four for qualifying seniors), which was approved by the Nevada Department of Education in the BANV Distant Education Plan.

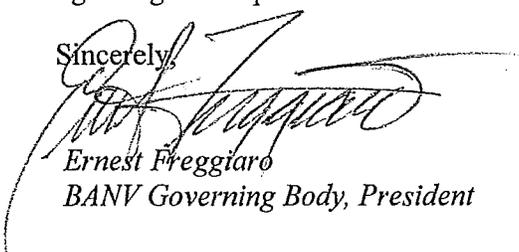
On January 21, 2015 the BANV Governing Body made a motion to accept the proposed plan of study for the 2015- 2016 school year which will allow students to complete three courses each quarter, rather than 6 courses simultaneously in grades 9 –11, or two courses each quarter rather than four courses simultaneously in grade 12 for qualifying students. The proposed plan of study also permits BANV to continue to offer classes in the traditional manner, 6 courses per semester if this plan is better suited to the student's needs.

If approval is granted by the SPCSA Board of Trustees, these changes will be effective for the 2015-2016 school year.

The *BANV* Governing Body approved this request on January 21, 2015 at a board meeting held in compliance with Nevada Open Meeting Laws.

Please contact Tambre Tondryk, Principal of Beacon Academy if you have any questions regarding this request.

Sincerely,

  
Ernest Freggiaro  
BANV Governing Body, President

  
Tambre Tondryk  
Principal, BANV



**BEACON**  
ACADEMY OF NEVADA  
GUIDING YOUR POTENTIAL

## Request Letter for Beacon Academy Charter Amendment

*Beacon Academy of Nevada  
7360 W. Flamingo Rd.  
Las Vegas, NV 89147  
4/25/2015*

*State Public Charter School Authority  
1749 North Stewart Street Suite 40  
Carson City, Nevada 89706  
775-687-9174*

Dear Mr. Gavin,

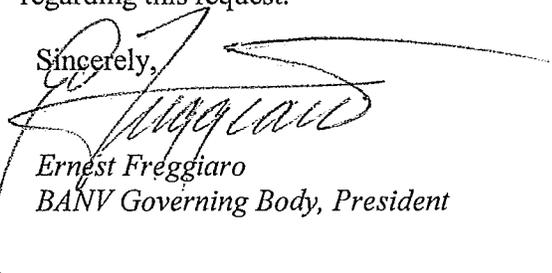
On behalf of the Beacon Academy of Nevada (BANV) Governing Body, I respectfully request your approval of a material amendment to our charter. It is our intent to increase our total enrollment by 20% for the 2015-2016 school year. According to the Contract between BANV and the SPCSA, article 2.3.3. states that we must submit a material amendment when our total enrollment increases or decreases 10% from the prior school year. During the 2014-2015 school year, the total enrollment dropped to 524 students for semester one and 557 students for semester 2. It is our intent to increase our enrollment to 630 students for the 2015 – 2016 school year, which is still far below the 804 total enrollment for the 2013-2014 school year.

On April 22, 2015, the BANV Governing Body made a motion to request a material amendment for the 2015- 2016 school year in regards to increasing our total enrollment to 630. The Governing Body acknowledged that this is a 20% increase in total enrollment from the prior school year. It further acknowledges that during the 2014-2015 school year, BANV had Hold Harmless in effect, and was being funded based on a total enrollment of 804 students. The tentative budget for 2015-2016 was submitted based on a 630 student enrollment.

The *BANV* Governing Body approved this request on April 22, 2015 at a board meeting held in compliance with Nevada Open Meeting Laws.

Please contact Tambre Tondryk, Principal of Beacon Academy if you have any questions regarding this request.

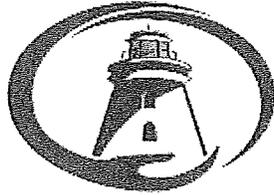
Sincerely,

  
Ernest Freggiaro  
BANV Governing Body, President

  
Tambre Tondryk  
Principal, BANV

7360 W. Flamingo Rd. ~ Las Vegas, NV 89145 ~ 888-844-8020 ~ 702-538-9500

[www.banv.org](http://www.banv.org)



**BEACON**  
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## Request Letter for Beacon Academy Charter Amendment

*Beacon Academy of Nevada  
7360 W. Flamingo Rd.  
Las Vegas, NV 89147  
4/25/2015*

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1749 North Stewart Street Suite 40  
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Dear Mr. Gavin,

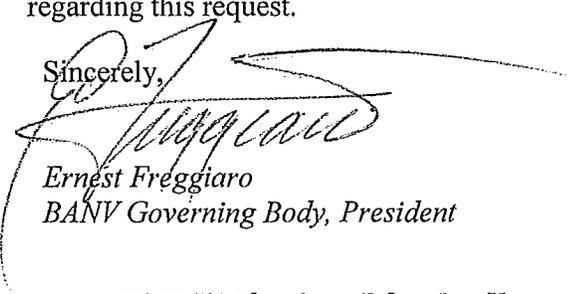
On behalf of the Beacon Academy of Nevada (BANV) Governing Body, I respectfully request your approval of a material amendment to our charter. It is our intent to increase our total enrollment by 20% for the 2015-2016 school year. According to the Contract between BANV and the SPCSA, article 2.3.3. states that we must submit a material amendment when our total enrollment increases or decreases 10% from the prior school year. During the 2014-2015 school year, the total enrollment dropped to 524 students for semester one and 557 students for semester 2. It is our intent to increase our enrollment to 630 students for the 2015 – 2016 school year, which is still far below the 804 total enrollment for the 2013-2014 school year.

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Ernest Freggiaro  
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Principal, BANV

7360 W. Flamingo Rd. ~ Las Vegas, NV 89145 ~ 888-844-8020 ~702-538-9500

[www.banv.org](http://www.banv.org)



Dear Members of the Board,

On January 21, 2015 the Beacon Academy of Nevada (BANV) Governing Body made a motion to accept the proposed plan of study for the 2015- 2016 school year. This plan will allow students to complete three courses each quarter, rather than 6 courses simultaneously in grades 9 –11, or two courses each quarter rather than four courses simultaneously in grade 12 for qualifying students. The proposed plan of study also permits BANV to continue to offer classes in the traditional manner, 6 courses per semester if this plan is better suited to the student's needs.

If approval is granted by the SPCSA Board of Trustees, the proposed plan of study will be in effect for the 2015-2016 school year.

There are several reasons the administrative team proposed the submission of a material amendment to the BANV Governing Body including:

1. Early response to intervention
2. Increased student success rate
3. Time management factors
4. Improved course retention

#### **Impact of Course Length on Student Success Rate:**

If approved Beacon Academy of Nevada students will complete three one semester courses every 9 weeks. In an 18 week time frame, students will complete an entire two semester course. This means that instead of being required to take 6 classes simultaneously for an entire school year, students at BANV will complete 3-4 classes (3-4 credits) in 18 weeks. During the second 18 weeks (usually the second semester) students will take 3-4 different classes. The reduced course load will allow students to focus upon 3-4 classes at once and not divide their attention and time between all six classes.

#### **Supporting Research**

The decision to deviate from the traditional (six simultaneous courses) plan of study at BANV to the proposed plan of study was based on educational research, professional experience, student/parent input, staff observations, and trends in successful online educational programs.



## Beacon Academy Of Nevada

STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

Research indicates that students perform equally well or better in a condensed format (Scott and Conrad, 1992, and Daniel, 2000). “There seems to be a significant improvement from taking shorter courses that cannot be explained by student characteristics” Austin and Gustavson (2006). Spurling (2001) looked at the percent of students passing English, mathematics, and English-as-a-Second-Language in both a condensed summer and traditional semester format. His findings showed that students in the condensed format have significantly higher pass rates than students in the traditional format. His research did not control for student differences in ability, age, etc. Boddy (1985), used regression analysis with paired classes taught by the same instructor, his findings showed that class performance (exam scores) in a 5 and 8 week compressed semester format is significantly higher than the traditional 16 week semester format for Computer Science classes.

“Schools with lower virtual courses-to-virtual student ratios tended to be associated with higher school-wide “Completed/Passed” rates for their virtual enrollments. Thirty-seven percent of schools that averaged one to two virtual courses per virtual learner (Low), had “Completed/Passed” rates of 90%-100%, 14% had rates of 80% to 90% and 13% had rates of 70% to 80%. In comparison, only 21% percent of schools that averaged five or more virtual courses per virtual learner (High), had “Completed/Passed” rates of 90%-100%, 6% had rates of 80% to 90% and 9% had rates of 70% to 80%. This trend was consistent with findings from 2012-13.” (Freidhoff, 2014)

Daniel (2000) contains a literature review for articles on time shortened courses across disciplines and finds that these courses yield comparable and often superior learning outcomes in comparison with traditional semester or quarter length courses (p. 303). The question arose that students perform better in the condensed format because there is less time between learning and testing to forget the material, however research shows that the students are able to retain material learned in the condensed format and use it in future classes as well as those who learn material in a traditional format. Overall studies show that there is a significant improvement from taking shorter courses. Using a very large database and by using more robust models, when comparing a sixteen week semester, there is an improvement at 8 weeks, 4 weeks, and 3 weeks. This complements the results of Scott (2003) who finds that classroom relationships and classroom atmosphere are two important factors that explain why performance is better in intensive courses than the traditional format i.e. there is a better bond between teacher and student when they meet every day than just two or three times a week.

“More importantly, research shows that improved grades are not meaningless – they do reflect greater learning. The grades given for a shortened intensive course have the same significant explanatory power for future performance as those earned during a traditional 16 week semester. This combats the popular perception (among students anyway) that the bar is lowered in some



## Beacon Academy Of Nevada

STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

manner during the shortened sessions. This is clearly not the case as we find no evidence of any correction for those grades” Austin and Gustafson (2006). The primary benefit of reduced course lengths would be increased student learning. Additional benefits might be less upfront tuition and book costs and easier sequencing of required courses.

The research clearly supports offering fewer courses in a condensed period of time. Not only do students perform better, but research supports that they retain the information as well as students in a traditional format.

### **BANV Student, Parent, and Professional Experience:**

BANV serves many students who are credit deficient and enroll one or more years behind other students in their age-based cohorts. More than 50% of our newly enrolled students were behind by 6.5 credits or more in the 2014-2015 school year. The students who transfer mid-year, often do not earn any credit during the first semester, thus enroll in BANV lacking all semester one credits.

In addition to being behind in credits, it is not uncommon for our students to have “holes” or “gaps” in their education and require intense interventions. The main reason behind the proposed plan of study is to have the ability to provide early intervention and remediation for these students. All freshmen, sophomores, and some credit deficient juniors are required to take the Measured Academic Progress Assessment (MAP) prior to enrollment. The data from these placement tests can be used to determine the level of the student in mathematics, reading, and science. The assessment provides detailed information on content strands or standards and helps to identify where the student is performing relative to grade level and areas in which the student requires additional instruction.

It is our intent to create schedules for our students based on their individual educational needs. For example, it may be determined that a student needs to take Pre-Algebra for the first half of the year before being enrolled in Algebra for the second half of the year. Having the ability to sequence courses in this manner will assist our students in earning their credits but also help them develop a better understanding of the concepts required for them to be successful at higher levels.

For example, if a student is unsuccessful in a class during the first 9 weeks, we plan to enroll them in a credit recovery course during the second nine-weeks to ensure that they pass Semester 1 prior to being enrolled in Semester 2 of the same course. It is our goal to provide initial and credit recovery courses simultaneously, to help students achieve mastery on essential concepts and earn high school credits at an accelerated pace. We have found this to be very difficult in the traditional format because it is very challenging for students who already struggle to be successful in school to be enrolled in seven or even eight courses simultaneously, in order to



## Beacon Academy Of Nevada

STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

make up lost credit. By offering three classes at once, our students will be able to work with fewer teachers, focus on fewer courses, retain more information, and earn more credits on a yearly basis. The teachers will also be assigned to teach condensed courses, which means that they will have fewer students enrolled in their course at any given time. This will let our teachers build stronger relationships with their students, identify their strengths and weaknesses and assist the students through the challenging concepts.

Our proposed plan of study will provide the opportunity for a student to earn eight credits during the school year and two additional credits during the summer. Even though it will be rare, it is possible to earn 10 or more credits in a full year, if the student is motivated.

In addition, our curriculum is being developed to include a cross-curricular emphasis. For example, an eleventh grader will take English 3 at the same time as U.S. History because the courses complement one another, building on similar concepts and skills simultaneously. Our teachers will not only be working with fewer students, but they will also be working with fewer teachers that share the same students.

An INACOL (International Association for K-12 Online Learning) Publication: Research Committee Issues Brief: An Exploration of At-Risk Learners and Online Education (2015) shares best instructional practices that are common to many of the virtual schools surveyed. Beacon Academy has already implemented many of the suggested practices. Among the practices listed to assist with independent demands often associated with online courses and at-risk students, some of the virtual schools responded that they encourage students to work on a reduced number of courses taken at one time. This is something that we hope to implement with SPCSA approval for the 2015-2016 school year. [http://www.inacol.org/wp-content/uploads/2015/02/iNACOL\\_an-exploration-of-at-risk.pdf](http://www.inacol.org/wp-content/uploads/2015/02/iNACOL_an-exploration-of-at-risk.pdf)

Below are a few examples of other schools that offer alternatives to the traditional plan of study:

Primavera Online Schools, Arizona, offer 2 courses every 6 weeks

Nevada Learning Academy, CCSD, offer 2 courses every 60 days

Administration from both school have conveyed that the 3 courses in 9 weeks is a better model due to improved student management, increased adjustment period for students, and less demand on the administrative processes.

Desert Rose, CCSD, offers 2 courses every 4-6 weeks

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The Bridge Program, Salem-Keizer School District, Oregon is an alternative online school for students who are at-risk or have dropped out. Students take one course at a time, working to complete six to eight half-credit courses in succession during a semester.

In summary, we are requesting this material amendment in order to better support our students and help them achieve their goals of obtaining a high school diploma. I have attached the session dates and proposed plans of study for each grade-level for clarification.

Sincerely,

Tambre Tondryk  
Principal, Beacon Academy of Nevada



**Beacon Academy Of Nevada**  
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**Term Dates for the 2015-2016 School Year:**

08/24/2015 - 10/29/2015 - Term One  
 11/02/2015 - 01/15/2016 - Term Two  
 01/18/2016 - 03/18/2016 - Term Three  
 03/28/2016 - 06/01/2016 - Term Four

**Sample Plans of Study:  
 Freshmen Semester One**

Group A Quarter One	Group A Quarter Two	Group B Quarter One	Group B Quarter Two
English 1 Semester 1	English 1 Semester 2	Algebra Semester 1	Algebra Semester 2
Biology Semester 1	Biology Semester 2	Physical Education Semester 1	Physical Education Semester 2
College and Career Readiness (Elective) or Pre-Algebra	Study Skills – Math or Pre-Algebra	Health or Computers	Study Skills - Core

**Freshmen Semester Two**

Group B Quarter Three	Group B Quarter Four	Group A Quarter Three	Group A Quarter Four
English 1 Semester 1	English 1 Semester 2	Algebra Semester 1	Algebra Semester 2
Biology Semester 1	Biology Semester 2	Physical Education Semester 1	Physical Education Semester 2
College and Career Readiness (Elective)	Study Skills – Core	Health or Computers	Study Skills - Core

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## Beacon Academy Of Nevada

STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

### Sophomore Semester One

Group A Quarter One	Group A Quarter Two	Group B Quarter One	Group B Quarter Two
English 2 Semester 1	English 2 Semester 2	Geometry Semester 1	Geometry Semester 2
World History Semester 1	World History Semester 2	Geoscience/Chemistry Semester 1	Geoscience/Chemistry Semester 2
Physical Education Semester 1	Physical Education Semester 2	College and Career Readiness (Elective)	Study Skills – Core

### Sophomore Semester Two

Group B Quarter Three	Group B Quarter Four	Group A Quarter Three	Group A Quarter Four
English 2 Semester 1	English 2 Semester 2	Geometry Semester 1	Geometry Semester 2
World History Semester 1	World History Semester 2	Geoscience/Chemistry Semester 1	Geoscience/Chemistry Semester 2
Physical Education Semester 1	Study Skills – Core	College and Career Readiness (Elective)	Study Skills – Core



## Beacon Academy Of Nevada

STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

### Junior Semester One

Group A Quarter One	Group A Quarter Two	Group B Quarter One	Group B Quarter Two
English 3 Semester 1	English 3 Semester 2	Algebra II Semester 1	Algebra II Semester 2
U.S. History Semester 1	U.S. History Semester 2	Chemistry/ Science Semester 1	Chemistry/Science Semester 2
Elective	Study Skills – Core	College and Career Readiness (Elective)	Study Skills – Core

### Junior Semester Two

Group B Quarter Three	Group B Quarter Four	Group A Quarter Three	Group A Quarter Four
English 3 Semester 1	English 3 Semester 2	Algebra II Semester 1	Algebra II Semester 2
U.S. History Semester 1	U.S. History Semester 2	Chemistry/Science Semester 1	Chemistry/Science Semester 2
Elective	Study Skills – Core	Study Skills – Core	College and Career Readiness (Elective)



**Beacon Academy Of Nevada**  
STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

**Senior Semester One**

Group A Quarter One	Group A Quarter Two	Group B Quarter One	Group B Quarter Two
English 4 Semester 1	English 4 Semester 2	Math Semester 1	Math Semester 2
U.S. Government Semester 1	U.S. Government Semester 2	Science Semester 1	Science Semester 2
College and Career Readiness (Elective)	Study Skills – Core	Study Skills – Core	

**Senior Semester Two**

Group B Quarter Three	Group B Quarter Four	Group A Quarter Three	Group A Quarter Four
English 4 Semester 1	English 4 Semester 2	Math Semester 1	Math Semester 2
U.S. History Semester 1	U.S. Government Semester 2	Geology/Chemistry Semester 1	Geology/Chemistry Semester 2
College and Career Readiness (Elective)	Study Skills – Core	Study Skills – Core	



**Beacon Academy Of Nevada**  
 STATEWIDE/ONLINE/TUITION-FREE/PUBLIC/CHARTER HIGH SCHOOL

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## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Nevada Connections Academy  
amendment request pursuant to NAC 386.325**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 14

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Nevada Connections Academy**

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**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

---

**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
Governor

**STATE OF NEVADA**

**PATRICK GAVIN**  
Director



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113

---

**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Nevada Connections Academy amendment request pursuant to NAC 386.  
**DATE:** July 9, 2015

---

Summary of Request

Nevada Connections Academy is submitting a request to acquire additional administrative space in Clark County to accommodate its local staff.

Background

Nevada Connections Academy was chartered by the State Board of Education in 2007 and was renewed by the SPCSA board in 2013. The school has a long history of unacceptable academic performance and is currently on the state's list of low-performing schools.

Recommendation: *Approve With Conditions*

The most recent revisions to NAC specifically permit a sponsor to deny a request to occupy a new facility if the school is not rated three star or above. Nevada Connections Academy's elementary and high schools are both rated at the 2 star level. Consequently, the Authority Board may deny this request. A review of the school's current status with the Authority reveals that it was renewed in the spring of 2013 prior to the adoption of AB205 and the new charter contract provisions of the charter school law. The school is still under a written charter instead of a charter contract. SB509 specifically permits a sponsor to require a holder of a written charter or charter contract that requests an amendment to agree to an amended and restated charter contract as a condition of approving such amendment requests.

Consequently, staff recommends that the Board make approval of this amendment request contingent upon the school executing an amended and restated charter contract which be effective January 1, 2016 and would remain in effect until May 5, 2019—the end date of the current written agreement. Consistent with the board's actions related to other underperforming schools, staff requests that the board set an enrollment cap based on the school's enrollment as of October 1, 2015 and incorporating all other standard language from the current model charter contract. Additionally, staff recommends that the contract and performance framework

specifically include the criteria set for in SB509 and other bills defining a low-performing charter or traditional public school and clarifying that a school can be placed into breach of contract or served with notice of closure based on persistent underperformance—including but not limited to performance which precedes the effective date of the charter contract. Finally, staff recommends that the contract contain language making the school subject to a high stakes review in the fall of 2017. Staff request authority to work with counsel to develop language consistent with this intent and to make technical adjustments as necessary to ensure consistency with current law. Staff further request delegated authority to furnish the approved amendment language to the school and execute the final contract modification on behalf of the Board.



Jamie Winter  
775 473 4514  
jamie.winter@dgsllaw.com

June 26, 2015

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

Dear Nevada State Public Charter School Authority Members:

Nevada Connections Academy ("NCA") seeks to amend its written charter pursuant to NRS 386.527 to occupy an additional administrative/professional facility in Las Vegas, Nevada. Attached hereto are the minutes from the NCA Board of Directors meeting conducted on February 17, 2015, which reflect the NCA Board's approval of the school office satellite location and which also designated the NCA Board President to select, negotiate, finalize and execute all documents relating to securing additional space.

The address of the selected facility which NCA seeks to occupy is 2610 S. Jones Blvd., Las Vegas, NV. The facility is not being obtained to expand enrollment but will instead be used by the school as an additional administrative and professional office with intermittent testing to be conducted at the location. The testing will occur in a room that will serve as a conference or meeting room when not being utilized for testing purposes.

A floor plan of the facility, including a notation of the size of the facility which is set forth in square feet, is attached hereto.

The name and address of the owner of the facility is K & L Joint Venture, LLC, 2610 S. Jones Blvd., Las Vegas, Nevada 89146.

Because NCA intends to lease the additional administrative/professional facility, NCA has requested a copy of the proposed lease agreement from the facility owner and NCA will upload the agreement upon receipt.

A copy of the certificate of occupancy for the facility will be submitted upon execution of the proposed lease agreement and completion of renovations.

Documents which indicate that the facility has been inspected and meets the requirements of any applicable building codes, codes for the prevention of fire, and codes pertaining to safety, health and sanitation will be submitted upon completion of such an inspection.

Evidence which demonstrates that the governing body of the charter school 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 of 1970 ("OSHA"), as amended, will be submitted after NCA has completed the necessary communications.

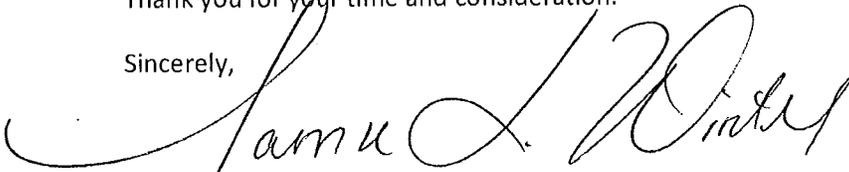
Nevada State Public Charter School Authority  
June 26, 2015  
Page 2

Documentation demonstrating that the governing body of the charter school has obtained the insurance required by NAC 386.215 for the proposed facility will be submitted by NCA after the parties have executed the lease agreement and the requisite insurance is obtained by NCA.

NCA seeks to have this request for amendment of written charter included on the agenda for the State Public Charter School Authority's July 13, 2015 meeting at which time NCA President Steve Werlein and I will appear and be available to answer any additional questions that the Authority may have prior to approval.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jamie Winter". The signature is written in black ink and is positioned to the right of the typed name.

Jamie Winter  
Of Counsel  
for  
DAVIS GRAHAM & STUBBS LLP

JW:

Enclosures:

- Minutes
- Floor Plan



**NEVADA CONNECTIONS ACADEMY (NCA)**  
**MINUTES OF THE BOARD OF DIRECTORS MEETING**  
 Tuesday, February 17, 2015 at 6:30 p.m. PT

**Held at the following location and via teleconference:**  
 Nevada Connections Academy  
 555 Double Eagle Court, Suite 2000  
 Reno, NV 89521

**I. Call to Order**

Dr. Sanchez called the meeting to order at 6:35 p.m. when all participants were present and able to hear each other. The school was open for the public to attend the meeting.

**II. Roll Call**

Board Members Present: Jafeth Sanchez and Mindi Dagerman (in person); Jamie Castle, Kelly McGlynn, Scott Harrington and Marisa Delgado (via phone);

Board Members Absent: Laura Fillmore;

Guests Present: Steve Werlein, Principal; Joe Thomas, School Staff (in person); Michelle Hall, School Staff; Jennifer Dukek, Donna Hutchison, Brenda Little and Laura Karns, Connections Staff (via phone).

**III. Acceptance of Resignation of Board Member: Laura Fillmore**

Ms. Sanchez reviewed Ms. Fillmore's resignation with the Board. The Board expressed their thanks and gratitude for Ms. Fillmore's service on the Board. There being no further discussion, Ms. Castle made the following motion and it was seconded by Ms. Dagerman as follows:

RESOLVED, that the acceptance of the resignation of Board member, Laura Fillmore, effective at the close of the meeting and subject to all necessary notifications to the Nevada Department of Education, as presented, is hereby approved.

The motion was approved unanimously.

**IV. Consideration and Appointment of Board Member Candidates**

Ms. Sanchez reviewed the Board Member Candidates backgrounds and experience with the Board. She further discussed the recruitment process that was completed to identify, recruit and interview the candidates before Board consideration. The Board reviewed the candidates' qualifications and discussed the consideration and appointment of Mr. Gene Stewart and Ms. Joanna Richards. There being no further discussion, Mr. Harrington made the following motion and it was seconded by Ms. Dagerman as follows:

RESOLVED, that the appointment of Gene Stewart to the Nevada Connections Academy Board of Directors, as a Class 3 Director, for a term to the 2015 Annual meeting, subject to all necessary notifications to the Nevada Department of Education, as discussed, is hereby approved.

The motion passed unanimously

**V. Public Comment**

There were no public comments at this time.

**VI. Routine Business**

a. Approval of Agenda

Dr. Sanchez asked the Board to review the Agenda distributed prior to the meeting. There being no changes, Ms. Castle made the following motion and it was seconded by Ms. McGlynn as follows:

RESOLVED, that the Agenda for the February 17, 2015 Meeting of the Board of Directors of the Nevada Connections Academy, as presented, is hereby approved.

The motion passed unanimously.

**VII. Oral Reports**

a. Principal's Report

i. Update on School Activities

Mr. Werlein discussed with the Board recent and upcoming school activities, including field trips and Freshman Academy. He further highlighted student success stories.

ii. Update on State Testing

Mr. Werlein reviewed with the Board the school's upcoming state testing schedule and preparations by staff members.

iii. Update on Graduation Plan

Mr. Werlein advised the Board that the high school graduation ceremony is planned for June 2015, and encouraged Board members to attend. He further reviewed the number of students expected to participate, as well as planned commencement speakers.

iv. Update on High School Rating

Mr. Werlein reviewed the recent High School Rating received from the Nevada Department of Education. He discussed the action plans and implementation timeline for improving student performance.

[Ms. Delgado joined at 6:52 p.m.]

b. Financial Report

Ms. Little presented the financial report to the Board. She reviewed the revenue and expense statements included in the Board materials. Ms. Little further reviewed the changes in the financials from the previous month, as well as the forecasted expenses since the last month's statements, enrollment funding, projected fund balance and specific expenses.

### VIII. Consent Agenda

Dr. Sanchez asked the Board members whether there were any additional items from the Consent Items that they wished to have moved to Action Items for discussion, or tabled. There being no changes, Ms. Dagerman made the following motion and it was seconded by Ms. Castle as follows:

RESOLVED, the Consent Items:

- a. Approval of Minutes from the January 20, 2015 Meeting;
- b. Approval of Staffing Report; and
- c. Approval of Outreach Plan for the 2015-2016 School Year; are hereby approved.

The motion passed unanimously.

### IX. Action Items

- a. Approval of Connections Academy of Nevada, LLC Invoice for January

Ms. McGlynn reviewed in detail the Connections Academy invoice for the month of January as drawn from the financial report reviewed earlier in the meeting and included in the Board materials. She noted that she had reviewed the invoice and found it to be in order. She also asked the Board members whether they had any questions on the invoice or if any items required further explanation. There being no further discussion, Dr. Harrington made the following motion and it was seconded by Ms. Castle as follows:

RESOLVED, that the Connections Academy of Nevada, LLC invoice for the month of January 2015, in the amount of \$993,754.68, as presented, is hereby approved.

The motion passed unanimously.

- b. Approval of Summer School Scholarship Offering to Students

Mr. Werlein reminded the Board of their previous approval for the school to offer summer school to students through International Connections Academy. Mr. Werlein advised the Board that the school would like to offer a school-paid summer school program to students this year, and reviewed the recommended allotment of funds within the school's budget. Mr. Werlein briefly highlighted the summer school policy and procedures, and discussed the specific groups of students who would most benefit from a school-paid program. Board members discussed the program, course offerings and budget implications. There being no further discussion, Ms. Dagerman made the following motion and it was seconded by Ms. Delgado as follows:

RESOLVED, that the summer school scholarship offering to students, as presented and included in the approved Budget, is hereby approved.

The motion passed unanimously.

- c. Approval of School Office Satellite Location and Designation of the Board President to Select, Negotiate, Finalize and Execute all Documents Relating to Securing Additional Space

Mr. Werlein presented this item to the Board. He provided a detailed review of the proposed satellite office locations, and the purpose that an additional location would accommodate school growth and an increase in staff. The Board discussed the budgetary implications of the proposed satellite location. There being no further discussion, Ms. Dagerman made the following motion and it was seconded by Dr. Harrington as follows:

RESOLVED, that the school office satellite location and designation of the Board President to select, negotiate, finalize and execute all documents relating to securing additional space, as presented, is hereby approved.

The motion passed unanimously.

**X. Information Items**

- a. State Relations Update

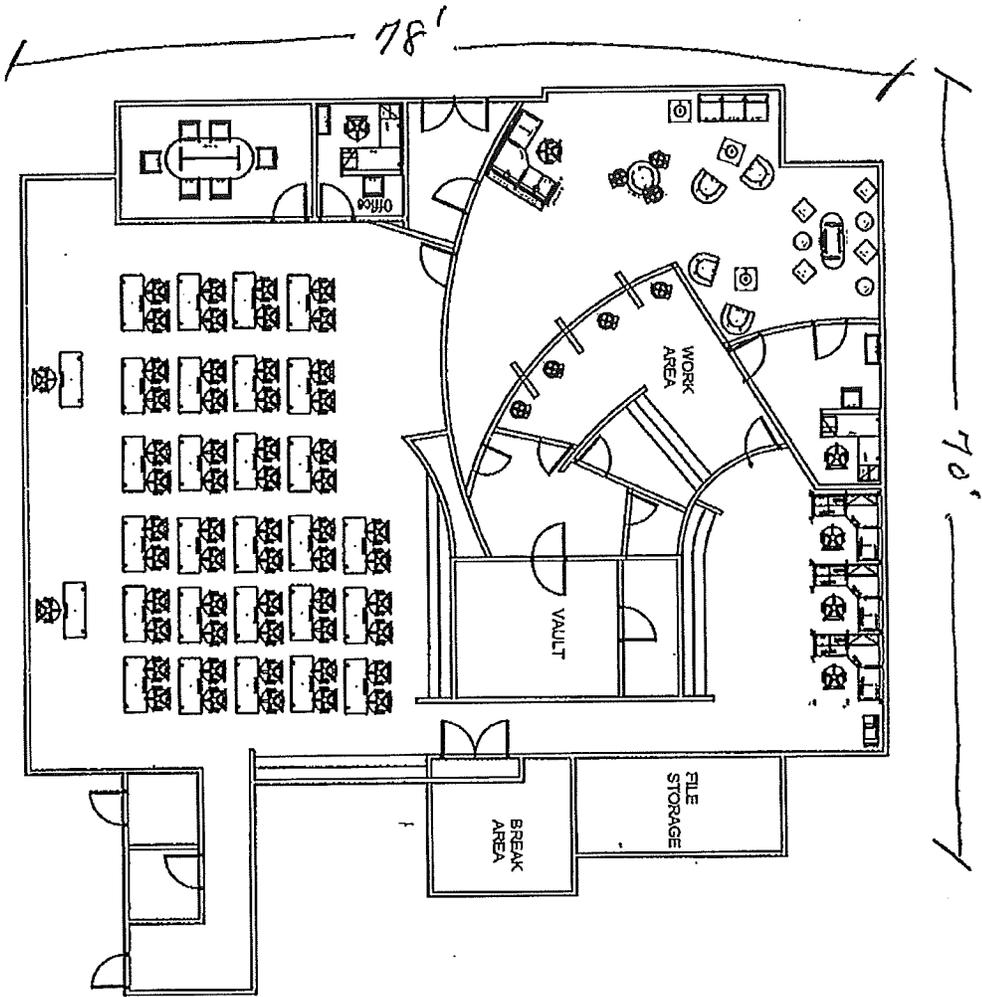
Dr. Hutchison updated the Board on the recent legislative activities in Nevada, which may impact the school.

**XI. Public Comment**

There were no public comments at this time.

**XII. Adjournment and Confirmation of Next Meeting– April 14, 2015 at 6:30 p.m. PT**

The next meeting is scheduled for April 14, 2015 at 6:30 p.m. Ms. Dagerman made the following motion and it was seconded by Ms. Castle to adjourn the meeting at 7:35 p.m.



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DRAFTS

NO.	DATE	DESCRIPTION
1	11 JUNE 2015	ORIGINAL
2	10 JUNE 2015	REV 1
3	-	-
4	-	-
5	-	-
6	-	-
7	-	-
8	-	-
9	-	-

DRAWN BY:  
**E. CUFFEY**

SHEET TITLE:  
**FLOOR PLAN**

NOTES:

NOTES:

SIZE: 8.5 x 11	SCALE: 1/8" = 1'-0"
DRAWING NUMBER:	

**FP-1**

2610 S. Jones Boulevard

**OFFICE LEASE**

between

K & L JOINT VENTURE, LLC

(Landlord)

and

NEVADA CONNECTIONS ACADEMY

(Tenant)

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OFFICE LEASE

EXHIBIT A FLOOR PLAN

EXHIBIT B RULES AND REGULATIONS

## OFFICE LEASE

**2610 S. Jones Boulevard  
LAS VEGAS, NEVADA**

THIS OFFICE LEASE ("Lease"), dated June \_\_\_, 2014, is made and entered into by and between **K & L JOINT VENTURE, LLC** ("Landlord") and **NEVADA CONNECTIONS ACADEMY** ("Tenant"), upon the following terms and conditions:

### ARTICLE I - DEFINITIONS

Unless the context otherwise specifies or requires, the following terms shall have the meanings specified herein;

**1.01 Building.** The term "Building" shall mean that certain office building at 2610 S. Jones Boulevard, Las Vegas, NV, together with all related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping.

**1.02 Premises.** The term "Premises" shall mean Suite 100 of the Building, as depicted on Exhibit A attached.

**1.03 Rentable Area of the Premises.** The term "Rentable Area of the Premises" shall mean approximately **5,500** rentable square feet, which Landlord and Tenant have agreed to, and stipulated as, the Rentable Area of the Premises.

**1.04 Lease Term.** The term "Lease Term" shall mean the period between the Commencement Date, and the Expiration Date (as such terms are hereinafter defined), unless sooner terminated or renewed as otherwise provided in this Lease.

**1.05 Commencement Date.** Subject to adjustment as provided in Article 3, the term "Commencement Date" shall mean **October 1, 2015**, unless, pursuant to Section 3.01 or otherwise, Tenant shall accept possession (other than Tenant's Early Access as defined below) on some other date in which case the Commencement date shall be the date upon which Tenant accepts possession upon completion of substantial Tenant Improvements.

**1.06 Expiration Date.** Subject to adjustment as provided in Section 3.01, the term "Expiration Date" shall mean **September 30, 2019**, unless extended pursuant to section 3.01.

**1.07 Base Rent and Early Access.** Subject to adjustment as provided in Article 4, the term "Base Rent" shall mean: **\$7,425.00 per month**.

Tenant will require a minimum of thirty (30) days prior to the Lease Commencement Date to enter the space for the installation of telephone and data cabling and furniture installation provided such access does not interfere with Landlord's completion of Landlord's Work (as defined below) ("Early Access"). Landlord and Tenant will cooperate and coordinate such joint

access to the Premises during Tenant's Early Access. Tenant shall not be required to pay any rent during its early access.

**1.09 Security Deposit.** An amount equal to first month's rent.

**1.10 Tenant's Permitted Use.** The term "Tenant's Permitted Use" shall mean the usual and customary operations of an office establishment utilized to manage the business of online education, including limited student presence from time to time for testing.

**1.11 Tenant's Parking Stalls.** Parking is available on a first come first serve basis at no additional charge.

**1.12 Business Hours.** The term "Business Hours" shall mean the hours of 7:00 A.M. to 6:00 P.M., Monday through Friday and 7:00 A.M. to 1:00 P.M. on Saturday (federal and state holidays excepted). Tenant shall have keys to the Building and Premises and shall be allowed access 7 days a week, 24 hours a day.

**1.13 Landlord's Address for Notices.** The term "Landlord's Address for Notices" shall mean K & L Joint Venture, LLC at 3417 S. Jones Blvd #F, Las Vegas, NV 89146.

**1.14 Tenant's Address for Notices.** The term "Tenant's Address for Notices" shall mean Nevada Connections Academy at 555 Double Eagle Court, Suite 2000, Reno, NV 89521, with copies to: Nevada Connections Academy, c/o Connections Education, 1001 Fleet Street, Baltimore, MD 21202, Attn: Vice President-Operations, with a second copy Attn: Legal Department.

**1.15 Brokers.** Landlord and Tenant acknowledge that CBRE represents the Tenant in this transaction. Both Landlord and Tenant warrant that no other brokers or agents have been involved in this transaction. Both Landlord's broker and Tenant's broker shall be paid a commission by Landlord pursuant to a separate agreement and Tenant shall have no liability for such broker commissions.

**1.16 Tenant Improvements.** In addition to Landlord's Work, Landlord will also provide new carpet and paint, to be mutually agreed on.

**1.16.01 Signage.** Tenant shall be provided identity signage at Landlord's cost (consistent with building standard signage) which shall include appropriate signage on entrance doors to all space under lease by Tenant. In addition, Tenant shall have the right, pending appropriate county approvals, to install signage on the exterior surface of the building (including any available pylon signage) in a mutually agreeable location by Tenant and Landlord. The location, size, and design shall be approved in writing prior to installation. The sign shall be removed by Tenant at the end of the Lease term and any repairs needed to be paid by tenant.

**1.16.02**        **Security.** [Intentionally Deleted]

**1.16.03**        **Security; Connectivity Rights.** Tenant, subject to local codes and ordinances, and at its expense, shall have the right to install its own telecommunications, surveillance, security, access, voice/data and audio/visual systems and associated cabling and wiring in connection with such systems in the Premises and Landlord hereby approves and consents to such systems installation (collectively, "Tenant Systems"). In addition, Tenant shall have the right to use all existing telecom conduits or pathways or construct new conduits, install cables, equipment and other related telecommunications facilities for Tenant's network into the Building in locations approved by Landlord by prior written notice. Tenant may, but shall not be required to, remove the Tenant Systems upon expiration or termination of the Lease. If Tenant removes the Tenant Systems, it shall repair all damage caused by such removal of Tenant Systems.

**1.16.04**        **Landlord's Work.** Landlord will provide a turnkey buildout per the attached plan shown in Exhibit A which has been approved by Landlord and Tenant ("Landlord's Work"). Landlord will pay for the Landlord's Work not to exceed a total expense of TBD (the "Landlord's Work Maximum Cost") and shall not include data wiring or installation. Tenant shall be responsible for any excess costs over the Landlord's Work Maximum Cost ("Excess Costs"), if any. At Tenant's option (i) Tenant will pay the Excess Costs within thirty (30) days of substantial completion of Landlord's Work, together with copies of all invoices therefor and receipt of a Certificate of Occupancy, or (ii) Landlord will provide Tenant with a tenant improvement loan ("TI Loan") for the Excess Costs, which TI Loan will be repaid over the initial term (amortized at 6% over the initial term of the Lease) in equal monthly installments together with Tenant's rent payments.

**1.17**            **Renewal Options.** Tenant shall have two (2), three (3) year option to renew the term of the Lease upon six (6) months prior written notice to Landlord (each a "Renewal Term"). The Renewal Term shall be on the same terms and conditions set forth in this Lease except that the rental rate for such Renewal Option shall be at 100% of current Fair Market Terms. For purposes hereof, "Fair Market Terms" means the fair market rent for comparable space in similar buildings within same submarket as Las Vegas, Nevada area and taking into consideration all relevant factors such as current market rent and other concessions, tenant improvement allowances, vacancies, brokerage commissions, base year, and other inducements and other economic considerations for the lease of such

space. Within fifteen (15) days of Landlord's receipt of Tenant's written notice of its intent to exercise a renewal option ("Tenant's Notice"), Landlord shall provide its estimate of the Fair Market Terms for the Renewal Term ("Landlord's FMR Notice"). If Tenant disagrees with Landlord's FMR Notice, Tenant shall notify Landlord within fifteen (15) days of its receipt of Landlord's FMR Notice ("Tenant's Response") and Landlord and Tenant shall attempt to negotiate the Fair Market Terms for the Renewal Term, both acting reasonably and in good faith, for a period of thirty (30) days following Landlord's receipt of Tenant's Response (the "Negotiation Period"). If the parties cannot agree to the Fair Market Terms within the Negotiation Period, then the parties shall agree to a mutually acceptable arbitration process to determine the Fair Market Terms. In no event shall the parties' inability to agree upon the Fair Market Terms negate or void Tenant's timely exercise of a renewal option.

**1.18**        **Non-Disturbance.** Tenant shall receive a non-disturbance agreement, in form and substance reasonably acceptable to Tenant, from all existing and future encumbrances and from any current or future lienholders in the Building or Premises or successors to Landlord's interest in this Lease or the Building. Tenant's obligation to subordinate to future encumbrances, lienholders or successors shall be contingent upon Tenant's receipt and acceptance of reasonable non-disturbance agreement. Landlord represents and warrants to Tenant that there are no lienholders at this time.

**1.19**        **Termination Right.** Tenant shall have an ongoing right to terminate this Lease if and only if, absent a default by Landlord, Tenant's agreement with the Nevada State Public Charter School Authority (and all other applicable governmental bodies) in the State of Nevada or its assigns or successors ("Authorizer"), the authorizer of the Tenant's (including its successors or assigns) right to operate a school or funding to operate the school is suspended, revoked, non-renewed, substantially limited or conditioned as to make Tenant's continued operation unviable, voided or terminated. Tenant may invoke the right to an early termination of the Lease upon one hundred eighty (180) days written notice to Landlord and shall pay to Landlord a termination fee equal to the then unamortized amount of any Landlord's Work (up to the Landlord's Work Maximum Cost, the TI Loan, and real estate commissions (amortized over the initial term at the rate of 8% per annum) (the "Termination Payment"). The Termination Payment will be paid within thirty (30) days of Tenant's termination notice. In no event will the Termination Payment exceed \$TBD(subject to adjustment for any Tenant change orders to the extent the same have been approved by Tenant in writing not to exceed \$5,000.00). Upon Tenant's request, within thirty (30) days of substantial completion of Landlord's Work, Landlord and Tenant will amend this Lease to include a Termination Payment amortization schedule which shall reflect the amortization of the Termination Payment on the terms set forth herein.

**1.20** **Right of First Offer.** Tenant shall have the Right of First Offer on all contiguous space that becomes available in the Building. Whenever space contiguous or adjacent to the Premises (including space directly below or above the Premises) becomes available for lease after initially having been leased to and occupied by a third party (the "Option Space"), Tenant shall have a right of first opportunity to lease the Option Space. When Option Space becomes available, Landlord shall notify Tenant of the details of the Option Space and the terms on which Landlord is willing to lease it (the "Option Space Notice"). Notwithstanding the foregoing, the rent for the Option Space shall be at Fair Market Rent, including a tenant improvement allowance. Tenant shall have 10 business days after receipt of Landlord's Option Space Notice to notify Landlord that Tenant elects to lease the Option Space on the same terms and conditions set forth in the Option Space Notice except that Tenant shall have the right to lease the Option Space for a term co-terminus with the then current Lease Term ("Tenant's Option Space Election"). If Tenant notifies Landlord that it wishes to lease the Option Space, Landlord shall prepare an amendment to this Lease to include the Option Space as part of the Premises. The lease of the Option Space shall be on the same terms and conditions as set forth in the Lease except for any modifications for terms expressly set forth in the Option Space Notice (other than the lease term for the Option Space if Tenant elects for the Option Space term to be co-terminus with the Lease Term). Tenant and Landlord will execute and deliver the lease amendment within 30 days of Tenant's Option Space Election. If Tenant does not notify Landlord that it wishes to lease the Option Space within such 20 business day period, Tenant's right of first opportunity shall terminate and Landlord shall be free to lease the Option Space to a third party. This right of first opportunity is subject to all rights granted to other tenants as of the date hereof. Landlord represents to Tenant that there are no pre-existing rights of other tenants with respect to such contiguous space.

## **ARTICLE II - PREMISES**

**2.01 Lease of Premises.** Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon all of the terms, covenants and conditions contained in this Lease. Landlord's Work shall be completed on or before the Commencement Date. If such Tenant Improvements are not completed within thirty (30) days after the Commencement Date, Tenant may, at its option, terminate this Lease. If Tenant does not terminate this Lease, then Landlord abate the Tenant's rent one (1) day for each day of delay until finished. In no event shall the Commencement Date have occurred unless (i) all of the Landlord's Work has been completed, (ii) Tenant has received a Certificate of Occupancy for the Premises, and (iii) any inspections required by Tenant, including those of any regulatory agency having jurisdiction over Tenant, have been completed and are satisfactory.

**2.02 Acceptance of Premises.** Except as otherwise set forth in this Lease, Tenant acknowledges that Landlord has not made any representation or warranty with respect to the condition of the Premises or the Building or with respect to the suitability or fitness of either for the conduct of Tenant's Permitted use or for any other purpose.

### **ARTICLE III - TERM**

**3.01** Except as otherwise provided in this Lease, the lease Term shall be for the period described in Section 1.04 of this Lease, commencing on the Commencement Date described in Section 1.05 of this lease and ending on the Expiration Date described in Section 1.06 of this Lease provided, however, that, if, for any reason, Landlord is unable to deliver possession of the Premises on the date described in Section 1.05 of this Lease, Landlord shall not be liable for any damage caused thereby nor shall the Lease be void or voidable, but, Tenant shall have the right to terminate the Lease or be entitled to the rent abatement as set forth in this Lease. If there is such a delay in delivery and Tenant does not terminate this Lease, the Commencement Date shall be the date that possession of the Premises is so tendered to Tenant (except for Tenant-caused delays which shall not be deemed to delay commencement of the Lease Term and possession shall not include Tenant's Early Access), and the Expiration Date described in Section 1.06 of this lease shall be extended by an equal number of days (but in no event shall the initial Lease term expire beyond September 30, 2019. Landlord is not responsible for delays in construction beyond our control or caused by Tenant.

### **ARTICLE IV - RENTAL**

**4.01 Definitions.** As used herein,

(A) "Base Year" shall mean calendar year 2015.

(B) "Property Taxes" shall mean all payments and related expenses paid or incurred by Landlord with respect to taxes or assessments affecting the Building or the Premises, including without limitation, any form of real property tax, assessment, rapid transit tax or assessment, benefit assessment, business or license fee or tax, commercial rental tax, and any tax or similar imposition in substitution for any of the foregoing imposed by any governmental or quasi-governmental authority, including but not limited to any increases in any such tax as a result of any sale, transfer, financing, refinancing or exchange of the Building, or any part thereof. There shall be excluded from Property Taxes all income taxes, capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's gross income or profits.

(C) "Operating Expenses" shall mean all costs, fees, disbursements and expenses paid or incurred by or on behalf of Landlord in the operation, maintenance, insurance, management, and repair of the Building (excluding Property Taxes) including without limitation:

(i) Premiums for property, casualty, liability, rent interruption or other types of insurance carried by Landlord.

(ii) Salaries, wages and other amounts paid or payable for personnel including the Building manager, superintendent, operation and maintenance staff, and other employees of Landlord involved in the maintenance and operation of the Building, including contributions and premiums towards fringe benefits, unemployment, disability and worker's compensation insurance, pension plan contributions and similar premiums and contributions and the total charges, any independent contractors or property managers engaged in the operation, repair, care, maintenance and cleaning of any portion of the Building (but in no event shall any of the foregoing costs be for personnel beyond the level of property manager).

(iii) Cleaning expenses, including without limitation janitorial services, window cleaning, and garbage and refuse removal.

(iv) Landscaping expenses, including without limitation irrigating, trimming, mowing, fertilizing, seeding, and replacing plants.

(v) Heating, ventilating, air conditioning and steam/utilities expenses, including fuel, gas, electricity, water, sewer, telephone, and other services.

(vi) Subject to the provisions of Section 4.01 (C)(xi) below, the cost of maintaining, operating, repairing and replacing components of equipment or machinery, including without limitation heating, refrigeration, ventilation, electrical, plumbing, mechanical, elevator, escalator sprinklers, fire/life safety, security and energy management systems, including service contracts, maintenance contracts, supplies and parts.

(vii) Other items of repair or maintenance of elements of the Building, but excluding any changes, repairs or replacement of structural elements of the Building.

(viii) The costs of policing, security and supervision of the Building.

(ix) The cost of the rental of any machinery or equipment and the cost of supplies used in the maintenance and operation of the Building.

(x) Audit fees and the cost of accounting services incurred in the preparation of statements referred to in this Lease and financial statements, and in the computation of the rents and charges payable by tenants of the Building.

(xi) The costs of improvements, repairs, or replacements to the Building or the equipment or machinery used in connection with the Building if the capital improvement is made after the date of this Lease actually reduce Operating Expenses; provided, however, any such costs which are properly charged to a capital account shall not be included in Operating Expenses in a single year but shall instead be amortized over their useful lives, as reasonably determined by the Landlord in accordance with generally accepted accounting principles, and only the annual amortization amount shall be included in the Operating Expenses for a particular year.

(xii) [Intentionally Deleted]

(xiii) A fee for the administration and management of the Building appropriate to the first class nature of the Building ) (not to exceed 5% of gross rents).

Operating Expenses shall not include costs of alteration of the premises of tenants of the Building, depreciation charges, interest and principal payments on mortgages, ground rental payments, real estate brokerage and leasing commissions, expenses incurred in enforcing obligations of tenants of the Building, including legal expense and attorneys' fees, audit and accounting fees and other professional fees; salaries and other compensation of executive officers of the managing agent of the Building senior to the Building manager, costs of any special service provided to any one tenant of the Building but not to tenants of the Building generally, and costs of marketing or advertising the Building.

If the Building does not have one hundred percent (100%) occupancy during an entire calendar year, including the Base Year, then the variable cost components of "Property Taxes" and "Operating Expenses" shall be equitably adjusted so that the total amount of Property Taxes and Operating Expenses equals the total amount which would have been paid or incurred by Landlord had the Building been one hundred percent (100%) occupied for the entire calendar year. In no event shall Landlord be entitled to receive from Tenant and any other tenants in the Building an aggregate amount in excess of actual Operating Expenses as a result of the foregoing provision. If any variable Property Taxes or Operating Expenses for a calendar year are "grossed-up" to 100% occupancy as set forth in this section, then the Property Taxes and Operating Expenses for the Base Year shall be grossed-up to the same extent and in the same manner for any comparison calendar year for the purpose of determining Tenant's Percentage Share.

In addition, Controllable Operating Expenses shall not increase by more than 3% each calendar year of the term on a cumulative basis. For purposes hereof, "Controllable Operating Expenses" means any and all Operating Expenses except real estate and other taxes and insurance costs.

**4.02 Base Rent.** During the Lease Term, Tenant shall pay to Landlord as rental for the Premises the Base Rent described in Section 1.07 above, subject to the 3% Annual Rent Escalations (herein called the "Rent Adjustments"):

Months	Monthly Rent
1-12	\$7,425
13-24	\$7,649
25-36	\$ 7,878.75
37-48	\$ 8,112.50

Tenant pays for Tenant's janitorial and utilities. All other Operating Expenses are included in the rent.

**4.04 Review of Landlord's Statement.** Provided that Tenant is not then in default beyond any

applicable cure period of its obligations to pay Base Rent, additional rent described in Section 4.01(A), or any other payments required to be made by it under this Lease and provided further that Tenant complies with the provisions of this Section 4.04, Tenant shall have the right, once each calendar year, to reasonably review supporting data for any portion of a Landlord's reconciliation statement for Operating Expenses ("Landlord's Statement") in accordance with the following procedure:

(A) Tenant shall, within twenty (20) business days after Tenant's receipt of any such Landlord's Statement, deliver a written notice to Landlord specifying the portions of the Landlord's Statement that are claimed to be incorrect, and Tenant shall simultaneously pay to Landlord all undisputed amounts due from Tenant to Landlord as specified in the Landlord's Statement. Except as expressly set forth in this section, in no event shall Tenant be entitled to withhold, deduct, or offset any monetary obligation of Tenant to Landlord under the Lease (including without limitation, Tenant's obligation to make all payments of Base Rent, and all payments of Tenant's Percentage Share over the Base Year) pending the completion of any review of records under this Section 4.04. The right of Tenant under this Section 4.04 may only be exercised once for any Landlord's Statement, and if Tenant fails to meet any of the above conditions as a prerequisite to the exercise of such right, the right of Tenant under this Section 4.04 for a particular Landlord's statement shall be deemed waived. If Landlord fails to deliver a Landlord's Statement for a particular Lease year within one year of the expiration of the Lease year to which Landlord's Statement applies, Tenant shall have no liability for any adjustments to Tenant's Percentage Share with respect to such year.

(B) Tenant acknowledges that Landlord maintains its records for the Building at Landlord's offices, presently located at the address set forth in Section 1.13, and Tenant agrees that any review of records under this Section 4.04 shall be at the sole expense of Tenant and shall be conducted by an independent firm of certified public accountants. Tenant acknowledges and agrees that any records reviewed under this Section 4.04 constitute confidential information of Landlord, which shall not be disclosed to anyone other than the accountants performing the review and the principals of Tenant who receive the results of the review or as required by law or judicial order. The disclosure by Tenant of such information to any other person shall constitute a material breach of this Lease.

(C) Except for claims, disputes, or other matters in controversy arising from the non-payment of rent or other amounts payable under this lease or claims to possession of the Premises, all claims, disputes, and other matters in controversy (herein called "Dispute") arising directly or indirectly out of this Lease, whether contractual or non-contractual, and whether during the term or after the termination of this Lease shall be resolved exclusively according to the procedures set forth in this paragraph.

A party that believes Dispute exists under this Lease will first refer the Dispute to the representative designated by the other party for resolution. The designated representatives of each party will personally meet and attempt in good faith to resolve the Dispute. If the designated representatives cannot resolve the Dispute within thirty (30) days, a party that still believes a Dispute requires resolution may avail of the following provisions of this paragraph.

If a party still believes a Dispute requires resolution after following the procedures in the preceding paragraph, that party will first give a detailed written notice of Dispute to the other party setting forth the nature of the Dispute (the Dispute Notice'). The parties will then, before resorting to arbitration, first try in good faith to settle the Dispute by mediation administered by the American Arbitration Association ('AAA') under its Commercial Arbitration Rules. The mediator must have substantial experience with commercial leasing. If any Dispute is not resolved by mediation within thirty (30) days after the Dispute Notice, either party may seek judicial relief or commence judicial action, or, if mutually agreed upon by the parties, the Dispute shall be submitted to and settled by binding arbitration administered by the AAA in the manner outlined below.

If the parties choose to resolve the Dispute by arbitration, all Disputes shall be resolved by arbitration in Reno, Nevada, governed by the Federal Arbitration Act, 9 U.S.C. I et seq, and administered by the AAA under its Commercial Arbitration Rules in effect on the date of the Dispute Notice, as modified by the provisions of this paragraph by a single arbitrator except that the parties shall be entitled to engage in discovery pursuant to Nevada law. Persons eligible to be selected as arbitrators shall be limited to lawyers with excellent academic and professional credentials (a) who are or have been a partner in a highly respected law firm in Nevada for at least 10 years, specializing in either general commercial litigation or general corporate and commercial matters with experience in the field of commercial leasing and (b) who have had both training and experience as an arbitrator.

AAA shall, within 10 days of the Dispute Notice, designate five persons who, in its opinion, meet the criteria set forth herein (the "List"). Each party shall be entitled to strike, within five days of receiving the List, two of such five designees on a peremptory basis and indicate its order of preference with respect to the remaining designees which have not been so stricken by either party in accordance with their indicated order of mutual preferences to the extent possible.

The arbitrator, once appointed, shall consider the matter promptly. The arbitrator shall base the award on applicable law and judicial precedent of the state of Nevada and shall include in such award the findings of fact and conclusions of law upon which the award is based. The arbitrator may interpret and apply the terms of this Lease, but shall not change any terms of this Lease. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Notwithstanding the foregoing, upon the application by either party to a court for an order confirming, modifying or vacating the award, the court shall have the power to review whether, as a matter of law based on the findings of fact determined by the arbitrator, the award should be confirmed, modified or vacated in order to correct any errors of law made by the arbitrator. In order to effectuate such judicial review limited to issues of law, the parties agree (and shall stipulate to the court) that the findings of fact made by the arbitrator shall be final and binding on the parties and shall serve as the facts to be submitted to and relied on by the court in determining the extent to which the order should be confirmed, modified or vacated.

If either party fails to proceed with arbitration as provided herein (if such option is mutually elected) or unsuccessfully seeks to stay such arbitration, or fails to comply with discovery rules, or fails to comply with any arbitration award, or is unsuccessful in vacating or modifying the award pursuant to a petition or application for judicial review, the other party shall be entitled to be awarded costs, including reasonable attorneys' fees, paid or incurred by such other party in successfully compelling such arbitration or defending against the attempt to stay, vacate or modify such arbitration award and/or successfully defending or enforcing the award.

All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this paragraph are pending. The parties will take such action, if any, required to effectuate such tolling.

Each party shall comply with the foregoing dispute resolution requirements before seeking judicial relief or commencing any judicial action.

**4.05 Payment.** Beginning on the Commencement Date, Base Rent described in Section 1.07, as adjusted in accordance with Section 4.02, shall be payable in advance on the first day of each calendar month. If the Commencement Date is other than the first day of a calendar month for such partial month shall be prorated in the proportion that the number of days this Lease is in effect during such partial month bears to the total number of days in the calendar month and shall be paid together with Tenant's first Base Rent payment due hereunder. All prepaid lease Rent (if any), and all other amounts payable to Landlord by Tenant pursuant to the provisions of this Lease, shall be paid to Landlord, without notice, demand, abatement, deduction or offset, in lawful money of the United States at Landlord's Address for Notices or to such other person or at such other place as Landlord may designate from time to time by written notice given to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the correct Rent due hereunder shall be deemed to be other than a payment on account; nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law or in equity provided.

**4.06 Late Charge Interest.** Tenant acknowledges that the late payment of Base Rent or any other amounts payable by Tenant to Landlord hereunder (all of which shall constitute additional rental to the same extent as lease Rent) will cause Landlord to incur administrative costs and other damages the exact amount of which would be impracticable or extremely difficult to ascertain. Landlord and Tenant agree that if Landlord does not receive any such payment on or before seven (7) business days after the date the payment is due, Tenant shall pay to Landlord, as additional rent, (a) a late charge equal to five percent (5%) of the overdue amount to cover such additional administrative costs; and (b) interest on the delinquent amounts at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum from the date due to the date paid. Notwithstanding the foregoing, no late charge or interest shall occur on any Base Rent or other payment if Tenant pays such Base Rent or other amount within five (5) days after Landlord's written notice of such payment default; provided, however, Landlord shall not be required to give Tenant more than one such written notice of a payment default each calendar year of the Lease term and thereafter no written notice shall be required and the terms

of this Section 4.06 shall apply.

**4.07 Additional Rental.** For purposes of this Lease, all amounts payable by Tenant to Landlord pursuant to this Lease, whether or not denominated as such, shall constitute additional rental hereunder. Such additional rental, together with the Base Rent and Rent Adjustments, shall sometimes be referred to in this Lease as “Rent”.

## **ARTICLE V - ADDITIONAL TAXES**

[Intentionally Deleted]

## **ARTICLE VI - SECURITY DEPOSIT**

**6.01 Amount of Security Deposit; Application.** Prior to the Commencement Date, Tenant shall deposit with Landlord a cash sum in the amount stated in Section 1.09 (the Security Deposit”). Landlord shall hold the Security Deposit as security for the performance of Tenant’s obligations under this Lease. If Tenant defaults on any provision of this Lease, Landlord may, but shall not be required to, and upon written notice to Tenant, without prejudice to any other remedy it has, apply all or part of the Security Deposit to:

- (A) Any Rent or other sum in default;
- (B) [Intentionally Deleted]
- (C) Any expense, loss, or damage that Landlord may suffer because of Tenant’s default.

**6.02 Interest on Security Deposit.** Tenant is not entitled to any interest on the Security Deposit.

**6.03 Return of Security Deposit.** Unless Tenant is then in default of this Lease and such default has not been cured during the applicable cure period, the unused portion of the Security Deposit shall be returned to Tenant within sixty (60) days following the expiration or termination of the Lease.

## **ARTICLE VII - USE OF PREMISES**

**7.01 Tenant’s Permitted Use.** Tenant shall use the Premises only for Tenant’s Permitted Use as set forth in Section 1.10 above and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant’s Permitted Use. Other than as set forth in this Lease, Landlord disclaims any warranty that the Premises are suitable for Tenant’s use and Tenant acknowledges that it has had a full opportunity to make its own determination in this regard.

### **7.02 Compliance with Laws and Other Requirements.**

(A) Tenant shall cause any Tenant improvements to comply in all material respects with all laws applicable to such Tenant improvements. Tenant shall comply in all material respects with all laws, ordinances, regulations and directives of any governmental authority having jurisdiction including without limitation any certificate of occupancy and any law, ordinance, regulation, covenant, condition or restriction regarding Tenant's use and occupancy of the Premises and which in the future may become applicable to Tenant's use and occupancy of the Premises (collectively "Applicable Laws"). Tenant shall ensure that Tenant's use shall comply with all conditions of this paragraph, but Tenant shall not be required to make any structural or physical changes to the Building or Premises that may be required.

(B) Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (a) violates any Applicable Law; (b) causes damage to the Building or the Premises; (c) violates a requirement or condition of any fire and extended insurance policy covering the Building and/or the Premises, or increases the cost of such policy but only to the extent Tenant has been advised in writing of such requirements or conditions; (d) constitutes a nuisance, annoyance or unreasonable inconvenience to other tenants or occupants of the Building or its equipment, facilities or systems; (e) interferes with the transmission or reception of microwave, television, radio, telephone, or other communication signals by antennae or other facilities located in the Building or (f) violates the Rules and Regulations described in Article XXI.

(C) [Intentionally Deleted]

(D) Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives, combustibles or other hazardous devices in or about the Building and/or Premises.

### **7.03 Hazardous Materials.**

(A) No Hazardous Materials, as defined herein, shall be Handled, as also defined herein, upon, about, above or beneath the Premises or any portion of the Building by or on behalf of Tenant, its subtenants or its assignees, or their respective contractors, clients, officers directors, employees, agents or invitees. Any such Hazardous Materials so Handled shall be known as Tenant's Hazardous Materials. Notwithstanding the foregoing, normal quantities of those Hazardous Materials customarily used in the conduct of general administrative and executive office activities (e. g., copier fluids and cleaning supplies) may be used and stored at the Premises without Landlord's prior written consent, but only in compliance with all applicable Environmental Laws, as defined herein and with the highest prevailing industry standards.

(B) Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision, which requirements or necessity arises from the Handling of Tenant's Hazardous Materials upon, about, above or beneath the Premises or any portion of the Building. Such actions shall include, but not be

limited to, the investigation of the environmental condition of the Premises or any portion of the Building, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all actions necessary to restore the Premises or any portion of the Building to the standards or redemption allowable under applicable Environmental Laws. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions required by this Section, which approval shall not be unreasonably withheld so long as such actions would not potentially have a material adverse long-term or short-term effect on the Premises or any portion of the Building. Notwithstanding anything in this Lease to the contrary, Tenant shall not be responsible or have any liability or obligation with respect to pre-existing or future Hazardous Materials in or about the Premises or Building, or any Hazardous Materials not constituting Tenant's Hazardous Materials as defined herein.

(C) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings orders, decrees, directives, policies and requirements by any federal, State or local governmental authority regulating, relating to, or imposing liability or standards of conduct concerning public health and safety or the environment.

(D) "Hazardous Materials" means: (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; (v) which is radioactive; (vi) which is infectious; or (b) any other material or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined, or become defined by Environmental Laws; or materials which cause a nuisance upon or waste to the Premises or any portion of the Building.

(E) "Handle," "Handled," or "Handling" shall mean any installation, handling, generation, storage, treatment, use disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials.

## **ARTICLE VIII - UTILITIES AND SERVICES**

**8.01 Building.** As long as Tenant is not in default under this Lease, Landlord agrees to furnish or cause to be furnished to the Premises the following services, subject to the conditions and standards set forth herein:

(A) Non-attended automatic elevator service.

(B) During Business Hours, such air conditioning, heating and ventilation as, in Landlord's reasonable judgment, are required for the comfortable use and occupancy of the Premises; provided, however, that if Tenant shall require heating, ventilation or air conditioning in excess of that which Landlord shall be required to provide hereunder, Landlord may provide

such additional heating, ventilation or air conditioning at such rates and upon such additional reasonable conditions as shall be determined by Landlord from time to time.

**8.02 Interruption of Services.** Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in furnishing any of the services or utilities described in Section 8.01, when such failure is caused by accident, breakage, strikes, lockouts, labor disputes, labor disturbances, governmental regulation, civil disturbances, acts of war, moratorium or other governmental action, or any other cause beyond Landlord's reasonable control, and, in such event, Tenant shall not be entitled to any damages nor shall any failure or interruption abate or suspend Tenant's obligation to pay Base Rent and additional rental required under this lease or constitute or be construed as a constructive or other eviction of Tenant provided Landlord is diligently seeking to restore utility service. Further, in the event any governmental authority or public utility promulgates or revises any law, ordinance, rule or regulation, or issues mandatory controls or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline without affecting Tenant's obligations hereunder provided such action does not adversely affect Tenant's use and occupancy of the Premises. Tenant recognizes that any security services provided by Landlord at the Building are for the protection of Landlord's property and under no circumstances shall Landlord be responsible for, and Tenant waives any rights with respect to, providing security or other protection for Tenant or its employees, invitees or property in or about the Premises or the Building.

## **ARTICLE IX - MAINTENANCE AND REPAIRS**

**9.01 Landlord's Obligations.** Except as provided in Sections 9.02 and 9.03 below, Landlord shall maintain the Building in reasonable order and repair throughout the Lease Term, including the roof, foundations, and all structural elements thereof (including the Premises) and all Building systems; provided, however, that Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure is in the event of an emergency or in a non-emergency persists beyond ten (10) days after written notice of the need for such repairs or maintenance is given to Landlord by Tenant if such repair or maintenance is required with respect to the Premises unless Landlord has actual knowledge of the need for such repair. In addition, Landlord's obligation to keep and maintain the Building in good order and condition is not conditioned upon receipt of written notice of the need for such repair or maintenance from Tenant. Except as provided in Article XII, there shall be no abatement of Rent, nor shall there be any liability of Landlord, by reason of any injury or inconvenience to, or interference with, Tenant's business or operations arising from the making of, or failure to make, any maintenance or repairs in or to any portion of the Building, unless such failure results in Tenant's inability to use the Premises for a period of ten (10) consecutive days or longer.

**9.02 Tenant's Obligations.** During the Lease Term, Tenant shall, at its sole cost and expense, maintain the interior of the Premises, including the Tenant Improvements but excluding any structural components, wiring, plumbing or ducting, in reasonable order and repair. Further, Tenant shall be responsible for, and upon demand by Landlord shall promptly reimburse Landlord for, any damage to any portion of the Building or the Premises caused by (a) Tenant's

activities in the Building or the Premises; (b) the performance or existence of any alterations, additions or improvements made by Tenant in or to the Premises; (c) the installation, use, operation or movement of Tenant's property in or about the Building or the Premises; or (d) any act or omission by Tenant or its officers, partners, employees, agents, contractors or invitees.

**9.03 Landlord's Rights.** Subject to Landlord's (including its employees, contractors and agents), compliance with and subject to Tenant's Access Requirements (as defined below), except in the event of an emergency, Landlord and its contractors shall have the right, at all reasonable times and upon reasonable notice, to enter upon the Premises to make any repairs to the Premises or the Building reasonably required or deemed reasonably necessary by Landlord and to erect such equipment, including scaffolding, as is reasonably necessary to effect such repairs provided the exercise of such rights does not adversely affect Tenant's use and occupancy of the Premises.

## **ARTICLE X ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

**10.01 Landlord's Consent; Conditions.** Tenant shall not make or permit to be made any material alterations, additions, or improvements in or to the Premises ("Alterations") without the prior written consent of Landlord, which consent shall not be unreasonably withheld if such Alterations are not structural in nature and do not affect any Building systems and are within the interior of the Premises. Landlord may impose as a condition to such consent such requirements as Landlord in its reasonable discretion deems necessary or desirable including without limitation: Tenant's submission to Landlord, for Landlord's prior written approval, of all plans and specifications relating to the Alterations; Landlord's prior written approval of the time or times when the Alterations are to be performed; Landlord's prior written approval of the contractors and subcontractors performing work in connection with the Alterations; Tenant's receipt of all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises prior to the construction of the Alterations; Tenant's written notice of whether the Alterations include the Handling of any Hazardous Materials, pursuant to Section 7.03; Tenant's delivery to Landlord of such bonds and insurance as Landlord shall reasonably require; and Tenant's payment to Landlord of all costs and expenses incurred by Landlord because of Tenant's Alterations, including but not limited to third party costs incurred by Landlord in reviewing the plans and specifications for, and the progress of, the Alterations. Landlord shall advise Tenant in writing at the time of Tenant's request for its consent to any Alterations requiring Landlord's consent whether Tenant will be required to remove such Alteration upon expiration of this Lease. If Landlord does not so advise Tenant at the time it gives its consent to an Alteration, Tenant may, but shall not be required to, remove such Alteration. Notwithstanding the foregoing, Tenant may make minor, cosmetic, non-structural alterations to the interior of the Premises not exceeding \$15,000 ("Minor Alterations") without Landlord's consent but Tenant shall give Landlord notice of such Minor Alterations.

**10.02 Performance of Alterations Work.** All work relating to the Alterations shall be performed in compliance with the plans and specifications approved by Landlord, all applicable laws, ordinances, rules, regulations and directives of all governmental authorities having jurisdiction may pay and satisfy the same and in such event the sums so paid by Landlord, with interest from the date of payment at the rate set forth in Section 4.06 hereof for amounts owed Landlord by Tenant shall be deemed to be additional rent due and payable by Tenant at once

without notice or demand.

**10.04 Lease Termination.** Except as provided in this Section 10.04, upon expiration or earlier termination of this Lease Tenant shall surrender the Premises to Landlord in the same condition as when received, subject to reasonable wear and tear and Alterations. All Alterations shall become a part of the Premises and shall become the property of Landlord upon the expiration or earlier termination of this Lease, unless Landlord shall, have given written notice to Tenant as required under Section 10.01 above, in which event Tenant shall promptly remove the designated Alterations and shall promptly repair any resulting damage, all at Tenant's sole expense, except those alterations initially made by Landlord under Section 1.16 which Tenant shall not be required to remove. All business and trade fixtures, machinery and equipment, furniture, movable partitions and items of personal property owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant; upon the expiration or earlier termination of this Lease, Tenant shall, at its sole expense remove all such items and repair any damage to the Premises or the Building caused by such removal. If Tenant fails to remove any such items or repair such damage promptly after the expiration or earlier termination of the Lease, Landlord may, but need not, do so with no liability to Tenant, and Tenant shall pay Landlord the cost thereof upon demand.

## **ARTICLE XI - INDEMNIFICATION AND INSURANCE**

### **11.01 Indemnification.**

(A) Tenant agrees to protect, indemnify, hold harmless and defend Landlord and any mortgagee or ground lessor, and each of their respective partners, directors, officers agents and employees, successors and assigns (except to the extent of the losses described below are caused by the negligence or willful misconduct of Landlord, its agents, employees, contractors and others for whom Landlord is legally responsible), from and against:

(i) Any and all loss, cost, damage, liability or expense as incurred (including but not limited to reasonable attorneys' fees and legal costs) arising out of or related to any third party claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of Tenant's use or occupancy of the Premises except that caused by the negligence or willful misconduct of Landlord or its agents or employees.

(ii) Any and all environmental damages which arise from the Handling of any Tenant's Hazardous Materials. For the purpose of this Lease, "environmental damages" shall mean (a) all claims, judgments, damages, penalties, fines, costs, liabilities, and losses (including without limitation, diminution in the value of the Premises or any portion of the Building, damages for the loss of or restriction on use of rentable or usable space or of any amenity of the Premises or any portion of the Building, and from any adverse impact of Landlord's marketing of space); (b) all reasonable sums paid for settlement of claims, reasonable attorneys' fees, consultants' fees and experts' fees; and (C) all costs incurred by Landlord in connection with investigation or remediation relating to the Handling of Tenant's Hazardous

Materials, required by Environmental Laws. Tenant's obligations and liabilities pursuant to this Section 11.01 shall survive the expiration or earlier termination of this Lease.

(B) Landlord agrees to protect, indemnify, hold harmless and defend Tenant from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, with respect to any third party claim of damage or injury to persons or property at the Building and Premises caused by the negligence or willful misconduct of Landlord or its agents, employees, contractors or others for whom Landlord is legally responsible. Landlord's obligations and liabilities pursuant to this Section 11.01 shall survive the expiration or earlier termination of this Lease.

(C) Notwithstanding anything to the contrary contained herein, nothing shall be interpreted or used to in any way affect, limit, reduce or abrogate any insurance coverage provided by any insurers to either Tenant or Landlord.

(D) Notwithstanding anything to the contrary contained in this Lease, nothing herein shall be construed to infer or imply that Tenant is a partner, joint venture, agent, employee, or otherwise acting by or at the direction of Landlord.

**11.02 Property Insurance** At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, "all-risk" property insurance, in an amount not less than one hundred percent (100%) of the replacement cost covering (a) all leasehold improvements in and to the Premises which are made at the expense of Tenant; (b) all floor and wall coverings; and (c) Tenant's trade fixtures, equipment and other personal property from time to time situated in the Premises. The proceeds of such insurance shall be used for the repair or replacement of the property so insured unless the Lease is terminated following a casualty.

**11.03 Liability Insurance** At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, commercial general liability insurance including personal injury and property damage. Such insurance shall be in an amount of at least \$1,000,000 per occurrence and at least \$2,000,000 annual aggregate. The commercial general liability policy shall be endorsed to include Landlord and its agents, beneficiaries, partners, employees, and any deed of trust holder or mortgagee of Landlord as additional insureds with respect to liability to third parties ("third parties" to exclude insured parties). To the extent Landlord's additional insured status applies, Tenant's commercial general liability policy shall respond on a primary basis and any similar insurance maintained by Landlord shall respond excess thereof and not be required to contribute therewith.

**11.04 Workers' Compensation Insurance.** At all times during the Lease Term, Tenant shall procure and maintain Workers' Compensation Insurance in accordance with the laws of the State of Nevada, and Employer's Liability insurance with a limit not less than \$1,000,000 Bodily Injury Each Accident; \$1,000,000 Bodily Injury B Disease - Each Person; and \$1,000,000 Bodily Injury to Disease - Policy Limit.

**11.05 Policy Requirements.** All insurance required to be maintained by Tenant shall be issued by insurance companies authorized to do insurance business in the State of Nevada. A

certificate of insurance evidencing the insurance required under this Article XI shall be delivered to Landlord not less than thirty (30) days prior to the Commencement Date. Tenant shall furnish Landlord with a replacement certificate with respect to any insurance as soon as practical upon renewals thereof. Tenant shall have the right to provide the insurance required by this Article XI pursuant to blanket policies.

**11.06 Waiver of Subrogation.** Notwithstanding anything to the contrary in this Lease, each party hereby waives any right of recovery against the other for injury or loss due to hazards covered (or coverable under any insurance required to be maintained hereunder whether or not such insurance is obtained) by insurance. Any policy of insurance to be provided by Tenant or Landlord pursuant to this Article XI shall contain a clause denying the applicable insurer any right of subrogation against the other party.

**11.07 Failure to Insure.** If Tenant fails to maintain an insurance which Tenant is required to maintain pursuant to this Article XI, Tenant shall be liable to Landlord for any loss or cost resulting from such failure to maintain. Upon two (2) business days' notice, Landlord shall have the right, in its sole discretion, to procure and maintain such insurance which Tenant is required to maintain hereunder and the cost thereof shall be deemed additional rental due and payable by Tenant.

## **ARTICLE XII - DAMAGE OR DESTRUCTION**

**12.01 Total Destruction.** Except as provided in Section 12.03 below, this Lease shall automatically terminate if the Premises are totally destroyed.

**12.02 Partial Destruction of Premises.** If the Premises are damaged by any casualty and, in Landlord's reasonable opinion, the Premises (exclusive of any Alterations made to the Premises by Tenant other than those described in section 1.16) can be restored to its preexisting condition within ninety (90) days after the date of the damage or destruction, Landlord shall, except as provided in Section 12.03, promptly and with due diligence repair any damage to the Premises (exclusive of any Alterations to the Premises made by Tenant except for Landlord's Work which shall be performed by Landlord), which shall be promptly repaired by Tenant at its sole expense) and, until such repairs are completed, the Rent shall be abated from the date of damage or destruction in the same proportion that the rentable area of the portion of the Premises which is unusable by Tenant in the conduct of its business bears to the total rentable area of the Premises. If such repairs cannot, in Landlord's reasonable opinion, be made within such ninety (90) day period, then Landlord may, at its option, exercisable by written notice given to Tenant within thirty (30) days after the date of the damage or destruction, elect to make the repairs within a reasonable time after the damage or destruction and notify Tenant of the estimated time for repair. Tenant may within thirty (30) days after receipt of such notice elect by written notice to Landlord either (a) to have the Lease remain in full force and effect but the Rent shall be abated as provided in the preceding sentence; or (b) terminate the Lease as of the date of the damage or destruction. In addition, if Landlord does not so elect to make the repairs, then either Landlord or Tenant shall have the right, by written notice given to the other within sixty (60) days after the date of the damage or destruction, to terminate this Lease as of the date of the

damage or destruction.

**12.03 Exceptions to Landlord's Obligations.** Notwithstanding anything to the contrary, contained herein, Landlord shall have no obligation to repair the Premises if either: (a) the Building in which the Premises are located is so damaged as to require repairs to the Building exceeding twenty percent (20%) of the full insurable value of the Building and Landlord terminates a majority of other tenant leases (if the Premises is not affected); or b) the damage or destruction occurs less than six (6) months prior to the Termination Date, exclusive of option periods. Further, Tenant's Rent shall not be abated if the damage or destruction is repaired within five (5) business days after the date of casualty.

**12.04 Waiver.** The provisions contained in this Lease shall supersede any contrary laws now or hereafter in effect relating to damage or destruction.

### **ARTICLE XIII - CONDEMNATION**

**13.01 Taking.** If the entire Premises or so much of the Premises as to render the balance unusable by Tenant (as reasonably determined by Tenant) shall be taken by condemnation, sale in lieu of condemnation or in any other manner for any public or quasi-public purpose (collectively "Condemnation"), this Lease shall terminate on the date that title or possession to the Premises is taken by the condemning authority, whichever is earlier.

**13.02 Award.** In the event of any Condemnation, the entire award for such taking shall belong to Landlord, except that Tenant shall be entitled to independently pursue a separate award relating to the loss of, or damage to, Tenant's personal property and trade fixtures and Tenant's relocation costs directly associated with the taking. Tenant shall have no claim against Landlord or the award for the value of any unexpired term of this Lease or otherwise.

**13.03 Temporary Taking.** No temporary taking of the Premises shall terminate this Lease or entitle Tenant to any abatement of the Rent payable to Landlord under this Lease; provided, further, that any award for such temporary taking shall belong to Tenant to the extent that the award applies to any time period during the Lease Term and to Landlord to the extent that the award applies to any time period outside the Lease Term. A "temporary taking" shall mean a period of less than thirty (30) days.

### **ARTICLE XIV - RELOCATION**

**14.01 Relocation.** Intentionally removed

### **ARTICLE XV - ASSIGNMENT AND SUBLETTING**

**15.01 Restriction.** Without the prior written consent of Landlord, which shall not be unreasonably withheld, excluding related entities, a parent company, a subsidiary or an affiliate of Tenant conducting business consistent with Tenant (which assignment or subletting shall not require Landlord's consent), Tenant shall not, either voluntarily or by operation of law, assign, encumber, or otherwise transfer this Lease or any interest herein, or sublet the Premises or any

part thereof, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees or invitees. An assignment, subletting or other action in violation of the foregoing shall be void and, at Landlord's option, shall constitute a material breach of this Lease. For purposes of this Section 15.01, an assignment shall include any transfer of any interest in this Lease or the Premises by Tenant pursuant to a merger, division, consolidation or liquidation or pursuant to a change in ownership of Tenant involving a transfer of voting control in Tenant (whether by transfer of partnership interests, corporate stock or otherwise) (unless Tenant is a publicly traded company or a wholly-owned subsidiary of a publicly traded company in which event any change in ownership shall not constitute a transfer hereunder), unless the successor person or entity has the financial ability to assume the obligations of this Lease ("Qualified Successor"). Notwithstanding anything contained in this Article XV to the contrary, Tenant expressly covenants and agrees not to enter into any leases sublease, license, concession or other agreement for use, occupancy or utilization of the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

**15.02 Notices to Landlord.** If Tenant desires to assign this Lease or any interest herein which requires Landlord's consent, or to sublet all or any part of the Premises which requires Landlord's consent, then at least twenty (20) business days prior to the effective date of the proposed assignment or subletting, Tenant shall submit to Landlord in connection with Tenant's request for Landlord's consent:

(A) A statement containing (i) the name and address of the proposed assignee or subtenant; (ii) such financial information with respect to the proposed assignee or subtenant as Landlord shall reasonably require; (iii) the type of use proposed for the Premises; and (iv) all of the principal terms of the proposed assignment or subletting; and

(B) Four (4) originals of the assignment or sublease on a form reasonably approved by Landlord and four (4) originals of the Landlord's consent to Sublease or Assignment and Assumption of Lease and Consents.

**15.03 Landlord's Consent Standards.** Landlord's consent shall not be unreasonably withheld; but, in addition to any other grounds for denial, Landlord's consent shall be deemed reasonably withheld if, in Landlord's good faith judgment: (i) the proposed assignee or subtenant does not have the financial strength to perform its obligations under this Lease or any proposed sublease (ii) the proposed assignee or subtenant intends to use any part of the Premises for a purpose other than general office; (iii) either the proposed assignee or subtenant, or any person which directly or indirectly controls, is controlled by, or is under common control with the proposed assignee or subtenant occupies space in the Building, or is negotiating with Landlord to lease space in the Building; (iv) the proposed assignee or subtenant is disreputable; or (v) the use of the Premises or the Building by the proposed assignee or subtenant would, in Landlord's

reasonable judgment, significantly increase the pedestrian traffic in and out of the Building or would require any alterations to the Building to comply with applicable laws.

**15.04 Additional Rent.** If Landlord consents to any such assignment or subletting, 50% of all rent received by Tenant in connection with such assignment or subletting, which exceeds, in the aggregate, the total sum which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to less than all of the Premises under a sublease) shall be paid to Landlord as additional rent under the Lease without affecting or reducing any other obligation of Tenant hereunder.

**15.05 Landlord's Costs.** If Tenant shall assign this Lease or shall sublet all or any part of the Premises or shall request the consent of Landlord to any assignment, subletting or other act, Tenant shall pay to Landlord as additional rent Landlord's costs related thereto, including Landlord's reasonable attorneys' fees which costs shall not exceed One Thousand Dollars (\$1,000.00) per request.

**15.06 Continuing Liability of Tenant.** Notwithstanding any assignment or sublease, Tenant shall remain as fully and primarily liable for the payment of Rent and for the performance of all other obligations of Tenant contained in this Lease to the same extent as if the assignment or sublease had not occurred; provided, however, that any act or omission of any assignee or subtenant other than Landlord, that violates the terms of this Lease shall be deemed a violation of this Lease by Tenant.

**15.07 Non-Waiver.** The consent by Landlord to any assignment or subletting shall not relieve Tenant, or any person claiming through or by Tenant, of the obligation to obtain the consent of Landlord, pursuant to this Article XV, to any further assignment or subletting. In the event of an assignment or subletting, Landlord may collect rent from the assignee or the subtenant without waiving any rights hereunder and collection of the rent from a person other than Tenant shall not be deemed a waiver of any of Landlord's rights under this Article XV, an acceptance of assignee or subtenant as Tenant, or a release of Tenant from the performance of Tenant's obligations under this Lease.

## **ARTICLE XVI - DEFAULT AND REMEDIES**

**16.01 Events of Default by Tenant.** The occurrence of any of the following shall constitute a default (any and all references to "default" or "event of default" under this Lease shall mean a default after the giving of any required notice and the expiration of any applicable cure or grace period) and breach of this Lease by Tenant:

(A) The failure by Tenant to pay Base Rent or make any other payment required to be made by Tenant hereunder within five (5) days after written notice from Landlord.

(B) The abandonment of the Premises by Tenant or the vacation of the Premises by Tenant for ninety (90) consecutive days (unless Tenant continues to pay Rent as required hereunder).

(C) The failure by Tenant to observe or perform any material provision of this Lease to be observed or performed by Tenant, other than those described in Section 16.01 (A) and 16.01 (B) above, if such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that it cannot be cured within the thirty (30) day period, no default shall exist if Tenant commences the curing of the default within the thirty (30) day period and thereafter diligently prosecutes the same to completion. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the lease provision(s) containing the obligation(s). The thirty (30) day notice described herein shall be in lieu of, and not in addition to, any notice required under Chapter 40 of the Nevada Revised Statutes or any other law now or hereafter in effect requiring that notice of default be given prior to the commencement of an unlawful detainer or other legal proceeding.

(D) The making by Tenant of any general assignment for the benefit of creditors, the filing by or against Tenant of a petition under any federal or state bankruptcy or insolvency laws (unless in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days after filing); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Premises or Tenant's interest in this Lease or the Premises when possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, if such seizure is not discharged within thirty (30) days.

**16.02 Landlord's Right to Terminate Lease upon Tenant Default.** In the event of any default by Tenant as provided in Section 16.01 Landlord shall have the right to terminate this Lease and recover possession of the Premises by giving written notice to Tenant of Landlord's election to terminate this Lease, in which event Landlord shall be entitled to receive from Tenant:

(A) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(B) Any damages provable by Landlord including, without limitation, an amount equal to the positive difference, if any, between (x) the discounted present value (at 4% per annum) of the Base Rent which would have been earned after termination, and (y) the fair market rental value of the Premises after deduction of the actual costs and expenses of reletting the Premises; plus

(C) [Intentionally Deleted]

(D) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in subparagraphs (A) and (B) above, "worth at the time of award" shall be computed by discounting such amounts at the then highest lawful rate of interest, but in no event to exceed one percent (1%) per annum plus the rate established by the Federal Reserve Bank of San Francisco on advances made to member banks under Sections 13 and 13a of the Federal Reserve Act ("discount rate") prevailing on the date of execution of this Lease by Landlord. As used in

paragraph (C) above, “worth at the time of award” shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

**16.03 Landlord’s Right to Continue Lease upon Tenant Default.** In the event of a default of this Lease *and* abandonment of the Premises by Tenant, if Landlord does not elect to terminate this Lease as provided in Section 16.02 above, Landlord may from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease. Without limiting the foregoing, Landlord has the remedy to continue this Lease in effect after Tenant’s breach and abandonment and recover Rent as it becomes due. To the fullest extent permitted by law, the proceeds of any reletting shall be applied first to pay to Landlord all costs and expenses of such reletting (including without limitation, reasonable costs and expenses of retaking or repossessing the Premises, removing persons and property there from, securing new tenants, including reasonable expenses for redecoration, alterations and other costs in connection with preparing the Premises for the new tenant, and if Landlord shall maintain and operate the Premises, the costs thereof) and receivers’ fees incurred in connection with the appointment of and performance by a receiver to protect the Premises and Landlord’s interest under this Lease and any necessary or reasonable alterations; second, to the payment of any indebtedness of Tenant to Landlord other than Rent due and unpaid hereunder; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

Landlord shall make all reasonable efforts to re-let the Premises as soon as possible and otherwise mitigate its damages.

**16.04 Right of Landlord to Perform.** Unless otherwise specified herein, all covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant’s sole cost and expense. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated to (after any required notice or cure period), make any payment or perform any such other act on Tenant’s part to be made or performed, without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum from the date of such payment, shall be payable to Landlord as additional rent on demand and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of default by Tenant in the payment of Rent.

**16.05 Default under Other Leases.** [Intentionally Deleted]

**16.06 Non-waiver.** Nothing in this Article shall be deemed to affect Landlord’s rights to indemnification for liability or liabilities arising prior to termination of this Lease for personal injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or

statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in the Lease provided. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

**16.07 Cumulative Remedies.** The specific remedies to which a party may resort under the terms of the Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by the other party of any provisions of the Lease. In addition to the other remedies provided in the Lease, but subject to the terms and conditions hereof with respect to any Dispute, Landlord shall be entitled to a restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of the Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

**16.08 Default by Landlord.** Landlord's failure to perform or observe any of its obligations under this lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of thirty (30) days (or the additional time, if any, that is reasonably necessary promptly and diligently to cure the failure but in no event shall such cure period exceed 90 days in the aggregate) after Landlord receives written notice from Tenant specifying the default unless such default creates a health or safety concern or hazard that unreasonably interferes with Tenant's Permitted Use. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the lease provision(s) containing the obligation(s). If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may pursue any remedies available to it under the law and this Lease.

#### **ARTICLE XVII - ATTORNEYS FEES: COSTS OF SUIT**

**17.01 Attorneys Fees.** If either Landlord or Tenant shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, to its reasonable attorneys' fees irrespective of whether or not the action or other proceeding is prosecuted to judgment and irrespective of any court schedule of reasonable attorneys' fees. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent under this Lease.

**17.02 Indemnification.** [Intentionally Deleted]

#### **ARTICLE XVIII - SUBORDINATION AND ATTORNMENT**

**18.01 Subordination.** This Lease, and the rights of Tenant hereunder, are and shall be subordinate to the interests of (i) all present and future ground leases and master leases of all or any part of the Building; (ii) present and future mortgages and deeds of trust

encumbering all or any part of the Building provided that such subordination, with respect to future leases, master leases, mortgages or deeds of trusts is expressly conditioned upon Tenant's receipt of a commercially reasonable non-disturbance agreement in favor of Tenant; (iii) all past and future advances made under any such mortgages or deeds of trust; and (iv) all renewals, modifications, replacements and extensions of any such ground leases, master leases, mortgages and deeds of trust; provided, however, that (i) Landlord shall secure an agreement from such interest not to disturb Tenant's enjoyment of the Lease, and (ii) provided Landlord has complied with section 1.18 above, any lessor under any such ground lease or master lease or any mortgagee or beneficiary under any such mortgage or deed of trust shall have the right to elect, by written notice given to Tenant, to have this Lease made superior in whole or in part to any such ground lease, master lease, mortgage or deed of trust. Upon demand, Tenant shall execute, acknowledge and deliver any instruments reasonably requested by Landlord or any such lessor, mortgagee or beneficiary to effect the purposes of this Section 18.01. Such instruments may contain, among other things, provisions to the effect that such lessor, mortgagee or beneficiary (hereafter, for the purposes of this Section 18.01, a "Successor Landlord" ) shall (i) not be liable for any act or omission of Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease (except for repair and maintenance obligations of a continuing nature); (ii) not be subject to any offsets or defenses which Tenant might have been able to assert against Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease; (iii) not be liable for the return of any security deposit under the Lease unless the same shall have actually been deposited with such Successor Landlord; and (iv) be entitled to receive notice of any Landlord default under this Lease plus a reasonable opportunity to cure such default prior to Tenant having any right or ability to terminate this Lease as a result of such Landlord default. Within ten (10) days of execution of this Lease, Landlord shall provide Tenant with a non-disturbance agreement from any lienholder or ground lessor of the Building.

**18.02 Attornment.** If requested to do so, Tenant shall attorn to and recognize as Tenants landlord under this Lease any superior lessor, superior mortgagee or other purchaser or person taking title to the Building by reason of the termination of any superior lease or the foreclosure of any superior mortgage or deed of trust, and Tenant shall, within 15 days of written demand execute any documents reasonably requested by any such person to evidence the attornment described in this Section 18.02, provided that any superior lessor, superior mortgagee or other purchaser or person taking title to the Building by reason of the termination of any superior lease or the foreclosure of any superior mortgage or deed of trust agree not to disturb Tenant's enjoyment of the Premises.

**18.03 Mortgage and Ground Lessor Protection.** Tenant agrees to use commercially reasonable efforts to give any holder of any mortgage and any ground lessor, by registered or certified mail, a copy of any notice of default served upon the Landlord by Tenant, provided that prior to such notice Tenant has been notified in writing (by way of service on Tenant of a copy of Assignment of Rents and Leases, or otherwise) of the address of such mortgage holder or ground lessor (hereafter the "Notified Party"). Tenant further agrees that if Landlord shall have failed to cure such default within twenty (20) days after such notice to Landlord or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if Landlord has commenced within such twenty (20) days and is diligently pursuing

the remedies or steps necessary to cure or correct such default), then the Notified Party shall have an additional thirty (30) days within which to cure or correct such default (or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if the Notified Party has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default). Until the time allowed, as aforesaid, for the Notified Party to cure such default has expired without cure, Tenant shall have no right to, and shall not, terminate this Lease on account of Landlord's default.

### **ARTICLE XIX - QUIET ENJOYMENT**

**19.01** Provided that Tenant is not in default hereunder, Tenant shall have and peacefully enjoy the Premises during the Lease Term, subject to all of the terms and conditions contained in this Lease.

### **ARTICLE XX - PARKING**

**20.01** During the term of this Lease, Tenant shall be entitled to use the number of Tenants Parking Stalls, if any, described in Section 1.11 of this Lease in the parking facilities located within the Building. Tenants visitors shall have the right to use the parking facilities, subject to availability, and the rules and regulations governing visitor parking from time to time adopted by Landlord (or at Landlord's option, the operator or master lessee of the parking facilities).

### **ARTICLE XXI - RULES AND REGULATIONS**

**21.01** The Rules and Regulations attached hereto as Exhibit B are hereby incorporated by reference herein and made a part hereof. Tenant shall abide by, and faithfully observe and comply with the Rules and Regulations and any reasonable and non-discriminatory amendments, modifications and/or additions thereto as may hereafter be adopted and published by written notice to tenants by Landlord for the safety, care, security, good order and/or cleanliness of the Premises and/or the Building. Landlord shall not be liable to Tenant for any violation of such rules and regulations by any other tenant or occupant of the Building but shall enforce such Rules and Regulations in a uniform and consistent manner.

### **ARTICLE XXII - ESTOPPEL CERTIFICATES**

**22.01** Tenant agrees at any time and from time to time upon not less than ten (10) days' prior written notice from Landlord to execute, acknowledge and deliver to Landlord a statement in writing addressed and certifying to Landlord, or to the holder or assignee of any existing or prospective mortgage encumbering the Building or any part thereof (hereafter a "Mortgage"), or to the lessor, or existing or prospective assignee of the lessor's position, under any existing or prospective ground lease of the land underlying the Building (hereafter a "Ground Lessor"), or to any prospective purchaser of the land, improvements or both comprising the Building, that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that Tenant has accepted possession of the Premises, which are acceptable in all respects, and that any improvements required by the terms of this Lease to be made by Landlord have been completed

to the satisfaction of Tenant (if true); that Tenant is in full occupancy of the Premises; that no rent has been paid more than thirty (30) days in advance; that the first month's Base Rent has been paid; that Tenant is entitled to no free rent or other concessions except as stated in this Lease; that Tenant has not been notified in writing of any previous assignment of Landlord's or any predecessor landlord's interest under this Lease; the dates to which Base Rent, additional rental and other charges have been paid; that Tenant, as of the date of such certificate, has no charge, lien or claim of setoff under this Lease or otherwise against Base Rent, additional rental or other charges due or to become due under this Lease; and that Landlord is not in default in performance of any covenant, agreement or condition contained in this Lease or any other matter relating to this Lease or the Premises or, if so, specifying each such default. In addition, in the event that such certificate is being given to any Mortgagee or Ground Lessor, such statement may contain any other provisions reasonably required by such Mortgagee or Ground Lessor including, without limitation, an agreement on the part of Tenant to furnish to such Mortgagee or Ground Lessor, as applicable, written notice of any Landlord default and a reasonable opportunity for such Mortgagee or Ground Lessor to cure such default prior to Tenant being able to terminate this Lease. Any such statement delivered pursuant to this Section may be relied upon by Landlord or any Mortgagee, Ground Lessor or prospective purchaser to whom it is addressed and such statement, if required by its addressee, may so specifically state.

### **ARTICLE XXIII - ENTRY BY LANDLORD**

**23.01** Subject to compliance with Tenant's Access Requirements, Landlord may enter the Premises at all reasonable times and upon reasonable notice to Tenant to: inspect the same; exhibit the same to prospective purchasers, lenders or tenants (but with respect to tenant only during the last six months of the term), determine whether Tenant is complying with all of its obligations under this Lease; supply janitorial and other services to be provided by Landlord to Tenant under this Lease; post notices of non-responsibility; and make repairs or improvements in or to the Building or the Premises; provided, however, that all such work shall be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible and in compliance with Tenant's reasonable security and privacy policies. Tenant may install an electronic security system of its choice and Landlord must notify Tenant of Landlord's desire to enter the premises. Subject to emergency, Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Tenant's vaults, safes and similar areas designated by Tenant in writing in advance), and Landlord shall have the right to use any and all means by which Landlord may deem proper to open such doors to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any such means, or otherwise, shall not under any circumstances be deemed or construed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from any part of the Premises. Such entry by Landlord shall not act as a termination of Tenant's duties under this Lease. If Landlord shall be required to obtain entry by means other than a key provided by Tenant, the cost of such entry shall be payable by Tenant to Landlord as additional rent.

Landlord acknowledges that Tenant keeps privileged and confidential student records and information at the Premises and that Landlord has no right to access such student information and that if Landlord has a right to and/or is afforded such access to the Premises under this Lease, Landlord shall comply with Tenant's reasonable security measures with respect to

Landlord's access to the Premises ("Tenant's Access Requirements"). For purposes of clarification, "Tenant's Access Requirements" are collectively, the following: (i) Landlord will be accompanied by a Tenant representative (except in an emergency) when students are present and Landlord will timely notify Tenant and coordinate its access to the Premises with the Tenant when students are present so that Tenant can arrange to have a representative available to accompany Landlord or its representatives (it being understood that if a Tenant representative is not available at the requested time and if students are present, Landlord shall not have access to the Premises (except in an emergency)); (ii) Landlord shall have no access whatsoever to privileged and confidential student records and information kept by Tenant at the Premises, and (iii) Landlord shall not show the Premises to prospective lenders, purchasers or tenants while students are present without the prior consent of, and during mutually agreed upon time with, Tenant.

**ARTICLE XXIV - LANDLORD'S LEASE UNDERTAKINGS-EXCULPATION  
FROM PERSONAL LIABILITY TRANSFER OF LANDLORD'S INTEREST**

**24.01 Landlord's Lease Undertakings.** Notwithstanding anything to the contrary contained in this Lease or in any exhibits, Riders or addenda hereto attached (collectively the "Lease Documents"), it is expressly understood and agreed by and between the parties hereto that: (a) the recourse of Tenant or its successors or assigns against Landlord with respect to the alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in any of the Lease Documents (collectively, "Landlord's Lease Undertakings") shall extend only to Landlord's interest in the real estate of which the Premises demised under the Lease Documents are a part (including sale, condemnation and insurance proceeds) ("Landlord's Real Estate") and not to any other assets of Landlord or its officers, directors, beneficiaries or shareholders; and (b) except to the extent of Landlord's interest in Landlord's Real Estate, no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against Landlord.

**24.02 Transfer of Landlord's Interest.** Landlord and each successor to Landlord shall be fully released from the performance of Landlord's obligations subsequent to their transfer of Landlord's interest in the Building and in no event shall such Transfer of Landlord's Interest affect the rights of the Tenant.

**ARTICLE XXV - HOLDOVER TENANCY**

**25.01** If Tenant holds possession of the Premises after the expiration or termination of the lease Term, by lapse of time or otherwise, Tenant shall become a tenant at sufferance upon all of the terms contained herein, except as to Lease Term and Rent. During such holdover period, Tenant shall pay to Landlord a monthly rental equivalent to one hundred and twenty-five percent (125%) of the Base Rent plus additional rent payable by Tenant to Landlord with respect to the last month of the Lease Term. The monthly rent payable for such holdover period shall in no event be construed as a penalty or as liquidated damages for such retention of possession. Without limiting the foregoing, Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its beneficiary, and their respective agents, contractors and employees, from and

against any and all claims, liabilities, actions, losses, damages and expenses (including, without limitation, court costs and reasonable attorneys fees) asserted against or sustained by any such party and arising from or by reason of such retention of possession, which obligations shall survive the expiration or termination of the Lease Term.

### **ARTICLE XXVI - NOTICES**

**26.01** All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served, as an alternative to personal service, by mailing the same by registered or certified mail, postage prepaid, addressed to the Landlord at the address for Landlord set forth in Section 1.13 above and to Tenant at the address for Tenant set forth in Section 1.14 above, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing. Any notice shall be deemed to have been served at the time the same was posted.

### **ARTICLE XXVII - BROKERS**

**27.01** The parties recognize as the broker(s) who procured this Lease the firm(s) specified in Section 1.15 and agree that Landlord shall be solely responsible for the payment of any brokerage commissions to said broker(s), and that Tenant shall have no responsibility therefor unless written provision of the contrary has been made a part of this Lease. If either party has dealt with any other person or real estate broker in respect to leasing, subleasing or renting space in the Building, such party shall be solely responsible for the payment of any fee due said person or firm and such party shall protect, indemnify, hold harmless and defend the other party from any liability in respect thereto.

### **ARTICLE XXVIII - MISCELLANEOUS**

**28.01 Entire Agreement.** This Lease contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such leasing. Landlord has not made, and Tenant is not relying upon any warranties, or representations, promises or statements made by Landlord or any agent of landlord, except as expressly set forth herein. This Lease supersedes any and all prior agreements and understandings between Landlord and Tenant and alone expresses the agreement of the parties.

**28.02 Amendments.** This Lease shall not be amended, changed or modified in any way unless in writing executed by Landlord and Tenant. Landlord shall not have waived or released any of its rights hereunder unless in writing and executed by the Landlord.

**28.03 Successors.** Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind and benefit the successors and assigns of the parties hereto.

**28.04 Force Majeure.** Except for Tenant's obligation to pay Rent, neither party shall incur any liability to the other party with respect to, and shall not be responsible for any failure to perform, any of such party's obligations hereunder if such failure is caused by any reason beyond the control of such party including, but not limited to, strike, labor trouble, governmental rule, regulations, ordinance statute or interpretation, or by fire, earthquake, civil commotion, or failure or disruption of utility services. The amount of time for such party to perform any of such party's obligations shall be extended by the amount of time such party is delayed in performing such obligation by reason of any force majeure occurrence whether similar to or different from the foregoing types of occurrences.

**28.05 Survival of Obligations.** Any obligations of Tenant accruing prior to the termination of this lease shall survive the termination of the Lease, and Tenant shall promptly perform all such obligations whether or not this Lease has expired.

**28.06 Light and Air.** No diminution or shutting off of any light, air or view by any structure now or hereafter erected shall in any manner affect this Lease or the obligations of Tenant hereunder, or increase any of the obligations of Landlord hereunder.

**28.07 Governing Law.** This Lease shall be governed by, and construed in accordance with, the laws of the State of Nevada.

**28.08 Severability.** In the event any provision of this Lease is found to be unenforceable, the remainder of this Lease shall not be affected, and any provision found to be invalid shall be enforceable to the extent permitted by law. The parties agree that in the event two different interpretations may be given to any provision hereunder, one of which will render the provision unenforceable, and one of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

**28.09 Captions.** All captions, headings, titles, numerical references and computer highlighting are for convenience only and shall have no effect on the interpretation of this Lease.

**28.10 Interpretation.** Tenant acknowledges that it has read and reviewed this Lease and that it has had the opportunity to confer with counsel in the negotiation of this Lease. Accordingly, this Lease shall be construed neither for nor against Landlord or Tenant, but shall be given a fair and reasonable interpretation in accordance with the meaning of its terms and the intent of the parties.

**28.11 Independent Covenants.** Each covenant, agreement, obligation or other provision of this Lease to be performed by each party to this Lease are separate and independent covenants of that party, and not dependent on any other provision of the Lease.

**28.12 Number and Gender.** All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include the appropriate number and gender, as the context may require.

**28.13 Time Is of the Essence.** Time is of the essence of this Lease and the performance of all obligations hereunder.

**28.14 Joint and Several Liability.** If Tenant comprises more than one person or entity, or if this lease is guaranteed by any party, all such persons shall be jointly and severally liable for payment of rents and the performance of Tenant's obligations hereunder.

**28.15 Exhibits.** A and B

**28.16 Offer to Lease.** [Intentionally Deleted]

**28.17 Choice of Laws.** Tenant hereby submits to local jurisdiction in the State of Nevada and agrees that any action by Tenant against Landlord shall be instituted in the State of Nevada and that Landlord shall have personal jurisdiction over Tenant for any action brought by Landlord against Tenant in the State of Nevada.

**28.18 Rights Reserved by Landlord.** Landlord reserves the following rights exercisable without notice (except as otherwise expressly provided to the contrary in this Lease) and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for set-off or abatement of Rent: (I) to change the name or street address of the Building; ii) to install, affix and maintain all signs on the exterior and/or interior of the Building; (iii) to designate and/or approve prior to installation, all types of signs, window shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises and, notwithstanding the provisions of Article X, the design, arrangement, style, color and general appearance of the portion of the Premises visible from the exterior, and contents thereof, including, without limitation, furniture, fixtures, signs, art work, wall coverings carpet and decorations, and all changes, additions and removals thereto, shall, at all times have the appearance of premises having the same type of exposure and used for substantially the same purposes that are generally prevailing in first class office buildings in the area; (iv) to display the Premises and or the Building to mortgagees, prospective mortgagees, prospective purchasers and ground lessors at reasonable hours subject to compliance with Tenant's Access Requirements and upon reasonable advance notice to Tenant; (v) to change the arrangement of entrances, doors, corridors, elevators and/or stairs in the Building, provided no such change shall materially adversely affect access to the Premises; (vi) to grant any party the exclusive right to conduct any business or render any service in the Building, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purposes permitted under this Lease or violate Tenant's Exclusive (as defined herein); (vii) to prohibit the placement of vending or dispensing machines of any kind in or about the Premises other than for use by Tenant's employees; (viii) to prohibit the placement of video or other electronic games in the Premises; (ix) to have access for Landlord and other tenants of the Building to any mail chutes and boxes located in or on the Premises according to the rules of the United States Post Office; (x) to close the Building after normal business hours, except that Tenant and its employees and invitees shall be entitled to admission at all times under such rules and regulations as Landlord prescribes for security purposes; (xi) to install, operate and maintain security systems which monitor, by closed circuit television or otherwise, all persons entering or leaving the Building; (xii) to install and maintain pipes, ducts, conduits, wires and structural

elements located in the Premises which serve other parts or other tenants of the Building provided the installation and use of the foregoing does not adversely affect Tenant's use and occupancy of the Premises; and (xiii) to retain at all times master keys or pass keys to the Premises, provided Landlord agrees to Tenant's confidentiality and security measures relating to the same and otherwise in compliance with Tenant's Access Requirements.

**28.19 Landlord's Representations, Warranties, and Related Obligations.** The Building and Premises shall be in compliance with all applicable laws, codes and ordinances, including the Americans with Disabilities Act (ADA).

Landlord shall represent that, as of the Commencement Date (or upon Substantial Completion of Landlord's Work and the Rent Commencement Date), the Premises, including any tenant improvements made by Landlord and any common areas under the Lease, shall be in compliance with all laws and regulations, including the ADA, shall be built in a good and workmanlike manner with good materials in accordance with the plans therefore, and the equipment and building systems serving the Premises are in good working order. Landlord shall maintain compliance in the common areas with all laws, and regulations, including the ADA, throughout the term of the lease and any renewals.

Landlord shall guarantee the Base Building from latent defects throughout the Lease Term. Notwithstanding any items constructed by Tenant, or Base Building items affected by Tenant's construction, throughout the Lease Term, Landlord shall repair, maintain and replace all structural and capital items of the Building, including the roof.

Landlord shall represent and warrant that, to its knowledge, there are no Hazardous Materials, including without limitation, asbestos, or mold located in, on or under the Building, the Property or Premises and there has been no violation thereon of any law, including Environmental Laws, governing Hazardous Materials. If Hazardous Materials are discovered at some later date on or about the Building or Premises, which are not Tenant Hazardous Materials or were not caused by Tenant, the Landlord will be liable for all costs and expenses associated with regulatory requirements to eliminate such problems. Any asbestos or other Hazardous Materials in the Premises shall be removed by Landlord at its expenses in compliance with applicable laws. If such materials cannot be removed, all such materials will be abated in compliance with all applicable laws.

Landlord shall provide Tenant with a record and history of any testing or studies regarding, or abatement of, hazardous substances, asbestos or mold in, on or under the building, the Buildign, Property or Premises.

Landlord shall indemnify, defend and hold harmless Tenant, Tenant's assignees, agents and invitees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith arising out of or in connection with any deposit, spill, discharge or other release of hazardous substances that is not caused by Tenant, Tenant's assignees, agents or invitees. For avoidance of double, Landlord's indemnification obligations hereunder shall be to the same extent and scope as Tenant's indemnification obligations in Article XI hereof, including

without limitation, any “environmental damages” as define herein. Landlord’s indemnification obligations hereunder shall survive expiration of this Lease.

**28.20 Tenant’s Exclusive.** Tenant shall have the exclusive right to operate an administrative office for an online school or educational facility (“Tenant’s Exclusive”). Landlord shall not negotiate with or lease any other space within the Building to another entity operating an administrative office for an online school or educational company.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LANDLORD: **K & L Joint Venture, LLC**

TENANT: **Nevada Connections Academy**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

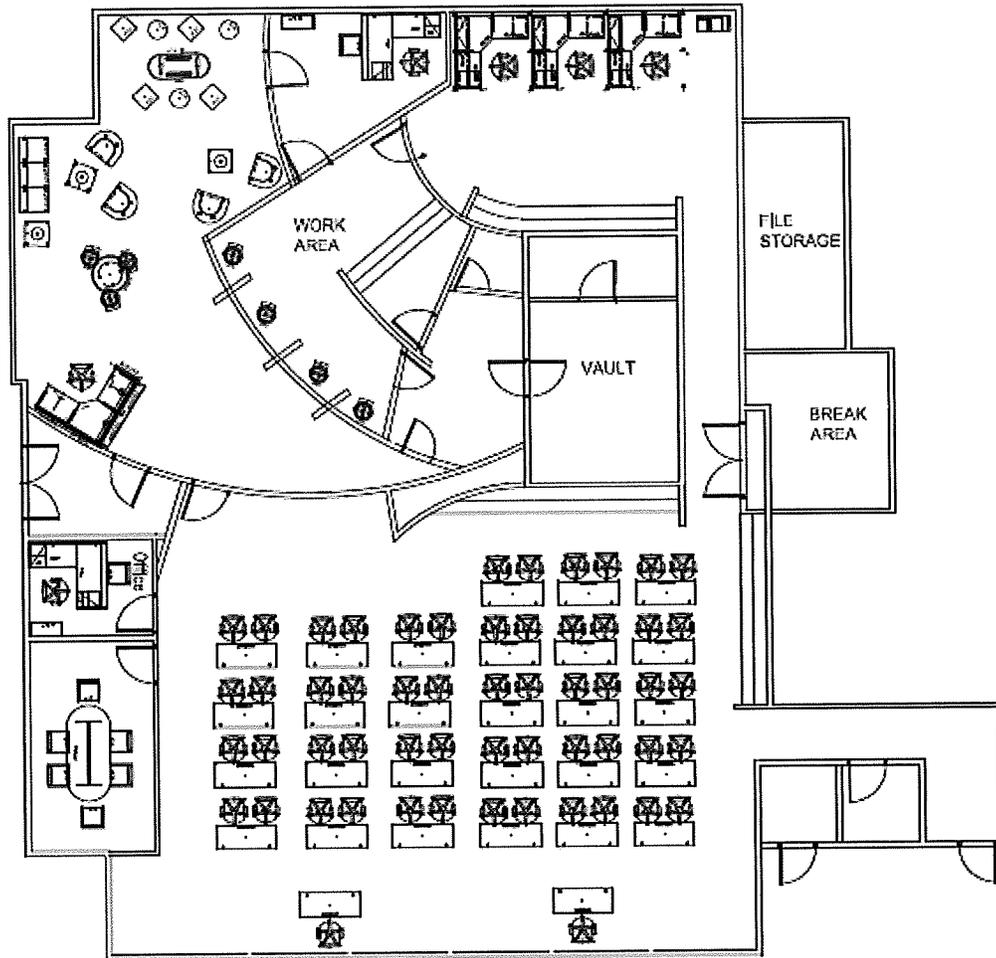
Its: \_\_\_\_\_

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A







**- EXHIBIT B**  
**RULES AND REGULATIONS**

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or used for any purpose other than ingress and egress. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control or prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation or interests of Landlord and its tenants, provided that nothing herein contained shall be construed to prevent such access by persons with whom the tenant normally deals in the ordinary course of its business unless such persons are engaged in illegal activities. No tenant and no employees of any tenant shall go upon the roof of the Building without the written consent of Landlord.
2. No awnings or other projections shall be attached to the outside walls or surfaces of the Building nor shall the interior or exterior of any windows be coated without the prior written consent of Landlord. Except as otherwise specifically approved by Landlord, all electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and of a quality, type, design and bulb color approved by Landlord. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.
3. No sign, picture, plaque, advertisement, notice or other material shall be exhibited, painted, inscribed or affixed by any tenant on any part of, or so as to be seen from the outside of, the Premises or the Building without the prior written consent of Landlord, except for commercially reasonable artwork and office decorations. In the event of the violation of the foregoing by any tenant, Landlord may remove the same without any liability, and may charge the expense incurred in such removal to the tenant violating this rule. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for each tenant by Landlord at the expense of such tenant, and shall be of a size, color and style acceptable to Landlord.
4. The toilets and wash basins and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused the same.
5. No tenant or its officers, agents, employees or invitees shall mark, paint, drill into, or in any way deface any part of the Premises or the Building. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of Landlord and as Landlord may direct.
6. No animals of any kind shall be brought into or kept in or about the Premises and no cooking shall be done or permitted by any tenant on the Premises except that microwave cooking in a UL-approved microwave oven and the preparation of coffee, tea, hot

chocolate and similar items for the tenant and its employees and business visitors shall be permitted. Tenant shall not cause or permit any unusual or objectionable odors to escape from the Premises.

7. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises for general office purposes. No tenant shall engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any immoral or illegal Purposes.
8. No tenant or its officers, agents, employees or invitees shall make, or permit to be made any unseemly or disturbing noises, sounds or vibrations or disturb or interfere with occupants of this or neighboring buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way.
9. No tenant or its officers, agents, employees or invitees shall throw anything out of doors, balconies or down the passageways.
10. Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives, combustibles or other hazardous devices in or about the Building and/or Premises.
11. No tenant or its officers, agents, employees or invitees shall at any time use, bring or keep upon the Premises any inflammable, combustible, explosive, foul or noxious fluid, chemical or substance, or do or permit anything to be done in the leased Premises, or bring or keep anything therein, which shall in any way increase the rate of fire insurance on the Building, or on the property kept therein, or obstruct or interfere with the rights of other tenants or in any way injure or annoy them, or conflict with the regulations of The Fire Department or the fire laws, or with any insurance policy upon the Building, or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority.
12. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof. Each tenant must, upon the termination of this tenancy, restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change. Tenant may install an electronic security system of its choice.
13. All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description, must take place during the hours which Landlord may determine from time to time. The moving of safes or other fixtures or bulky matter of any kind must be

made upon previous notice to the manager of the Building and under his or her supervision, and the persons employed any tenant for such work must be acceptable to Landlord. Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Lease of which these Rules and-Regulations are a part. Landlord reserves the right to prohibit or impose conditions upon the installation in the Premises of heavy objects which might overload the building floors. Landlord will not be responsible for loss of or damage to any safes, freight, bulky articles or other property from any cause, and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of the tenant.

14. No tenant shall purchase or otherwise obtain for use in the Premises water, ice, towel, vending machine, janitorial, maintenance or other like services (except as permitted under the Lease), or accept barbering or boot blacking services, except from persons authorized by Landlord, and at hours and under regulations fixed by Landlord.
15. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as an office building and upon written notice from Landlord any tenant shall refrain from or discontinue such advertising.
16. Any persons employed by any tenant to do janitorial work, shall, while in the Building, be subject to the prior written approval of the Landlord and subject to the Rules and Regulations of the Building. Tenant shall be responsible for all acts of such persons and Landlord shall not be responsible for any loss or damage to property in the Premises, however occurring.
17. All doors opening onto public corridors shall be kept closed, except when in use for ingress and egress, and left locked when not in use.
18. Canvassing, soliciting and peddling in the Building are prohibited and each tenant shall cooperate to prevent the same.
19. All office equipment of any electrical or mechanical nature shall be placed by tenants in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise or annoyance.
20. No air conditioning unit or other similar apparatus shall be installed or used by any tenant without the written consent of Landlord.
21. There shall not be used in any space, or in the public halls of the Building either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.
22. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires or stringing of wires will be allowed

without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the reasonable approval of Landlord. All such work shall be effected pursuant to permits issued by all applicable governmental authorities having jurisdiction.

23. Tenants shall cooperate with Landlord in the conservation of energy used in or about the Building, including without limitation, cooperating with Landlord in obtaining maximum effectiveness of the cooling system, and closing windows and doors to prevent heat loss. Tenant shall not obstruct, alter or in any way impair the efficient operation of Landlord's heating, lighting, ventilating and air conditioning system and shall not place bottles, machines, parcels or any other articles on the induction unit enclosure so as to interfere with air flow. Tenant shall not tamper with or change the setting of any thermostats or temperature control valves, and shall in general use heat, gas, electricity, air conditioning equipment and heating equipment in a manner compatible with sound energy conservation practices and standards.
24. All parking ramps and areas, pedestrian walkways, plazas, and other public areas forming a part of the Building shall be under the sole and absolute control of Landlord with the exclusive right to regulate and control these areas. Tenant agrees to conform to the rules and regulations that may be established by Landlord for these areas from time to time.
25. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
26. Tenant and its employees, agents, subtenants, contractors and invitees shall comply with all applicable "no-smoking" ordinances and, irrespective of such ordinances, shall not smoke or permit smoking of cigarettes, cigars or pipes outside of Tenant's Premises (including plaza areas) in any portions of the Building except areas specifically designated as smoking areas by Landlord. If required by applicable ordinance, Tenant shall provide smoking areas within Tenant's Premises.

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**SUBJECT: Founders Academy amendment  
request pursuant to NAC 386.325**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 15

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Founders Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Founders Academy amendment request pursuant to NAC 386.325  
**DATE:** July 9, 2015

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Summary of Request:

Founders Academy has requested permission to enter into a new or substantially revised lease with the new owner of its current facility. The school also requests authority to enter into a new lease for an adjacent facility to accommodate the enrollment specified in its charter application and charter contract.

Background

Founders was approved by the SPCSA board in 2013 and opened in the fall of 2014. The Las Vegas school commenced operation in 2014 and just concluded its first year of operation. The school has not received any notices of concern or breach related to its academic, financial, or organizational performance to date, although data to prompt such sanctions has been limited until recently.

In reviewing the school's submissions to the Authority in their entirety and speaking with members of the governing body and school employees, staff has identified a number of oversights which are cause for concern, including:

- The school has made incorrect cash flow assumptions and has overestimated revenues and underestimated expenses, resulting in the need to resort to multiple short term loans at varying interest rates
- Separation of duties between board members and school administration are unclear, leaving questions related to accountability and proper governance
- The school lacks the tools to demonstrate that it is academically successful

Recommendations: *Approve with Conditions*

The most recent revisions to NAC specifically permit a sponsor to deny a request to occupy a new facility if the school is not rated three star or above. The school has no academic track record. However, the regulations were crafted to grant a sponsor significant discretion in such cases.

Based on a review of the school's submissions to date, it is clear that entering into this new lease will permit the school to significantly reduce its operating expenses and it will also permit a modest increase in revenue by permitting it to accommodate its rising 11<sup>th</sup> grade class. Those two changes are projected to significantly improve the school's cash position and its overall financial viability. However, it appears that many of the issues which have arisen this year were predictable, prompting staff to recommend that the approval be contingent upon the following sanctions and corrective actions:

**Sanctions:** Staff has determined that the school should be subject to a Notice of Concern, based on inconsistencies in the , scheduled to be completed in the Fall of 2015. The school will be required to adopt an Authority-approved fiscal improvement plan to increase its available cash position on a quarterly and annual basis and will be required to adopt and adhere to a budget where revenues exceed expenses on a quarterly and annual basis. The school will be required to achieve quarterly and annual targets for the 2015-16 and 2016-17 school years. Failure to comply with the terms of the fiscal improvement plan and achieve quarterly or annual objectives as measured by both quarterly financial reports and the annual independent audit will result in a Notice of Breach. In the event that the school is served with a Notice of Breach, the school will be required to adopt an authority-approved fiscal improvement plan to increase its available cash position on a monthly, quarterly, and annual basis and will be required to adopt and adhere to a budget where revenues exceed expenses on a monthly, quarterly, and annual basis. Failure to comply with the terms of the fiscal improvement plan and achieve monthly, quarterly, or annual objectives during either the 2015-16 or 2016-17 school year as measured by monthly and quarterly financial reports and the annual independent audit will result in a Notice of Closure.

Additionally, staff recommends that the school develop a comprehensive corrective action plan, subject to SPCSA staff review and approval, which should include, but not be limited to the following:

**Hire a Qualified Director of Operations:** Staff recommends that the SPCSA Board require the school to recruit and hire an experienced, full-time Director of Operations to manage the day-to-day relationship of the school in association with its financial management provider.

**Evaluate Board Make-Up and Recruit Additional Board Members, Including At Least One Additional Member with Extensive Financial Management Experience:** Staff recommends that the SPCSA Board require the school to evaluate whether each member of the current governing board is sufficiently objective and has the capacity to appropriately govern the school. The governing board should be required to expand to add at least three additional board members, including one additional member with extensive financial management experience. Authority staff also recommend the governing board to provide a plan which is acceptable to staff regarding how the board will mitigate any potential deleterious effects of having relatives, close friends, and associates sitting concurrently on the governing board.

**Establish a Strong Finance Committee:** Staff recommends that the SPCSA Board require the school to establish a strong Finance Committee of at least three members which will meet on a monthly basis (at minimum).

**Board Training:** Staff recommends that the SPCSA Board require the school to participate in Board on Track (f/k/a The High Bar) for online board training and evaluation resources.

**Establish a Robust Internal Assessment System:** It is unclear how the school measures progress towards the goals set forth in its charter and how the limited assessment tools currently employed by the school align to the Nevada Academic Content Standards. As a result, the school has been unable to provide credible, objectively verifiable data to justify its request to occupy additional space and to demonstrate that it is indeed making the academic progress which it believes it is achieving. Staff recommends that the SPCSA board mandate that the school adopt such an assessment system, subject to Authority staff approval, as a condition of approval of this amendment and that data from those assessments be furnished to support any subsequent amendment requests.

**Align the Charter Contract and Performance Framework:** Additionally, staff recommends that the charter contract and the school's performance framework be amended to specifically include the criteria set forth in SB509 and other bills defining a low-performing charter or traditional public school and clarifying that a school can be placed into breach of contract or served with notice of closure based on persistent underperformance.



### Founders Academy Student Academic Performance

As we have just completed our first year of operation at Founders Academy, we do not have previous test scores to show our growth. We can however, provide current testing information.

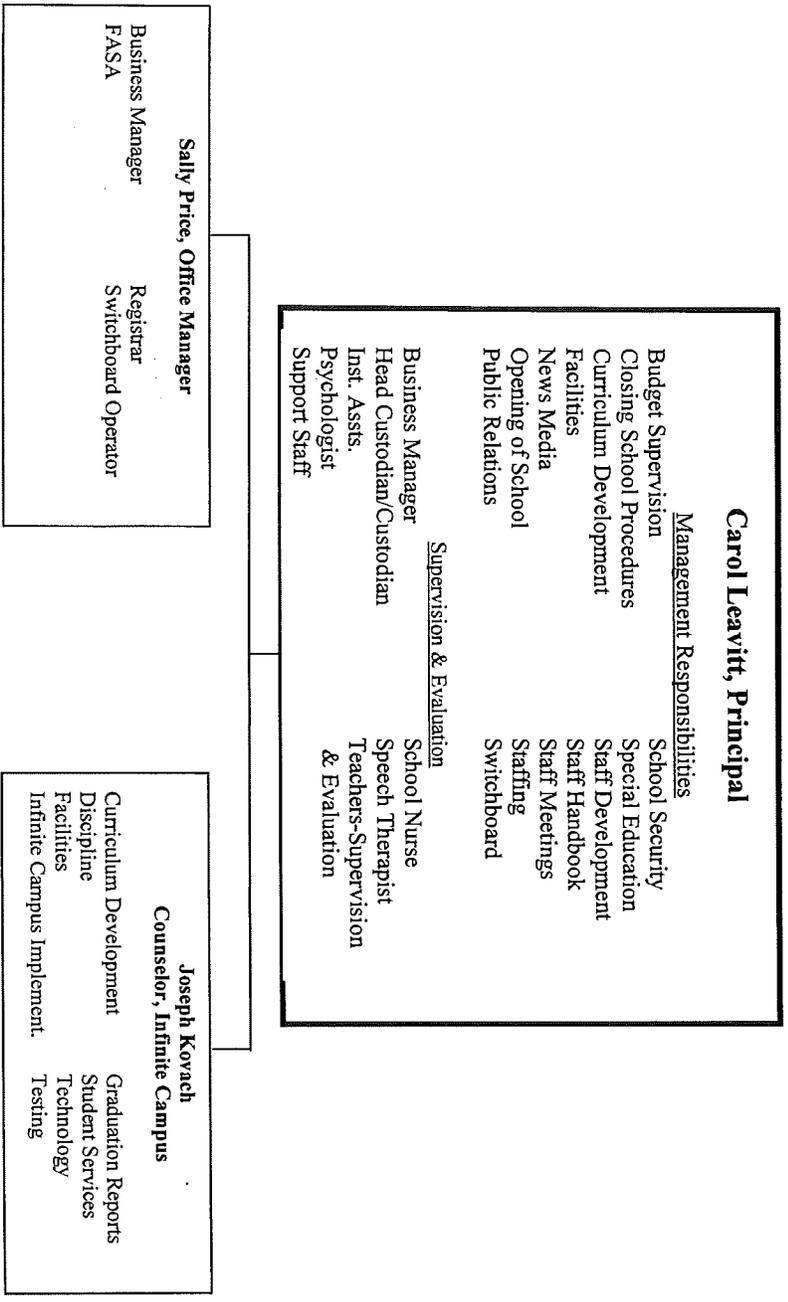
Tenth grade students were tested in early April using the Nevada High School Proficiency Exam in Science. Only one student scored below the meets standards level. All students in grades 3-8 took the state-mandated English and math exams. We anticipate positive results based on student improvement noted during the course of the year, especially in grades K-6. Our students thrive in the classical environment and respond enthusiastically to the Socratic teaching approach.

Our reading curriculum centers on an explicit phonics program that has been successfully training students to read for decades. Riggs phonics systematically teaches elementary students to identify language phonemes and letter symbols. Students are introduced to the 71 phonics cards used to represent every phoneme in the English language. Most of our second graders can recall all 71 phonemes correctly in timed drills and are reading well above grade level. Our site based-data reflects that many of our first graders are also reading above grade level. Furthermore, it confirms that all of our first graders are reading, which exceeds the State goal of reading by grade three. We recognize that reading does not entirely rely on word recognition and phonics skills. For this reason, students take part in literature discussions at every grade level, thereby increasing oral and written vocabulary, comprehension and fluency. This has resulted in above grade level comprehension according to our site-based assessments. We anticipate these scores and successes will continue as our programs develop and expand.

Carol Leavitt  
Principal

June 19, 2015

**FOUNDERS ACADEMY OF LAS VEGAS  
ORGANIZATIONAL CHART  
2014-15**



**FOUNDERS ACADEMY OF LAS VEGAS  
ORGANIZATIONAL CHART  
2015-16**

**Timm Petersen, Principal**

Management Responsibilities

Budget Supervision	School Security
Closing School Procedures	Special Education
Curriculum Development	Staff Development
Facilities	Staff Handbook
News Media	Staff Meetings
Opening of School	Staffing
Switchboard	

Supervision & Evaluation

Business Manager	School Nurse
Head Custodian/Custodian	Speech Therapist
Instructional Assis.	Teachers-Supervision & Evaluation
Psychologist	

**Carol Leavitt, Special Advisor to Principal**

Closing of School Proc.	Public Relations
Discipline	Scheduling
Opening of School Proc.	Staffing

Supervision & Evaluation

Office Manager	Support Staff
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**Sally Price, Office Manager**

Business Manager	Registrar
FASA	Switchboard Operator

**Joseph Kovach  
Counselor, Infinite Campus**

Curriculum Development	Infinite Campus Imp.
Discipline	Student Services
Facilities	Technology
Graduation Reports	Testing

**BRIAN SANDOVAL**  
Governor

STATE OF NEVADA

**SOUTHERN NEVADA OFFICE**  
9890 S. Maryland Parkway, Suite 221  
Las Vegas, Nevada 89183  
(702) 486-6458  
Fax: (702)486-6450  
<http://teachers.nv.gov>

**DALE A.R. ERQUIAGA**  
Superintendent of Public Instruction



**DEPARTMENT OF EDUCATION**  
700 E. Fifth Street  
Carson City, Nevada 89701-5096  
(775) 687 - 9200 · Fax: (775) 687 - 9101  
<http://www.doc.nv.gov>

### Charter School Budget

Founders Academy of Las Vegas herewith submits the **TENTATIVE** budget for the fiscal year ending June 30, 2016

This budget contains **2** governmental fund types with estimated expenditures of \$ **3,535,161**  
**0** proprietary funds with estimated expenses of \$ **0**.

**Per NAC 387.730:**

**TENTATIVE** budget is due to the clerk or secretary of the Charter School Governing Body and Nevada Department of Education (NDE) by **April 15** annually.

**FINAL** budget must be adopted on or before **June 8** Annually. Copies of the approved final budget are **SUBMITTED** by the Charter School Governing Body to NDE, Legislative Council Bureau and the Charter School sponsor if other than the Department of Education.

**CERTIFICATION**

**APPROVED BY THE GOVERNING BOARD**

I, \_\_\_\_\_  
(Print Name of Governing Board President)  
\_\_\_\_\_  
(Signature of Governing Board President)

certify that all applicable funds and financial operations of this Local Government are listed herein

Signed \_\_\_\_\_

Dated: \_\_\_\_\_

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

**SCHEDULED PUBLIC HEARING:**

Date and Time: \_\_\_\_\_

Publication Date \_\_\_\_\_

Place: \_\_\_\_\_  
\_\_\_\_\_

ENROLLMENT AND BASIC SUPPORT GUARANTEE INFORMATION

	WEIGHTED ACTUAL PRIOR YEAR ENDING 06/30/14	WEIGHTED ACTUAL CURRENT YEAR ENDING 06/30/15	WEIGHTED ESTIMATED YEAR ENDING 06/30/16
1. Pre-kindergarten (NRS 388.490)	<u>          </u> x .6 = 0.0	<u>          </u> x .6 = 0.0	<u>          </u> x .6 = 0.0
2. Kindergarten	<u>          </u> x .6 = 0.0	<u>49</u> x .6 = 29.4	<u>55</u> x .6 = 33.0
3. Elementary	<u>          </u>	<u>359</u>	<u>331</u>
4. Secondary	<u>          </u>	<u>25</u>	<u>144</u>
5. Ungraded	<u>          </u>	<u>          </u>	<u>          </u>
6. Subtotal	<u>0.0</u>	<u>413.4</u>	<u>508.0</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>0.0</u>	<u>413.4</u>	<u>508.0</u>
10. Hold Harmless			<u>          </u>

11. Basic support per pupil amount, Year Ending 06/30/16 2015 per pupil amount used in lieu of legislation		<u>5,527</u>	Use rates below:	Reference amounts for #12 Estimate: "Outside Revenue"
<u>School District</u>	2015	WEIGHTED 2015 Count Day Enrollment	<u>Subtotal</u>	
Carson City	\$ 6,637	508.0	\$0	\$ 1,002
Churchill	\$ 6,621		\$0	\$ 1,100
Clark	\$ 5,527		\$2,807,716	\$ 979
Douglas	\$ 5,941		\$0	\$ 2,466
Elko	\$ 6,707		\$0	\$ 1,302
Esmeralda	\$ 15,590		\$0	\$ 7,867
Eureka	\$ 5,653		\$0	\$ 26,220
Humboldt	\$ 5,738		\$0	\$ 2,269
Lander	\$ 3,955		\$0	\$ 6,063
Lincoln	\$ 10,369		\$0	\$ 1,469
Lyon	\$ 7,150		\$0	\$ 928
Mineral	\$ 9,561		\$0	\$ 1,644
Nye	\$ 7,104		\$0	\$ 1,458
Pershing	\$ 8,964		\$0	\$ 2,662
Storey	\$ 8,309		\$0	\$ 5,783
Washoe	\$ 5,582		\$0	\$ 1,152
White Pine	\$ 7,376	\$0	\$ 1,677	
Multidistrict		508.0	\$2,807,716	<u>5,527</u>
12. Estimated "Outside Revenue" (Supplemental Support) per pupil This is the per pupil share of local taxes, etc, from the district.			<u>\$ 979</u>	
13. Total basic support for enrollee including outside revenue			Total Weighted-#9 <u>\$ 3,305,048.00</u>	Hold Harmless-#10 <u>\$ -</u>
14. Estimated number of special education program units	<u>          </u>	(Should be 0 or 2 maximum - see prior year allotment)		
	X <u>42,745</u>	amount per unit	<u>\$0</u>	
15. TOTAL BASIC SUPPORT GUARANTEE (Number 13 +14)			Total Weighted <u>\$ 3,305,048.00</u>	Hold Harmless <u>\$ -</u>

Form 3	(1)	(2)	(3)	(4)	(4)
Founders Academy of Las Vegas REVENUE	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	BUDGET YEAR ENDING 06/30/16		AMENDED FINAL APPROVED
			TENTATIVE APPROVED	FINAL APPROVED	
<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					
1200 Revenue from Local Govmt Units other than School Districts					
1300 Tuition					
1310 Tuition from Individuals		99,246	91,125		
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		662	666		
1600 Food Services					
1610 Daily Sales - Reimbursable Program					
1620 Daily Sales - Non-Reimbursable Progrm					
1630 Special Functions					
1650 Daily Sales - Summer Food Program					
1700 Direct Activities		51,399	52,170		
1800 Community Service Activities					
1900 Other Revenues					
1910 Rent		71,500	78,000		
1920 Donations		3,689	57,500		
1930 Gains/Loss on Sales of Capital Assets					
1940 Textbook Sales & Rentals		0	12,510		
1950 Misc Revenues from Other Districts					
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>0</b>	<b>226,496</b>	<b>291,971</b>	<b>0</b>	<b>0</b>
<b>3000 REVENUE FROM STATE SOURCES</b>					
3100 Unrestricted Grants-in-Aid					
3110 Distributive School Account (DSA)		2,649,314	3,248,062		
3115 Special Ed portion of DSA		42,745	12,000		
3200 State Govt Restricted Funding					
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>0</b>	<b>2,692,059</b>	<b>3,260,062</b>	<b>0</b>	<b>0</b>

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

REVENUE	(1)	(2)	(3) (4)		(4)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	BUDGET YEAR ENDING 06/30/16		AMENDED FINAL APPROVED
			TENTATIVE APPROVED	FINAL APPROVED	
<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					
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>	0	0	0	0	0
OTHER RESOURCES AND FUND BALANCE	(1)	(2)	(3) (4)		(4)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	BUDGET YEAR ENDING 06/30/16		AMENDED FINAL APPROVED
			TENTATIVE APPROVED	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		375,000			
5500 Capital Lease Proceeds					
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>	0	375,000	0	0	0
<b>8000 OPENING FUND BALANCE</b>					
Reserved Opening Balance					
Unreserved Opening Balance		17,152	14,509		
<b>TOTAL OPENING FUND BALANCE</b>	0	17,152	14,509	0	0
Prior Period Adjustments					
Residual Equity Transfers					
<b>TOTAL ALL RESOURCES</b>	0	3,310,707	3,566,542	0	0

Budget Fiscal Year 2015-2016

Founders Academy of Las Vegas Form 4  PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING (4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	FINAL APPROVED	06/30/16 AMENDED FINAL APPROVED
<b>100 REGULAR PROGRAMS</b>					
1000 Instruction					
100 Salaries		861,720	1,161,116		
200 Benefits		230,696	407,562		
300/400/500 Purchased Services		307,345	172,136		
600 Supplies		128,669	159,847		
700 Property					
800 Other			5,900		
2100-2600, 2900 Other Support Services					
100 Salaries		344,516	287,871		
200 Benefits		72,852	64,680		
300/400/500 Purchased Services		69,200	91,600		
600 Supplies		52,928	37,838		
700 Property					
800 Other					
2700 Student Transportation					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>100 TOTAL REGULAR PROGRAMS</b>	0	2,067,926	2,388,550	0	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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

Founders Academy of Las Vegas  PROGRAM FUNCTION OBJECT	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/16		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	FINAL APPROVED	AMENDED FINAL APPROVED
<b>200 SPECIAL PROGRAMS</b>					
1000 Instruction					
100 Salaries		37,993	75,988		
200 Benefits		11,476	24,096		
300/400/500 Purchased Services		33,088	44,275		
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>200 SPECIAL PROGRAMS</b>	0	82,557	144,359	0	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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1)	(2)	(3) (4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/16 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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1)	(2)	(4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/16 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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1)	(2)	(4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	(3) TENTATIVE APPROVED	BUDGET YEAR ENDING FINAL APPROVED	06/30/16 AMENDED FINAL APPROVED
<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 Total English - Summer School for Other In</b>	0	0	0	0	0
<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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1)	(2)	(4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	BUDGET YEAR ENDING 06/30/16		AMENDED FINAL APPROVED
			TENTATIVE APPROVED	FINAL APPROVED	
<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

Founders Academy of Las Vegas \_\_\_\_\_

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1) ACTUAL PRIOR YEAR ENDING 06/30/14	(2) ESTIMATED CURRENT YEAR ENDING 06/30/15	(3) BUDGET YEAR ENDING 06/30/16		(5)
			TENTATIVE APPROVED	(4) 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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1) ACTUAL PRIOR YEAR ENDING 06/30/14	(2) ESTIMATED CURRENT YEAR ENDING 06/30/15	(3) BUDGET YEAR ENDING 06/30/16		(5) AMENDED FINAL APPROVED
			TENTATIVE APPROVED	FINAL APPROVED	
<b>2600 Operating/Maintenance Plant Service</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services		55,143	35,000		
600 Supplies		82,507	49,158		
700 Property		497,003	736,571		
800 Other					
<b>2600 SUBTOTAL</b>	0	634,653	820,729	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	634,653	820,729	0	0
<b>3100 Food Service</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services		33,379	36,413		
600 Supplies					
700 Property					
800 Other					
<b>3100 TOTAL FOOD SERVICES</b>	0	33,379	36,413	0	0

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

PROGRAM FUNCTION OBJECT	(1)	(2)	(3) (4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/16 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

PROGRAM FUNCTION OBJECT	(1)	(2)	(3) (4)		(5)
	ACTUAL PRIOR YEAR ENDING 06/30/14	ESTIMATED CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	BUDGET YEAR ENDING 06/30/16 FINAL APPROVED	AMENDED FINAL APPROVED
<b>4700 Building Improvement</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property		294,858			
800 Other					
<b>4700 SUBTOTAL</b>	0	294,858	0	0	0
<b>4900 Other (All Objects)</b>					
100 Salaries					
200 Benefits					
300/400/500 Purchased Services					
600 Supplies					
700 Property					
800 Other					
<b>4900 SUBTOTAL</b>	0	0	0	0	0
<b>4000s TOTAL FACILITIES ACQUISITION AND</b>	0	294,858	0	0	0
<b>5000 Debt Service</b>	0	59,443	145,110		
<b>000 EXPENDITURES</b>	0	1,022,333	1,002,252	0	0
<b>TOTAL ALL EXPENDITURES</b>	0	3,172,816	3,535,161	0	0
<b>6300 Contingency (not to exceed 3% of Total Expenditures)</b>	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX				
<b>8000 ENDING FUND BALANCE</b>					
Reserved Ending Balance					
Unreserved Ending Balance					
<b>TOTAL ENDING FUND BALANCE</b>	0	0	0	0	0
<b>TOTAL APPLICATIONS</b>	0	3,172,816	3,535,161	0	0
<b>CHECKS:</b>					
Contingency cannot exceed:	XXXXXXXX	95,184	106,055	0	0
Calculated Total Ending Fund Balance:	0	137,891	31,381	0	0

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 4 Expenditures

2/6/2015

<b>TENTATIVE BUDGET 2015-2016</b>				
(1) PROGRAM OR FUNCTION	Obj 100 (2) SALARIES AND WAGES	Obj 200 (3) EMPLOYEE BENEFITS	Obj 300-900 (4) SERVICES SUPPLIES AND OTHER	(5) SUB-TOTAL REQUIRE- MENTS
<b>PROGRAM EXPENDITURES</b>				
100 Regular	1,448,987	472,242	467,321	2,388,550
200 Special	75,988	24,096	44,275	144,359
300 Vocational	0	0	0	0
400 Other PK-12	0	0	0	0
500 Nonpublic School				0
600 Adult Education				0
800 Community Services	0	0	0	0
900 Co-Curricular/Extra Curricular	0	0	0	0
<b>PROGRAM TOTALS</b>	<b>1,524,975</b>	<b>496,338</b>	<b>511,596</b>	<b>2,532,909</b>
<b>UNDISTRIBUTED EXPENDITURES</b>				
000 Undistributed Expenditures				
2000 Support Services	0	0	820,729	820,729
3100 Food Service	0	0	36,413	36,413
4000 Facility Acquisition and Construction			0	0
5000 Debt Service			145,110	145,110
6300 Contingency				0
8000 Ending Balance				0
<b>UNDISTRIBUTED TOTALS</b>	<b>0</b>	<b>0</b>	<b>1,002,252</b>	<b>1,002,252</b>
<b>TOTAL ALL FUNDS TENTATIVE</b>	<b>1,524,975</b>	<b>496,338</b>	<b>1,513,848</b>	<b>3,535,161</b>
<b>FINAL BUDGET 2015-2016</b>				
(1) PROGRAM OR FUNCTION	Obj 100 (2) SALARIES AND WAGES	Obj 200 (3) EMPLOYEE BENEFITS	Obj 300-900 (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
<b>PROGRAM TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>UNDISTRIBUTED EXPENDITURES</b>				
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
<b>UNDISTRIBUTED TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ALL FUNDS FINAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<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
<b>PROGRAM TOTALS</b>	0	0	0	0
<b>UNDISTRIBUTED EXPENDITURES</b>				
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
<b>UNDISTRIBUTED TOTALS</b>	0	0	0	0
<b>TOTAL FINAL AMENDED BUDGET</b>	0	0	0	0

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016

Form 5 Exp Summary

Page 2 of 2

2/6/2015



Form 6 Proprietary/Enterprise  FUNCTION / OBJECT	(1)	(2) ESTIMATED	(3) (4) BUDGET YEAR ENDING 06/30/16	
	ACTUAL PRIOR YEAR ENDING 06/30/14	CURRENT YEAR ENDING 06/30/15	TENTATIVE APPROVED	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>	0	0	0	0
8000 ENDING FUND BALANCE				
Reserved Ending Balance				
Unreserved Ending Balance				
TOTAL ENDING FUND BALANCE	0	0	0	0
<b>TOTAL APPLICATIONS</b>	0	0	0	0



Founders Academy of Las Vegas

REPORT FOR ALL FUNDS		2015-2016	FROM DISTRICTS WITHIN NEVADA		FROM DISTRICTS OUTSIDE NEVADA	
REVENUES	Revenue CODES		(1) TUITION	(2) TRANSPORTATION	(3) TUITION	(4) TRANSPORTATION
Nevada Individuals	1310/1410		1310 NV Individual	1410 NV Individual	1310 Out-of-state Ind	1410 Out-of-state Ind
Nevada School Districts	1321/1421		1321 NV School Dist	1421 NV School Dist	1331 Out-of-state SD	1431 Out-of-state SD
Out-of-state Individuals	1310/1410		\$91,125			
Out-of-State School Districts	1331/1431					
			\$91,125	\$0	\$0	\$0

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

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016



**LOBBY EXPENSES 2015-2016**

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.

1. Activity:

2. Funding Source:

3. Transportation \$

4. Lodging and meals \$

5. Salaries and Wages \$

6. Compensation to lobbyists \$

7. Entertainment \$

8. Supplies, equipment & facilities; other personnel and services spent in Carson City \$

**Total** \$                     -

Entity:

Lobbying Expense Estimate,

Founders Academy of Las Vegas

Budget Fiscal Year 2015-2016



# Income Statement

**Founders Education Legacy, Inc.**

**July 2014 - May 2015**

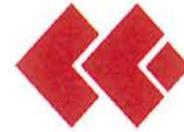
Segment Name	Filter Applied
Fund	All
Project	All
Program	All
Function	All
Object	All



Account Code	Description	Actual
1750	Revenues from Enterprise Activities	-
1920	Contributions and Donations From Private Sources	\$500
1950	Reimbursement of Professional Fees Income	\$245,153
<b>Local Revenue</b>		\$245,653
<b>Total Revenue</b>		\$245,653
0101	Teacher Salaries	\$46,351
0104	Licensed Administration Salary	\$76,875
0107	Other Classified Staff	\$90,548
<b>Salaries</b>		\$213,774
0220	Employer Social Security Contributions	\$13,576
0240	Medicare	\$3,175
0260	Unemployment Compensaton	\$7,411
0270	Worker's Compensation	\$2,733
0280	Health Benefits	\$933
<b>Employee Benefits</b>		\$27,827
0500	Other Purchased Services	\$3,547
0810	Dues and Fees	\$5
<b>Services, Supplies &amp; Other Operating Expenses</b>		\$3,552
<b>Total Expenses</b>		\$245,153
<b>Net Income</b>		\$500

# Balance Sheet Summary

June 2015



# CSMC

## Founders Education Legacy

Segment Name	Filter Applied
Fund	All
Project	All
Program	All
Function	All
Object	All

<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$702
Accounts Receivables	\$0
<i>Total Current Assets</i>	<i>\$702</i>
<b>Fixed Assets</b>	
<i>Total Fixed Assets</i>	
<b>Other Assets</b>	
<i>Total Other Assets</i>	
<b>Total Assets</b>	<b>\$702</b>

<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$202
Accrued Salaries, Payroll Taxes, Postemployment Benefits	\$0
<i>Total Current Liabilities</i>	<i>\$202</i>
<b>Long Term Liabilities</b>	
<i>Total Long Term Liabilities</i>	
<i>Total Liabilities</i>	<i>\$202</i>
<b>Net Assets</b>	
Unrestricted Net Assets	\$0
Profit/Loss YTD	\$500
<i>Total Net Assets</i>	<i>\$500</i>
<b>Total Liabilities and Net Assets</b>	<b>\$702</b>



**FOUNDERS ACADEMY OF LAS VEGAS**  
**PETITION TO OCCUPY ADDITIONAL FACILITIES**

Pursuant to NAC 386.3265 as amended by Adopted Regulation R-035-14, Founders Academy of Las Vegas (“Founders”) petitions the Nevada State Public Charter School Authority (the “Authority”) for approval of its request to occupy additional facilities for the purposes of expanding its educational program pursuant to its Charter Agreement.

**Requirements of NAC 386.3265(2).**

The addresses of the additional facilities are 4075 N. Rancho Dr., Las Vegas, NV 89130 (the “4075 Building”); and 4145 N. Rancho Dr., Las Vegas, NV 89130 (the “4145 Building”).<sup>1</sup> These facilities are office-type buildings similar to Founders’ existing facilities,<sup>2</sup> and are in the same development as those facilities. Their proximity makes them ideal for expansion without interrupting the normal flow of the school day. In addition, one of the buildings (the 4075 Building) was occupied by a Clark County School District charter school (Delta Academy) until August 2014. The 4145 Building will be a gymnasium, something which will provide Founders’ students with the ability to pursue physical fitness with the same rigor with which they pursue their academics. A floor plan of the 4075 Building is submitted with this petition as Exhibit 1.<sup>3</sup>

The buildings are owned by (or will be owned shortly after the Authority’s July 13, 2015 meeting<sup>4</sup>) CSDCPC Founders Academy, LLC, 6731 Columbia Gateway Dr., Ste. 220, Columbia, MD 21046.<sup>5</sup> This entity is affiliated with Charter School Development Corporation (“CDSC”), a

<sup>1</sup> NAC 386.3265(2)(a). All references herein to NAC 386.3265 will be to the regulation as amended by Adopted Regulation R035-14.

<sup>2</sup> NAC 386.3265(2)(b).

<sup>3</sup> NAC 386.2365(2)(c). The 4145 Building was formerly a batting cage, and is (and will remain) an open space without interior partitions apart from restrooms. No floor plan is currently available for this facility.

<sup>4</sup> Closing on the facilities is tentatively scheduled for July 15, 2015, but may happen sooner.

<sup>5</sup> NAC 386.3265(2)(d).

company which helps charter schools obtain facilities by purchasing the real property and leasing it to the schools at a below-market rate. A representative of CDSC will be available at the Authority's July 13, 2015 meeting to answer any questions the Authority may have. A copy of the lease between Founders and the owner is submitted with this petition as Exhibit 2.<sup>6</sup>

The additional facilities will need some renovation before Founders occupies them.<sup>7</sup> The 4075 Building will require paint and flooring, and this work will be completed by July 31, 2015.<sup>8</sup> The 4145 Building will also require paint and flooring, and this work will be completed by July 31, 2015.<sup>9</sup> The cost of this work is amortized into the lease with the owner.<sup>10</sup> Founders has communicated with the Division of Industrial Relations of the Nevada Department of Business and Industry regarding OSHA compliance, and has requested an inspection of the facility.<sup>11</sup> In addition, a copy of the insurance required for the additional facilities by NAC 386.215 is attached hereto as Exhibit 4.<sup>12</sup>

**Justification for Additional Facilities.**

As noted in its Charter Agreement and Application, Founders will add the eleventh grade in the upcoming school year, and the proposed additional facilities will both provide space for the eleventh grade as well as space for additional students in the existing grades. With the proposed additional facility, Founders is currently expecting a total enrollment of 530 students, an increase of 97 students from the 2014 – 15 academic year. Founders' current facilities will not accommodate this amount of students.

The addition of eleventh grade will help Founders fulfill its initial mission of providing a complete, integrated curriculum from K-12 instruction. Further, the additional 97 students which will attend Founders this year will provide approximately \$582,000 in additional revenue, which

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<sup>6</sup> NAC 386.3265(2)(e).

<sup>7</sup> NAC 386.3265(2)(g). Under Adopted Regulation R035-14, NAC 386.3265(2)(f) does not apply because of the need for renovations.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *See* Exhibit 2.

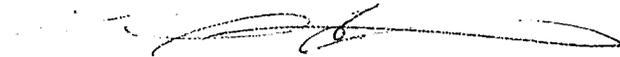
<sup>11</sup> NAC 386.3265(2)(h). Emails reflecting these communications are submitted with this petition as Exhibit 3.

<sup>12</sup> NAC 386.3265(2)(i).

is essential to balancing Founders' budget.<sup>13</sup> These facilities will also allow for the addition of the twelfth grade in the 2016 – 17 school year without acquiring any new space at that time. Finally, the acquisition of a gymnasium/multi-purpose space (the 4145 Building) will give Founders the flexibility to greatly expand its physical education programs and extra-curricular offerings.

Founders' first year has been a great success despite the many challenges which the school had to overcome. Founders asks that the Authority approve its request to occupy additional facilities so that it may continue to work towards its ultimate goal of establishing a charter school that provides unparalleled, tuition-free education to the children of Nevada. Multiple members of Founders Governing Board and a representative of the new owner of the facilities will be present at the Authority's July 13, 2015 meeting to answer any questions the Authority may have.

Sincerely,

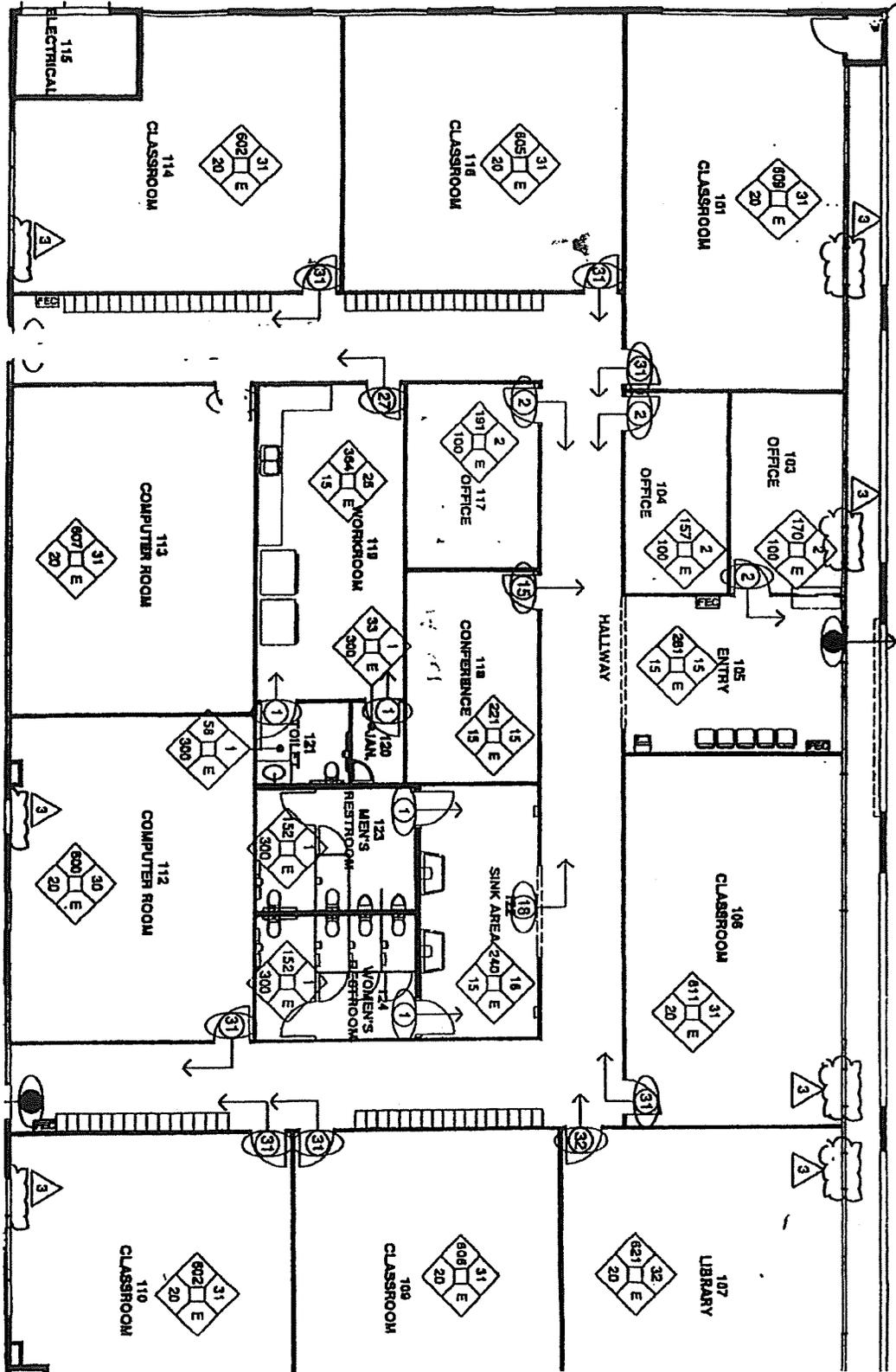


Mark Hesiak, Vice Chairman  
Governing Board, Founders Academy of Las Vegas

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<sup>13</sup> The budget which Founders most recently submitted to the Authority is submitted with this petition as Exhibit 5 for ease of reference.

# Exhibit #1



300 3rd building

## AGREEMENT OF LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT OF LEASE WITH OPTION TO PURCHASE (this “**Lease**”) is made as of the \_\_\_ day of \_\_\_\_\_, 2015, by and between **CSDCPC FOUNDERS, LLC**, a Delaware limited liability company (hereinafter referred to as “**Landlord**”), and **FOUNDERS ACADEMY OF LAS VEGAS**, a Nevada nonprofit corporation and public school academy (hereinafter referred to as “**School**”).

### RECITALS:

A. Landlord has contracted to purchase certain improved real property consisting of approximately comprising .6 and .5 acres, situated in the City of Las Vegas, Nevada, and known as 4145 and 4075 Rancho, Las Vegas, NV. 4145 Rancho is improved with a 10,780 sq./ft building, 4075 is improved with a 9,258 sq./ft building Las Vegas, Nevada, as more particularly described on Exhibit A attached hereto and made a part hereof, together with all improvements thereon may collectively be referred to as the “**Property**”.

B. Landlord shall construct certain improvements on the Property, as agreed to by School, (collectively, the “**Improvements**”) such construction work is more particularly described in Section 1.C. of this Lease and Exhibit B attached hereto and made a part hereof.

C. Contingent upon Landlord’s successful closing on the purchase of the Property, School desires to lease the Property from Landlord, and Landlord desires to lease the Property to School, for the rentals and upon the terms and conditions herein set forth.

D. Landlord and School desire to confirm in writing the terms of their agreement and understanding pertaining to the foregoing lease of the Property.

NOW, THEREFORE, in consideration of the rents herein reserved by Landlord to be paid by School, and the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the parties, intending to be legally bound, hereby covenant and agree as follows:

### 1. PREMISES.

A. Premises. Subject to the terms and provisions contained in this Lease and contingent upon Landlord’s purchase of the Property, Landlord hereby exclusively rents, demises and leases to School and School does hereby take, hire and lease from Landlord for the Lease Term (as hereinafter defined), and at the rentals and other terms, conditions and covenants more fully described below, the Property.

B. Applicable Law. Leasing to School of the Property is subject to all building restriction lines, other restrictions and rights imposed on the Property or held therein by governmental authorities having jurisdiction thereof, and is subject to all applicable governmental laws, codes and regulations.

C. Delivery of Premises. Landlord shall cause to be completed, at its sole cost and expense, certain improvements and alterations to prepare the Property for School's use and occupancy, as more fully described in the Scope of Work on Exhibit B attached hereto (the "**Landlord Work**"). Landlord shall obtain requisite permits and bids, which shall be consistent with the accepted Scope of Work on Exhibit B. All bids for the Landlord Work shall be shared with School upon request by School. All drawings and specifications associated with the Landlord Work and any later changes thereto ("**Plans**") shall also be approved by School. School shall provide its approval or specific comments to the Plans with ten (10) days of receipt thereof. Failure of School to provide specific comments within ten (10) days shall be deemed an acceptance of the Plans. In no event shall any such approval by School constitute any warranty by School to Landlord as to the adequacy of the design, workmanship or quality of any work or materials or impose any liability upon School in connection with the performance of the Landlord Work. Landlord expressly represents and warrants to School that, as of the "Lease Commencement Date" (as hereinafter defined), the Landlord Work shall be substantially complete and shall conform to the Plans and to all applicable governmental laws, statutes, ordinances, rules and regulations including building, fire, life and safety codes, as such are required or imposed by applicable law. Landlord shall require that its contractors, subcontractors and manufacturers provide industry standard warranties on all building systems, roof, structural elements and general workmanship. Landlord shall assign all warranties to School. Landlord shall retain, in its sole discretion, a general contractor for the Landlord Work. Landlord shall be responsible for project management of the Landlord Work.

D. Improvements. The title to all alterations and improvements physically attached to the Property made, furnished or installed at or by the expense of either Landlord or School shall vest in Landlord upon the installation thereof. Improvements independently made by School ("**School's Work**"), if any, shall be performed in accordance with plans and specifications prepared on behalf of School and approved by Landlord, by a contractor approved in writing by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. In no event shall any such approval by Landlord constitute any warranty by Landlord to School as to the adequacy of the design, workmanship or quality of any work or materials for School's intended use or impose any liability upon Landlord in connection with the performance of School's Work. Notwithstanding the foregoing, improvements to the Property costing less than \$25,000 in the aggregate may be made by School without Landlord's consent. School shall cause School's Work to be performed in accordance with such other reasonable conditions as Landlord may impose during performance of School's Work including a requirement that School's Work not interfere with the Landlord Work.

## 2. TERM OF LEASE.

A. Term. This Lease shall commence on the later of (i) such time as Landlord shall have substantially completed the Landlord Work at the Property, and Landlord's contractors have received permanent or temporary Certificates of Occupancy with the City of Las Vegas, in accordance with the terms of this Lease or (ii) August 1, 2015 (the "**Lease Commencement Date**") and shall conclude on June 30, 2025, unless this Lease earlier terminates or expires by its terms (the "**Initial Term**"). The phrase "**Lease Year**," as used herein, shall mean each successive period of twelve (12) full consecutive calendar months during the term hereof running

from July 1<sup>st</sup> through June 30<sup>th</sup> of each year, however the First Lease Year shall commence on the Lease Commencement Date and conclude on June 30, 2016. All rentals and other amounts payable by School under this Lease for the First Lease Year shall be pro-rated and be paid on a per diem basis, and for any period consisting of less than a full Lease Year shall be pro-rated and be paid on a per diem basis. School agrees to vacate the Property at the end of the Lease Term (as hereinafter defined) hereof in the condition required under this Lease.

B. Renewal Term. Provided no Event of Default (as hereinafter defined) or event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, has occurred and is continuing hereunder, School shall have the option to renew this Lease for three (3) additional five-year periods beyond the Lease Term (each a “**Renewal Term**”) at the same terms as set forth herein. The Initial Term and any applicable Renewal Term shall be referred to herein as the “**Lease Term**”.

C. Marketing.

Prior to the Lease Commencement Date, Landlord shall provide School access to the Property for the purpose of School providing tours to prospective students and families, provided 48 hours advance notice is given to Landlord and that Landlord believes that such tours will not impair construction of the Landlord Work and that such tours can be conducted in a safe manner.

D. Hold Over.

(1) If School shall, with the knowledge and consent of Landlord, remain in possession of any of the Property after expiration of the Lease Term, and if Landlord accepts Rent (as hereinafter defined) from School for any period after such expiration, then School shall become a tenant by the month, commencing on the day next following the last day of the Lease Term, such monthly hold-over tenancy to be at the same Base Monthly Rent (as hereinafter defined) that applied during the month immediately preceding such holdover, and upon all other terms hereof, except that during such monthly hold-over tenancy, School shall give to Landlord at least thirty (30) days’ prior written notice of any intention to quit the Property, and School shall be entitled to at least thirty (30) days’ prior written notice from Landlord demanding School to quit the Property, except in the event of nonpayment of Rent in advance or the breach of any other covenant by School, in which event School shall not be entitled to any notice to quit, the statutory notice (if any) and all other notices to quit being hereby expressly waived by School, to the extent permitted by applicable law.

(2) If School holds over after expiration of the Lease Term without Landlord’s written consent, then (i) Landlord, at its option, may forthwith re-enter and recover possession of the Property by any legal process in force, School hereby waiving all notices to quit to the extent such waivers are permitted by applicable law, and School shall be deemed to be in default hereunder, and (ii) School shall pay to Landlord, in advance on the first (1st) day of each calendar month in any such holdover tenancy, monthly use and occupancy payments for the Property in an amount equal to one hundred twenty-five percent (125%) of the Base Monthly Rent applicable during the month immediately preceding such holdover. The aforesaid use and occupancy payments shall not be deemed to preclude Landlord from the recovery of any actual damages that it may suffer by reason of School’s wrongful holdover.

E. Termination Confirmation. If this Lease is terminated pursuant to any provision hereof, School agrees to join with Landlord, promptly on Landlord's written request, in executing a memorandum confirming such termination. The provisions contained in this Subsection E together with the obligation of School to pay Landlord any Base Rent or Additional Rent (as hereinafter defined) which has accrued during the Lease Term but remains unpaid at expiration or termination hereof, whether billed or unbilled as of such date, shall expressly survive the expiration or termination of the Lease Term.

### 3. RENTAL; SECURITY AND RENTAL DEPOSIT.

School hereby covenants and agrees to take and hold the Property, as lessee of Landlord, for the Initial Term and any applicable Renewal Terms, and School covenants and agrees to pay to Landlord rental for the Property as set forth below in this Section 3.

A. Base Rent. During the Lease Term, School covenants and agrees to pay to Landlord base annual rent ("**Base Annual Rent**") in twelve equal monthly installments payable from July through June ("**Base Monthly Rent**"). Base Annual Rent and Base Monthly Rent are sometimes hereinafter referred to as "**Base Rent**".

For the first and second Lease Years, Base Annual Rent shall be in an amount equal to one hundred twenty-two percent (122%) of Landlord's Debt Service Coverage Payments for the Total Project Cost (both as hereinafter defined). As used herein, (i) the term "**Total Project Cost**" shall mean the aggregate of the actual, complete and final "all-inclusive" out-of-pocket cost of Landlord to acquire the Property and complete the Landlord Work (collectively, the "**Project**"), including, but not limited to: the property acquisition costs and related closing costs; architectural, engineering and legal costs; application and permit fees and any other predevelopment soft costs associated with the design of plans to suit School's needs and/or obtain the requisite governmental approvals for the Project; off-site improvements and horizontal on-site improvements; the hard costs of construction of the vertical improvements; all capitalized interest and other financing costs associated with the acquisition and development of the Project and any and all property taxes due and payable during the construction of the Landlord Work; payments to third parties for title insurance and surveys and for operating expenses prior to the completion of the Landlord Work; and the cost of any interior "finishings" and building fixtures, but excluding moveable furnishings and equipment; and (ii) the term "**Debt Service Coverage Payments**" shall mean the sum of all the debt service payments for the Project, including payments with respect to the "**Financing**," defined initially as \$2,190,794, all as further described in the draft pro forma attached hereto as Exhibit C (the "**Pro Forma**") and henceforth shall include any refinancing of the loans listed herein or any additional loans for improvements to the Property. All documents evidencing, securing or relating to the Financing are herein referred to collectively as the "**Financing Documents**". The Developer's Fee, as set forth in Section 4.C, is not included in the Total Project Cost if paid in full at the Lease Commencement Date, otherwise it shall be included in the Total Payment Cost.

By way of example only, and without establishing the Total Project Cost for the Project, assuming a Total Project Cost of \$2,190,794, at financing rates as set forth on Exhibit C, the Base Annual Rent for the First Lease Year and the Second Lease Year is estimated to be \$187,497 and shall increase pursuant to the annual increase adjustment set forth in Subsections 3.B and 3.C. below, to at least \$189,372 for the Third Lease Year. In the event the Total Project Cost is less than \$2,190,794, the Rent shall be reduced according to the formula described above.

As noted herein, the Base Annual Rent shall adjust upon any and all adjustments of the Total Project Cost.

B. Annual Increase. Effective on the commencement of each Lease Year after the second Lease Year, the Base Annual Rent shall be increased by the amount of one percent (1.00%) of the adjusted Base Annual Rent for the preceding Lease Year. This annual increase shall continue in full force and effect during any Renewal Term.

C. Payments. On the Lease Commencement Date, School shall pay to Landlord the first installment of Base Monthly Rent in an amount equal to the Base Monthly Rent prorated based on the number of days from the Lease Commencement Date to the end of that month. Thereafter, each installment of Base Monthly Rent, in the applicable amounts as above described, shall be due and payable without deduction, notice, setoff or demand (except as otherwise provided in this Lease) on the first day of each month during the Lease Term. In the event of any partial month during the Lease Term, such monthly installment shall be prorated based upon the number of days within the Lease Term in such month in relationship to the number of days in the particular month. To the extent allowable under Nevada law, all Base Rent and other sums payable by School under this Lease (“Additional Rent”; Base Rent and Additional Rent being hereinafter collectively referred to as “Rent”, where no distinction is required) shall be made from the government entity responsible for making per pupil payments to School (the “Funder”) pursuant to an irrevocable payment directive by School as more particularly set forth in the Collateral Assignment and Security Agreement as is more fully set forth in Section H below); and (ii) with respect to Additional Rent, such payment shall be paid by School through its company check. In the event that the Payment Directive is not executed by the Funder, all Rent and other sums payable by Tenant under this Lease shall be paid by a wire transfer ACH payment from Tenant’s operating account. Tenant agrees to complete such forms as required by the receiving Depository financial institution. Tenant agrees to complete such forms as required by the receiving Depository financial institution.

D. Time; Partial Payments. Regarding all rentals and other sums, and all covenants, agreements and obligations, to be paid or performed hereunder by School, time is hereby agreed to be of the essence. No payment by School or receipt or acceptance by Landlord or its agent of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or any letter accompanying any check in payment of Rent be deemed an accord and satisfaction; and instead, Landlord may accept such check or payment without prejudice to Landlord’s rights to recover the balance of such Rent and/or to pursue any other remedies.

E. Security and Rental Deposit. Tenant shall pay a security and rental deposit (“**Deposit**”) to Landlord in the amount equal to Fifteen Thousand Six Hundred Twenty Four Dollars (\$15,624). The Deposit shall be paid in three (3) installments of Five Thousand Two Hundred Eight (\$5,208) each, the first installment shall be due August 15, 2015, and the second and third installments shall be due on September 15 and October 15, 2015 respectively. The Deposit will be held by Landlord subject to such conditions and restrictions (if any) required by Nevada law and may be used by Landlord for payment of delinquent Rent or for any other monetary obligations of Tenant to Landlord under the terms of this Lease. The Deposit shall not accrue interest in favor of Tenant.

F. Reporting and Filing Requirements. School shall provide Landlord with:

(i) A copy of the annual monitoring reports of School’s operations for each school, as prepared by its chartering authority, within ten (10) business days of its receipt of the same, as well as School’s response to such reports, within ten (10) days of the filing of such response;

(ii) A copy of its expected enrollment and actual enrollment as calculated by including each student considered to be enrolled in the School, separated by school and according to the official enrollment count of each year as submitted to the chartering authority within ten (10) days of School’s filing of same, and an update as to such enrollment numbers on a semi-annual basis and as filed with such agency as designated by the laws of the State of Nevada to collect and verify enrollment data from public charter schools;

(iii) A copy of the annual report(s) provided to Authorizer, which annual report shall document (a) the previous school year's progress in meeting the performance-based goals identified in School’s charter petition on the Annual School Report Card and (b) all state mandated test scores and other accountability indicators, including proficiency rates and Annual Yearly Progress (AYP) results as required under the federal No Child Left Behind Act of 2001;

(iv) Within thirty (30) days following its annual issuance, and in any event no later than one hundred eighty (180) days following the end of each fiscal year, a copy of School’s annual financial statements, as produced by the School’s independent, certified public accountant, which shall include the consolidated financial statements of School, to the extent that School does not consolidate its financial statements for each of its schools, then School shall submit such statements for each school;

(v) As soon as available but in any event no later than the forty-five (45) days following the end of each fiscal quarter of School, a copy of School’s quarterly financial statements certified by an authorized signer of School, as true and correct;

(vi) At least thirty (30) days prior to the commencement of each school year, a copy of School’s annual operating budget(s), as approved by School’s governing boards and submitted to the Authorizer;

(vii) Within thirty (30) days following its receipt by School, a copy of the results of School's standardized student performance testing required by the relevant state or local school authority or the Authorizer;

(viii) Beginning in October 2015, and continuing on an annual basis each October thereafter, School shall request from its chartering authority and shall, upon receipt, provide to Landlord, certifications from the Authorizer stating that: (i) School is in good standing under its charters; (ii) School has not been given notice of probation; and (iii) School is in compliance with all laws, rules and regulations applicable to charter schools in the State of Nevada;

(ix) A copy of any other financial or other reports of a material nature delivered to School by the Authorizer, within ten (10) days of receipt of the same;

(x) A copy of all other financial reports required by the City of Las Vegas, the Authorizer, or the Nevada Department of Education in the prescribed form required; and

(xi) Such additional information, reports and statements respecting the operations and financial condition of School and/or the Property as Landlord may reasonably request from time to time in writing, but no more than thirty (30) days following such request.

G. Charter School Funds. School shall assign to Landlord all right, title and interest of School in and to, all Distributions up to but not to exceed the Rent due hereunder (as defined in the Collateral Assignment) it receives from the Authorizer pursuant to that certain Collateral Assignment and Security Agreement of even date herewith between Landlord and School (the "**Collateral Assignment**"), the form of which is attached hereto as Exhibit D. School agrees to cooperate with Landlord and Senior Lender and subordinate Lenders and execute all documents reasonably requested to be executed by them in order to secure their loans to Landlord.

H. Additional Indebtedness; Capital Expenditures. During the Lease Term, School shall not incur any additional indebtedness, or make capital expenditures in excess of Fifty Thousand Dollars (\$50,000.00), in the aggregate, without the written consent of Landlord. Additionally, School shall not lease or purchase any real property without Landlord's approval.

I. Subordination of Management Fees. Tenant agrees Landlord shall have approval rights to any management agreement it intends to enter into with an education management organization ("EMO"), and that such approval shall not be unreasonably withheld, delayed or conditioned. Any fees earned by the EMO shall be subordinated to the Rent as set for in Exhibit G which shall be required of any EMO retained by School. For the purposes of this Lease, an EMO shall not include a professional employer organization or similar entity whose purpose is solely to provide staffing services to School and not to provide overall education management services.

J. Additional Covenants.

1. School shall notify Landlord in writing of any change in the composition of its board of directors/trustees and its senior management within ten (10) days of obtaining knowledge of such change. For the purposes hereof, the term "Senior Management" shall include the positions of Principal, Assistant Principal, Curriculum Director, Dean of Students, Business/Financial Management and Executive Director.

2. School has obtained a charter in the name of School to operate at the Property (the "Charter"). The Charter is valid and in good standing and is a five-year charter terminating in June, 2017 and School shall timely make application to the Charter School Authorizing Agency, Nevada State Public Charter School Authority ("Granting Authority"), to renew the Charter prior to its expiration and at the required intervals thereafter in order to keep its Charter valid and remain in good standing with the Granting Authority.

3. School shall comply with the financial reporting requirements set forth herein by Landlord and provide such other financial information as Landlord may reasonably request.

4. School shall covenant and agree not to perform any act or enter into any agreement that shall cause any revocation or adverse modification of its application to be or status as a nonprofit charter school and organization described in Section 501(c)(3) of the Internal Revenue Code, or carry on or permit to be carried on in the Property or permit such facilities to be used in or for any trade or business the conduct of which is not substantially related to the exercise or performance by School of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) of the Internal Revenue Code if such use of such facilities would result in the loss of Borrower's exempt status under Section 501(c)(3) of the Internal Revenue Code.

5. School shall covenant and affirm that: (i) School has been granted "charter school" status under the applicable laws of the State of Nevada and is entitled to operate a charter school at the Property; (ii) School has no reason to believe that School's charter will not be renewed in accordance with and as required by applicable laws of the State of Nevada; (iii) School's charter to operate such charter school is in full force and effect; (iv) School is in compliance with all applicable terms and provisions of its public school charter and all applicable laws and requirements of the State of Nevada and each Granting Authority relating to the ownership and operation of charter schools generally and School's charter school specifically; and (v) each and every other charter of School is in good standing and has not been revoked nor is any revocation or suspension pending or threatened.

6. Without the prior written consent of Landlord, School shall not acquire any other real or personal property or enter into, amend, modify and/or extend any lease for other real or personal property, except that School shall be permitted to enter into capital leases relating to tangible personal property that will be located at the Property and used in school operations (the "Permitted Capital Leases").

7. Without the prior written consent of Landlord, which consent shall not be unreasonably withheld, School shall not modify or amend its Charter in any manner that may affect its ability to comply with its obligations hereunder.

4. BUILDING MAINTENANCE; OPERATING EXPENSES; REAL ESTATE TAXES AND ASSESSMENTS.

This Lease shall be deemed and construed to be a “net lease”, and School shall pay to Landlord, net, throughout the Lease Term, the Rent, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off whatsoever.

A. Operating Expenses. Provided that Landlord obtains and assigns the warranties to the extent possible as set forth and in compliance with Subsection 1.C of this Lease for the Property, School shall be responsible for all of the maintenance, repair and replacement, at its expense, of all structural portions of the Building and all other buildings and improvements located within the Property, including the roof and floor slabs, brick replacement or repair, and all building equipment and systems such as HVAC, electrical and plumbing systems and equipment. To the extent that School fails to maintain, repair or replace such structural portions of the Building improvements and building equipment and systems, Landlord shall have the right to enter the Property and perform such work. All of Landlord’s reasonable out of pocket costs associated with the responsibilities listed above shall be included as Additional Rent. School shall also be responsible for all additional operations, repair and maintenance of the Property. To the extent it is commercially feasible, all utilities servicing the Property shall be listed and contracted with the utility provider in School’s name and School shall contract directly with vendors of its choice for the services defined as “Operating Expenses” below. To the extent it is not commercially feasible for School to contract directly with utility providers and other vendors for such services, School further covenants and agrees to pay to Landlord as Additional Rent during the Lease Term and during any holdover term or Renewal Term, the Operating Expenses and (if applicable) Real Estate Taxes as defined in Subsection 4.B. below.

(i) **“Operating Expenses”** shall mean any and all reasonable out-of-pocket expenses incurred by Landlord in connection with the management of the Property, and, except as specifically set forth above as the responsibility of School, the operation, maintenance and repair of the Property, including but not limited to: utilities; water and sewer charges; casualty and liability insurance; repairs and maintenance; snow removal; cleaning; repair and maintenance of grounds; service or management contracts; Landlord’s general overhead and administrative expenses attributable to the Property; landscaping expenses; any other items listed as “Operating Expenses” elsewhere in this Lease; and the cost of capital improvements made to the Property which are (a) required under any governmental law or regulation that was not required of the Property at the time this Lease was executed, excluding those matters completed as part of the Landlord Work or (b) installed to improve the operating efficiency of any system within the Property with the good faith intent to reduce Operating Expenses (the said items described in (a) and (b) being defined herein as **“Permitted Capital Improvements”**), provided that such Permitted Capital Improvements shall be amortized over their useful lives as reasonably determined by Landlord and agreed to by School.

(ii) It is anticipated that all Operating Expenses will be paid directly by School and that Landlord will not pay any such Operating Expenses; however, if during the Lease Term Landlord does pay any such Operating Expenses, School will reimburse Landlord within thirty (30) days of written demand, which demand shall include all information necessary to fully explain the Operating Expenses paid by Landlord for which reimbursement is sought.

B. Real Estate Taxes.

(i) It is the intent of the parties that the Property shall be used for public charter school purposes; that the Property will be exempted from the payment of Real Estate Taxes as may be assessed or levied pursuant to state and/or local law; and that as directed by Nevada law, the Landlord will not be required to pay Real Estate Taxes levied by any local government authority

(ii) For purposes of this Lease, “**Real Estate Taxes**” shall mean all taxes, rates and assessments, general and special and including also any increases in tax rate and/or in assessed valuation, which are now or at any time(s) hereafter levied, assessed or imposed with respect to the Property, or measured by the gross rentals payable under this Lease; and including without limitation real estate taxes, all personal property taxes applicable to the Property, and assessments of any and every kind and nature whatsoever, and all unincorporated and other business license and/or franchise taxes, and any levies which may at any time be imposed and/or collected by any governmental, quasi-governmental or corporate entity. Real Estate Taxes shall also include all of the costs (including, without limitation, attorneys’ fees) incurred by Landlord to sustain an existing exemption or assessment, reduce a proposed increase in assessment or (with the exception of the application referred to in Subsection 4(B)(i), above) in an attempt to obtain an exemption. If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on the Property and/or on any other elements thereof and/or on Landlord, in addition to or in substitution for real estate taxes and/or personal property taxes levied on immovables, including, without limitation, taxes on rents, then in any such event any such new tax or levy shall be included as “Real Estate Taxes” for purposes of this Lease. If Real Estate Taxes are reduced by, or credited with, any abatement or exemption issued by a taxing authority to help finance or reimburse Landlord for costs incurred and actually paid by Landlord to comply with laws or otherwise, then Real Estate Taxes hereunder shall be computed without regard to such abatement or exemption. School further agrees to pay all taxes imposed during the Lease Term upon or against School, or against School’s income or interest in this Lease, or against personal property of any kind owned or leased by School or placed in, upon or about the Property by School, including any penalty and interest assessed thereon in the event of late payment. In the event that the taxing authority includes or calculates, in the over-all taxes to be paid by Landlord, the value of improvements or betterments made or installed by School on the Property, or machinery, equipment, fixtures or other assets of School, then School also shall pay when due all taxes to the extent applicable to such items.

C. Developer’s Fee.

CSDC shall earn a Developer's Fee, equal to five percent (5%) of the Total Project Cost less the portion of the Total Project Cost (the "**Developer's Fee**"). The Developer's Fee shall be deemed earned and shall be payable on the Lease Commencement Date. If not paid at Lease Commencement Date, School shall pay the Developer's Fee, in equal monthly installments equal to 2% of the prior year's monthly rent payment, beginning on the first day of the Third Lease Year and continuing thereafter until the Developer's Fee has been paid in full. Any unpaid portion of the Developer's Fee shall be due and payable on the date on which this Lease terminates, whether by early termination or by expiration of the Lease Term, in accordance with its terms.

## 5. USE OF PREMISES.

A. School covenants and agrees to use the Property only (i) for the operation of a public charter school, including grades kindergarten through grade twelve (12), infant through pre-kindergarten childcare, summer school, parent workshops and related administrative uses, and before and after school care (including the use or leasing of residential structures by or to anyone involved in the operation of the public charter school on the Property) and (ii) for educational purposes ancillary or complementary to the operation of the Property as a public charter school (collectively, the "**Permitted Use**"), and for no other purpose whatsoever. It is expressly recognized that adult activities shall not be conducted during normal school hours on the Property, with the exception of customary parent-teacher conferences, parent-teacher association or board meetings and other school-related parent participation activities. It is expressly recognized that operation of a school may include sports, dances, concerts, and other special events, or community events or activities, depending on space availability.

B. Throughout the Lease Term, School shall maintain and renew its charters, and, as requested by Landlord from time to time, shall provide Landlord with written evidence, in form and content reasonably satisfactory to Landlord, that School's charters to operate its public charter schools remain in full force and effect and that School continues to be in compliance with all applicable laws and requirements of each authority relating to the ownership, funding and operation of charter schools generally and School further covenants and agrees that it will perform and comply with all applicable laws, regulations, terms, conditions and agreements necessary to maintain its Charter School (as such term is defined in Exhibit E attached hereto and made a part hereof) status, and its continued eligibility to receive all public funding for which it, as a public charter school in good standing, is entitled. School further covenants and agrees not to perform any act or enter into any agreement that (i) shall cause any revocation or adverse modification of or otherwise jeopardize School's charters to operate public charter schools; (ii) shall adversely affect the funding and operation of School as a public charter school in accordance with all laws, regulations and requirements applicable thereto; (iii) would threaten or not permit School to continue to receive public funding; or (iv) would or could result in the curtailment of or ban on student enrollment and/or participation in School's school programs.

Neither Landlord nor School shall perform any act or enter into any agreement that shall cause the revocation, or any adverse modification of its status, if such status is achieved, as an organization described in Section 501(c)(3) or (4) of the Internal Revenue Code, or carry on or

permit to be carried on any trade or business, the conduct of which is not substantially related to the exercise or performance by Landlord or School, as applicable, of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) or (4) of the Internal Revenue Code if such trade or business would result in the loss of Landlord's or School's exempt status, if such status is achieved, under Section 501(c)(3) or (4) of the Internal Revenue Code.

C. School agrees to comply with the rules and regulations listed under Exhibit F, attached hereto and made a part hereof.

## 6. UTILITIES AND SERVICES AND ALTERATIONS.

A. Utilities and Services. Landlord and School shall endeavor to have all utilities provided to the Property in School's name and with School responsible for all costs for the utilities. If this is not commercially feasible, Landlord, at School's sole cost and expense, shall furnish water, heat, air conditioning, gas, and electricity required for the use and occupancy of the Property at the actual cost charged by the utility providers. School shall be responsible for the normal and routine maintenance of the Property including janitorial services which shall also be the sole responsibility of School. In the event any governmental entity imposes mandatory or voluntary controls or guidelines on Landlord, the Property or the Building or any part thereof, relating to the use or conservation of energy, water, gas, oil and electricity, or in the event Landlord is required to make alterations to the Property or the Building in order to comply with mandatory or voluntary controls or guidelines, Landlord may, in its sole discretion, comply with such mandatory or voluntary controls or guidelines or make such alterations to the Property or the Building. Such compliance in the making of such alterations shall in no event entitle School to any damages, release School of the obligation to pay the full Rent due hereunder or constitute a constructive or other eviction of School.

B. Maintenance and Security By School. School agrees at all times, at its own expense, to maintain the Property in a safe, neat, clean and sanitary condition, and in compliance with all applicable governmental laws, codes, orders, rules, regulations and requirements and all insurance regulations. School agrees that it shall be solely responsible to provide, at its sole cost and expense, to the extent such costs and expenses have not otherwise been assessed by Landlord as "Operating Expenses" or otherwise, all customary, daily janitorial/custodial services and security services.

## 7. ALTERATIONS, IMPROVEMENTS AND FIXTURES

A. School shall neither make nor allow any alterations, additions or improvements to the Property or any part thereof, including those that will or may affect the structure, the mechanical, electrical, plumbing or HVAC systems of the Building or any other improvements on the Property, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. All of such alterations, additions or improvements, structural or otherwise, must conform to all requirements of any and all applicable laws, codes and regulations, including any municipal laws or local ordinances. Notwithstanding anything in this Section 7 to the contrary, School may make non-structural alterations the cost of which on a per project basis does not exceed Twenty-Five Thousand Dollars (\$25,000.00) without obtaining Landlord's prior written consent.

B. If Landlord gives consent as specified in Subsection 7(A) above, Landlord may impose, as a condition to such consent, such requirements as Landlord, in its reasonable discretion, may deem necessary or desirable, including without limitation, the right to approve the plans and specifications for any work and the right to impose requirements as to the manner in which or the time or times at which work may be performed. Landlord shall also have the right to approve the contractor or contractors who shall perform any alterations, repairs, additions or improvements in, to or about the Property and to post notices of non-responsibility and similar notices, as appropriate.

C. Except for liens securing the Financing, each party shall keep the Property free from any liens, including, without limitation, those arising out of any work performed on, or materials furnished to, the Property, or arising from any other obligation incurred by the party. In no event shall one party be deemed to be the agent of the other party and no contractor of either party shall by virtue of its contract be entitled to assert any mechanic's lien against the Property. If any mechanic's or materialmen's lien is filed against the Property, for work claimed to have been done for or materials claimed to have been furnished to either party, such lien shall be discharged by the party against whom it was filed within thirty (30) days thereafter, at the party's sole cost and expense, by the payment thereof or by filing any bond or commencing any contest required by law to prevent enforcement of such lien. If the party responsible for such lien shall fail to discharge any such mechanic's or materialman's lien, the party shall automatically be in default and the other party may, at its option, discharge or adjust the next installment of Rent as appropriate; it being expressly covenanted and agreed that such discharge by one party shall not be deemed to waive or release the default of the other party in not discharging the same. To the extent permitted by law, each party shall indemnify and hold harmless the other party and the Property, from all expenses, liens, claims, actions or damages to person or property in connection with any such lien or the performance of such work or the furnishing of such materials. Each party shall be obligated to, and each party reserves the right to, post and maintain on the Property at any time such notices as shall, in the reasonable judgment of the party, be necessary to protect the party against liability for all such liens or actions.

D. Any alterations, additions or improvements of any kind to the Property or any part thereof, including the Building, except School's furniture and trade fixtures, shall at once

become part of the realty and belong to Landlord and shall be surrendered with the Property, as a part thereof, at the end of the Lease Term; provided, however, that Landlord may, by written notice to School prior to issuance of Landlord's original consent to any alteration, addition, fixture or other improvement, require School to remove any alterations, additions, fixtures or other improvements made by School, and to repair any damage to the Property caused by such removal, all at School's sole expense.

E. Any article of personal property, including business and trade fixtures, which were installed by School at its sole expense, shall be and remain the property of School and may be removed by School at any time during the Lease Term provided that School repairs any damage to the Property caused by such removal.

## 8. INSURANCE AND INDEMNITY.

A. No Liability. Landlord shall not be liable to School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members or guests, and School, on its own behalf and on behalf of the classes of people identified in this sentence, hereby waives all claims against Landlord for any entry into the Property, or for any damage, compensation or claim to or by any person or property in or about the Property or the approaches, entrances, streets, sidewalks or corridors thereto, by or from any cause whatsoever, including without limitation, damage caused by any defect in the Building, or by water leakage of any character from the roof, walls, basement or other portion of the Building, or caused by gas, fire, oil, electricity or any cause whatsoever in, on, or about the Property or any part thereof, unless any of the foregoing is caused by the negligence or willful misconduct of Landlord, its agents, employees, contractors or representatives, or is covered by any guarantee or warranty from any contractor of Landlord. School shall immediately notify Landlord of any defective condition material in nature in or about the Property that requires immediate attention. Landlord shall not be liable, and School hereby waives all claims, for damages that may be caused by Landlord in reentering and taking possession of the Property as herein provided, unless such damages are caused by Landlord's negligence or willful misconduct.

B. School's Indemnity. To the extent permitted by law, School agrees, except to the extent of any injury or damage resulting from the negligence or intentional acts of Landlord, its agents, employees, contractors or representatives, to indemnify, defend with counsel acceptable to Landlord, and hold Landlord and its agents harmless from and against any and all cost, damage, claim, liability or expense (including reasonable attorney's fees) incurred by or claimed against Landlord, for any injury or damage to any person or property whatsoever, occurring in, on or about the Property or any part thereof, or occurring in, on or about the Building or any facilities thereof (including, without limitation, lobbies, elevators, stairways, passageways or hallways), to the extent such injury or damage shall be caused by the neglect, fault, act or omission of any duty with respect to the same by School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members and guests. Any cost, damage, claim, liability or expense incurred by Landlord for which School is obligated to reimburse Landlord hereunder shall be deemed Additional Rent.

C. School Insurance. School shall maintain in effect at all times during the Lease Term, the following insurance coverage:

(i) Liability Insurance. Commercial general liability insurance insuring School against liability for bodily injury, property damage (including loss of use of property) and personal injury at the Property. Such insurance shall name Landlord, and Landlord's lender(s) as additional insured. The initial amount of such insurance shall be \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate, and a minimum \$5,000,000.00 umbrella. The liability insurance obtained by School under this Subsection 8.C. shall be primary. The amount and coverage of such insurance shall not limit School's liability nor relieve School of any other obligation under this Lease. School shall take all necessary actions to bind all activities on the Property to the insurance coverage.

(ii) Workers' Compensation Insurance. Workers' Compensation Insurance (including Employers' Liability Insurance) in the statutory amount covering all employees of School employed or providing services at the Property, providing such benefits as are required by the State of Nevada.

(iii) Automobile Liability Insurance. Liability insurance, including but not limited to passenger liability on all owned, and hired vehicles used in connection with the Property, with a combined single limit per occurrence of not less than \$1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

(iv) Personal Property Insurance. Personal Property Insurance covering School's personal property and trade fixtures from time to time in, on, or at the Property.

D. General Insurance Provisions.

(i) Any insurance that School shall be required to maintain under this Lease, shall include a provision which requires the insurance carrier to give notice to all certificate holders (which shall include Landlord and Senior Lender) in accordance with policy provisions prior to any cancellation or material modification of such coverage. If any insurance company refuses to provide the required notice, School or its insurance broker shall notify Landlord of any cancellation or non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

(ii) Prior to the earlier of School's entry into the Property or the Lease Commencement Date, School shall deliver to Landlord an insurance company certificate that School has obtained the insurance coverages required herein and, throughout the Lease Term, not less than thirty (30) days prior to the expiration or termination of any insurance, School shall deliver to Landlord renewal certificates therefor. If School shall fail to deliver any certificates or renewal certificates to Landlord or if any such policy shall be canceled or modified in a manner materially adverse to Landlord during the Lease Term without Landlord's written consent, Landlord may, after ten (10) days written notice to School and School's failure to cure the same, obtain such insurance, in which case School shall reimburse Landlord, as Additional Rent, for

the cost of procuring such insurance within ten (10) days after receipt of a statement of the cost of such insurance.

(iii) School shall maintain all insurance required under this Lease with a company or companies having a General Policy Rating of A-VI or better, set forth in the most current issue of the Best Key Rating Guide. Landlord and School, on behalf of themselves and their insurers, each hereby waive any and all rights of recovery against the other, or against the members, officers, partners, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage shall be covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. All property insurance carried by either party shall contain a waiver of subrogation against the other party to the extent such right shall have been waived by the insured prior to the occurrence of loss or injury.

E. Landlord Insurance. During the Lease Term, Landlord shall (i) insure the Building (excluding, however, any property that School is obligated to insure under Section 8(C)(iv) above) against damage with All-Risk insurance Commercial General Liability insurance, in an amount not less than 100% of the full replacement cost, without deduction for depreciation, or as required by any mortgagee of Landlord; and (ii) carry rent loss insurance. Landlord may, but shall not be obligated to, obtain and carry any other form or forms of insurance as it or Landlord's mortgagees may reasonably determine advisable including, without limitation, insurance against hazardous materials. All premiums for the insurance policies provided in this Section 8 shall be deemed an Operating Expense of the Property and shall be paid by School in accordance with the provisions of Section 4 above to the extent such insurance costs relate to the Property leased hereunder by School. Notwithstanding any contribution by School to the cost of insurance premiums, as provided herein, School acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord.

## 9. ASSIGNMENT AND SUBLETTING.

A. Except as provided herein, School shall not sublease, assign, mortgage, pledge, hypothecate or otherwise encumber this Lease or its leasehold interest in the Property in whole or in part, nor sublet the Property in whole or in part, without Landlord's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed provided the use of the Property is consistent with Section 5. No consent of Landlord to any assignment, subletting or mortgaging by School shall waive the necessity for Landlord's prior written consent to any further assignment or subletting; and the terms and conditions of any consents thereto (if given) by Landlord shall bind School, its mortgagees, assignees and sub-lessees.

B. No assignment or subletting, nor any consent thereto by Landlord, shall (i) result in a change in the use of the Property from the Permitted Use specified in Section 5, (ii) terminate or reduce any liability of School under this Lease unless consented to by Landlord in writing, nor (iii) be deemed to waive the necessity of obtaining Landlord's prior written consent to any further assignment or subletting.

C. Any assignment or subletting shall be made subject to all terms and provisions of this Lease, and shall not extinguish or reduce any of Landlord's or School's obligations under this Lease, including without limitation the obligation of Landlord to provide to any permitted assignee or sublessee the services of Landlord required hereunder.

D. School shall pledge and collaterally assign to Landlord, rents or other payments received from any sublessee up to the amount of Rent due Landlord under this Lease. School shall also collaterally assign to Landlord any such sublease to permit Landlord to collect rent under such sublease upon the occurrence of an Event of Default hereunder.

#### 10. SUBORDINATION.

Subject to the provisions of this Section, this Lease and all rights of School hereunder shall be subject and subordinate to the mortgages securing the Financing, and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding the foregoing, School's obligation to subordinate its interest in the Property to the mortgages securing the Financing is expressly conditioned upon such holder's execution of a mutually acceptable subordination, non-disturbance and attornment agreement ("SNDA") pursuant to which such holder agrees not to disturb, impair or extinguish School's possession or School's Purchase Option upon such holder's acquiring title to the Property so long as School is not then in default under this Lease beyond all applicable cure periods, and agrees to attorn to such holder following such acquisition of title. Landlord shall deliver to School mutually acceptable SNDAs for the deeds of trust securing the Financing before the Lease Commencement Date. Notwithstanding the subordination of this Lease as aforesaid, any future mortgagee under any mortgage replacing (but not increasing) the Financing may, by giving School written notice thereof, require that School enter into a new SNDA for the benefit of such new lender, the terms of which shall be substantially similar to the SNDA entered into with the existing Financing lender. Subject to the terms of the SNDA, School covenants and agrees, in the event of foreclosure of any such mortgage or deed of trust, to attorn to the purchaser upon such foreclosure sale and to recognize such purchaser as the landlord under this Lease. School agrees to execute in recordable form and deliver, at any time and from time to time, within twenty (20) days after request of Landlord or the holder of the Financing or any replacements thereof, any instrument which, in the reasonable judgment of Landlord, or the Financing lenders or any replacement lenders under the Financing, may be necessary or appropriate in any such foreclosure proceedings or otherwise to evidence such attornment. School further waives the provisions of any statute or rule of law, now or hereafter in force, which may give or purport to give School any right or election to terminate or otherwise adversely affect this Lease, and the obligations of School hereunder, as a result of any such foreclosure. Any mortgagee or purchaser at foreclosure, who requests such attornment shall not (a) be bound by any prepayment of Base Rent for more than thirty (30) days in advance of the due date of such Base Rent or which School might have paid for more than the current month to any prior lessor (including Landlord), so that Base Rent shall be payable after such deed of trust or mortgage foreclosure or termination of the ground or underlying lease, as the case may be, in case of a requested attornment as aforesaid, in accordance with the terms of this Lease as if such prepayment of Base Rent for more than one month in advance had not been made; (b) be bound by any amendment or modification to this Lease or by any waiver or forbearance on the part of any prior lessor

(including Landlord) made or given without the written consent of Landlord's mortgagees; (c) be liable for any act or omission of any prior lessor (including Landlord); nor (d) be subject to any offsets or defenses which School might have against any prior lessor (including Landlord); and furthermore, Landlord's mortgagees shall be discharged of any responsibility hereunder to School which may have arisen (by reason of the mortgagee becoming a mortgagee in possession, a lessor or otherwise) after such mortgagee disposed of its interest in the Property. School hereby agrees not to look to Landlord's mortgagees, as mortgagees, mortgagees in possession, or successors in title to the Property or to any leasehold interest in the Property for accountability for any security deposit required or held by Landlord hereunder, unless and to the extent that such sums have actually been received by said mortgagees as security for School's performance of or under this Lease.

#### 11. EMINENT DOMAIN.

School agrees that if the Property, or any part thereof, shall be taken, condemned or acquired for public or quasi-public use or purpose by any competent public or quasi-public authority (the "**Taking Authority**"), whether by condemnation proceedings, lease or purchase (collectively and individually a "taking"), then Landlord and School shall share the value of any recovery according to the value of their respective property interests as such interests existed on the date of the taking. If all or a substantial part of the Property be so taken or acquired, the term of this Lease shall, at Landlord's or School's option, cease and terminate from the date on which title to the Property vests in the Taking Authority. If this Lease is terminated under this Section 11, then all Rent and other sums payable by School hereunder shall be adjusted and paid by School to Landlord at the later to occur of (a) the date School vacates the Property in compliance with this Lease, or (b) the date on which title to the Property vests in the Taking Authority. For purposes hereof, a substantial part of the Property shall be deemed to have been taken if, in Landlord's and School's reasonable judgment, the remainder of the Property not so taken is not reasonably usable or is not reasonably and economically repairable. If less than a substantial part of the Property is taken (a "**partial taking**"), then this Lease shall remain in force as regards the portion of the Property not so taken. In the event of such partial taking, Base Rent shall abate if, and so long as School is unable to use and occupy the Property during the course of repairs thereof, such abatement to be in proportion to the rentable area of the Property rendered unusable by School for the purposes herein permitted until Landlord has substantially completed the restoration work. In such event, Landlord shall, at its own expense (provided that this Lease has not been terminated hereunder and that Landlord receives sufficient funds from the Taking Authority to pay therefor), restore the remaining portion of the Property (excluding School's fixtures, furnishings, equipment, and alterations, collectively herein called "**School's Restoration Work**," all of which School's Restoration Work shall be repaired and restored by School at its own expense in conformity with the applicable terms of this Lease) to the extent reasonably feasible to render such remainder reasonably suitable for the purposes for which they are leased hereunder; and Landlord shall make such repairs (if any) to the remainder of the Property as may be reasonably necessary to enable School to operate the Property for the Permitted Use and to resume occupancy. School shall fully cooperate with Landlord in all such efforts, and School will not commence or perform School's Restoration Work until Landlord has completed its work (unless otherwise permitted by Landlord). However, School may at its option and discretion terminate this Lease, with Rent adjusted to the date of termination, if any

partial taking involving at least thirty-five percent (35%) of the Property occurs or if the partial taking involves a lesser amount of the Property and School can no longer conduct business operations at the Property in a manner similar to that conducted by School prior to any such partial taking. Nothing herein contained shall preclude School (provided it is not in default under this Lease nor subject to any Events of Bankruptcy (as hereinafter defined)) from prosecuting, at its own expense claims directly against the Taking Authority for loss of business, damage to, cost of removal of, or for the value of, trade fixtures, furniture, equipment and other personal property belonging to School. If this Lease is terminated pursuant to this Section 11, then School agrees to vacate the Property in accordance with this Lease within seven (7) days after such termination is effective.

#### 12. WAIVER OF CLAIMS AND SUBROGATION.

Anything herein contained to the contrary notwithstanding, Landlord and School do each hereby release the other from any and all claims of liability for any loss or damage to their respective properties caused by fire or any of the other casualties covered by the risks included in extended coverage insurance to the extent of insurance proceeds received. This limited mutual release is given notwithstanding that such fire or other casualty shall have resulted from the act, omission or negligence of Landlord or School or their respective agents, employees, licensees or contractors. Landlord and School agree to cause their respective insurance policies covering the Building and/or the Property and contents thereof to contain an appropriate endorsement whereby the insurer agrees that the insurance policy and coverage will not be invalidated by reason of the foregoing waiver of the right of recovery against Landlord or School, respectively, for loss occurring to the properties covered by such policies, and whereby such insurers also waive any right of subrogation against Landlord and School (as the case may be). Each party will, upon request, deliver to the other a certificate evidencing such waiver of subrogation by the insurer. However, the provisions of this Section 12 shall not be operative during any period of time when such "waiver of subrogation" feature is not available from insurance companies licensed to do business in the State of Nevada at nominal cost or no cost.

#### 13. DAMAGE BY FIRE OR CASUALTY.

If the Property shall at any time during the Lease Term be partially damaged by fire or other casualty, Landlord shall (except as otherwise herein provided) promptly repair and restore the portions of the Property damaged by such casualty (the "**Landlord Repairs**"), but excluding any School's Restoration Work, to substantially the condition thereof that existed immediately prior to the occurrence of such damage (subject to delays reasonably necessitated by time needed to adjust, settle and compromise insurance claims and to obtain governmental licenses and permits for such work, and subject to the other conditions contained in this paragraph). However, if the Landlord Repairs are so extensive that the costs of repair exceed the insurance proceeds available to Landlord to pay for the restoration and repairs inclusive of any deductible, Landlord, at its option and exclusive discretion, shall have the right to terminate this Lease by giving School written notice to that effect within forty-five (45) days following such casualty, unless School either elects to purchase the Property pursuant to the Purchase Option or to make the needed repairs at its expense. In addition, in the event Landlord does not notify School in writing within such forty-five (45) day period that the Landlord Repairs will be completed within

one hundred eighty (180) days following such casualty, School at its option and exclusive discretion, may terminate this Lease by giving Landlord written notice of such termination. In the event of any such partial damage or total destruction of the Building, the Base Rent and all Additional Rent shall be abated from the date of the damage until the date Landlord substantially completes the Landlord Repairs (excluding any School's Restoration Work, the same to be repaired by and solely at the expense of School upon Landlord's notification to School that the Landlord Repairs have been substantially completed); such Base Rent and Additional Rent abatement to be in proportion to the area of the Property rendered unusable by School for the purposes herein permitted during the period of such usability. However, if the Building is partially damaged by fire or other casualty to such extent that School is unable to conduct the Permitted Use therein, then during the course and until substantial completion of the Landlord Repairs, all Base Rent and Additional Rent payable hereunder shall abate on a pro rata basis for the portion of the Building that School is unable to use. In no event shall Landlord be obligated to perform or pay for or provide any repairs or replacements of School's trade fixtures or equipment or any other School's Restoration Work; it being agreed that School, at its own expense, shall perform all such repairs and replacements, whether necessitated by casualty damage or otherwise. Further, in no event shall Landlord be obligated to expend any sums in excess of the insurance proceeds (inclusive of any deductible) made available to Landlord on account of the fire or casualty for the purpose of such restoration. School and School Parties (as defined in Section 27(A) below) will not interfere with, delay or alter any Landlord Repairs; it being agreed that there shall be no Base Rent or Additional Rent abatement during any period while any violation of this provision delays Landlord Repairs. If this Lease is terminated by Landlord pursuant to this Section 13, and provided that School does not elect to exercise its Purchase Option or to make the necessary improvements itself, then School agrees to vacate the Property in accordance with this Lease within seven (7) days after the date such termination is effective. In the event that School either elects to exercise its Purchase Option or to make the necessary repairs, then, to the extent permitted to do so under the Financing documents, Landlord shall assign to School all insurance proceeds that may cover the losses resulting from the casualty.

14. LOSSES OR DAMAGE TO PROPERTY.

All personal property and other equipment and items of any kind belonging to School or School Parties located in or about the Property, shall be there at the sole risk of School, and in no event shall Landlord have any liability for any loss, damage or theft thereof from any cause whatsoever (School hereby indemnifying Landlord against any and all suits, actions and claims in regard thereto to the extent permitted by law) unless the same is occasioned by the gross negligence or intentional act of Landlord, its agents, employees, contractors or representatives.

15. COMPLIANCE WITH GOVERNMENTAL ORDERS.

School shall, at its own expense, at all times during the term of this Lease and any Renewal Terms or holdover terms or while School is occupying all or any part of the Property, fully, properly and promptly cause its use of the Property to comply with and abide by all laws, orders, ordinances, rules, regulations and requirements, as the same now exist or as the same may hereafter be enacted, amended or promulgated, of any Federal, State of Nevada, or City of

Las Vegas authority, and/or any department or agency thereof, and of the Board of Fire Underwriters, or any similar organization having jurisdiction thereof, and all insurance regulations, relating to the Property and/or School's specific use and occupancy of the Property or to the operation of the public charter school at the Property (collectively herein referred to as "**Laws**"). Subsequent to the completion of the Landlord Work, at all times while this Lease is in force, School, at its own expense, will obtain and keep in force and display on the Property all certificates of use and occupancy, and other governmental permits, licenses and authorizations required for the Property and School's business, use and occupancy thereof and thereat, and School will provide Landlord copies of said certificates, licenses and permits within ten (10) days after Landlord's written request. Following completion of the Landlord Work, School, at its own expense, agrees to promptly comply with all federal, state, county and municipal laws now or hereafter in force involving handicapped persons and means of access for such persons and facilities for their use that involve their use of the Property or affect the use or occupancy of or the conduct of business in or at the Property. Landlord shall, at its own expense, ensure that the entire Property as of the date School first occupies any or all of the Property, fully, properly and promptly complies with and abides by all Laws of any Federal, State, or City of Las Vegas authority and/or any department or agency thereof, including but not limited to any Laws pertaining to Hazardous Materials, environmental concerns, or disability access.

#### 16. BANKRUPTCY.

A. Events of Bankruptcy. For purposes of this Lease, the following shall be deemed "**Events of Bankruptcy**" of School: (i) if School becomes "insolvent", as defined in Title 11 of the United States Code, entitled "Bankruptcy", 11 U.S.C. Section 101 et. seq., as amended from time to time (the "**Bankruptcy Code**"), or under the insolvency laws of the State of Nevada ("**Insolvency Laws**"); (ii) if a receiver or custodian is appointed for any or all of School's property or assets; (iii) if School files a voluntary petition under the Bankruptcy Code or Insolvency Laws; (iv) if there is filed an involuntary petition against School as the subject debtor under the Bankruptcy Code or Insolvency Laws that is not dismissed within sixty (60) days of filing, or results in issuance of an order for relief against the debtor; or (v) if School makes or consents to an assignment of its assets, in whole or in part, for the benefit of creditors, or a common law composition of creditors. Notwithstanding anything in this Section 16 to the contrary, the terms and provisions of this Section 16 shall be subject to the provisions of the Bankruptcy Code as then in force.

B. Landlord's Option to Terminate Lease. Upon the occurrence of an Event of Bankruptcy, or if School takes advantage of any Insolvency Laws, Landlord, at its option and sole discretion, may terminate this Lease by written notice to School (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws during the pendency of any action thereunder involving School as the subject debtor). If this Lease is terminated under this Subsection, School shall immediately surrender and vacate the Property, waives all statutory and other notice to quit, and agrees that Landlord's obligations under this Lease shall cease from such termination date, and Landlord may recover possession by process of law or in any other lawful manner. Furthermore, if this Lease is terminated under this Subsection, Landlord shall have all rights and remedies against School provided in case of the default of School in payment of Rent (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws).

C. Assumption of Lease. If School becomes the subject debtor in a case pending under the Bankruptcy Code, Landlord's right to terminate this Lease under this Section 16 shall be subject to the applicable rights (if any) of the trustee in bankruptcy to assume or reject this Lease as then provided for in the Bankruptcy Code. However, the trustee in bankruptcy must give to Landlord and Landlord must receive proper written notice of the trustee's assumption or rejection of this Lease within sixty (60) days after the date of the trustee's appointment or such longer period if any provided by applicable law (the "**Assumption or Rejection Period**"); it being agreed that the failure of the trustee to give notice of such assumption hereof within the Assumption or Rejection Period shall conclusively and irrevocably constitute the trustee's rejection of this Lease and waiver of any rights of the trustee to assume or assign this Lease. The trustee shall not have the right to assume or assign this Lease unless said trustee (i) promptly and fully cures all defaults under this Lease, (ii) promptly and fully compensates Landlord for all monetary damages incurred as a result of such default, and (iii) provides to Landlord "adequate assurance of future performance" (as defined herein below). Landlord and School hereby agree in advance that "adequate assurance of future performance", as used in this Subsection, shall mean that all of the following minimum criteria must be met: (a) School shall deliver to Landlord a security deposit in an amount equal to three (3) months' Base Rent at the rate applicable hereunder, which deposit Landlord may apply toward curing any defaults of School under this Lease, (b) School must pay to Landlord all Rent and other sums payable by School hereunder, including also therein its share (as estimated by Landlord) of the cost of all services (if any) provided by Landlord (whether directly or through agents or contractors, and whether or not the cost of such services is to be passed through to School), in advance of the performance or provision of such services, and (c) School must agree (by writing delivered to Landlord) that the use of the Property as stated in this Lease will remain unchanged. In the event School is unable to (i) cure its defaults, (ii) reimburse Landlord for its monetary damages, (iii) pay the Rent due under this Lease or any other payments required of School under this Lease on time, or (iv) meet the criteria and obligations imposed by (a) through (c) above in this Subsection, then School hereby agrees in advance that School has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Landlord in accordance with Section 16(B) hereof.

D. Damages. It is further stipulated and agreed that, in the event of the termination of this Lease by the happening of any such event described in this Section 16, Landlord shall forthwith, upon such termination, and any other provisions of this Lease to the contrary notwithstanding, become entitled to recover as and for damages caused by such termination of this Lease all amounts permitted by applicable law.

E. Consent to Lift Stay. In the event that this Lease is terminated by notice and School shall thereafter seek protection under the Bankruptcy Code or any equivalent state Insolvency Laws or regulations, School (if a debtor-in-possession) agrees to consent to any application by Landlord to terminate the automatic stay provisions of the Bankruptcy Code or any Insolvency Laws on the grounds that there is no equity in the Lease as a result of the pre-petition termination notice.

## 17. DEFAULTS AND REMEDIES.

A. The following occurrences shall be deemed an “**Event of Default**” hereunder: if (i) School shall fail to pay the Rent or Deposit, or any installments thereof as aforesaid, at the time the same shall become due and payable although no demand shall have been made for the same or any other sums payable under this Lease when and as due as herein provided, and if such monetary default is not cured by School within seven (7) days after written notice thereof is sent by Landlord to School (or if School commits more than two monetary defaults in any calendar year, and thereafter any additional monetary default occurs in that calendar year, whether or not Landlord has given School notice thereof); (ii) School violates or fails or neglects to keep and perform any of the other covenants, conditions and agreements herein contained on the part of School to be kept and performed, and if such non-monetary default (other than failure to maintain insurance required of School hereunder) is not cured by School within thirty (30) days after written notice thereof is sent by Landlord to School, as extended for such additional period (not to exceed an additional ninety (90) days) reasonably necessary to cure such default if School acts diligently to do so and holds Landlord harmless from all liability, loss, costs, damage and expense arising from such default and provided such default does not materially jeopardize the value, safety or structural integrity of the Building nor subject Landlord or its agents to any liability or expense; (iii) School fails to keep in force any insurance required of it under this Lease; (iv) the Property shall become abandoned, vacant or deserted; (v) School fails to remain a public Charter School in good standing under the laws of the State of Nevada or under any other applicable regulation pertaining to School, or if School fails to qualify or remain eligible for public funding provided such change in eligibility or good standing is not due to a change in Nevada law or regulation, and further provided that the same is not cured within thirty (30) days of Landlord’s written demand; or (vi) the Lease is terminated prior to the expiration of the Term of this Lease. In connection with all of the foregoing events, provided School has not duly exercised its Purchase Option prior to Landlord taking possession of the Property, at the sole option and discretion of Landlord (and in addition to and not in limitation of Landlord’s right to distrain for rent, and other remedies), this Lease and School’s right of possession shall, in accordance with the law, thereupon cease and terminate, and Landlord shall be entitled to the possession of the Property and to re-enter the same and remove all persons and property therefrom, without additional demand of Rent or demand of possession of the Property, and may forthwith proceed to recover possession of the Property by process of law. In the event of such re-entry by process of law, School nevertheless agrees to remain answerable for any and all damage, deficiency or loss of Rent that Landlord may sustain by such re-entry, including reasonable attorney’s fees and court costs; and in such case, Landlord reserves the full power, which is hereby acceded to by School, to relet the Property at the risk and expense of School. However, Landlord’s rights and School’s obligations under this Lease shall not be affected or reduced by Landlord’s inability to relet the Property. In no event shall Landlord be required to accept any prospective lessee submitted by School. Any such reletting shall be only to such party or parties as Landlord may approve in its reasonable discretion. Any such reletting may be of all or any part of the Property, and may be for a term or terms less than or greater than the then remaining portion of the term of this Lease, all at Landlord’s exclusive discretion. Such relettings shall be on such terms, rental and conditions as Landlord may reasonably determine, and in no event will School have any right to any excess of such net rents collected from re-lettings over the sums payable by School hereunder. Whether or not Landlord elects to terminate this Lease under this Section 16, School shall remain liable for all damages,

deficiencies, loss, costs and expenses Landlord may sustain, including without limitation deficiency in rent, reasonable attorneys' fees, court costs, brokerage commissions, and all reasonable expenses incurred in preparing the Property for re-letting (including any necessary alterations, none of which shall be deemed to release School from liability hereunder). In no event shall Landlord be liable for its inability to re-let or to collect rentals under re-lettings, nor shall School be released from liability (nor shall School's obligations and liability under this Lease be reduced in whole or part) by reason thereof. Any damage or loss of Rent sustained by Landlord may be recovered from School, at Landlord's option, at time of re-letting, or in separate actions as said damages become determinable from re-lettings, or in a single action deferred until expiration of the Lease Term (in which case the cause of action shall not accrue until the expiration of the Lease Term), or in a single action prior to the re-letting or termination or expiration hereof. Nothing herein contained shall prevent Landlord from proving in full damages for Rent accrued prior to the termination hereof and not paid, and from proving under any applicable laws any amounts allowed thereby, and recovering such sums. It is further agreed that if, under the provisions hereof, applicable summary process shall be served, and a compromise or settlement thereof shall be made, such compromise or settlement shall not constitute a waiver of any subsequent breach of any covenant, condition or agreement herein contained, and that no waiver by Landlord of any breach of any covenant, condition or agreement herein contained shall be deemed to occur unless and only to the extent that such waiver is in writing signed by Landlord, and no such waiver shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof.

B. In addition to and not in limitation of the other remedies in this Lease provided, in the Event of Default, Landlord shall be entitled to the restraint by injunction of any violation or attempted or threatened violation of any of the terms, covenants, conditions, provisions or agreements of this Lease.

In addition, upon the occurrence of an Event of Default, at the election of Landlord, School shall implement any reasonable administrative programs, oversight or training, engage qualified consultants to provide specialized or targeted technical assistance, or enter into a charter school management service agreement with a recognized charter school management company providing for the necessary financial and personnel resources reasonably required for successful operation.

C. The remedies of Landlord and School provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Landlord or School may be lawfully entitled. The exercise by Landlord or School of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy, nor constitute an election of remedies.

D. A defaulting party agrees to promptly on demand reimburse the other party for any expenses, including but not limited to court costs and reasonable attorneys' fees which the non-defaulting party may incur in enforcing its rights under this Lease, including, but not limited to, the collection of Rent, the securing of possession of the Property and the enforcement of the Purchase Option. In addition, if either party shall incur any charge or expense on behalf of the other party under the terms of this Lease because of such other party's failure to cure any Event

of Default or other breach, then such charge or expense shall be repaid within fifteen (15) days after demand therefore.

E. If either party fails to fully, timely and properly pay and perform any covenants, duties, agreements, obligations or requirements that are payable by, imposed upon or otherwise required under any provision of this Lease, then the other party may, after giving at least ten (10) days' prior written notice (except that no notice shall be required in emergencies), make the payment or perform such matters, in which event the responsible party agrees to promptly reimburse the other party upon request all such payments and other costs and expenses incurred, together with interest on such amounts at the current Prime Rate (defined below) plus three percent (3%) per annum from the date the aforesaid expenses are advanced or incurred until repaid in full by the responsible party. No such sums advanced or work or other actions done or taken by a party shall relieve the other party, to any extent, from its covenants, duties, liabilities or obligations under this Lease, nor be deemed to be a waiver or acquiescence. The "**Prime Rate**" shall mean the "base rate" of interest per annum from time to time published by *The Wall Street Journal*, New York, New York, presently designated as the "Prime Rate" under the category of "Money Rates," as the same may fluctuate from time to time. In the event that the "Prime Rate" ceases to be published in *The Wall Street Journal*, then the Prime Rate hereunder shall thereafter be the prime rate publicly announced from time to time by CitiBank N.A. or its successor.

F. If Landlord shall fail to timely receive any installment or installments of Rent or any other amounts due and payable under this Lease, and if such failure is not corrected within seven (7) days after written notice thereof from Landlord, then School shall pay to Landlord, in addition to the rental or other sums so in default, a "late charge" in an amount equal to five cents (\$0.05) for each one dollar (\$1.00) so in default. Notwithstanding the foregoing, Landlord shall not be required to provide more than two such notices in any twelve month period, and any successive failure of Landlord to timely receive payment in such twelve month period after the second such notice shall entitle Landlord to the aforesaid late charge without the necessity of further notice to School.

G. In the event that Landlord shall default in the performance of any covenant, condition or provision of this Lease, and such default remains uncured beyond any applicable cure period expressly provided herein or thirty (30) days, whichever is longer, from and after the date Landlord receives notice of such default from School (or such longer period (not to exceed an additional ninety (90) days) as may be reasonably required to cure such default with the exercise of due diligence and best efforts so long as Landlord promptly commences and diligently pursues such cure without interruption) (except in the case of emergency, in which case School shall have the immediate right to cure following notice to Landlord), School may, at its option, without waiving any claim for breach of Landlord's obligations, cure such default for Landlord at Landlord's expense, and Landlord shall reimburse School upon School's demand all reasonable costs and expenses incurred by School in curing Landlord's default. All such sums not reimbursed to School on demand shall accrue interest at the Prime Rate plus three percent (3%), and may be offset by School against Rent and other payments due under this Lease, if not paid within thirty (30) days. School shall have no right to terminate this Lease, however, unless Landlord violates School's quiet enjoyment of the Property; however in addition to the above,

School may pursue any other legal remedy allowed at law or in equity, including injunctive relief and specific performance.

18. RIGHTS RESERVED BY LANDLORD.

Landlord reserves the right to itself, its agents, contractors and designees, to enter the Property at all reasonable times during normal business hours and at such other times as Landlord deems necessary and at any time in case of emergencies as follows: (i) for the making of inspections or repairs, as Landlord (without being obligated to perform) may deem necessary or desirable or for any other purposes involving the safety, protection or preservation of the Property or the Building; (ii) during the last six (6) months of the term hereof, to exhibit the Property to prospective tenants; and (iii) at all times during normal business hours, to exhibit the Property to existing lenders or to prospective mortgagees and purchasers. Landlord shall provide School at least two (2) business days' prior written notice of its desire for such access (except that no notice will be required in circumstances believed by Landlord to constitute an emergency). Landlord shall be accompanied by a School representative, to the extent School is able or desires to provide a representative, at all times during any visit to the Property during normal business hours. Landlord, upon ten (10) business days' prior written notice to School, may install and exhibit in or on the exterior of the Building or the Property "For Rent" signs and "Building For Sale" signs during the last six (6) months of the Lease Term, and School will not obstruct or interfere with such signs.

19. SURRENDER CONDITION.

By no later than the expiration or any termination of this Lease (unless and to the extent the Purchase Option has been exercised by School), School will surrender to Landlord possession of the Property, with all personal property owned by School removed from the Property, and with the Property in good condition, appearance and repair, reasonable wear and tear excepted, broom clean, and free of occupants.

20. NOTICES.

All notices required under this Lease shall be given in writing and shall be deemed to be properly served by School if sent by first class certified or registered United States Mail, return receipt requested, postage prepaid, or by national overnight courier service, with delivery charges prepaid, addressed to Landlord at the address where Rent is then payable hereunder, with a copy to Macdonald + Macdonald PC, 10045 Red Run Boulevard, Suite 350, Owings Mills, MD 21117, Attention: Alan S. Macdonald, Esq. or to such other party and address as Landlord may from time to time designate in writing. Such notices shall be deemed to be properly served by Landlord if sent by first class certified or registered United States Mail, return receipt requested, postage prepaid, or by national overnight courier service, with delivery charges prepaid, addressed to School at \_\_\_\_\_, Attention: \_\_\_\_\_, with a copy to: \_\_\_\_\_, Attention: \_\_\_\_\_ or to such other party and address as School may from time to time designate in writing.

21. NON-WAIVER.

The failure of either party to insist, in any one or more instances, upon a strict performance by the other party of any of the covenants of this Lease, or to exercise any option herein contained, or to serve any notice, or to institute any action or summary proceedings, or otherwise to act as though this Lease had expired pursuant to any of the provisions of this Lease, shall not be construed as a waiver or relinquishment by such party for the present or future of such covenant or option, or right thereafter to serve notice and to have this Lease expire under any provision of this Lease, but such covenant or option shall continue and remain in full force and effect. The receipt by Landlord of Rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof or breach thereof by School shall be deemed to have been made unless expressed in writing and signed by Landlord. The rights and remedies herein created are cumulative, and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

22. ENTIRE AGREEMENT.

This instrument contains all the agreements made between the parties hereto, and is a complete integration of all of such parties' agreements and the parties shall not be bound by any oral or written agreements or correspondence not herein contained. This Lease may not be modified orally or in any other manner than by agreement in writing, signed by all the parties hereto or their respective successors in interest.

23. BINDING EFFECT OF AGREEMENT; SCHOOL'S RIGHT TO ACQUIRE PROPERTY.

A. Benefit of Successors. Except as otherwise expressly provided herein, the terms, covenants, conditions, obligations and agreements herein contained shall be binding upon Landlord and School and inure to the benefit of Landlord, School, and each of their respective heirs, executors, administrators, personal representatives, successors and assigns (subject however, to the restrictions upon School contained in Sections 9, 16 and 23(B) hereof).

B. Rights of School to Acquire Property.

(i) Option To Purchase Property. School will have the right at any time during the Lease Term to purchase Landlord's interest in the Property (the "**Purchase Option**") pursuant to the terms listed herein.

(a) Exercise of Property Purchase Option. School may exercise the Purchase Option by notifying Landlord in writing of its intention to exercise the Purchase Option ("**Purchase Option Notice**"). Closing of the purchase of the Property under the Purchase Option ("**Purchase Option Closing**") must take place within one hundred twenty (120) days of the date that the Purchase Option Notice is received by Landlord and prior to the end of the Lease Term.

(b) Purchase Option Price. The purchase option price for the Property under the Purchase Option (the “**Purchase Option Price**”) shall be in an amount equal to 105% of the Total Project Cost plus the amount of any unpaid Developer’s Fee and any past due Rent. Landlord shall provide School, within ten (10) days of School’s written request, an annual accounting of the Total Project Cost and the Developer’s Fee balance.

(ii) Assignment. The Purchase Option cannot be assigned by School to an entity that is not affiliated with School and, therefore, any assignment to a non-affiliated entity will not inure to the benefit of any such successor or assign of School, except with the written consent of Landlord, which consent may be granted or withheld in Landlord’s sole and absolute discretion. Notwithstanding the above, School may assign such rights to an affiliated entity.

C. Purchase Option Closing. The Purchase Option Closing (“Closing”) shall occur at the offices of the title company/escrow agent in the jurisdiction to be designated by School. The parties shall execute escrow instructions and such other documentation as shall be necessary to permit the close of escrow as contemplated herein. Within fifteen (15) days following the delivery of the Purchase Option Notice to Landlord pursuant to Subsection B(i) or B(ii), the parties shall execute a Purchase Agreement. Within thirty (30) days following the execution of the Purchase Agreement, School, at School’s sole cost and expense, will obtain a current title commitment for an owner’s title policy showing the status of title of the Property, as applicable, and all exceptions, including easements, restrictions, right-of-way, covenants, reservations and other conditions affecting the Property, committing the title company to issue its extended owner’s title policy to School in the full amount of the purchase price for the Property at the close of escrow. School acknowledges receipt of the survey and title commitment for the Property at the time of Landlord’s purchase of the Property, and upon exercise of the Purchase Option, agrees to accept title to the Property subject only to the exceptions and notations found on that survey and the title commitment prepared by First American Title Insurance Company (file number \_\_\_\_\_), other than mortgages or deeds of trust liens referred to in the title commitment, which shall be released by Landlord at closing (collectively, the “**Permitted Exceptions**”). At the Purchase Option Closing, Landlord shall execute a warranty deed conveying title to the Property to School, subject only to the Permitted Exceptions. All closing costs and expenses associated with the purchase shall be shared equally by the parties.

D. Future Mortgages, Deeds of Trust and Liens. During the Lease Term, Landlord may permit new mortgages, deeds of trust or liens to be recorded against the Property; including (i) refinance the Financing (ii) finance improvements to the Property that may be requested by School in writing, with the understanding that Landlord shall have no obligation to agree to such financing, or other improvements to the Property deemed necessary by Landlord.

#### 24. NO PERSONAL LIABILITY.

If Landlord shall sell, convey or otherwise transfer the Property or its interest therein, as permitted herein, and provided that at the time of such transfer Landlord is not in breach of any obligation imposed herein, and further provided that the new owner assumes all obligations of

Landlord imposed herein, then Landlord shall be deemed released of all obligations accruing hereunder from and after the date of such transfer and the transferee shall be deemed the landlord hereunder. In all events, and at all times, Landlord's liability under this Lease shall be limited to its interest in the Property. Neither Landlord nor its agents shall have any personal liability in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and School or School's use of the Property, except for acts of intentional and willful misconduct. In no event shall any officer, director, member, contractor or employee of Landlord or School, respectively, have any personal liability for any obligation, duty or covenant of Landlord or School, as applicable, under this Lease, the parties expressly recognizing that any such individuals are acting in a representative capacity only hereunder. Notwithstanding anything contained in this Lease to the contrary, School confirms that the covenants of Landlord are made and intended, not as personal covenants of the individual executing this Lease on behalf of Landlord, but solely in the exercise of the representative powers conferred upon the officer by Landlord. Neither School nor School's agents shall have any personal liability in the event of any claim against School arising out of or in connection with this Lease, the relationship of Landlord and School or School's use of the Property, except for acts of intentional and willful misconduct. Notwithstanding anything contained in this Lease to the contrary, School confirms that the covenants of School are made and intended, not as personal covenants of the individual executing this Lease on behalf of School, but solely in the exercise of the representative powers conferred upon the officer by School.

25. BROKERAGE.

School and Landlord warrant that no real estate broker has been involved in this transaction, nor shall any be entitled to a commission upon execution of this Lease. To the extent permitted by law, each party to this Lease shall indemnify, defend and hold harmless the other party from and against any and all claims, actions or demands asserted against such other party by any real estate broker, finder or intermediary relating to any act of the indemnifying party in connection with this Lease. No brokerage commission shall be due to any real estate broker in the event School elects to exercise its Purchase Option.

26. SIGNS, EXTERIOR; NUISANCE.

School may install, subject to the conditions herein contained, exterior signage (the "**Permitted Signs**") in compliance with all applicable laws. All such Permitted Signs must be of a size, color and design which are compatible with the appearance, color and design of the Building. All Permitted Signs shall comply with all applicable laws, codes and regulations, and insurance requirements. All costs of installing, maintaining, repairing and removing the Permitted Signs shall be paid by School. School shall keep all Permitted Signs in good condition, appearance and repair at all times, and will remove all such signs and repair all damage to the Building caused thereby prior to expiration or termination of this Lease. School will not paint, cut, disfigure or otherwise alter the brickwork, facades or other exterior portions of the Building, nor the roof, windows, doors or other elements of the Building, nor install any awnings or marquees, without Landlord's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned in each instance. School will not cause or permit any smoke, grease, oil, odors, vapors, or other substances, music, sounds, bright or flashing or

blinking lights, vibrations or other activities or substances to emanate outside of the Premises, which do or might injure or disturb others or property of others, or which constitute a nuisance to others; and to the extent not expressly prohibited or restricted by law, School hereby holds Landlord harmless from any such activities and any suits, causes of action, claims, fines and prosecutions resulting therefrom.

27. HAZARDOUS MATERIALS.

A. School or any subtenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, discharge, spill or leak any "Hazardous Material" (as defined below), or permit any agent, employee, student, invitee or any other person or entity on the Property with the consent of School ("**School Parties**") to engage in such activities on or about the Property. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Property of substances customarily and lawfully used in the business that School is permitted to conduct in the Property under this Lease (i.e., normal office use and school supplies typically used in the ordinary operation of a school in compliance with applicable Laws and insurance requirements and ordinary school science classes), but only as an incidental and minor part of such business, and provided: (i) such substances shall be properly and safely labeled, contained, used and stored only in small quantities reasonably necessary for such permitted use of the Property and the ordinary course of School's business therein, strictly in accordance with applicable Laws, insurance requirements, and the manufacturers' instructions therefor; (ii) such substances shall not be disposed of, released, discharged or permitted to spill or leak in or about the Property (and under no circumstances shall any Hazardous Material be disposed of within the drains or plumbing facilities in or serving the Property or in any other public or private drain or sewer, regardless of quantity or concentration); (iii) if any applicable Law, insurance requirements, or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, School shall make arrangements at School's expense for such disposal in approved containers directly with a qualified and licensed disposal company at a lawful disposal site; (iv) any remaining such substances shall be completely, properly and lawfully removed from the Lease Premises upon expiration or earlier termination of this Lease; and (v) School shall comply with all Laws in connection with the removal and disposal of any such substances.

B. School shall immediately notify Landlord of (i) any inspection, enforcement, cleanup or other regulatory action taken or threatened by any regulatory authority with respect to any Hazardous Material on or from the Property or the migration thereof from or to other property; (ii) any demands or claims made or threatened by any party relating to any loss or injury claimed to have resulted from any Hazardous Material on or from the Property; (iii) any release, discharge, spill, leak, disposal or transportation of any Hazardous Material on or from the Property in violation of this Section, and any damage, loss or injury to persons, property or business resulting or claimed to have resulted therefrom; and (iv) any matters where School is required by Law to give a notice to any regulatory authority respecting any Hazardous Materials on or from the Property. Landlord shall have the right (but not the obligation) to notify regulatory authorities concerning actual and claimed violations of this Section. School shall immediately upon written request from time to time provide Landlord with copies of all Material Safety Data Sheets, permits, approvals, memos, reports, correspondence, complaints, demands,

claims, subpoenas, requests, remediation and cleanup plans, and all papers of any kind filed with or by any regulatory authority and any other books, records or items pertaining to Hazardous Materials that are subject to the provisions of this Section.

C. If, during the Term of this Lease, any Hazardous Material is released, discharged or disposed of, or permitted to spill or leak by School or School Parties in violation of the foregoing provisions, School shall immediately and properly clean up and remove the Hazardous Materials from the Property and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord) in compliance with applicable Laws and then prevailing industry practices and standards, at School's expense (without limiting Landlord's other remedies therefor). Such clean up and removal work ("**School Remedial Work**") shall be subject to the provisions of Section 6(C) of this Lease, including Landlord's prior written approval (except in emergencies), and any testing, investigation, feasibility and impact studies, and the preparation and implementation of any remedial action plan required by any court or regulatory authority having jurisdiction or reasonably required by Landlord. In connection therewith, School shall provide documentation evidencing that all School Remedial Work or other action required hereunder has been properly and lawfully completed (including a certificate addressed to Landlord from an environmental consultant reasonably acceptable to Landlord, in such detail and form as Landlord may reasonably require).

D. The term "Hazardous Materials" for purposes hereof shall include, but not be limited to: (i) any flammable, explosive, toxic, radioactive, biological, corrosive or otherwise hazardous chemical, substance, liquid, gas, device, form of energy, material or waste or component thereof; (ii) petroleum-based products, diesel fuel, paints, solvents, lead, radioactive materials, cyanide, biohazards, infectious or medical waste and "sharps", printing inks, acids, DDT, pesticides, ammonia compounds, and any other items which now or subsequently are found to have an adverse effect on the environment or the health and safety of persons or animals the release of which is regulated by Law, or the presence of which require investigation or remediation under any Law or governmental policy; and (iii) any item defined as a "hazardous substance", "hazardous material", "hazardous waste", "regulated substance" or "toxic substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., Clean Water Act, 33 U.S.C. §1251, et seq., Safe Drinking Water Act, 14 U.S.C. §300f, et seq., Toxic Substances Control Act, 15 U.S.C. §2601, et seq., Atomic Energy Act of 1954, 42 U.S.C. §2014 et seq., and any similar federal, State of Nevada or local Laws, and all regulations, guidelines, directives and other requirements thereunder, all as may be amended or supplemented from time to time. Hazardous Materials shall also expressly include asbestos containing materials.

E. School shall pay, prior to delinquency, any and all fees, taxes (including excise taxes), penalties and fines arising from or based on School's or any School Parties' activities involving Hazardous Materials on or about the Property, and shall not allow such obligations to become a lien or charge against the Property or Landlord. If School or any School Parties violates any provision of this Section with respect to any Hazardous Materials, Landlord may pursue such other remedies as may be available to Landlord under this Lease or applicable Law.

F. Landlord represents to School that, as of the date of this Lease, Landlord has not received any written notice of, and does not otherwise have actual knowledge of any Hazardous Materials at the Property in violation of any applicable Law. Landlord further represents and warrants, to Landlord's actual knowledge, that no leak, spill, discharge, emission or disposal of Hazardous Materials in violation of applicable Law has occurred at, on or under the Property. Landlord agrees to indemnify, defend and hold School harmless from any claims by reason of (i) the breach by Landlord of its representations in this Section (F), unless such breach is caused by School or any School Parties or (ii) any spill, leak or discharge of Hazardous Materials by Landlord or any of its employees, agents and contractors in, on or under the Building or (iii) any spill, leak, airborne, or discharge of Hazardous Materials deemed by a qualified third party to have resulted from a condition existing prior to School's first occupancy of the Property. Landlord shall not use Hazardous Materials in or about the Building except in the ordinary course of business of owning, managing, repairing and maintaining the Building as a school building and uses accessory thereto. Landlord further agrees that any such use of Hazardous Materials by Landlord in connection therewith shall be in compliance with all Laws. In the event (i) Hazardous Materials are discovered at the Property, (ii) the presence of such Hazardous Materials is found to be in violation of Laws, and (iii) neither the presence of such Hazardous Materials nor any contamination caused by such Hazardous Materials is caused by School or any School Parties, then Landlord, at Landlord's sole expense, shall promptly commence to cure (or cause a cure to be made thereof) the violation of Law caused by the Hazardous Materials, and Landlord shall thereafter pursue such cure with reasonable diligence.

28. MISCELLANEOUS.

A. Severability. If any term or provision hereof, or any portion thereof, or the application thereof to any person(s) or circumstances shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is so judicially held to be invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

B. Estoppels. Landlord and School agree, within ten (10) days after each request from the other party, to execute, acknowledge and deliver a statement in writing as reasonably requested and furnished by the other party certifying (if such in fact then is the case) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), and the date to which the Rent and other charges, if any, have been paid in advance, and the amount of any security deposit held by Landlord, and whether or not there is any existing default hereunder by Landlord or School known to School or Landlord, or notice of default served by Landlord or School (including the details of such defaults as known to School or Landlord), and any other matters the requesting party reasonably may specify; it being intended that any such statement delivered pursuant to this paragraph may be relied upon by the requesting party and by any prospective purchaser, mortgagee or assignee of any mortgage or holder of other interests in the Property.

C. Plural and Singular Context. Wherever required in the context, the singular number shall include the plural number, the plural number shall include the singular number, and the use of any gender shall be deemed to include all genders, as appropriate.

D. Governing Law. This Lease is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Nevada. School and Landlord consent to be sued in an appropriate court in the State of Nevada and waive any claim of forum non conveniens or transfer of any action to any other court. The parties agree that the State of Nevada has a substantial relationship to the parties and to the underlying transaction.

E. Mediation. The parties agree to submit any dispute regarding this Lease to a third party mediator in the Las Vegas metropolitan area prior to commencing any legal action to enforce the provisions of this Lease. The mediator shall be a person selected by the parties, or if the parties cannot agree, then the mediator shall be selected in accordance with the rules of the American Arbitration Association. The mediation shall occur within sixty (60) days of either party's written request. Both parties agree to use all reasonable efforts to complete such mediation in a timely manner; provided, however if notwithstanding the reasonable efforts of both parties to coordinate such mediation within such period of time, the mediation cannot be timely completed then the parties shall no longer be subject to the requirement to mediate. The costs associated with such mediation shall be shared equally by the parties.

F. No Joint Venture. Any intention to create a joint venture or partnership relation between the parties is hereby expressly disclaimed, it being agreed that their only relationship is that of lessor and lessee.

G. Jury Trial Waiver. Landlord and School each hereby waive all rights to trial by jury in any proceedings instituted by either party against the other concerning this Lease and/or the Property.

H. Recitals. The parties hereby incorporate into this Lease the recitals contained in the preamble.

I. Time. As used herein, the word "day" shall mean a calendar day, unless otherwise specified. "Business Day" shall mean a day which is not a Saturday, Sunday or legal holiday in the State of Nevada and any time period which expires on a day which is not a Business Day shall be deemed to be postponed until the next Business Day.

J. Captions. The captions in this Lease are inserted for convenience of reference only and do not define, describe or limit the scope of this Lease or any term hereof.

K. Marketing. Upon the execution of this Agreement, Landlord shall not market the Property for lease or sale except and unless School is in default hereunder or School does not exercise its Option to Purchase.

29. QUIET POSSESSION.

Landlord covenants that if and so long as there shall have occurred no Event of Default nor any Events of Bankruptcy affecting School, School shall hold, occupy and enjoy the Property during the term of this Lease, without hindrance or molestation by Landlord, but subject to all of the terms, conditions and provisions hereof. If Landlord's ownership of the Property terminates as a result of foreclosure of any deed of trust or mortgage on its interest therein, or sale of the Property by Landlord, School's possession of the Property under this Lease shall not be disturbed by such foreclosure or sale provided there is no Event of Default under this Lease and provided further that School shall not be subject to any Events of Bankruptcy.

30. DRAFT NOT BINDING.

Submission of this Lease in any number of drafts unexecuted by Landlord and School shall not constitute, nor shall any negotiations between Landlord and School constitute, a legally binding obligation of Landlord of any kind; it being agreed that this Lease shall only be binding upon Landlord when fully executed by Landlord and School with a counterpart fully executed original received by Landlord.

31. ARTICLES OF INCORPORATION; FINANCIAL STATEMENTS.

A. School represents and warrants that School has furnished Landlord a true and complete copy of School's Articles of Incorporation and that said Articles of Incorporation are in full force and effect and not modified, and that School, acting by its undersigned duly authorized officers, has the lawful right to execute, deliver and perform its obligations under this Lease, and this Lease represents the lawful obligation of School, and is binding upon and enforceable against School in accordance with the terms hereof. School further warrants that School is in good standing under the laws of the State of Nevada. School further represents and warrants that the financial statements of School and those of any subtenant of all or any part of the Property, furnished to Landlord are true and correct in all respects and accurately reflect the financial condition of School. The representations and warranties made by School in this Lease are material inducements to Landlord's execution of this Lease; and any material inaccuracy therein shall be deemed a default of School under this Lease. School represents and warrants that it has the lawful right to execute, deliver and perform its obligations under this Lease, and that its officers executing this Lease are duly authorized to do so and this Lease constitutes the lawful obligation of and is legally binding on School.

B. Landlord represents and warrants that Landlord, acting by its undersigned duly authorized officers, has the lawful right to execute, deliver and perform its obligations under this Lease, and this Lease represents the lawful obligation of Landlord, and is binding upon and enforceable against Landlord in accordance with the terms hereof. Landlord further warrants that it is in good standing under the laws of the District of Columbia. The representations and warranties made by Landlord in this Lease are material inducements to School's execution of this Lease; and any material inaccuracy therein shall be deemed a default of Landlord under this Lease. Landlord represents and warrants that it has the lawful right to execute, deliver and perform its obligations under this Lease, and that its officers executing this Lease are duly

authorized to do so and this Lease constitutes the lawful obligation of and is legally binding on Landlord.

C. School agrees to furnish its financial statements and those of any subtenant of all or any part of the Property, including without limitation balance sheets and income and expense statements, reasonably requested by Landlord within thirty (30) Business Days of receiving such written request.

32. COUNTERPARTS.

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

**[Signatures Begin on Next Page]**

IN WITNESS WHEREOF, Landlord and School have caused this Lease to be executed by their duly authorized officers; all done as of the date first hereinbefore written.

ATTEST:

\_\_\_\_\_

LANDLORD:

CSDCPC FOUNDERS, LLC

By: \_\_\_\_\_  
Name: Rebecca Secrest  
Title: Vice President

ATTEST:

\_\_\_\_\_

FOUNDERS ACADEMY OF LAS VEGAS

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**EXHIBIT B**  
**LANDLORD WORK**

**EXHIBIT C**  
**PRO FORMA**

**EXHIBIT D**

**FORM OF**

**COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT**

**THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT** (this “Assignment”) is made as of this \_\_\_\_ day of \_\_\_\_, 2015, by **FOUNDERS ACADEMY OF LAS VEGAS**, a Nevada nonprofit corporation and public school academy (“School”), in favor of **CSDCPC FOUNDERS, LLC**, a Delaware 501(c)(3) non-profit corporation, (“Landlord”).

**RECITALS**

- A. Landlord, as landlord, and School, as tenant, entered into that certain Agreement of Lease with Option to Purchase of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the “Lease”) for certain real property and the improvements thereon located at 4075 and 4145 N. Rancho Drive, Las Vegas, NV 89130, and identified in the Lease as the “Property”.
- B. As a charter school, School receives certain per pupil funding payments and other distributions (the “Distributions”) from the State of Nevada (the “Funder”) paid through Nevada State Public Charter School Authority (“Authorizer”).
- C. The Distributions are used by School to pay rental obligations owing under the Lease and other expenses and fees associated with the operation of School’s business.
- D. It is a condition of Landlord entering into the Lease, that School execute and deliver this Assignment, pursuant to which School shall assign and grant to Landlord a security interest in and to the Distributions in an amount up to but not to exceed the Rent due under the Lease to secure the payment of rental obligations owing under the Lease.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, School and Landlord, intending to be legally bound, hereby agree as follows:

**ARTICLE I**

**ASSIGNMENT**

Section 1.1 Assignment.

To the extent permitted by applicable laws, School hereby grants, transfers, assigns and set over to Landlord and its successors and assigns, all of School’s right, title and interest in and to the Distributions up to the Rent due under the Lease, and all proceeds therefrom, to secure the payment of rental obligations owing under the Lease.

Section 1.2 Satisfaction of Obligations.

Upon performance in full under the Lease, this Assignment shall become and be void and of no further effect, and if filed by Landlord, any related UCC financing statements shall be terminated by filing a termination statement in the jurisdiction where such UCC financing statement(s) is filed. If Landlord fails to file such termination statement within thirty (30) days of the termination of this Assignment, School may file such termination statement.

### Section 1.3 Security Agreement.

School hereby pledges and assigns to the Landlord all of the School's right, title and interest in and to the Distributions up to the amount of the Rent, and all proceeds thereof as additional security for all of the School's obligations hereunder and under the Lease and all extensions, renewals and modifications thereof or substitutions therefore. School agrees to execute any and all documents necessary now or in the future to perfect the Landlord's security interest therein.

## **ARTICLE II** **REPRESENTATIONS AND WARRANTIES**

School represents and warrants to the Landlord and shall be deemed to represent and warrant as follows:

### Section 2.1 The Agreements.

2.1.1 To School's knowledge, the execution of this Agreement by School is not prohibited by applicable laws. The Landlord understands and agrees, however, that the Funder will make Distributions directly to the Authorizer and that the Authorizer has been directed by School to make Rent payments to Landlord.

2.1.2 The Assignor is not in material default under any of the terms of any of the Agreements.

2.1.3 No Distributions or other payments due the School have been anticipated or assigned, except to the Landlord under the terms of this Agreement, nor shall they be assigned in the future without the written authorization of Landlord.

2.1.4 There is no actual or pending decertification, revocation, suspension, probation, termination, restriction, limitation, forfeiture of or refusal to renew any of the Distributions or the School's participation or eligibility under or in any program or agreement relating to any of the Distributions. To the best information, knowledge and belief of Assignor, the anticipated payment of the Distributions will be sufficient to enable the School to lease the Property in a manner which will permit the School to maintain the charter school status of the Property, to pay all actual and anticipated operating expenses of the Property as and when such expenses become due and payable, to perform an and all obligations of the School relating to the Property.

### **ARTICLE III COVENANTS**

#### Section 3.1 Further Assurances.

3.1.1 School shall enter into an irrevocable payment directive in the form attached hereto as Exhibit 1 instructing the Authorizer to send the Rent payments by check or wire transfer to Landlord to an account designated by Landlord (as defined below), (the “**Payment Directive**”). The Payment Directive shall not be modified or amended without the prior written consent of Landlord, which consent may be granted or withheld in its sole and absolute discretion.

3.1.2 School shall promptly, upon request, execute, acknowledge and deliver any confirmations, acknowledgements, financing statements, renewals, affidavits, deeds, assignments, continuation statements, powers of attorney, confirmations, affirmations, ratifications, security agreements, certificates or other documents as Landlord may reasonably require in order to confirm, perfect, preserve, maintain, protect, continue and/or extend the assignment, lien or security interest of Landlord under this Assignment and its priority. School shall pay to Landlord, on demand, all taxes, costs and expenses incurred by Landlord in connection with the preparation, execution, recording and filing of any such document or instrument.

3.1.3 School shall execute and deliver, on request of Landlord, such instruments as Landlord may deem useful or required to permit Landlord to cure any declared default under or with respect to School’s right to payment of any Distributions.

#### Section 3.2 Preservation of Rights.

3.2.1 School will do all things reasonably necessary to preserve and to keep unimpaired School’s rights to the Distributions.

3.2.2 Without the prior written consent of Landlord, School will not: (a) do or permit to be done anything to materially impair the Distributions; (b) collect any of the Distributions, except as to assist Landlord in the collection of the same; or (c) cause a reduction in the Distributions.

#### Section 3.3 Certain Notices. School will promptly notify Landlord in writing of:

3.3.1 any material default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under applicable law relating to School’s continued ability to receive the Distributions;

3.3.2 the receipt by School of any notice from the Funder claiming any default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under applicable law relating to School’s continued ability to receive the Distributions; and

3.3.3 any request made by the Funder for arbitration, administrative or judicial proceedings relating to the Distributions and of the institution of any arbitration, judicial or administrative proceedings, as well as of all proceedings thereunder, and will promptly deliver to Landlord a copy of the determination, findings or judgment in any such proceeding. Landlord shall have the right to participate in such proceedings on its own behalf as an interested party.

**ARTICLE IV**  
**DEFAULTS**

A default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under this Assignment beyond any applicable grace or cure period provided herein or a default beyond any applicable notice and cure period under the Lease shall constitute a “**Default**” hereunder during the continuance of such default and shall be a “**Default**” under the Lease during the continuance of such default.

**ARTICLE V**  
**REMEDIES**

Upon the occurrence of any Default and while such Default is continuing, Landlord may exercise any one or more of the following rights, powers or remedies:

Section 5.1 Specific Rights.

5.1.1 [intentionally omitted].

5.1.2 [intentionally omitted].

Section 5.2 Uniform Commercial Code.

Landlord shall have all of the rights and remedies of a secured party under the applicable Uniform Commercial Code and other applicable laws as in effect from time to time. Any written notice of the sale, disposition or other intended action by Landlord under this Section 5.2 which is sent by regular mail, postage prepaid, to School at the address set forth in the Lease, or such other address of School that may from time to time be shown on School’s records, at least ten (10) days prior to such sale, disposition or other action, shall constitute commercially reasonable notice to School. Landlord may alternatively or additionally give such notice in any other commercially reasonable manner. Nothing in this Assignment shall require Landlord to give any other notice not required by applicable laws.

Section 5.3 Enforcement Costs.

All of Landlord’s reasonable, out of pocket, third party fees and expenses, including, without limitation, receiver’s fees, incurred with respect to the exercise of any rights and remedies hereunder or with respect hereto, shall be paid by School to Landlord on demand.

Section 5.4 Other Rights.

Landlord may from time to time proceed to protect or enforce its rights by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants contained in this Assignment or in the Lease, or for an injunction against the violation of any of the terms of this Assignment or the Lease, or in aid of the exercise or execution of any right, remedy or power granted in this Assignment, the Lease, and/or applicable laws.

**ARTICLE VI**  
**MISCELLANEOUS**

### Section 6.1 Notices.

All notices, requests and demands to or upon the parties to this Assignment shall be in writing and shall be deemed to have been given or made when delivered in the manner provided for notices under the Lease.

### Section 6.2 Amendments; Waivers.

This Assignment may not be amended, modified, or changed in any respect except by an agreement in writing signed by Landlord and School. No waiver of any provision of this Assignment or the Lease, nor consent to any departure by School therefrom, shall in any event be effective unless the same shall be in writing. No course of dealing between School and Landlord and no act or failure to act from time to time on the part of Landlord shall constitute a waiver, amendment or modification of any provision of this Assignment or the Lease or any right or remedy under this Assignment, the Lease or applicable laws.

### Section 6.3 Cumulative Remedies.

The rights, powers and remedies provided in this Assignment are cumulative, may be exercised concurrently or separately, may be exercised from time to time and in such order as Landlord shall determine and are in addition to, and not exclusive of, rights, powers and remedies provided by existing or future applicable laws. In order to entitle Landlord to exercise any remedy reserved to it in this Assignment, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Assignment or by applicable law.

### Section 6.4 Severability.

In case one or more provisions, or part thereof, contained in this Assignment or in the Lease shall be invalid, illegal or unenforceable in any respect under any law, then without need for any further agreement, notice or action:

6.4.1 the validity, legality and enforceability of the remaining provisions shall remain effective and binding on the parties thereto and shall not be affected or impaired thereby;

6.4.2 the obligation to be fulfilled shall be reduced to the limit of such validity;

6.4.3 if such provision or part thereof pertains to payment of the rental obligations due under the Lease, then, at the sole and absolute discretion of Landlord, all of such rental obligations of School to Landlord shall become immediately due and payable; and

6.4.4 if the affected provision or part thereof does not pertain to payment of the rental obligations due under the Lease, but operates or would prospectively operate to invalidate this Assignment in whole or in part, then such provision or part thereof only shall be void, and the remainder of this Assignment shall remain operative and in full force and effect.

### Section 6.5 Assignments by Landlord.

6.5.1 Landlord may, without notice to, or the consent of, School, sell, assign or transfer to or participate with any person or persons all of Landlord's interest in this Assignment, and each such person or persons shall have the right to enforce the provisions of this Assignment as fully as Landlord. In connection with the foregoing, Landlord shall have the

right to disclose to any such actual or potential purchaser, assignee, transferee or participant all financial records, information, reports, financial statements and documents obtained in connection with this Assignment and the Lease or otherwise.

6.5.2 School shall execute and deliver any and all documents deemed necessary or desirable by Landlord to be executed and delivered by School to effectuate or assist in the assignments contemplated by this Section 6.5.

Section 6.6 Successors and Assigns.

This Assignment shall be binding upon and inure to the benefit of School and Landlord and their respective successors and assigns, except that School shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Landlord.

Section 6.7 Continuing Agreements.

All covenants, agreements, representations and warranties made by School in this Assignment and in any certificate delivered pursuant hereto shall survive the execution and delivery of the Lease, shall be binding upon School regardless of how long before or after the date hereof any of the Obligations (as hereinafter defined) were or are incurred, and shall continue in full force and effect so long as any of the Obligations are outstanding and unpaid. This Assignment is part of the Lease. “**Obligations**” means (i) payment of all amounts due under the Lease, and (ii) the performance of all other covenants, obligations, indemnities, and agreements of School pursuant to the Lease, this Assignment or any other documents entered into between Landlord and School in connection with the Lease.

Section 6.8 Applicable Law.

The Lease, including this Assignment, shall be governed by the laws of the State of Nevada.

Section 6.9 Duplicate Originals and Counterparts.

This Assignment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

Section 6.10 Headings.

The headings in this Assignment are included herein for convenience only, shall not constitute a part of this Assignment for any other purpose, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6.11 No Agency.

Nothing herein contained shall be construed to constitute School as Landlord’s agent for any purpose whatsoever or to permit School to pledge any of Landlord’s credit. Landlord shall not be responsible or liable for any shortage, discrepancy, damage, loss, release or termination of any part of the Agreement, except to the extent caused by Landlord’s gross negligence or willful misconduct regardless of the cause thereof.

Section 6.12 Liability of Landlord.

School hereby agrees that Landlord shall not be chargeable for any negligence, mistake, act or omission of any accountant, examiner, agency or attorney employed by Landlord in making

examinations, investigations or collections, or otherwise in perfecting, maintaining, protecting or realizing upon any lien or security interest or any other interest pursuant to the terms of this Assignment.

**[Remainder of page intentionally left blank]**

WITNESS the signature and seal of School as of the date first above written.

FOUNDERS ACADEMY OF LAS  
VEGAS, a Nevada nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 1

[School Letterhead of Founders Academy of Las Vegas-to the extent legally permissible]

**Irrevocable Payment Directive**

\_\_\_\_\_, 2015

Nevada State Public Charter School Authority  
RE: Founders Academy of Las Vegas.

Dear \_\_\_\_\_,

This letter serves as a formal notification of funding instructions in connection with the operating funds (the “**Payments**”) due Founders Academy of Las Vegas (the “**School**”) pursuant to Section \_\_\_ of the Charter School Agreement (the “**Agreement**”) between the School and Nevada State Public Charter School Authority (“**Authorizer**”). Pursuant to the Agreement, Payments are made monthly from October through July. We ask that you disburse the Rent, as defined in the Lease between School and CSDCPC FOUNDERS, LLC (“**Landlord**”) to Landlord by wire to \_\_\_\_\_, Account Number \_\_\_\_\_ titled “\_\_\_\_\_” (the “**Account**”). The address of the Account is the \_\_\_\_\_  
\_\_\_\_\_. The American Banker’s Association (ABA) Routing Number of \_\_\_\_\_ is \_\_\_\_\_.

These instructions may not be modified without the prior written consent or acknowledgment of Landlord, except that this directive shall automatically expire upon the expiration or earlier termination of that certain Lease by and between the School and Landlord. Please acknowledge your receipt of these instructions and agreement to comply with the same by signing below and returning a signed original to Rebecca Secrest at CSDCPC FOUNDERS, LLC, as noted below.

Nevada State Public Charter School Authority  
Page 2

If you have any questions regarding the above information, please call me at ( ) - .

Sincerely,

Principal

**Accepted and Agreed this \_\_\_ day of \_\_\_\_\_, 2015**

Nevada State Public Charter School Authority

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

Name:

Title:

***After signing please fax a copy to the number noted below and send the original to:***

*CSDCPC FOUNDERS, LLC  
Attn: Laura Fiemann  
26546 North Alma School Road #115  
Scottsdale, AZ 85255*

## EXHIBIT E

### PUBLIC CHARTER SCHOOL DEFINITION

The definition of a charter school under this Agreement of Lease With Option To Purchase is the same as the definition used by the U.S. Department of Education's Public Charter Schools Program (PCSP):

(1) A charter school is a public school that--

(A) in accordance with a specific State statute authorizing the granting of charters to schools, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;

(C) has a specific set of educational objectives determined by School's developer and agreed to by the authorized public chartering agency;

(D) provides a program of elementary or secondary education, or both;

(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

(F) does not charge tuition;

(G) complies with the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

(H) is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

(I) agrees to comply with the same Federal and State audit requirements as do other elementary and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;

(J) meets all applicable Federal, State, and local health and safety requirements;

(K) operates in accordance with State law; and

(L) has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools

pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

## EXHIBIT F

### RULES & REGULATIONS

1. School shall not construct, maintain, use or operate within the Property or elsewhere in the Building or on the outside of the Building, any equipment or machinery which produces music, sound or noise which is unreasonably loud and audible beyond the Property.
2. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, or rags shall be thrown therein.
3. No cooking, except for cooking by School and its subleases, employees or agents for functions related to normal school functions shall be done or permitted by any tenant on the Property. No tenant shall cause or permit any unusual or objectionable odors to permeate from the Property.
4. Plumbing fixtures and appliances shall be used only for the purpose for which constructed, and no sweepings, rubbish, rags, or other unsuitable material shall be thrown or placed therein. The cost of repairing any stoppage or damage resulting to any such fixtures or appliances from misuse on the part of a tenant or such tenant's officers, agents, servants, and employees shall be paid by such tenant.
5. School shall not do anything, or permit anything to be done, in or about the Property, or bring or keep anything therein, that will in any way unreasonably increase the risk of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants, or do anything in conflict with the valid, pertinent laws, rules, or regulations of any governmental authority.
6. School shall not place a load upon any floor of the Building which exceeds the floor load allowed by applicable building code. Landlord may reasonably prescribe the weight and position of all safes and heavy installations which School desires to place in the Building so as properly to distribute the weight thereof. Landlord shall have the authority to reasonably prescribe the weight and position of safes or other heavy equipment which may overstress any portion of the floor. All damage done to the Building by the improper placing of heavy items which overstress the floor will be repaired at the sole expense of School. Landlord reserves the right to have Landlord's structural engineer review School's floor loads on the Building.
7. School shall not use or keep on the Property any flammable or explosive, fluid or substance, or any illuminating material in violation of applicable law.
8. If any governmental license or permit shall be required for the proper and lawful conduct of School's business, School, before occupying the Property, shall procure and maintain such license or permit and submit it for Landlord's inspection. School shall at all times comply with the terms of any such license or permit.

9. School covenants and agrees that its use of the Property shall not cause a discharge of more than the design flow gallonage per day of sanitary (non-industrial) sewage allowed under the sewage discharge permit(s) for the Property. Discharges in excess of that amount, and any discharge of industrial sewage, shall only be permitted if School, at its sole expense, shall have obtained all necessary permits and licenses therefor, including without limitation permits from state and local authorities having jurisdiction thereof.

10. School shall not use or operate any electric or electrical devices or other devices that would unreasonably interfere with the operation of any device or equipment or radio or television broadcasting or reception outside of the Property.

11. School assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Property and Building closed and secured.

Violation of these rules may be considered a default of School's lease after Landlord has provided School with written notice thereof and an opportunity to cure such violation. Landlord reserves the right to rescind any of these Rules and Regulations and make such other and further rules and regulations not inconsistent with the express terms of the Lease as in the reasonable judgment of Landlord shall from time to time be needed for the safety, protection, and care of the Property, which Rules and Regulations when made and written notice thereof given to School shall be binding upon it in like manner as if originally herein prescribed. In the event of any conflict, inconsistency, or other difference between the terms and provisions of these Rules and Regulations, as now or hereafter in effect, and the terms and provisions of the Lease to which these Rules and Regulations are attached, the terms of the Lease shall control.

**EXHIBIT G**  
**SUBORDINATION OF FEES AGREEMENT**

**THIS SUBORDINATION OF FEES AGREEMENT** (“Agreement”) is made as of this \_\_\_ day of \_\_\_\_\_, 2012, by and among **CSDCPC FOUNDERS, LLC**, a Delaware limited liability company (hereinafter referred to as (“**CSDC**”)), **FOUNDERS ACADEMY OF LAS VEGAS**, a Nevada nonprofit corporation and public school academy (“**School**”) and \_\_\_\_\_, a \_\_\_ limited liability company (“**EMO**”).

**RECITALS:**

A. This Agreement is being executed in connection with a Lease With Option to Purchase of even date between School and CSDC (the “Lease”).

B. School has entered into a Lease with CSDC for a portion of the property known as 4045 and 4175 Rancho, Las Vegas, Nevada more fully described in the Lease (“Property”).

C. The School has employed the EMO to operate, administer and manage the School at the Property pursuant to certain agreements between the School and the EMO (all such agreements between School and the EMO, including any amendments or modifications thereto or restatements thereof, whether oral or written, are collectively referred to herein as the “School Management Agreements”). A copy of the School Management Agreement is attached hereto as Attachments “A” and incorporated herein by reference.

D. CSDC, as a condition to entering into the Lease with School, requires that the School and EMO subordinate all management fees payable to the EMO under the terms of the School Management Agreement as set forth below.

NOW, THEREFORE, in consideration of the above and the mutual promises contained in this Agreement, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Lease.
2. School’s Covenants. The School hereby covenants with CSDC that during the term of the Lease (a) the School shall not terminate or amend any of the terms or provisions of the School Management Agreement in any material respect without the prior written consent of CSDC, whose consent may not be unreasonably withheld and (b) the School shall, in the manner provided for in this Agreement, give notice to CSDC of any notice or information that the Schools receive which indicates that the EMO is terminating the School Management Agreement or that the EMO is otherwise discontinuing its oversight of the School.

3. Subordination of Management Fees. The School and the EMO hereby agree that at all times prior to the termination of the Lease, the EMO shall not be entitled to receive any service fee, (including, incentive management fees, if any) for and during any period of time that any amount due and owing the Landlord under the Lease is not paid when due; provided, however, that the EMO shall not be obligated to return or refund to the Landlord any fee, commission or other amount already received by the EMO, and to which the EMO was entitled under the School Management Agreement.

4. Performance. School's right to occupy the Leased Premises shall be conditioned upon the continuing validity of this Agreement and EMO's performance of this Agreement.

5. Consent and Agreement by EMO. The EMO hereby acknowledges and consents to this Agreement and agrees that the EMO will act in conformity with the provisions of this Agreement and the CSDC's rights hereunder or otherwise related to the School Management Agreement.

6. Notice. All notices given hereunder shall be in writing to the other party at the address, and in the manner set forth in the Lease, as the case may be, and in the case of the EMO to the address below:

To EMO:

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

Attn: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

7. Binding Nature of Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

8. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument.

9. Governing Law: Recourse. This Agreement shall be governed by the laws of the State of Maryland and applicable federal law. This Agreement is being executed in connection with the issuance of the Lease.

Signatures on Following Page

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first written above.

**FOUNDERS ACADEMY OF LAS VEGAS**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EMO

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CSDCPC FOUNDERS, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/07/2015

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Jolley Insurance Group 7265 S Dean Martin Dr Suite 130 Las Vegas, NV 89118 Phone (702) 507-6999 Fax (702) 507-6998	<b>CONTACT NAME:</b> Vance Jolley <b>PHONE (A/C, No, Ext):</b> (702) 507-6999 <b>FAX (A/C, No):</b> (702) 507-6998 <b>E-MAIL ADDRESS:</b> vance@jolleyinsurance.com <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr> <td>INSURER A : Catlin Indemnity Company</td> <td></td> </tr> <tr> <td>INSURER B : Markel Insurance Company</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Catlin Indemnity Company		INSURER B : Markel Insurance Company		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER D :															
INSURER E :															
INSURER F :															
<b>INSURED</b> Founders Academy of Las Vegas 4025 N Rancho Dr Las Vegas NV 89130															

**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Sexual Abuse & Molesatation <input checked="" type="checkbox"/> Employee Benefits GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			CND-NV-EPP-28780-000	07/18/2015	07/18/2016	EACH OCCURRENCE \$ 1,000,000.00 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000.00 MED EXP (Any one person) \$ 15,000.00 PERSONAL & ADV INJURY \$ 1,000,000.00 GENERAL AGGREGATE \$ 3,000,000.00 PRODUCTS - COMP/OP AGG \$ 3,000,000.00 Employee Benefits \$ 1,000,000.00
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>			CND-NV-CAP-28781-000	07/18/2015	07/18/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000.00 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			CND-NV-EXL-28783-000	07/18/2015	07/18/2016	EACH OCCURRENCE \$ 5,000,000.00 AGGREGATE \$ 5,000,000.00 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	MWC0081789-01	08/11/2015	08/11/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000.00 E.L. DISEASE - EA EMPLOYE \$ 1,000,000.00 E.L. DISEASE - POLICY LIMIT \$ 1,000,000.00
A	Educators Legal Liability			CND-NV-ELL-28782-000	07/18/2015	07/18/2016	\$1,000,000 Occur / \$2,000,000 Aggregate

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 Locations: 4025 N Rancho Drive, Las Vegas, NV 89130; 4035 N Rancho Drive, Las Vegas, NV 89130; 4075 N Rancho Drive, Las Vegas, NV 89130; 4145 N Rancho Drive, Las Vegas, NV 89130  
 Nevada State Public Charter School Authority is listed as Additional Insured.  
 Educators Legal Liability policy includes defense reimbursement for IEP claims including due process and prevailing party fees, at a limit of \$100,000.

<b>CERTIFICATE HOLDER</b> State Public Charter School Authority 1749 Stewart Street, Suite 40 Carson City, NV 89706	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <div style="text-align: right; margin-top: 20px;"> </div>
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# EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

07/07/2015

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

<b>AGENCY</b> Jolley Insurance Group 7265 S Dean Martin Dr Suite 130 Las Vegas, NV 89118		<b>PHONE (A/C, No, Ext):</b> (702) 507-6999	<b>COMPANY</b> Catlin Indemnity Company	
<b>FAX (A/C, No):</b> (702) 507-6998		<b>E-MAIL ADDRESS:</b> vance@jolleyinsurance.com		
<b>CODE:</b>		<b>SUB CODE:</b>		
<b>AGENCY CUSTOMER ID #:</b>		<b>LOAN NUMBER</b> Pending		<b>POLICY NUMBER</b> CND-NV-EPP-28780-000
<b>INSURED</b> Founders Academy of Las Vegas 4025 N Rancho Dr Las Vegas, NV 89130		<b>EFFECTIVE DATE</b> 07/18/15	<b>EXPIRATION DATE</b> 07/18/16	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
<b>THIS REPLACES PRIOR EVIDENCE DATED:</b>				

## PROPERTY INFORMATION

**LOCATION/DESCRIPTION** 4025 N Rancho Drive, Las Vegas, NV 89130  
 4035 N Rancho Drive, Las Vegas, NV 89130  
 4075 N Rancho Drive, Las Vegas, NV 89130  
 4145 N Rancho Drive, Las Vegas, NV 89130

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIM

## COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
4025 N Rancho - Building	\$2,134,000	\$1,000
...Business Personal Property	\$150,000	
4035 N Rancho - Building	\$2,133,575	
...Business Personal Property	\$150,000	
4075 N Rancho - Building	\$1,435,000	
...Business Personal Property	\$150,000	
4145 N Rancho - Building	\$1,670,000	
...Business Personal Property	\$150,000	
SPECIAL FORM INCLUDING THEFT; REPLACEMENT COST; AGREED VALUE		

## REMARKS (Including Special Conditions)

Building and Business Personal Property coverages are Blanketed

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

## ADDITIONAL INTEREST

<b>NAME AND ADDRESS</b> Evidence of Property Coverage	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	<input type="checkbox"/>
<b>LOAN #</b>		
<b>AUTHORIZED REPRESENTATIVE</b> 		

**From:** D'Ann Blatt  
**Sent:** Tuesday, July 07, 2015 3:27 PM  
**To:** Shah, Kirtikumar - OSHA State (NV-SP) ([Shah.Kirtikumar@dol.gov](mailto:Shah.Kirtikumar@dol.gov))  
**Subject:** FALV Inspection Request

Good Afternoon Kirti,

Thank you for calling me back yesterday. Per our conversation I would like to formally request inspection of our new buildings located at 4075 and 4145 N. Rancho. These two buildings are being added for the new school year to accommodate our growing student population. As discussed, our policies and procedures that were approved on 2/2/15 will apply to all four of our campus locations. Please note that inspections should be scheduled July 27, 2015 or after.

Thank you for all of your assistance and I look forward to working with you again-

*D'Ann Blatt*©

*FALV Business Manager*

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Pinecrest Academy amendment  
request pursuant to NAC 386.325**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 16

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Pinecrest Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**1749 North Stewart Street Suite 40**  
**Carson City, Nevada 89706-2543**  
**(775) 687 - 9174 · Fax: (775) 687 - 9113**

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Pinecrest Academy amendment request pursuant to NAC 386.  
**DATE:** July 10, 2015

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Summary of Request:

Pinecrest Academy has requested permission to pursue the acquisition of a new facility both to house a new K-8 campus and to serve as the location for their high school program.

Background

Pinecrest was approved by the SPCSA Board in 2012 and opened in the fall of 2012. It currently operates under a written charter. It has previously received approval to operate two additional elementary-middle school facilities and to add a high school program. The school has not received any notices of concern or breach related to its academic, financial, or organizational performance. The school currently operates a 3 star elementary school program and a 4 star middle school program. Results from internal assessments indicate that the school is continuing to make academic growth, but it is important to note that absent SBAC data it is impossible to determine what, if any, predictive value the school's commercially available testing system has related to SBAC performance. As the school only operated one campus at the time of the most recent CRT administration, it is not possible to disaggregate academic performance on high stakes state assessments by campus.

Recommendations: *Approve with Conditions*

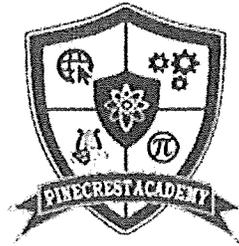
The school meets the current criteria for approval for a new facility pursuant to the most recent revisions to NAC. As the school is submitting this request well in advance of executing on a lease or sale, staff requests that the initial approval be granted as a strategic amendment to acquire and operate a facility in the approximate identified area and serving the grade levels and student enrollment identified in the request. Staff further requests delegated authority to grant additional technical amendments and approvals in upon receipt of documentation and other items required under NAC to occupy the building. This approval is consistent with the mechanism the Authority Board uses to permit the incorporation of pre-opening requirements for new schools into the charter contract without the delay and complexity attendant to additional SPCSA Board review.

A review of the school's current status with the Authority reveals that it was approved in 2013 prior to the adoption of AB205 and the new charter contract provisions of the charter school law. The school is still under a written charter instead of a charter contract. SB509 specifically permits a sponsor to require a holder of a written charter or charter contract that requests an amendment to agree to an amended and restated charter contract as a condition of approving such amendment requests.

Consequently, staff recommends that the Board make approval of this amendment request contingent upon the school executing an amended and restated charter contract which be effective January 1, 2016 and would remain in effect until May 5, 2019—the end date of the current written agreement. Consistent with the board's actions related to other schools in the portfolio, staff requests that the board set an enrollment cap based on the school's enrollment as laid out in the amendment request and incorporating all other standard language from the current model charter contract. Additionally, staff recommends that the contract and performance framework specifically include the criteria set for in SB509 and other bills defining a low-performing charter or traditional public school and clarifying that a school can be placed into breach of contract or served with notice of closure based on persistent underperformance—including but not limited to performance which precedes the effective date of the charter contract. Staff request authority to work with counsel to develop language consistent with this intent and to make technical adjustments as necessary to ensure consistency with current law. Staff further request delegated authority to furnish the approved amendment language to the school and execute the final contract modification on behalf of the Board.

A review of the school's current status with the Authority reveals that it was approved in 2013 prior to the adoption of AB205 and the new charter contract provisions of the charter school law. The school is still under a written charter instead of a charter contract. SB509 specifically permits a sponsor to require a holder of a written charter or charter contract that requests an amendment to agree to an amended and restated charter contract as a condition of approving such amendment requests.

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**PINECREST ACADEMY**  
OF NEVADA  
1378 Paseo Verde Parkway, Suite 200  
Henderson, Nevada 89015

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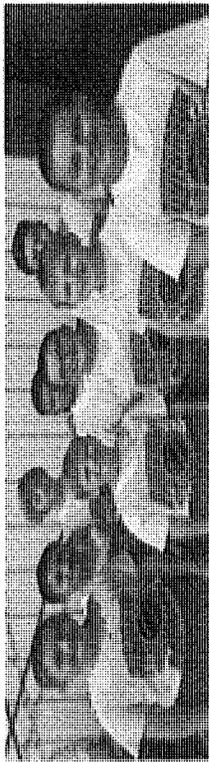
Nevada State Public Charter School Authority:

Pinecrest Academy of Nevada is seeking the approval from the State Public Charter School Authority (SPCSA) to expand to a new location located in Henderson, Nevada for grades K-12. Currently Pinecrest Academy has one campus serving grades K-8, with two new campuses opening for the 2015 -2016 school year.

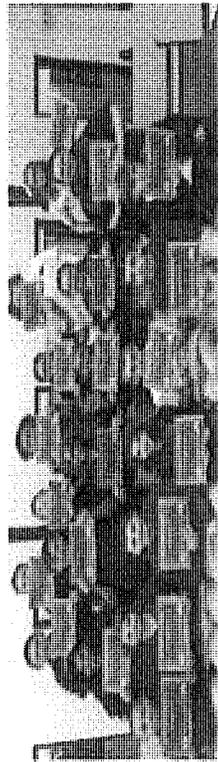
In October 2014, the Pinecrest Academy Board of Directors requested the charter to be amended to include grades 9-12. The SPCSA approved this amendment in April 2015.

Attached are the following supporting documents:

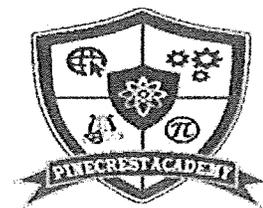
- Educational Data and Academic Growth
- Student Enrollment Statistics
- Cadence Development Figures
- Proposed Site Plan and Evaluation
- K-12 Campus Capacity



**My child is preparing  
for college at  
Pinecrest Academy**

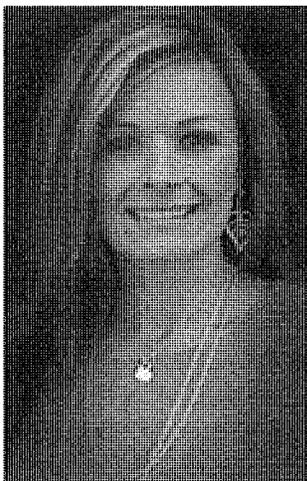


Pinecrest Academy of Nevada unites the community to prepare students for college and career.



**Dr. Carrie Buck**  
**Lead Principal, Pinecrest Academy of Nevada**

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Dr. Carrie A. Buck served as an elementary classroom teacher, an English Language Learner Specialist and Adult Trainer, an Assistant Principal, and a Principal for the Clark County School District in her 20 years as an educator. Dr. Buck was appointed Principal of C.T. Sewell Elementary School in January 2006. Sewell was a school in transition. The school had numerous staff transferring each year, a major facility construction project, and poor test scores showing little growth. In fact, the school was on Nevada's Needs Improvement List for Adequate Yearly Progress. Dr. Buck's leadership style was based on the premise of caring for people, encouraging best practice, eliciting support, and communicating the rigorous vision to all stakeholders. In 2009 supporting innovation, she started a 'Blended Technology Learning Model' at C.T. Sewell in which students spent a portion of their day on individualized technology programs. As a result, the growth demonstrated by students on standardized tests for the past seven years has been staggering. The percentage of student proficiency in Math increased from 36% to 89% and in English Language Arts from 35% to 83%, while student attendance has improved to over 95%. Dr. Buck secured over three and a half million dollars in grants, private funds, and donations that provide basic needs for students and their families, as well as instructional supplies, facility improvements, academic enrichment, and technology for the school.

In December 2008, Dr. Buck won the prestigious Milken Award and in February 2008, she was chosen for the National ASCD Outstanding Young Educators Cadre. From 2002 to 2012, she worked as University of Phoenix Lead Faculty Area Chair and served on the Campus Academic Council, receiving Faculty of the Month awards in 2002, 2003, and 2006. In January 2010, she was chosen for the University of Phoenix "I Am A Phoenix" national icon advertising campaign and in November 2011, Mind Research Institute awarded her the 'Shining Star Award' for tremendous student growth in Math. In March 2013, Dr. Buck was asked to share C.T. Sewell's story for the National After-School All-Stars Program and she was featured in an article on the national Milken website. In 2013, C.T. Sewell was chosen as a National Model School from the Nevada Department of Education and the International Center for Leadership in Education. In November 2013, Dr. Buck was inducted into the CCSD Excellence in Education Hall of Fame. In January 2014, C.T. Sewell was designated National Title I Distinguished School and once again, Nevada Model School by the Nevada Department of Education.

Just recently, Dr. Buck was nominated for the Life Changer Award from the National Life Group. In February 2014, Dr. Buck was appointed to be Principal of Pinecrest Academy. Along with her role of Principal, she serves as a member of the Spread the Word Nevada Advisory Board and a Director for the Kasner Family Foundation Board. She also participates in educational reform conversations with the Public Education Foundation and Nevada Succeeds, always advocating for student success.

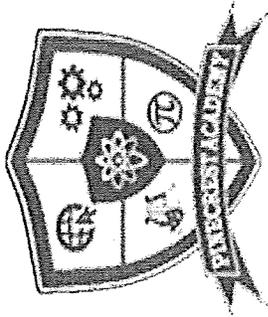
Dr. Buck lives in Henderson, Nevada with her family. Her husband works for the City of Henderson. She has a son, Colbie, in middle school, as well as Branson (4 years old) and Barrett (2 years old). Her oldest son, Collen, is in the Army and stationed in El Paso, Texas at Fort Bliss. She enjoys reading self-help and leadership books in her spare time, traveling with her family, and boating at Lake Mead.

**Increase on STAR Math Assessments  
Baseline to End of Year 2014 - 2015**

<b>MATH</b>	<b>Scaled Score</b>	<b>Grade Equivalent</b>
<b>1ST GRADE AVERAGE</b>	<b>+180</b>	<b>+1.4</b>
<b>2ND GRADE AVERAGE</b>	<b>+123</b>	<b>+1.3</b>
<b>3RD GRADE AVERAGE</b>	<b>+117</b>	<b>+1.6</b>
<b>4TH GRADE AVERAGE</b>	<b>+113</b>	<b>+2.0</b>
<b>5th GRADE AVERAGE</b>	<b>+82</b>	<b>+1.7</b>
<b>6TH GRADE AVERAGE</b>	<b>+54</b>	<b>+1.9</b>
<b>7TH GRADE AVERAGE</b>	<b>+38</b>	<b>+1.6</b>
<b>8TH GRADE AVERAGE</b>	<b>+49</b>	<b>+2.3</b>

**Increase on STAR Reading Assessment  
Baseline to End of Year 2014 -2015**

<b>READING</b>	<b>Scaled Score</b>	<b>Grade Equivalent</b>
<b>1ST GRADE AVERAGE</b>	<b>+175</b>	<b>+1.1</b>
<b>2ND GRADE AVERAGE</b>	<b>+149</b>	<b>+1.2</b>
<b>3RD GRADE AVERAGE</b>	<b>+164</b>	<b>+1.6</b>
<b>4TH GRADE AVERAGE</b>	<b>+125</b>	<b>+1.2</b>
<b>5th GRADE AVERAGE</b>	<b>+96</b>	<b>+0.9</b>
<b>6TH GRADE AVERAGE</b>	<b>+143</b>	<b>+1.2</b>
<b>7TH GRADE AVERAGE</b>	<b>+100</b>	<b>+0.98</b>
<b>8TH GRADE AVERAGE</b>	<b>+66</b>	<b>+0.63</b>



**PINECREST ACADEMY OF NEVADA**

Campus	Enrolled	Wait List
Horizon	934	653
St. Rose	791	786
Inspirada	649	58
<b>Total</b>	<b>2374</b>	<b>1497</b>

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Pinecrest Academy

NV02

NEVADA STATE REPORT

Page 1 of 1

Nevada Ethnic Report  
District: State Public Charter School Authority  
Report Count Date: 08/24/2015

Report School: Pinecrest Academy

School Type: C

District # 73  
School Number: 18423

Grade	American Indian or Alaskan Native		Asian		Hispanic or Latino		Black or African American		White		Native Hawaiian or other Pacific		Two or More Races		Total	E	M&F
	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
OK	0	1	4	5	22	16	3	3	51	70	0	1	15	13	95	109	204
01	1	1	11	4	30	29	1	10	104	83	2	1	12	9	161	137	298
02	0	2	6	11	28	26	8	4	68	92	0	3	11	9	121	147	268
03	1	0	6	10	31	28	4	7	106	95	3	0	13	10	164	150	314
04	0	0	9	10	31	26	7	4	108	95	1	3	11	11	169	149	318
05	1	1	9	3	24	28	6	11	82	96	5	0	15	15	142	155	297
06	1	0	12	15	27	40	5	5	96	84	3	4	11	10	155	158	313
07	0	0	5	3	18	19	1	5	49	58	5	1	7	3	85	89	174
08	0	0	2	0	10	10	2	1	34	21	1	2	3	5	52	39	91
TO	4	5	64	61	220	222	37	50	698	694	20	15	98	85	1143	1133	2276

Pinecrest Academy of Nevada

Minority Percentage - 38%

Male Percentage - 50%

Female Percentage - 50%

07/02/2015  
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Pinecrest Academy

NV02

NEVADA STATE REPORT

Page 1 of 1

Report School: Pinecrest Academy  
District: State Public Charter School Authority  
Report Count Date: 08/24/2015

District # 73  
School Number: 18423

School Type: C

Grade	American Indian or Alaskan Native		Asian		Hispanic or Latino		Black or African American		White		Native Hawaiian or other Pacific		Two or More Races		Total	E	M&F
	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
0K	0	0	0	2	2	0	0	0	0	3	0	0	0	0	2	5	7
01	0	0	4	2	10	3	0	0	36	26	0	0	4	5	54	46	100
02	0	1	2	2	8	6	1	0	18	36	0	1	1	2	30	48	78
03	0	0	1	6	10	14	0	3	32	29	3	0	6	4	52	56	108
04	0	0	3	5	8	9	2	2	36	38	0	3	1	4	49	61	110
05	0	1	8	1	11	8	1	7	26	37	3	0	6	6	55	60	115
06	0	0	7	6	6	15	2	1	32	38	2	3	5	1	54	64	118
07	0	0	2	1	5	7	1	2	13	12	3	0	4	2	28	24	52
TO	0	2	27	25	60	69	7	18	192	219	11	7	27	24	324	364	688

Pinecrest Academy St.Rose Campus

Minority Percentage - 40%

Male Percentage - 47%

Female Percentage - 53%

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Pinecrest Academy

NV02

NEVADA STATE REPORT

Page 1 of 1

Nevada Ethnic Report  
District: State Public Charter School Authority  
Report Count Date: 08/24/2015

School Type: C School Number: 18423

Report School: Pinecrest Academy

Grade	American Indian or Alaskan Native		Asian		Hispanic or Latino		Black or African American		White		Native Hawaiian or other Pacific		Two or More Races		Total	F	M&F
	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
0K	0	1	2	0	10	6	1	1	27	34	0	0	7	7	47	49	96
01	1	0	3	0	9	13	0	2	40	25	1	0	4	2	58	42	100
02	0	0	2	2	12	9	1	1	25	32	0	2	4	1	46	47	93
03	0	0	3	0	9	7	1	1	40	41	0	0	3	2	56	51	107
04	0	0	2	1	12	13	2	2	38	31	1	0	3	2	60	49	109
05	0	0	0	1	10	14	3	3	40	33	1	0	7	2	63	53	116
06	1	0	3	0	15	17	1	2	42	29	0	0	0	3	62	51	113
07	0	0	3	2	10	10	2	2	29	42	2	1	1	0	45	57	102
08	0	0	2	0	10	10	1	1	34	21	1	2	3	5	52	39	91
TO	2	1	20	6	97	99	15	15	315	288	6	5	32	24	489	438	927

Pinecrest Academy Boulder Campus

Minority Percentage - 34%

Male Percentage - 53%

Female Percentage - 47%

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Pinecrest Academy

NV02

NEVADA STATE REPORT

Page 1 of 1

Nevada Ethnic Report  
District: State Public Charter School Authority  
Report Count Date: 08/24/2015

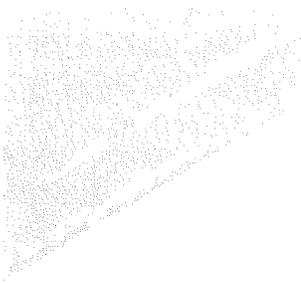
Report School: Pinecrest Academy

School Type: C

District # 73  
School Number: 18423

Grade	American Indian or Alaskan Native		Asian		Hispanic or Latino		Black or African American		White		Native Hawaiian or other Pacific		Two or More Races		Total		M&F
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
OK	0	0	2	3	10	10	2	2	24	33	0	1	8	6	46	55	101
01	0	1	4	2	11	6	1	5	28	32	1	1	4	3	49	50	99
02	0	1	2	7	8	11	4	3	25	25	0	0	6	6	45	53	98
03	1	0	2	4	12	7	3	3	34	25	0	0	4	4	56	43	99
04	0	0	4	4	11	4	3	0	36	27	0	0	7	5	61	40	101
05	1	0	1	1	3	6	0	1	16	27	1	0	3	7	25	43	68
06	0	0	2	9	7	8	2	2	23	17	1	1	6	6	42	43	85
07	0	0	0	0	4	2	1	1	7	4	0	0	2	1	13	8	21
TO	2	2	17	30	66	54	16	17	193	190	3	3	40	38	337	335	672

Pinecrest Academy Inspirada Campus  
 Minority Percentage - 43%  
 Male Percentage - 50%  
 Female Percentage - 50%



# CADENCE

*the rhythm of a new day™*

## DEVELOPMENT COMPANY: THE LANDWELL COMPANY

The LandWell Company is the long-standing land investment arm of Basic Management, Inc., which has successfully developed more than 1,200 acres of retail, light industrial, commercial and residential projects in the Henderson area. The company's successful projects include Black Mountain Industrial Center, Valley Auto Mall, Traverse Point, Champion Village and Emerald Valley.

## MASTER PLAN COMMUNITY OVERVIEW

Introducing Cadence, The LandWell Company's new 2,200-acre master plan of homes, parks and trails, and a true sense of community. This MPC is being developed on a reclaimed scenic expanse of land in the heart of Henderson, with panoramic vistas of the Las Vegas Valley.

Besides the lowest tax rate in the valley, Henderson's population of nearly 270,000 enjoys a number of lifestyle benefits; Henderson has consistently been ranked as one of the best places in the country to live. It was also named a Top 10 Safest Cities in 2013 by Law Street Media. And for the sixth year, it was named a Playful City USA Community by KaBOOM!, a national nonprofit dedicated to saving children's play.

Henderson also has an extensive trail system for walkers, cyclists and equestrians. The city offers a variety of activities for its residents, with spacious facilities like the Henderson Pavilion, the Henderson Events Center, and several community and senior centers.

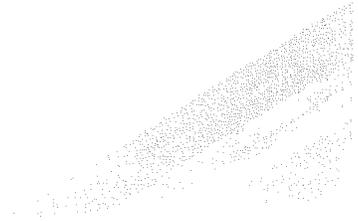
In keeping with the city's momentum, and centered around an active lifestyle, Cadence combines the best of yesterday with the best thinking of today.

Cadence is working with multiple builders to offer varying home styles and designs that are unique to the Las Vegas Valley. This gives homebuyers many options in choosing a home that fits their lifestyle, whether young families, busy professionals or empty nesters.

The Cadence design philosophy is centered around three things – live, work and play. This emphasizes open neighborhoods with limited walls and gates, and includes an urban core with office and retail areas, and 450 acres of open space including parks and trails.

Trails interconnect with Henderson's extensive trail system giving Cadence residents easy access to the Las Vegas Wash Trail, the River Mountains Loop Trail and many others.

A bike share program is another one-of-a-kind amenity. Cadence is the first community in Southern Nevada to provide a bike share program to residents and their guests, as well as to those who work in Cadence. The program uses "smart bikes" so users will be able to reserve bicycles through the Web or via a mobile application.



And what easier way to reserve a bike than by using Cadence's free Wi-Fi that is available in all public areas like the 50-acre central park or 100-acre sports park. Broadband connectivity is also available throughout Cadence.

Cadence is an infill community, which means it's being built on undeveloped land within an area of existing development. Established development includes the Galleria Mall and the shops at Lake Mead Crossing. Cadence is also near St. Rose Dominican Hospital, the Henderson Bird Preserve and the Lake Mead Recreational Area. McCarran International Airport, downtown Las Vegas and the Las Vegas Strip are only a short drive away.

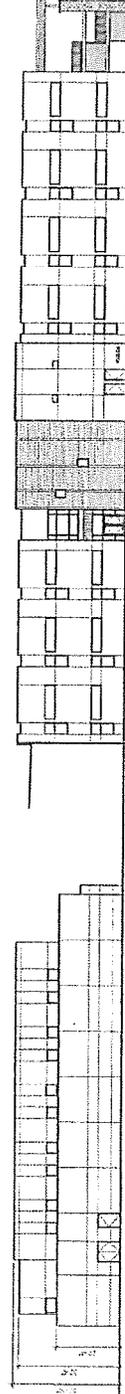
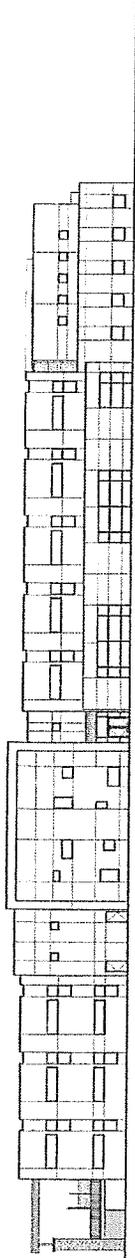
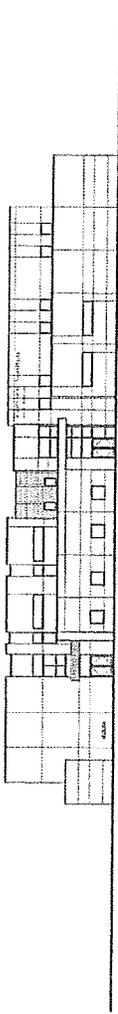
Getting to Cadence is quite simple. The community is located off of Lake Mead Parkway, just east of Boulder Highway.

- From U.S. 95, exit Lake Mead Parkway east.
- From I-215 eastbound, continue on I-215 until the freeway ends and the road becomes Lake Mead Parkway.
- From Boulder Highway, turn east on Lake Mead Parkway.

## MASTER PLAN COMMUNITY FACTS

- 2,200-acre community in Henderson
- 13,250 planned residences
- Free Wi-Fi in the parks
- Primary entry of the community will be off Lake Mead Parkway
- Inclusive community – less walls, reducing barriers and creating an open feel
- 30 acres of trails
- Biking trails within the community connect to regional trails
- Walkability of entire community – sidewalks throughout tree-lined community streets
- GRAND OPENING of Sales Center: SUMMER 2014
- 1.1 million square feet of commercial/retail units
- 1,500-room gaming resort with convention and retail accessory uses
- 450 acres of open space including:
  - 100-acre sports park
  - 50-acre central park
  - 30-acre linear trails
  - Streetscapes
- Four schools sites – three elementary schools and one middle school





ELEMENTARY SCHOOL EXTERIOR ELEVATIONS

SCALE : 1/16" = 1'-0"

0 8 16 32  
07.06.2015

SHT A5.1

ES Elevations  
Pincrest Academy  
Cadence Campus



DRAWING APPROVED: \_\_\_\_\_  
DATE: \_\_\_\_\_

8885 S. Westmont  
Suite 250-047  
Las Vegas, NV 89123  
P: 702.466.1029  
F: 702.466.1028

8983 s. egsalern  
 las vau the no 019123  
 P 702.468.1070  
 F 702.455.7000

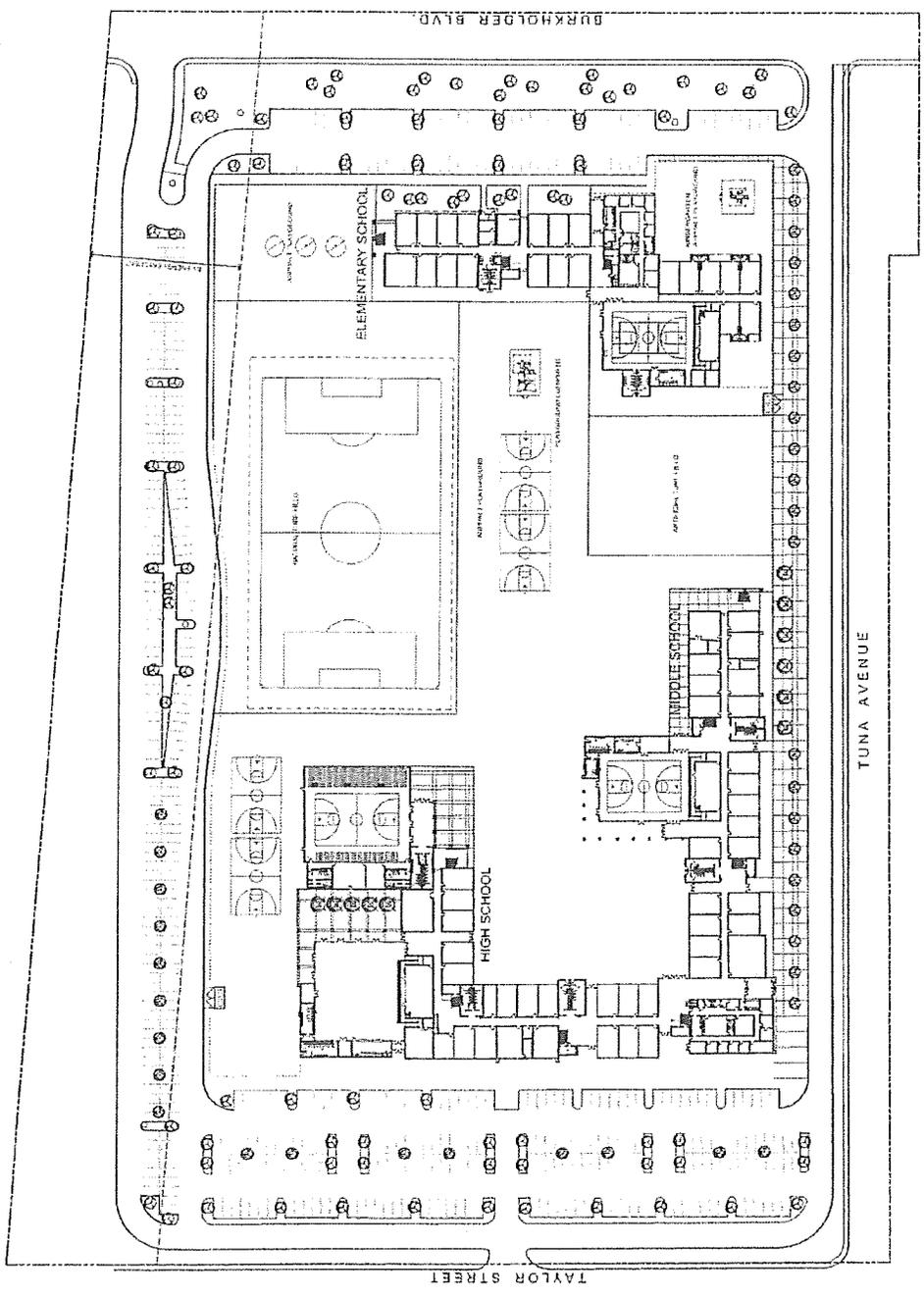
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**elios** *space*  
 ARCHITECTURE

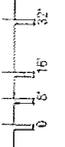
**Pinecrest Academy**  
 Cadence Campus

Site Plan

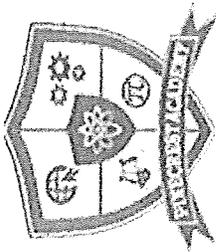
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**SITE PLAN**  
 SCALE: 1/16" = 1'-0"



**Pinecrest Academy of Nevada**

Grade	2016-2017 Estimated Student Enrollment	2017-18 Estimated Student Counts	2018-19 Estimated Student Counts	2019-20 Estimated Student Counts	2020-21 Estimated Student Counts
K	50	50	50	75	75
1	50	50	50	75	75
2	50	50	50	75	75
3	50	50	50	75	75
4	50	50	50	75	75
5	50	50	50	75	75
6	120	180	180	210	240
7	120	120	180	180	210
8	120	120	120	180	180
9	100	150	180	210	240
10		100	150	180	210
11			100	150	180
12				100	150
<b>Total</b>	<b>760</b>	<b>970</b>	<b>1210</b>	<b>1660</b>	<b>1860</b>

**Pinecrest Academy of Nevada**  
**Profit & Loss**  
 July 2013 through June 2014

Jul '13 - Jun 14

Ordinary Income/Expense			
Income			
1310 · Kindergarten Tuition		158,236.04	
200.SGF · SGF- Pinecrest		245,030.16	
3110 · DSA Revenue		5,520,107.92	
3115 · SPED Discretionary Unit		41,608.08	
3115B · SPED Part B Funds		94,696.92	
3120 · 5% State Aid		2,226.33	
<b>Total Income</b>		<b>6,061,905.45</b>	
<b>Gross Profit</b>		<b>6,061,905.45</b>	
Expense			
1000 · Instruction			
111.100 · Licensed Teachers	1,717,271.14		
113.100 · Teacher (Pending License)	13,129.99		
123.100 · Licensed Subs.	85,166.82		
221.100 · FICA - Licensed Teachers	4,270.61		
231.100 · PERS Instruction Personnel	333,318.91		
241.100 · MC Teachers	25,183.13		
251.100 · Tuition Reimbursement	4,500.00		
261.100 · Other (FUTA) - Teachers	6,155.07		
261.101 · SUI Teachers	53,050.01		
271.100 · WC Teachers	9,433.62		
281.100 · Health Teachers	174,676.41		
282.100 · Modified Business Tax	72.39		
331.100 · Training and Dev. - Teachers	5,139.05		
443.100 · Copier Lease	39,736.79		
560.100 · Instructional Tuition	3,867.50		
593.100 · Incentives	47,717.20		
610.100 · General Supplies			
610.101 · Classroom Supplies/Consumables	14,815.12		
610.102 · Teacher Reimbursement	132.67		
610.103 · Copier & Printing Supplies	12,847.12		
610.104 · Assessment & Testing Materials	3,046.26		
610.105 · Classroom Supp Teacher Purchase	13,221.43		
<b>Total 610.100 · General Supplies</b>		<b>44,062.60</b>	
612.100 · Furniture - Fixtures	18,538.75		
641.100 · Curriculum - Textbooks	41,197.06		
651.100 · Tech. Softward (Educational)	58,336.45		
652.100 · Supplies/ Equip. (IT Hardware)	55,391.55		
652.101 · Classroom Computers & Equipment	32,418.90		
653.100 · Web Based (Website)	5,271.00		
891.100 · Contingency Funds- Speical Proj.	27,305.50		
<b>Total 1000 · Instruction</b>		<b>2,805,210.45</b>	
200-SP · SPED			
SP1000 · SPED - Instruction			
111.SP · SPED - Licenced Teacher	90,461.72		
200.1 · Diggs Grant Exp	3,194.07		
221.SP · SPED - FICA Teacher	115.64		
222.SP · SPED Aides FICA	570.28		
231.SP · SPED - PERS	16,525.36		
241.SP · SPED - MC Teachers	885.18		
242.SP · SPED Aides MC	260.38		
261.SP · SPED - SUI Teachers	2,286.47		
261.SP2 · SPED - FUTA	317.01		
262.SP1 · SPED Aides SUI	592.56		
262.SP2 · SPED aides FUTA	113.47		
271.SP · SPED - WC Teachers	417.47		
272.SP · SPED Aides WC	62.88		
281.SP · SPED - Health Teachers	5,206.30		
320.SP · SPED - Contracted Services	106,171.15		
610.SP1 · SPED - General Supplies	246.00		
640.20 · SPED - Special Ed Supplies	426.87		

**Pinecrest Academy of Nevada**  
**Profit & Loss**  
 July 2013 through June 2014

	Jul '13 - Jun 14
651.SP · SPED - Software	3,879.00
Total SP1000 · SPED - Instruction	231,731.81
Total 200-SP · SPED	231,731.81
2100 · Support Services - Student	
610.3 · Field Trips and Awards	48.09
Total 2100 · Support Services - Student	48.09
2200 · Support Services - Instruction	
115.220 · Non-Licensed Support	137,888.10
225.220 · FICA - Instructional Support	8,664.30
245.220 · MC - Instructional Support	2,009.63
265.221 · SUI - Instructional Support	4,911.52
265.222 · Other - Instructional Support	3,193.28
275.220 · WC - Instructional Support	733.44
Total 2200 · Support Services - Instruction	157,400.27
2290 · Other Support Service- Inst.	
581.229 · Staff Travel	-229.23
Total 2290 · Other Support Service- Inst.	-229.23
2300 · Support - General Admin	
115.230 · Gen Admin Salaries	111,591.78
225.230 · FICA - Gen Admin	1,474.68
235.230 · PERS - Gen Admin	17,586.43
245.230 · MC - Gen Admin	1,697.52
265.230 · SUI - Gen Admin	2,906.90
265.23b · Other - Gen Admin (FUTA)	653.34
275.230 · WC - Gen Admin	668.28
285.230 · Health - Gen Admin	6,533.86
340.230 · Other Professional Services	
340.23a · Audit	12,500.00
340.23b · Professional Fee's	1,841.25
340.23c · Background/Drug Tests	1,086.00
340.23d · Payroll Service	11,650.00
340.23e · Payroll Services - support	19,317.00
Total 340.230 · Other Professional Services	46,394.25
345.230 · Marketing	6.27
610.230 · General Office Supplies	5,450.01
733.230 · Office Furniture & Equipment	403.85
2300 · Support - General Admin - Other	16.11
Total 2300 · Support - General Admin	195,383.28
2310 · Health Services	
610.213 · Nursing Supplies	2,984.98
Total 2310 · Health Services	2,984.98
2318 · Legal Services	
340.231 · Legal	6,000.00
Total 2318 · Legal Services	6,000.00
2400 · School Administration	
114.240 · Admin - Licensed	154,541.86
225.240 · FICA- Licensed Admin	3,537.91
234.240 · PERS - Admin Licensed	20,240.96
244.240 · MC - Admin Licensed	1,796.74
264.24a · SUI - Admin Licensed	2,961.46
264.24b · Other - Lic Admin FUTA	1,340.33
274.240 · WC - Admin Licensed	589.22
284.240 · Health - Admin Licensed	3,189.68
Total 2400 · School Administration	188,198.16
2500 · Central Services	
310.250 · Management Fee	380,835.00

Pinecrest Academy of Nevada  
**Profit & Loss**  
 July 2013 through June 2014

	Jul '13 - Jun 14
320.250 · Affiliation Fee	56,822.15
Total 2500 · Central Services	437,657.15
2610 · Operation of Building	
261.261 · Trash	7,338.78
352.261 · IT - Technical Services	35,008.50
410.261 · Utility Services	
411.26a · Water	12,143.34
Total 410.261 · Utility Services	12,143.34
422.261 · Janitorial Service (Contracted)	49,084.97
440.261 · Rentals	
441.26a · Lease	738,406.00
Total 440.261 · Rentals	738,406.00
520.261 · Insurance	
521.261 · Property Insurance	9,260.00
522.261 · Liability Insurance	15,286.50
523.26a · D & O Insurance	5,021.49
523.26b · Other Insurance	3,006.25
Total 520.261 · Insurance	32,574.24
531.230 · Postage/Shipping	746.62
533.230 · Telephone/Cell	9,447.79
590.261 · Other Support Services	
590.20a · DSA 2% Sponsor Fee	55,617.00
Total 590.261 · Other Support Services	55,617.00
621.261 · Natural Gas	3,553.81
622.261 · Electricity	78,822.95
2610 · Operation of Building - Other	124.97
Total 2610 · Operation of Building	1,022,868.97
2620 · Maintenance of Building	
117.262 · Custodial Wages	38,739.24
227.262 · Support Staff - FICA	2,415.48
247.262 · Support Staff - MC	533.62
267-262 · Support Staff - FUTA & MBT	997.53
267.262 · Support Staff - SUI	1,262.41
277.262 · Support staff - WC	1,540.39
430.262 · Misc Maint & Facilities Costs	
431.26a · A/C Maint	19,949.62
431.26b · Facility Maint	32,795.95
431.26c · Summer Maint	6,636.95
Total 430.262 · Misc Maint & Facilities Costs	59,382.52
610.262 · Gen Maint & Janitorial Supplies	3,596.24
2620 · Maintenance of Building - Other	-59.96
Total 2620 · Maintenance of Building	108,407.47
2660 · Security	
490.266 · Alarm Security System	1,615.00
Total 2660 · Security	1,615.00
2670 · Safety	
490.2 · Security & Fire Services	10,681.48
Total 2670 · Safety	10,681.48
3100 · Food Service Operations	
570.31 · Food Services	639.87
3100 · Food Service Operations - Other	-40.04
Total 3100 · Food Service Operations	599.83
3200 · Taxes Charged (To Be Reimb.)	54.68
5000 · Debt Services	
810.500 · Dues & Fees	4,299.41

Pinecrest Academy of Nevada  
**Profit & Loss**  
July 2013 through June 2014

	Jul '13 - Jun 14
830.500 · Debt- Related Expenditures	
832.50a · Debt Services- Academica NV	6,523.17
832.50b · Debt Serv -Loan	167,240.54
Total 830.500 · Debt- Related Expenditures	173,763.71
890.500 · Misc. Expenditures	
892.50a · Bank Charges	
890.7B · E-Funds Fee	566.10
892.50a · Bank Charges - Other	93.20
Total 892.50a · Bank Charges	659.30
Total 890.500 · Misc. Expenditures	659.30
Total 5000 · Debt Services	178,722.42
700 · Property	
790 · Depreciation	3,726.03
Total 700 · Property	3,726.03
Total Expense	5,351,060.84
Net Ordinary Income	710,844.61
Net Income	710,844.61

**Pinecrest Academy of Nevada**  
**Balance Sheet**  
 As of June 30, 2014

	Jun 30, 14
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101 · Cash In Bank	
101.1 · NSB-Main Operating	869,351.74
101.3 · ZION-Escrow Account	2,226.33
101.4 · SGF - Pinecrest	277,705.74
Total 101 · Cash In Bank	1,149,283.81
Total Checking/Savings	1,149,283.81
Accounts Receivable	
153.1 · Accounts Receivable	10,642.50
Total Accounts Receivable	10,642.50
Other Current Assets	
153.2 · DSA Accrual	580,567.00
153.3 · Due from Somerset	373.10
153.5 · Undeposited Funds	310.00
153.7 · Due From SPED Part B Funding	10,739.52
153.9 · Due from SESS	6,097.00
153.10 · Lora Flitton Pre Paid Card	-57.60
191 · Security Deposits	19,680.00
Total Other Current Assets	617,709.02
Total Current Assets	1,777,635.33
Fixed Assets	
200 · Capital Assets	
241 · Machinery and Equipment	25,000.00
242 · Accum. Dep. Machinery and Equip.	-3,726.03
Total 200 · Capital Assets	21,273.97
Total Fixed Assets	21,273.97
<b>TOTAL ASSETS</b>	<b>1,798,909.30</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
421.1 · Accounts Payable	
Accounts Payable - Transfers	-2,040.80
421.1 · Accounts Payable - Other	89,500.44
Total 421.1 · Accounts Payable	87,459.64
Total Accounts Payable	87,459.64
Other Current Liabilities	
461.2 · Accrued Payroll Liability	146,906.08
461.4 · Payroll Liab. - Salaried Emp.	115,923.32
Total Other Current Liabilities	262,829.40
Total Current Liabilities	350,289.04
Long Term Liabilities	
475 · Zion Loan FF&E	
12-13 FEE Textbooks	-194,115.99
12-13 FFE Computers	-154,256.95
12-13 FFE Furniture	-236,364.64
12-13 FFE Supplies	-8,336.30
13-14 FFE Computer	-136.85
13-14 FFE Furniture	-27,271.71
13-14 FFE Supplies	-994.45
13-14 FFE Textbooks	-53,991.01
475 · Zion Loan FF&E - Other	675,467.90

277  
10:50 AM  
07/10/15  
Accrual Basis

Pinecrest Academy of Nevada  
**Balance Sheet**  
As of June 30, 2014

	Jun 30, 14
Total 475 · Zion Loan FF&E	0.00
Total Long Term Liabilities	0.00
Total Liabilities	350,289.04
Equity	
8000 · Retained Earnings	737,775.65
Net Income	710,844.61
Total Equity	1,448,620.26
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,798,909.30</b>

**Pinecrest Academy of Nevada**  
**Profit & Loss**  
 July 2014 through May 2015

Jul '14 - May 15

Ordinary Income/Expense

Income

4500 · Fed. Grants through State	
4502 · Title II Funds	-12,000.00
4501 · 21st Century Grant	424.41
Total 4500 · Fed. Grants through State	-11,575.59
1310 · Kindergarten Tuition	151,385.91
200.SGF · SGF- Pinecrest	0.00
2000 · Revenue - Intermediate Sources	
2200(R) · Restricted Grants-in-Aid	880.00
Total 2000 · Revenue - Intermediate Sources	880.00
3110 · DSA Revenue	5,349,267.99
3115 · SPED Discretionary Unit	38,084.75
3115B · SPED Part B Funds	87,260.97
3130 · Deposit Interest	10.00
Total Income	5,615,314.03

Gross Profit

5,615,314.03

Expense

1000 · Instruction	
111.100 · Licensed Teachers	1,585,652.85
113.100 · Teacher (Pending License)	38,011.00
123.100 · Licensed Subs.	111,407.62
221.100 · FICA - Licensed Teachers	5,286.80
231.100 · PERS Instruction Personnel	326,128.39
241.100 · MC Teachers	26,691.17
251.100 · Tuition Reimbursement	5,850.00
261.100 · Other (FUTA) - Teachers	4,807.12
261.101 · SUI Teachers	56,551.09
271.100 · WC Teachers	12,210.65
281.100 · Health Teachers	177,013.17
282.100 · Modified Business Tax	45.76
331.100 · Training and Dev. - Teachers	4,506.00
443.100 · Copier Lease	49,802.34
593.100 · Incentives	9,112.47
610.100 · General Supplies	
610.101 · Classroom Supplies/Consumables	12,735.49
610.102 · Teacher Reimbursement	92.07
610.103 · Copier & Printing Supplies	10,284.68
610.104 · Assessment & Testing Materials	2,344.00
610.105 · Classroom Supp Teacher Purchase	7,812.50
Total 610.100 · General Supplies	33,268.74
612.100 · Furniture - Fixtures	2,846.76
641.100 · Curriculum - Textbooks	84,839.84
651.100 · Tech. Softward (Educational)	58,978.60
652.100 · Supplies/ Equip. (IT Hardware)	1,790.54
652.101 · Classroom Computers & Equipment	15,621.54
653.100 · Web Based (Website)	10,740.34
1000 · Instruction - Other	1,533.60
Total 1000 · Instruction	2,622,696.39
200-SP · SPED	
SP1000 · SPED - Instruction	
111.SP · SPED - Licenced Teacher	103,470.84
231.SP · SPED - PERS	26,553.35
241.SP · SPED - MC Teachers	1,711.82
261.SP · SPED - SUI Teachers	4,451.95
261.SP2 · SPED - FUTA	165.36
271.SP · SPED - WC Teachers	946.67
281.SP · SPED - Health Teachers	10,699.53
320.SP · SPED - Contracted Services	137,970.87
610.SP1 · SPED - General Supplies	2,979.56

**Pinecrest Academy of Nevada**  
**Profit & Loss**  
 July 2014 through May 2015

	Jul '14 - May 15
640.20 · SPED - Special Ed Supplies	2,597.51
SP1000 · SPED - Instruction - Other	22,726.66
Total SP1000 · SPED - Instruction	314,274.12
Total 200-SP · SPED	314,274.12
2100 · Support Services - Student	
610.3 · Field Trips and Awards	2,492.45
Total 2100 · Support Services - Student	2,492.45
2200 · Support Services - Instruction	
115.220 · Non-Licensed Support	127,565.18
225.220 · FICA - Instructional Support	4,452.65
245.220 · MC - Instructional Support	1,723.24
265.221 · SUI - Instructional Support	5,337.43
265.222 · Other - Instructional Support	10,151.84
275.220 · WC - Instructional Support	975.77
285.220 · Health - Instructional Support	1,068.96
Total 2200 · Support Services - Instruction	151,275.07
2290 · Other Support Service- Inst.	
581.229 · Staff Travel	19,449.95
Total 2290 · Other Support Service- Inst.	19,449.95
2300 · Support - General Admin	
115.230 · Gen Admin Salaries	147,631.97
225.230 · FICA - Gen Admin	2,056.66
235.230 · PERS - Gen Admin	21,854.47
245.230 · MC - Gen Admin	2,043.66
265.230 · SUI - Gen Admin	4,532.48
265.23b · Other - Gen Admin (FUTA)	966.06
275.230 · WC - Gen Admin	1,324.48
285.230 · Health - Gen Admin	7,818.83
340.230 · Other Professional Services	
340.23a · Audit	13,000.00
340.23b · Professional Fee's	615.78
340.23c · Background/Drug Tests	1,380.00
340.23d · Payroll Service	14,750.86
340.23e · Payroll Services - support	10,572.00
Total 340.230 · Other Professional Services	40,318.64
345.230 · Marketing	32,409.13
610.230 · General Office Supplies	7,191.27
2300 · Support - General Admin - Other	60.00
Total 2300 · Support - General Admin	268,207.65
2310 · Health Services	
610.213 · Nursing Supplies	1,068.09
Total 2310 · Health Services	1,068.09
2318 · Legal Services	
340.231 · Legal	9,333.35
Total 2318 · Legal Services	9,333.35
2400 · School Administration	
114.240 · Admin - Licensed	156,054.63
225.240 · FICA- Licensed Admin	2,077.45
234.240 · PERS - Admin Licensed	33,352.28
244.240 · MC - Admin Licensed	970.75
264.24a · SUI - Admin Licensed	1,942.70
264.24b · Other - Lic Admin FUTA	247.85
274.240 · WC - Admin Licensed	1,176.32
284.240 · Health - Admin Licensed	5,714.98
Total 2400 · School Administration	201,536.96
2500 · Central Services	

**Pinecrest Academy of Nevada**  
**Profit & Loss**  
 July 2014 through May 2015

	Jul '14 - May 15
310.250 · Management Fee	370,012.50
320.250 · Affiliation Fee	66,726.73
<b>Total 2500 · Central Services</b>	<b>436,739.23</b>
2610 · Operation of Building	
261.261 · Trash	6,976.89
352.261 · IT - Technical Services	43,038.17
410.261 · Utility Services	
411.26c · Regional Charges	4,464.71
411.26a · Water	6,967.76
411.26b · Sewer	1,511.36
<b>Total 410.261 · Utility Services</b>	<b>12,943.83</b>
422.261 · Janitorial Service (Contracted)	47,360.77
440.261 · Rentals	
441.26a · Lease	732,607.00
<b>Total 440.261 · Rentals</b>	<b>732,607.00</b>
520.261 · Insurance	
521.261 · Property Insurance	23,500.02
522.261 · Liability Insurance	6,591.04
523.26b · Other Insurance	5,669.19
<b>Total 520.261 · Insurance</b>	<b>35,760.25</b>
531.230 · Postage/Shipping	1,897.34
533.230 · Telephone/Cell	6,540.34
590.261 · Other Support Services	
590.20a · DSA 2% Sponsor Fee	80,810.62
<b>Total 590.261 · Other Support Services</b>	<b>80,810.62</b>
621.261 · Natural Gas	3,228.80
622.261 · Electricity	86,414.75
<b>Total 2610 · Operation of Building</b>	<b>1,057,578.76</b>
2620 · Maintenance of Building	
117.262 · Custodial Wages	51,303.87
227.262 · Support Staff - FICA	1,915.04
247.262 · Support Staff - MC	708.42
267-262 · Support Staff - FUTA & MBT	587.49
267.262 · Support Staff - SUI	2,033.26
277.262 · Support staff - WC	1,967.14
286.262 · Health - Maintenance	708.64
430.262 · Misc Maint & Facilities Costs	
432.1 · Technology & Main Repairs	512.22
431.26a · A/C Maint	13,417.98
431.26b · Facility Maint	31,248.81
431.26c · Summer Maint	1,512.45
431.26d · Maint Reserves	57,548.03
430.262 · Misc Maint & Facilities Costs - Other	169.30
<b>Total 430.262 · Misc Maint &amp; Facilities Costs</b>	<b>104,408.79</b>
610.262 · Gen Maint & Janitorial Supplies	12,253.23
<b>Total 2620 · Maintenance of Building</b>	<b>175,885.88</b>
2660 · Security	
490.266 · Alarm Security System	3,578.95
<b>Total 2660 · Security</b>	<b>3,578.95</b>
2670 · Safety	
490.2 · Security & Fire Services	6,426.50
<b>Total 2670 · Safety</b>	<b>6,426.50</b>
3100 · Food Service Operations	
570.31 · Food Services	1,143.09
<b>Total 3100 · Food Service Operations</b>	<b>1,143.09</b>

Pinecrest Academy of Nevada  
**Profit & Loss**  
July 2014 through May 2015

	Jul '14 - May 15
3200 · Taxes Charged (To Be Reimb.)	107.73
5000 · Debt Services	
832.50c · Interest Exp.	10,921.32
810.500 · Dues & Fees	3,119.03
830.500 · Debt- Related Expenditures	
832.50b · Debt Serv -Loan	162,758.64
Total 830.500 · Debt- Related Expenditures	162,758.64
890.500 · Misc. Expenditures	
892.50a · Bank Charges	
890.7B · E-Funds Fee	371.80
892.50a · Bank Charges - Other	8.00
Total 892.50a · Bank Charges	379.80
Total 890.500 · Misc. Expenditures	379.80
Total 5000 · Debt Services	177,178.79
66000 · Payroll Expenses	160.00
Total Expense	5,449,132.96
Net Ordinary Income	166,181.07
Net Income	166,181.07

**Pinecrest Academy of Nevada**  
**Balance Sheet**  
 As of May 31, 2015

	May 31, 15
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
101 · Cash In Bank	
101.1 · NSB-Main Operating	1,125,676.81
101.4 · SGF - Pinecrest	277,705.74
<b>Total 101 · Cash In Bank</b>	<b>1,403,382.55</b>
<b>Total Checking/Savings</b>	<b>1,403,382.55</b>
Accounts Receivable	
153.1 · Accounts Receivable	45,574.82
<b>Total Accounts Receivable</b>	<b>45,574.82</b>
<b>Other Current Assets</b>	
153.12 · SPED 5% State Grant	-1,783.14
153.2 · DSA Accrual	482,749.98
153.3 · Due from Somerset	373.10
153.5 · Undeposited Funds	1,035.00
153.7 · Due From SPED Part B Funding	303.54
153.10 · Lora Flitton Pre Paid Card	-57.60
191 · Security Deposits	19,680.00
<b>Total Other Current Assets</b>	<b>502,300.88</b>
<b>Total Current Assets</b>	<b>1,951,258.25</b>
<b>Fixed Assets</b>	
200 · Capital Assets	
241b · Playground Renovation Loan	229,648.34
241 · Machinery and Equipment	25,000.00
242 · Accum. Dep. Machinery and Equip.	-3,726.03
<b>Total 200 · Capital Assets</b>	<b>250,922.31</b>
<b>Total Fixed Assets</b>	<b>250,922.31</b>
<b>TOTAL ASSETS</b>	<b>2,202,180.56</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
421.1 · Accounts Payable	
Accounts Payable - Transfers	-1,296.70
421.1 · Accounts Payable - Other	99,935.52
<b>Total 421.1 · Accounts Payable</b>	<b>98,638.82</b>
<b>Total Accounts Payable</b>	<b>98,638.82</b>
Credit Cards	
451 · Staff Reimbursement Charges	1,806.92
<b>Total Credit Cards</b>	<b>1,806.92</b>
<b>Other Current Liabilities</b>	
461.7 · Notes Payable	3,328.22
461.1 · Payroll Liabilities	-1,314.96
461.2 · Accrued Payroll Liability	146,906.08
461.4 · Payroll Liab. - Salaried Emp.	133,457.21
499.1 · Clearing Account	4,168.94
<b>Total Other Current Liabilities</b>	<b>286,545.49</b>
<b>Total Current Liabilities</b>	<b>386,991.23</b>
<b>Long Term Liabilities</b>	
521 · Playground Renovation	200,428.00
475 · Zion Loan FF&E	
12-13 FEE Textbooks	-194,115.99

Pinecrest Academy of Nevada  
**Balance Sheet**  
As of May 31, 2015

	<u>May 31, 15</u>
12-13 FFE Computers	-154,256.95
12-13 FFE Furniture	-236,364.64
12-13 FFE Supplies	-8,336.30
13-14 FFE Computer	-136.85
13-14 FFE Furniture	-27,271.71
13-14 FFE Supplies	-994.45
13-14 FFE Textbooks	-53,991.01
475 · Zion Loan FF&E - Other	675,467.90
<b>Total 475 · Zion Loan FF&amp;E</b>	<u>0.00</u>
<b>Total Long Term Liabilities</b>	<u>200,428.00</u>
<b>Total Liabilities</b>	<u>587,419.23</u>
<b>Equity</b>	
8000 · Retained Earnings	1,448,620.26
Net Income	166,181.07
<b>Total Equity</b>	<u>1,614,801.33</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,202,220.56</u></u>

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Doral Academy amendment  
request pursuant to NAC 386.325**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 17

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Patrick Gavin, Director, SPCSA; Representatives of Doral Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Doral Academy amendment request pursuant to NAC 386.  
**DATE:** July 10, 2015

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Summary of Request:

Doral Academy has requested permission to pursue the acquisition of a new facility both to house a new K-8 campus and to serve as the location for their high school program.

Background

Doral was approved by the SPCSA Board in 2013 and opened in the fall of 2013. It currently operates under a charter contract. It has previously received approval to operate two additional elementary-middle school facilities and to add a high school program. The school has not received any notices of concern or breach related to its academic, financial, or organizational performance. The school currently operates a 5 star elementary school program and a 3 star middle school program. Results from internal assessments indicate that the school is continuing to make academic growth, but it is important to note that absent SBAC data it is impossible to determine what, if any, predictive value the school's commercially available testing system has related to SBAC performance. As the school only operated one campus at the time of the most recent CRT administration, it is not possible to disaggregate academic performance on high stakes state assessments by campus.

Recommendation: *Approve with Conditions*

The school meets the current criteria for approval for a new facility pursuant to the most recent revisions to NAC. As the school is submitting this request well in advance of executing on a lease or sale, staff requests that the initial approval be granted as a strategic amendment to acquire and operate a facility in the approximate identified area and serving the grade levels and student enrollment identified in the request. Staff further requests delegated authority to grant additional technical amendments and approvals in upon receipt of documentation and other items required under NAC to occupy the building. This approval is consistent with the mechanism the Authority Board uses to permit the incorporation of pre-opening requirements for new schools into the charter contract without the delay and complexity attendant to additional board review.



## Doral Academy of Nevada

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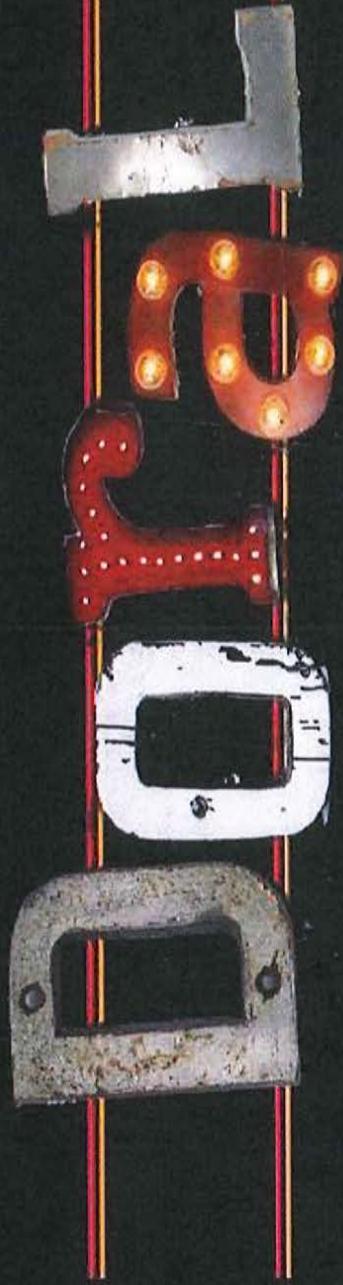
State Public Charter School Authority,

Doral Academy of Nevada is seeking approval from the State Public Charter School Authority (SPCSA) for expansion to a new location for a K-12 campus that would open August of 2016. Currently Doral Academy has two K-8 campuses with one new campus opening August 2015.

In October 2014, the Doral Board of Directors approved the charter to be amended to include grades 9-12. In April of 2015 SPCSA approved the amendment.

Attached are the following support materials:

- Google Maps of School Locations
- Doral Academy – Student Enrollment Maps
- Doral Academy – Academic Growth
- Doral Academy – School Demographics
- Proposed Site Plan, Floor Plan & Elevation
- Doral Academy – Proposed K-12 Campus Capacity



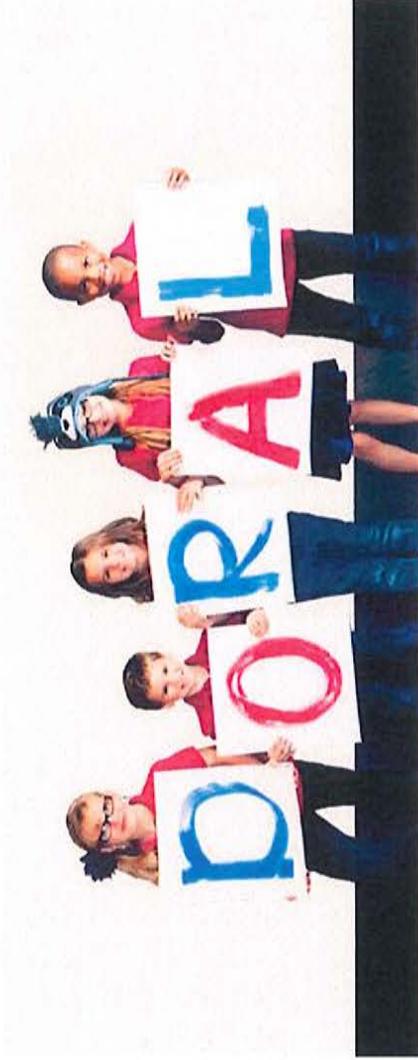
# Doral Academy

Arts Integration Education

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Performing Arts / STEAM





*Doral Academy of Nevada is dedicated to providing an enhanced educational experience. We will develop outstanding student achievement with focus on each child being well-rounded in all parts of education. Students will be prepared in an academically challenging and personally meaningful learning environment with an emphasis on arts integration, increasing literacy, cognitive, and social development. A collaborative effort including students, teachers, parents, and staff will be devoted to establishing, achieving, and celebrating individual goals for each child at Doral Academy.*



### **Bridget Bilbray-Phillips Executive Director, Doral Academy of Nevada**

Mrs. Bridget Bilbray-Phillips is the Executive Director of Doral Academy of Nevada. Doral Academy, an arts integrated charter school, opened its doors in August of 2013 with Mrs. Phillips as the founding principal. The second Doral campus opened in Mountain's Edge in August of 2014, with the third Doral Campus opening in the northwest area of the valley in August 2015.

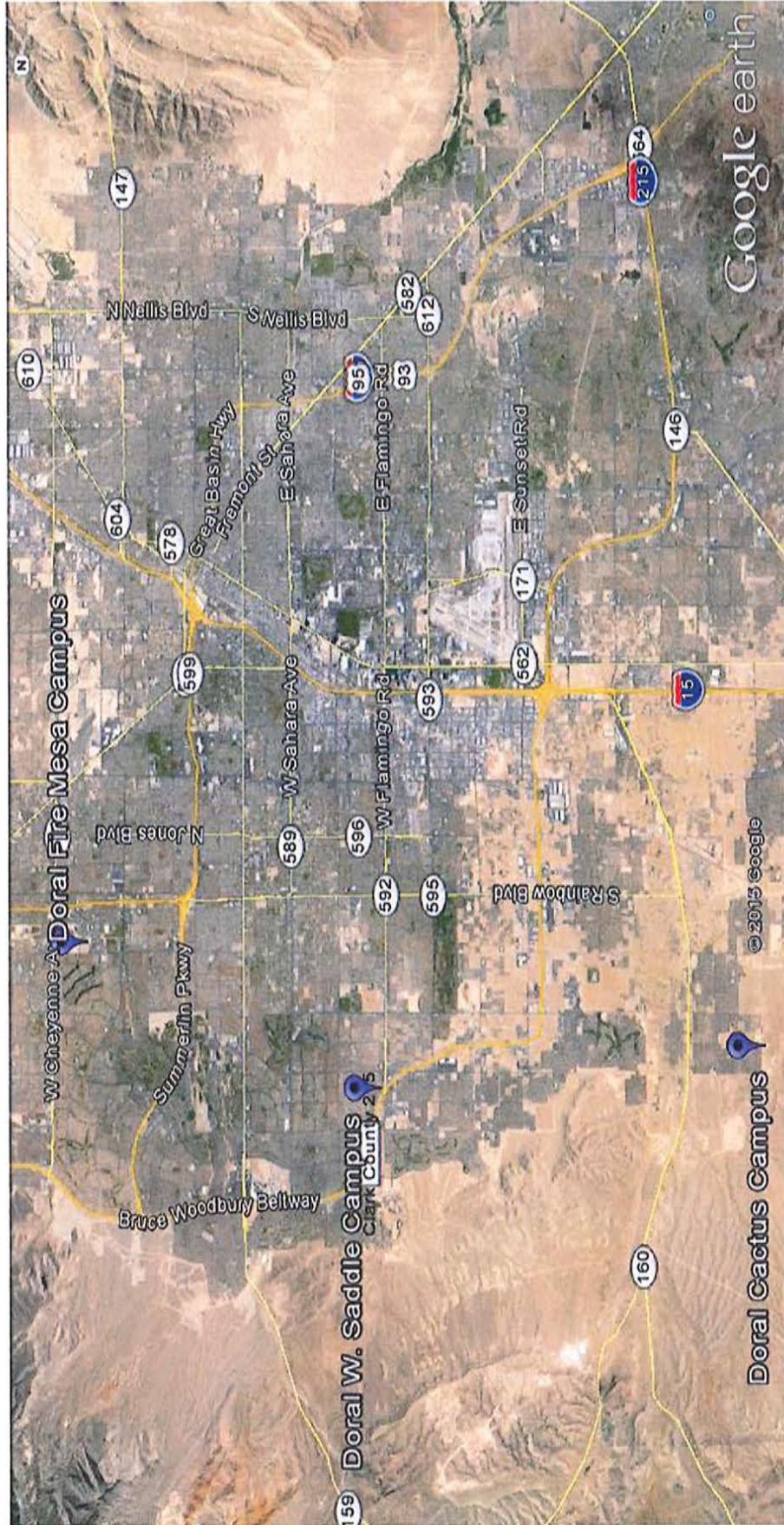
Bridget was formerly the Director of the School-Community Partnership Program for the Clark County School District for six years. In this position she was responsible for connecting business and community resources to Clark County School District schools. In this role she developed partnerships with non-profit community organizations such as Three Square, Communities In Schools, and Ronald McDonald House Charities.

Bridget received an undergraduate degree in Elementary Education from University of Arizona. She earned a graduate degree in School Administration from University of Nevada, Las Vegas.

Bridget began teaching in a private school in Las Vegas in 1982. She started teaching for the Clark County School District in 1985. During her time in the Clark County School District she worked as a Curriculum Specialist, Assistant Principal, Principal, and Director. As Principal, she was awarded the PTA Lynel Cunningham Site Administrator Award and was one of three finalists submitted to the State of Nevada as the Elementary National Distinguished Principal. She was a 2010 recipient of President Obama's HOPE Award for Education.



# Doral Campuses Map (2015-2016)



Doral Academy



**Doral Saddle Campus**

	Kindergarten	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
Students (Registered):	97	99	99	104	102	104	117	114	90	926
Students (Waitlist):	609	424	395	316	325	236	271	31	34	2641

**Doral Fire Mesa Campus**

	Kindergarten	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
Students (Registered):	96	95	98	103	100	103	114	32	0	741
Students (Waitlist):	252	156	152	120	87	49	72	27	0	915

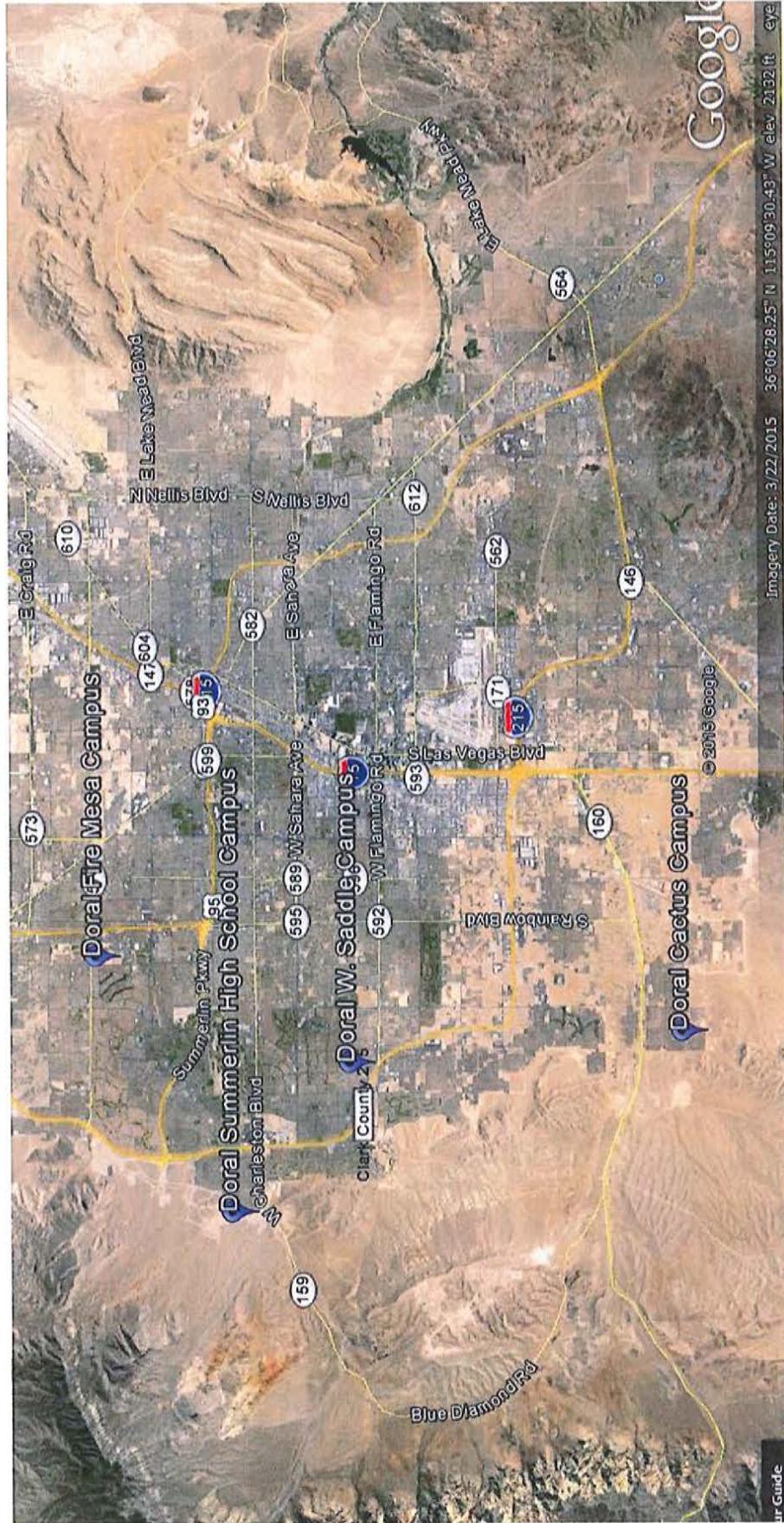
**Doral Academy Cactus Campus**

	Kindergarten	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
Students (Registered):	98	99	99	105	102	103	120	120	58	904
Students (Waitlist):	622	409	387	284	267	238	214	81	41	2543

\*Data was received from School Lottery System on 7/2/2015



# Map of Doral Campuses (2016-2017)



Grade	American Indian or Alaska Native		Asian		Hispanic or Latino		Black or African American		White		Native Hawaiian or Other Pacific		Two or More Races		Total	M	F	M&F
	M	F	M	F	M	F	M	F	M	F	M	F	M	F				
OK	0	0	2	1	10	7	6	4	33	23	1	0	4	7	56	42	98	
D1	0	1	12	15	33	24	3	7	81	90	3	1	16	11	149	150	299	
D2	0	0	10	9	16	31	6	9	86	81	1	6	13	16	134	162	296	
D3	0	0	14	16	18	19	5	8	88	98	0	3	15	18	141	167	308	
D4	0	0	10	20	19	21	6	4	94	91	5	2	14	20	149	160	309	
D5	0	0	6	12	21	15	10	7	89	104	5	3	12	15	145	157	302	
D6	1	0	9	11	28	35	7	10	93	116	1	5	8	7	145	184	333	
D7	0	2	13	11	23	17	5	11	71	88	7	0	5	10	125	139	264	
D8	1	0	5	7	10	12	2	5	30	41	3	0	5	4	57	74	131	
TOT	2	3	80	102	178	181	50	65	664	732	25	22	92	106	1105	1235	2340	

Doral Academy of Nevada Demographics

Minority Percentage - 40%

Male Percentage - 47%

Female Percentage - 53%



## Doral Academy of Nevada

Doral Academy of Nevada was identified as a Five Star Elementary School and a Three Star Middle School. Based on the 2014 CRT Literacy results 74% of sixth grade students and 81% of seventh grade students were proficient. Based on the 2014 CRT Math results 48% of sixth grade students and 67% of seventh grade students were proficient. A focus for the 2014-15 school year was to strengthen our Math Core by ensuring proper pacing and further utilizing strategies and instruction, specifically focusing on deficits in Measurement, Algebra, and Functions.

Doral Academy Saddle Campus opened in the fall of 2013-14 with 765 students. The Doral Cactus Campus opened its doors in the fall of 2014-15 with 781 students, 321 transferring from the Saddle Campus.

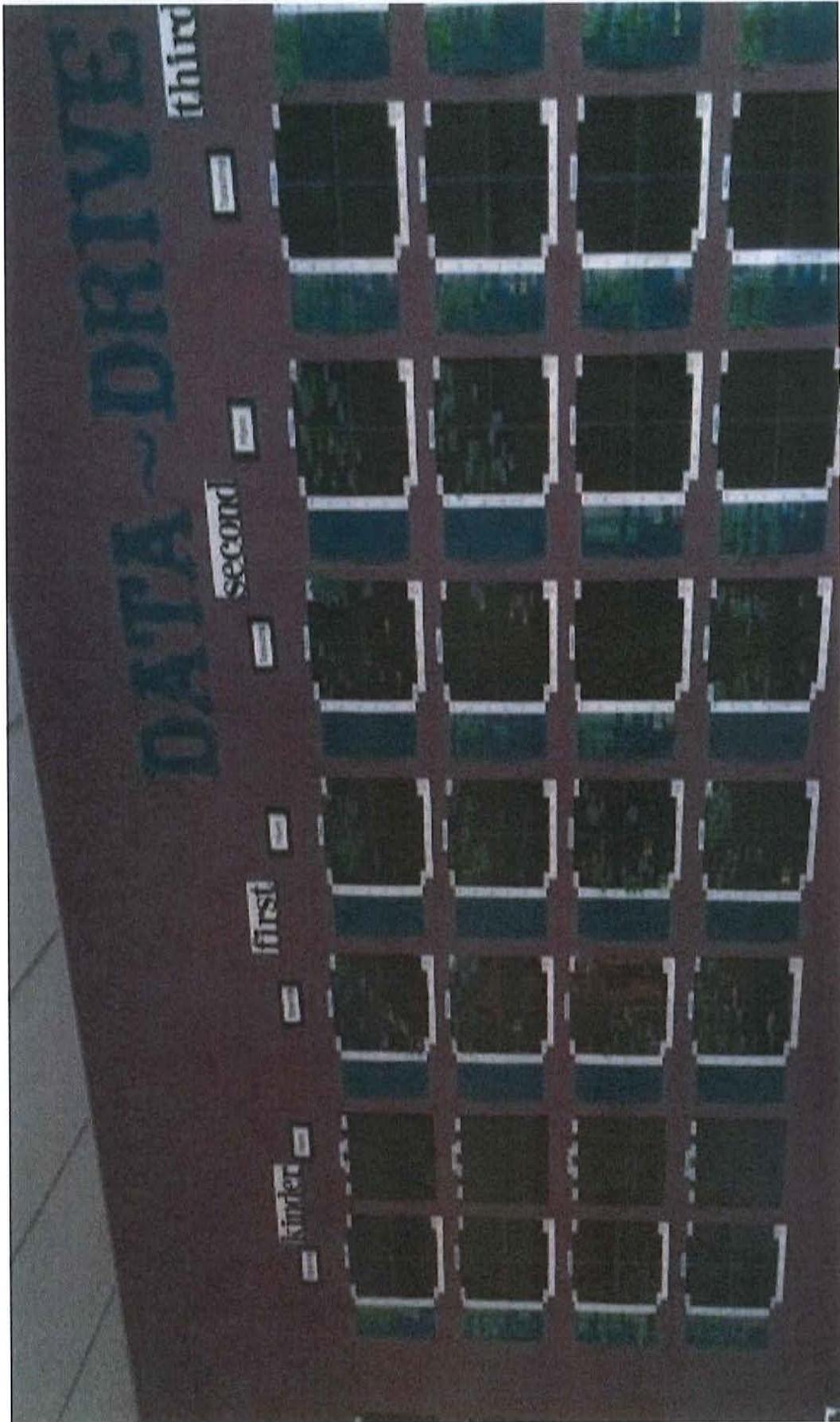
## Doral 2014-15 STAR Math Growth

### Saddle Campus

Grade	Fall	Spring	Growth
6 <sup>th</sup>	6.5	7.6	+1.1
7 <sup>th</sup>	7.1	9.5	+2.4
8 <sup>th</sup>	7.8	9.7	+1.9

### Cactus

Grade	Fall	Spring	Growth
6 <sup>th</sup>	6.9	8.6	+1.7
7 <sup>th</sup>	7.7	9.3	+1.6
8 <sup>th</sup>	N/A	N/A	N/A





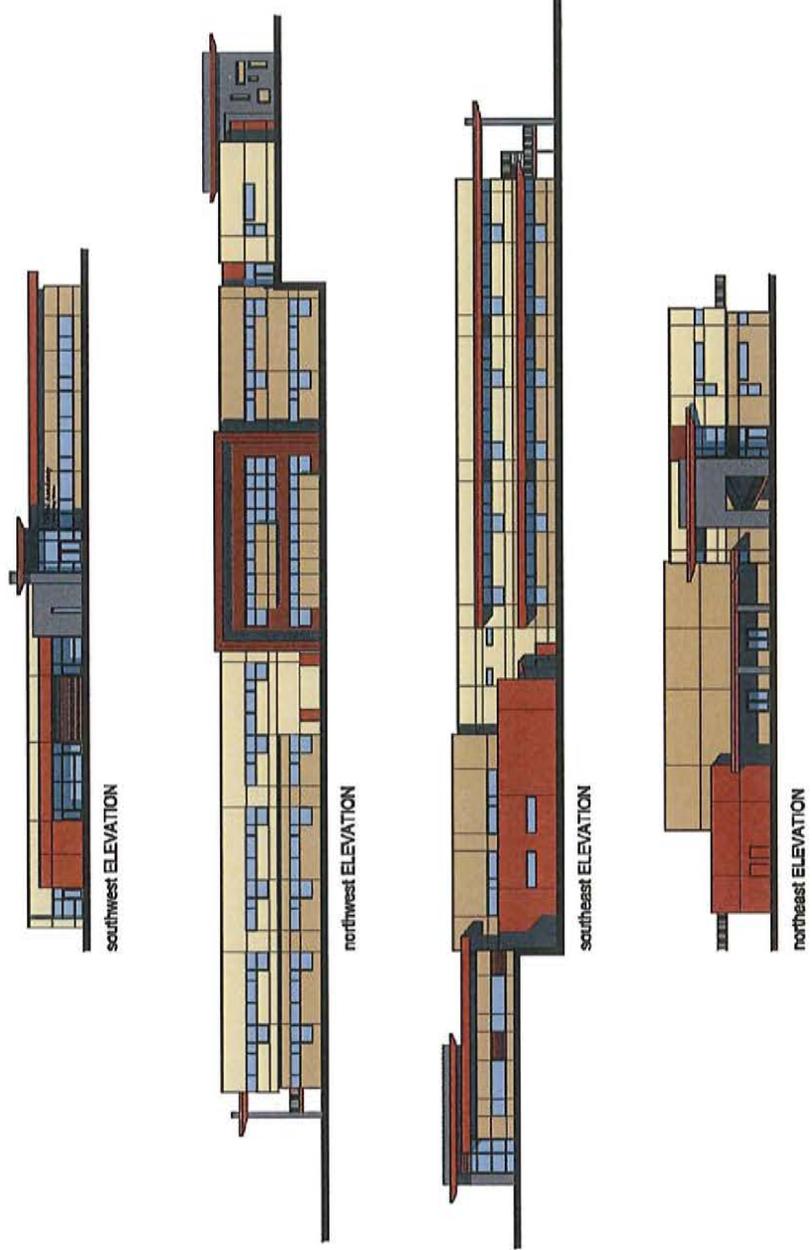
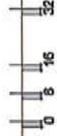
9945 N. Casselton  
Las Vegas, NV 89123  
P 702.456.1070  
F 702.456.7020



**EXTERIOR ELEVATIONS**  
Doral Academy K-12  
Summerlin Village 24

SHT A2.1

08-19-15



southwest ELEVATION

northwest ELEVATION

southeast ELEVATION

northeast ELEVATION

**EXTERIOR ELEVATIONS**  
SCALE : 1/16"=1'-0"

Doral Academy



### Doral's Summerlin K-12 Campus Enrollment Projections

Grade	2016-2017 Targeted Student Enrollment	2017-18 Targeted Student Counts	2018-19 Targeted Student Counts	2019-20 Targeted Student Counts	2020-21 Targeted Student Counts	Student Capacity of Doral Summerlin Building
K	125	125	125	125	125	125
1	125	125	125	125	125	125
2	125	125	125	125	125	125
3	125	125	125	125	125	125
4	125	125	125	125	125	125
5	125	125	125	125	125	125
6	150	150	150	150	150	150
7	60	150	150	150	150	150
8	60	60	150	150	150	150
9	90	180	240	270	300	300
10		90	180	240	270	300
11			90	180	240	300
12				90	180	300
<b>Total</b>	<b>1110</b>	<b>1380</b>	<b>1710</b>	<b>1980</b>	<b>2190</b>	<b>2400</b>

Doral Academy of Nevada  
**Profit & Loss**  
 July 2013 through June 2014

Jul '13 - Jun 14

Ordinary Income/Expense	
Income	
3115B · SPED Part B Funding	46,717.15
1310 · Kinder Tuition	150,766.81
1340 · Pre K Rent	10,002.00
200.SGF · 200.SGF · SGF Funds	41,961.28
3110 · DSA Revenue	4,639,864.00
3115 · Special Ed Funding	31,206.00
Total Income	4,920,517.24
Gross Profit	4,920,517.24
Expense	
1000 · Instruction	
111.100 · Licensed Teachers Salaries	1,248,218.06
113.100 · Licensed Substitute Teachers	41,228.64
123.100 · Long Term Subs	28,736.66
221.100 · FICA - Licensed Teachers	26,971.51
231.100 · PERS Instruction Personnel	222,579.36
241.100 · MC Teachers	17,228.28
251.100 · Tuition Reimb. for Teachers	1,800.00
261.100 · Other (FUTA) - Teachers	6,095.85
261.101 · SUI Teachers	40,782.36
271.100 · WC Teachers	6,765.03
281.100 · Health Teachers	114,728.34
331.100 · Training & Dev. - Teachers	850.01
443.100 · Copier Lease	28,457.07
593.100 · Incentives	51,525.00
610.100 · General Supplies	
610.101 · Classroom Supplies/Consumabl...	20,137.52
610.102 · Teacher Reimbursements	6,830.89
610.103 · Copier & Printing Supplies	8,889.72
610.104 · Assessment & Testing Materials	380.00
610.100 · General Supplies - Other	54.97
Total 610.100 · General Supplies	36,293.10
612.100 · Furniture - Fixtures	40,962.43
641.100 · Curriculum - Textbooks	17,004.45
651.100 · Tech. Software (Educational)	438.77
652.100 · Supplies/Equip. (IT Hardware)	3,431.76
652.101 · Classroom Computers & Equipment	1,215.12
653.100 · Web Based (Website)	8,668.13
891.100 · Contingency Funds- Special Proj.	17,500.00
Total 1000 · Instruction	1,961,479.93
200-SP · 200-SP · SPED	
111.SP · SPED - Licenced Teacher	81,009.66
221.SP · SPED - FICA Teacher	2,619.50
231.SP · SPED - PERS	4,814.46
241.SP · SPED - MC Teachers	1,141.20
261.SP2 · SPED - FUTA	477.94
261.SP · SPED - SUI Teachers	2,900.00
271.SP · SPED - WC Teachers	435.00
281.SP · SPED - Health Teachers	4,695.70
291.SP · SPED - Other Teachers	394.92
320.SP · SPED - Contracted Services	109,193.17
610.SP1 · SPED -General Supplies-Teachers	455.07
610.SP2 · SPED -Special Ed Supp-Students	1,079.59

Doral Academy of Nevada  
**Profit & Loss**  
 July 2013 through June 2014

	Jul '13 - Jun 14
200-SP · 200-SP · SPED - Other	4,327.84
<b>Total 200-SP · 200-SP · SPED</b>	<b>213,544.05</b>
2130 · 2130 · Health Services	
610.213 · Nursing Supplies	2,360.20
<b>Total 2130 · 2130 · Health Services</b>	<b>2,360.20</b>
2200 · Support Services - Instruction	
115.220 · Non-Licensed Support Staff	86,760.97
225.220 · FICA - Ins. Support Staff	5,436.24
245.220 · MC - Inst. Support Staff	1,270.34
265.22 · SUI - Inst. Support Staff	3,082.25
265.22B · FUTA - Inst. Support Staff	2,073.47
275.220 · WC - Inst. Support Staff	857.32
<b>Total 2200 · Support Services - Instruction</b>	<b>99,480.59</b>
2290 · Other Support Service- Inst.	
581.229 · Staff Travel- Teachers	4,859.45
<b>Total 2290 · Other Support Service- Inst.</b>	<b>4,859.45</b>
2300 · Support - General Admin	
115.230 · Gen Admin Salaries	118,257.61
225.230 · FICA - Gen Admin	4,514.54
235.230 · PERS - Gen Admin	12,273.52
245.230 · MC - Gen Admin	1,730.41
265.230 · SUI - Gen Admin	3,623.01
265.23b · FUTA - Gen Admin	1,462.79
275.230 · WC - Gen Admin	660.31
285.230 · Health - Gen Admin	3,467.08
340.230 · Other Professional Services	
340.23b · Professional Fees	752.00
340.23c · Background/Drug Tests	1,713.00
340.23d · Payroll Service Fee's	8,350.00
340.23e · Payroll Services - support	19,709.97
<b>Total 340.230 · Other Professional Services</b>	<b>30,524.97</b>
345.230 · Marketing Services	827.71
610.230 · General Office Supplies	15,082.99
733.230 · Office Furniture & Equipment	1,756.00
<b>Total 2300 · Support - General Admin</b>	<b>194,180.94</b>
2318 · Legal Services	
340.231 · Legal	6,000.00
<b>Total 2318 · Legal Services</b>	<b>6,000.00</b>
2400 · School Administration	
114.240 · Admin - Licensed	175,066.28
225.240 · FICA - Licensed Admin	306.84
234.240 · PERS - Admin Licensed	43,805.10
244.240 · MC - Admin Licensed	2,603.66
264.24a · SUI - Admin Licensed	3,398.61
264.24b · FUTA- Lic Administration	394.84
274.240 · WC - Admin Licensed	740.76
284.240 · Health - Admin Licensed	3,229.60
<b>Total 2400 · School Administration</b>	<b>229,545.69</b>
2500 · Central Services	
310.250 · Management Fee	320,220.00

Doral Academy of Nevada  
**Profit & Loss**  
 July 2013 through June 2014

	Jul '13 - Jun 14
320.250 · Affiliation Fee	47,579.76
<b>Total 2500 · Central Services</b>	<b>367,799.76</b>
2610 · Operation of Building	
421.261 · Trash	6,250.94
352.261 · IT - Technical Services	48,817.92
410.261 · Utility Services	
411.26a · Water	9,792.64
411.26b · Sewer	14,935.58
<b>Total 410.261 · Utility Services</b>	<b>24,728.22</b>
422.261 · Janitorial Service (Contracted)	63,590.04
440.261 · Rentals	
441.26a · Lease	513,750.00
<b>Total 440.261 · Rentals</b>	<b>513,750.00</b>
520.261 · Insurance	
521.261 · Property Insurance	32,058.18
522.261 · Liability Insurance	6,191.29
523.26a · D & O Insurance	1,429.21
523.26b · Other Insurance	14,789.98
<b>Total 520.261 · Insurance</b>	<b>54,468.66</b>
531.230 · Postage/Shipping	1,199.98
533.230 · Telephone/Internet	6,177.13
590.261 · Other Support Services	
590.20a · DSA Sponsor Fee	46,711.00
<b>Total 590.261 · Other Support Services</b>	<b>46,711.00</b>
622.261 · Electricity	48,450.25
<b>Total 2610 · Operation of Building</b>	<b>814,144.14</b>
2620 · Maintenance of Building	
117.262 · Custodial Wages	38,560.37
227.262 · Custodial- FICA	2,395.86
247.262 · Custodial-MC	560.77
267.262 · Custodial-SUI	1,293.87
267-262 · Custodial- FUTA & MBT	876.79
277.262 · Custodial- WC	775.47
430.262 · Misc Maint & Facilities Costs	
431.26a · A/C Maintenance Expense	8,099.65
431.26b · Facility Maint	45,940.60
430.262 · Misc Maint & Facilities Costs - O...	1,405.00
<b>Total 430.262 · Misc Maint &amp; Facilities Costs</b>	<b>55,445.25</b>
610.262 · Gen Maint & Janitorial Supplies	1,269.90
<b>Total 2620 · Maintenance of Building</b>	<b>101,178.28</b>
2660 · Security	
490.266 · Alarm Security System	785.00
490.267 · Security & Fire Services	1,349.31
<b>Total 2660 · Security</b>	<b>2,134.31</b>
3100 · Food Service Operations	
570.31 · Food Services	828.38
<b>Total 3100 · Food Service Operations</b>	<b>828.38</b>
5000 · Debt Service	

Doral Academy of Nevada  
**Profit & Loss**  
July 2013 through June 2014

	Jul '13 - Jun 14
832.50c · Interest Expense	1,013.99
892.50c · Reimbursable Taxes	268.93
890.501 · Doral Cactus Expenses	4,700.00
810.500 · Dues & Fees	4,444.00
832.50a · Debt Services - AcademicaNV	35,377.00
832.50b · Debt Serv -Loan	115,699.66
892.50a · Bank Charges	262.40
892.50b · E-Funds Fee's	789.98
Total 5000 · Debt Service	162,555.96
68400 · Travel Expense	0.00
Total Expense	4,160,091.68
Net Ordinary Income	760,425.56
Other Income/Expense	
Other Expense	
Pre-K Expenses	8,540.16
Total Other Expense	8,540.16
Net Other Income	-8,540.16
Net Income	<u>751,885.40</u>

Doral Academy of Nevada  
**Balance Sheet**  
 As of June 30, 2014

	<u>Jun 30, 14</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101 · Cash in Bank	
101.a · 101.a · NSB-Operating Acc...	468,234.46
101.d · Saddle SGF	41,961.28
Total 101 · Cash in Bank	<u>510,195.74</u>
Total Checking/Savings	510,195.74
Accounts Receivable	
11000 · *Accounts Receivable	-1,760.00
Total Accounts Receivable	<u>-1,760.00</u>
Other Current Assets	
153.8 · Due from SESS	6,168.99
Prepaid Debt Card	
Bridget Phillips	885.64
Danielle Fahey	1,980.00
Total Prepaid Debt Card	<u>2,865.64</u>
191 · Security Deposits	8,545.00
12000 · Undeposited Funds	1,725.00
153.2 · 153.2 · DSA Receivable	473,089.00
181 · Prepaid Expenses	16,776.18
Total Other Current Assets	<u>509,169.81</u>
Total Current Assets	<u>1,017,605.55</u>
<b>TOTAL ASSETS</b>	<b><u>1,017,605.55</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
421.10 · Accounts Payable	65,729.49
Total Accounts Payable	<u>65,729.49</u>
Other Current Liabilities	
461.3 · Payroll Liab. School Emplo...	79,343.59
499.3 · Due to Academica - Loan	23,974.67
461.2 · Accrued Payroll Liability	96,672.40
Total Other Current Liabilities	<u>199,990.66</u>
Total Current Liabilities	<u>265,720.15</u>
Total Liabilities	265,720.15
Equity	
Net Income	751,885.40
Total Equity	<u>751,885.40</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,017,605.55</u></b>

Doral Academy of Nevada  
**Profit & Loss**  
 July 2014 through May 2015

Jul '14 - May 15

Ordinary Income/Expense

Income

2000 · Revenue - Intermediate Sources	880.00
2200(R), Restricted Grants' Maint	
<b>Total 2000 · Revenue - Intermediate Sources</b>	<b>880.00</b>
3115B · SPED Part B Funding	67,992.96
1310 · Kinder Tuition	313,202.03
1340 · Pre K Rent	28,339.00
200.SGF · 200.SGF · SGF Funds	60,877.93
3110 · DSA Revenue	9,390,128.99
3115 · Special Ed Funding	41,014.05
<b>Total Income</b>	<b>9,902,434.96</b>

Gross Profit

9,902,434.96

Expense

432.1 · Technology Repair & Maint	696.90
1000 · Instruction	
111.100 · Licensed Teachers Salaries	2,916,069.09
113.100 · Licensed Substitute Teachers	49,260.12
123.100 · Long Term Subs	34,295.84
221.100 · FICA - Licensed Teachers	15,556.77
231.100 · PERS Instruction Personnel	578,496.02
241.100 · MC Teachers	43,478.65
251.100 · Tuition Reimb. for Teachers	4,050.00
261.100 · Other (FUTA) - Teachers	13,161.85
261.101 · SUI Teachers	119,133.10
271.100 · WC Teachers	25,157.57
281.100 · Health Teachers	290,099.94
331.100 · Training & Dev. - Teachers	5,665.19
443.100 · Copier Lease	68,442.25
593.100 · Incentives	15,606.02
610.100 · General Supplies	
610.101 · Classroom Supplies/Consumabl...	32,763.43
610.102 · Teacher Reimbursements	9,032.01
610.103 · Copier & Printing Supplies	14,674.97
610.104 · Assessment & Testing Materials	3,318.77
<b>Total 610.100 · General Supplies</b>	<b>59,789.18</b>
612.100 · Furniture - Fixtures	3,170.41
641.100 · Curriculum - Textbooks	27,466.13
651.100 · Tech. Software (Educational)	32,940.21
652.100 · Supplies/Equip. (IT Hardware)	4,849.59
652.101 · Classroom Computers & Equipment	90,847.18
653.100 · Web Based (Website)	11,847.73
<b>Total 1000 · Instruction</b>	<b>4,409,382.84</b>
200-SP · 200-SP · SPED	
111.SP · SPED - Licenced Teacher	87,135.42
221.SP · SPED - FICA Teacher	232.50
231.SP · SPED - PERS	17,152.31
241.SP · SPED - MC Teachers	1,221.26
261.SP2 · SPED - FUTA	117.48
261.SP · SPED - SUI Teachers	3,238.08
271.SP · SPED - WC Teachers	652.65
281.SP · SPED - Health Teachers	8,822.60
291.SP · SPED - Other Teachers	606.59

Doral Academy of Nevada  
**Profit & Loss**  
 July 2014 through May 2015

	Jul '14 - May 15
320.SP · SPED - Contracted Services	230,211.81
610.SP1 · SPED -General Supplies-Teachers	1,533.59
610.SP2 · SPED -Special Ed Supp-Students	7,566.91
200-SP · 200-SP · SPED - Other	3,416.96
<b>Total 200-SP · 200-SP · SPED</b>	<b>361,908.16</b>
2130 · 2130 · Health Services	
610.213 · Nursing Supplies	2,106.07
<b>Total 2130 · 2130 · Health Services</b>	<b>2,106.07</b>
2200 · Support Services - Instruction	
115.220 · Non-Licensed Support Staff	161,000.18
225.220 · FICA - Ins. Support Staff	5,523.40
231.220 · PERS- Support Staff	10,657.32
245.220 · MC - Inst. Support Staff	2,959.94
265.22 · SUI - Inst. Support Staff	6,566.95
265.22B · FUTA - Inst. Support Staff	2,531.68
275.220 · WC - Inst. Support Staff	1,537.61
285.220 · Health - Support Staff	406.86
2200 · Support Services - Instruction - Other	329.28
<b>Total 2200 · Support Services - Instruction</b>	<b>191,513.22</b>
2290 · Other Support Service- Inst.	
581.229 · Staff Travel- Teachers	3,938.58
<b>Total 2290 · Other Support Service- Inst.</b>	<b>3,938.58</b>
2300 · Support - General Admin	
115.230 · Gen Admin Salaries	270,789.23
225.230 · FICA - Gen Admin	2,751.80
235.230 · PERS - Gen Admin	56,066.06
245.230 · MC - Gen Admin	3,826.20
265.230 · SUI - Gen Admin	14,163.70
265.23b · FUTA - Gen Admin	1,508.17
275.230 · WC - Gen Admin	2,278.66
285.230 · Health - Gen Admin	22,682.88
340.230 · Other Professional Services	
340.23a · Audit	12,500.00
340.23b · Professional Fees	780.30
340.23c · Background/Drug Tests	3,581.00
340.23d · Payroll Service Fee's	24,624.36
340.23e · Payroll Services - support	23,194.00
340.230 · Other Professional Services - Ot...	20.00
<b>Total 340.230 · Other Professional Services</b>	<b>64,699.66</b>
345.230 · Marketing Services	10,481.05
610.230 · General Office Supplies	18,328.13
2300 · Support - General Admin - Other	13,717.38
<b>Total 2300 · Support - General Admin</b>	<b>481,292.92</b>
2318 · Legal Services	
340.231 · Legal	9,333.33
<b>Total 2318 · Legal Services</b>	<b>9,333.33</b>
2400 · School Administration	
114.240 · Admin - Licensed	379,286.95
225.240 · FICA - Licensed Admin	5,201.43
234.240 · PERS - Admin Licensed	86,064.61
244.240 · MC - Admin Licensed	3,079.19

Doral Academy of Nevada  
**Profit & Loss**  
 July 2014 through May 2015

	Jul '14 - May 15
264.24a · SUI - Admin Licensed	10,863.75
264.24b · FUTA- Lic Administration	1,051.11
274.240 · WC - Admin Licensed	3,086.19
284.240 · Health - Admin Licensed	5,007.30
<b>Total 2400 · School Administration</b>	<b>493,640.53</b>
<b>2500 · Central Services</b>	
310.250 · Management Fee	649,522.50
320.250 · Affiliation Fee	52,823.18
<b>Total 2500 · Central Services</b>	<b>702,345.68</b>
<b>2610 · Operation of Building</b>	
421.261 · Trash	18,285.07
352.261 · IT - Technical Services	70,064.30
410.261 · Utility Services	
411.26a · Water	29,246.03
411.26b · Sewer	32,511.66
<b>Total 410.261 · Utility Services</b>	<b>61,757.69</b>
422.261 · Janitorial Service (Contracted)	116,044.08
440.261 · Rentals	
441.26a · Lease	1,091,625.00
<b>Total 440.261 · Rentals</b>	<b>1,091,625.00</b>
520.261 · Insurance	
521.261 · Property Insurance	52,431.07
522.261 · Liability Insurance	5,387.11
523.26a · D & O Insurance	-1,741.36
523.26b · Other Insurance	6,542.49
<b>Total 520.261 · Insurance</b>	<b>62,619.31</b>
531.230 · Postage/Shipping	1,130.77
533.230 · Telephone/Internet	13,264.96
590.261 · Other Support Services	
590.20a · DSA Sponsor Fee	141,467.04
<b>Total 590.261 · Other Support Services</b>	<b>141,467.04</b>
622.261 · Electricity	105,943.60
2610 · Operation of Building - Other	312.00
<b>Total 2610 · Operation of Building</b>	<b>1,682,513.82</b>
<b>2620 · Maintenance of Building</b>	
117.262 · Custodial Wages	61,454.02
227.262 · Custodial- FICA	2,161.55
231.262 · PERS- Custodial	4,776.22
247.262 · Custodial-MC	933.56
267.262 · Custodial-SUI	2,599.91
267-262 · Custodial- FUTA & MBT	817.01
285.262 · Health - Custodial	1,065.96
277.262 · Custodial- WC	2,367.08
430.262 · Misc Maint & Facilities Costs	
431.26a · A/C Maintenance Expense	11,986.68
431.26b · Facility Maint	32,018.87
431.26c · Summer Maintenance	5,293.71
431.26d · Maint. Reserves	19,180.00
431.26f · Lawn Care	20,500.00
430.262 · Misc Maint & Facilities Costs - O...	245.91

Doral Academy of Nevada  
**Profit & Loss**  
 July 2014 through May 2015

	<u>Jul '14 - May 15</u>
Total 430.262 · Misc Maint & Facilities Costs	89,225.17
610.262 · Gen Maint & Janitorial Supplies	<u>24,089.39</u>
Total 2620 · Maintenance of Building	189,489.87
2660 · Security	
490.266 · Alarm Security System	1,753.88
490.267 · Security & Fire Services	<u>5,989.68</u>
Total 2660 · Security	7,743.56
3100 · Food Service Operations	
570.31 · Food Services	<u>4,757.52</u>
Total 3100 · Food Service Operations	4,757.52
5000 · Debt Service	
832.50c · Interest Expense	774.24
892.50c · Reimbursable Taxes	113.56
810.500 · Dues & Fees	10,663.16
832.50b · Debt Serv -Loan	240,237.81
892.50a · Bank Charges	1,331.81
892.50b · E-Funds Fee's	<u>16.50</u>
Total 5000 · Debt Service	253,137.08
Total Expense	<u>8,793,800.08</u>
Net Ordinary Income	1,108,634.88
Other Income/Expense	
Other Expense	
Pre-K Expenses	<u>9,413.49</u>
Total Other Expense	9,413.49
Net Other Income	<u>-9,413.49</u>
Net Income	<u><u>1,099,221.39</u></u>

Doral Academy of Nevada  
**Balance Sheet**  
 As of May 31, 2015

	May 31, 15
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101 · Cash in Bank	
101.a · 101.a · NSB-Operating Acc...	1,488,296.51
101.d · Saddle SGF	75,732.65
101f · Cactus SGF	27,106.56
Total 101 · Cash in Bank	1,591,135.72
Total Checking/Savings	1,591,135.72
Accounts Receivable	
11000 · *Accounts Receivable	3,025.00
Total Accounts Receivable	3,025.00
Other Current Assets	
Due to Doral	180.00
Due from Pincrest	1,613.00
Due from Academica	490.00
4700 · Building Improvements	39,550.00
153.9 · Due from Intellatek	4,707.00
Prepaid Debt Card	
Bridget Phillips	885.64
Danielle Fahey	1,980.00
Total Prepaid Debt Card	2,865.64
153.7 · Due From SPED Part B Funding	-7,273.92
153.5 · Due from Aftercare	22,357.04
191 · Security Deposits	11,545.00
12000 · Undeposited Funds	2,915.00
153.2 · 153.2 · DSA Receivable	820,720.44
153.4 · 153.4 · Due from Academica	1,501.26
Total Other Current Assets	901,170.46
Total Current Assets	2,495,331.18
<b>TOTAL ASSETS</b>	<b>2,495,331.18</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
421.10 · Accounts Payable	112,269.70
Total Accounts Payable	112,269.70
Credit Cards	
451.3 · Staff Reimbursable Charges	220.80
Total Credit Cards	220.80
Other Current Liabilities	
461.3 · Payroll Liab. School Emplo...	216,690.50
499.3 · Due to Academica - Loan	9,177.73
461.2 · Accrued Payroll Liability	297,084.28
499.1 · Clearing Account	8,781.38
Total Other Current Liabilities	531,733.89
Total Current Liabilities	644,224.39

Doral Academy of Nevada  
**Balance Sheet**  
As of May 31, 2015

	<u>May 31, 15</u>
Total Liabilities	644,224.39
Equity	
32000 · Unrestricted Net Assets	751,885.40
Net Income	1,099,221.39
Total Equity	<u>1,851,106.79</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>2,495,331.18</u></b>

## STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Consideration of Willie H. Brooks Soar Academy request for an extension of Subsection 7 per NAC 386.240(1)**

<u>  /  /  </u>	Public Workshop
<u>  /  /  </u>	Public Hearing
<u>  /  /  </u>	Consent Agenda
<u>  /  /  </u>	Regulation Adoption
<u>  /  /  </u>	Approval
<u>  /  /  </u>	Appointments
<u>  /  x/  </u>	Information
<u>  /  x  /  </u>	Action

MEETING DATE: July 13, 2015

AGENDA ITEM: 18

NUMBER OF ENCLOSURE(S): 1

**PRESENTER(S): Tami Bass, Willie H. Brooks Soar Academy**

**FISCAL IMPACT:**

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**BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):**

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**LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 20 mins**

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**SUBMITTED BY:** \_\_\_\_\_

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**

**PATRICK GAVIN**  
*Director*



**STATE PUBLIC CHARTER SCHOOL AUTHORITY**

**1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687 - 9174 · Fax: (775) 687 - 9113**

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**BRIEFING MEMORANDUM**

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**TO:** SPCSA Board  
**FROM:** Patrick Gavin  
**SUBJECT:** Staff Recommendation re: Consideration of Willie H. Brooks Soar Academy request for an extension of Subsection 7 per NAC 386.240(1)  
**DATE:** July 10, 2015

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Summary of Request

Willie H. Brooks Soar Academy has requested Board consideration an extension of its Subsection 7 charter per NAC 386.240(1).

Background

Based on a review of the Authority's records, Willie H. Brooks Soar was approved by the State Board of Education and issued a subsection 7 charter in 2011. That charter was scheduled to expire on June 30, 2013 and was extended by the SPCSA for an additional year at the request of the school. Subsequent to the granting of the extension the SPCSA Board adopted a policy requiring that any holder of a subsection charter or charter contract submit a new charter application in the event that the school did not commence operations within two years of charter approval. The subsection 7 charter expired June 30, 2014 and, pursuant to the aforementioned policy, was not renewed by the SPCSA Board.

Recommendation: Deny and Encourage Board to Apply in Winter 2016 Cycle

At the Friday, June 12, 2015 SPCSA Board meeting, the Board requested that the governing board of Willie H. Brooks Soar Academy submit into Epicenter evidence that it had met the preopening requirements and statutory and regulatory mandates required of charter school boards, including but not limited to evidence of quarterly board meetings and compliance with Open Meeting Law. Staff furnished the school with access to Epicenter on Monday, June 15, 2015 and have engaged in extensive email correspondence with the school since that time both to provide technical assistance and to address other questions. A summary of the communications between the SPCSA's Epicenter administrator, Katie Higday, and school representatives is attached as supporting documentation. As of 6 pm on Thursday, July 9, 2015, no materials had been submitted into Epicenter.

Staff deeply appreciate the passion and commitment of the board and strongly recommend that the board evaluate their previous application and founding team, research more recent developments in high quality charter school models serving a similar student population, and submit a new application in the Winter 2016 application cycle.