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by and through its duly appointed Receiver, Joshua M. Kern*

JUSTICE COURT, TOWNSHIP OF LAS VEGAS

CLARK COUNTY, NEVADA

TOWER DISTRIBUTION CENTER, LLC

Landlord,

v.

QUEST ACADEMY PREPARATORY
EDUCATION
OR TENANT(S) IN POSSESSION
4660 N. Rancho Drive
Las Vegas, Nevada 89130

QUEST ACADEMY PREPARATORY
EDUCATION
OR TENANT(S) IN POSSESSION
4648 N. Rancho Drive
Las Vegas, Nevada 89130

QUEST ACADEMY PREPARATORY
EDUCATION
OR TENANT(S) IN POSSESSION
4626 N. Rancho Drive
Las Vegas, Nevada 89130

Tenant.

16E017039

Case No.: Department #: LVJC 3

Dept. No.: Case Reassigned to Dept.# 6

**TENANT'S ANSWER IN OPPOSITION
TO SUMMARY EVICTION**

TENANT’S ANSWER IN OPPOSITION TO SUMMARY EVICTION¹

Plaintiff QUEST ACADEMY PREPARATORY EDUCATION (“Quest”), a Nevada State funded charter school, by and through its duly appointed Receiver, Joshua M. Kern, and undersigned counsel of the law firm Holley Driggs Walch Fine Wray Puzey & Thompson, contests this matter pursuant to NRS 40.253 and hereby submits Tenant’s Answer in Opposition to Summary Eviction (the “Answer”). This Answer is supported by the declaration of Joshua M. Kern, as receiver of Quest, attached hereto as **Exhibit “E”** (the “Receiver’s Declaration”) and the exhibits attached thereto. This Answer is further supported by the Memorandum of Points and Authorities, the papers and pleadings on file herein, and any oral argument entertained by this Court.

This matter involves self-dealing at the expense of students and tax payer dollars as well as misrepresentation by Lavar A. Winsor (“Winsor”), who at all relevant times owed fiduciary duties to Quest. In his simultaneous positions as Director and Vice President of Quest’s Foundation (defined below), and the agent of Quest’s landlord, Tower Distribution Center, LLC (“Tower”), Winsor unquestionably had a significant conflict of interest. Instead of honoring his fiduciary duties to Quest, Winsor negotiated a lease between Quest and Tower (and a subsequent addendum when Winsor was individually the landlord), that took advantage of Quest by charging improper premiums totaling hundreds of thousands of dollars. Moreover, Winsor misrepresented to Quest both before and after the lease was executed by Quest, the landlord’s intention to build out additional space to accommodate campus expansion, in order to lure Quest into the lease transaction. Now in an effort to constructively evict Quest from the Premises, the landlord is refusing to build additional space and simultaneously attempting remove portable classrooms that accommodate some 300 elementary school children.

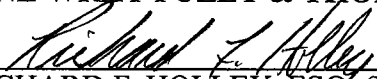
This dispute will be the subject of a separate proceeding before the District Court, which involves a series of factual and legal disputes involving breach of fiduciary duty and

¹ At this point it is difficult to determine who the actual landlord is. Three different 5-Day Notices have been served on Quest identifying two different landlords and three different real properties. For this reason the landlord is identified at times alternatively as landlord, Winsor and/or Tower.

misrepresentation that must be resolved before any eviction may be considered. Moreover, Quest has repeatedly offered to escrow all of the allegedly due rent pending resolution of the disputes, such that the landlord will be adequately protected if summary eviction is denied, but the landlord has rejected this proposal. Instead, on the eve of the school year, the landlord is wrongfully attempting to evict hundreds of school children, teachers and staff. For these reasons, and as more fully explained below, summary eviction must be denied.

Dated this 2nd day of August, 2016.

**HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON**


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 Preparatory Education, by and through its duly
 appointed Receiver, Joshua M. Kern*

MEMORANDUM OF POINTS AND AUTHORITIES

PRELIMINARY MATTER

As a preliminary matter, Quest has been served with three (3) different Five-Day Notices to Pay Rent or Quit, each of which is defective on its face. On July 15, 2015, Quest was served with the first 5-Day Notice, which apparently identified the wrong landlord, Lavar Winsor, and the wrong address, 7495 W. Azure, Drive, Suite 140. See July 15, 2016 5-Day Notice, attached hereto as **Exhibit "A"**. On July 22, 2016, Quest was served with the second 5-Day Notice, which apparently still identified the wrong landlord, Lavar Winsor, and a different wrong address, 4701 N. Torrey Pines. See July 22, 2016 5-Day Notice, attached hereto as **Exhibit "B"**. On July 26, 2016, Quest was served with the third 5-Day Notice, which identified the landlord as Tower. See July 26, 2016 5-Day Notice, attached hereto as **Exhibit "C"**.

This Answer is in response to the third 5-Day Notice dated July 26, 2016, which is also defective. Here, Tower is in default with the Nevada Secretary of State. See Nevada Secretary of State Report for Tower, attached hereto as **Exhibit "D"**. Moreover, Tower's license to conduct

business in the state of Nevada expired on November 30, 2015. Id. Without the ability to legally conduct business in the state of Nevada, the third 5-Day Notice is defective and summary eviction should be denied.

I.

INTRODUCTION AND BACKGROUND

This matter involves self-dealing at the expense of students and tax payer dollars as well as misrepresentation by Winsor, who at all relevant times owed fiduciary duties to Quest. As set forth in more detail in the Receiver’s Declaration (Ex. E), such wrongful conduct has damaged Quest and is grounds for reforming the Torrey Pines Lease. Summary eviction is simply not available under these circumstances.

Regarding self-dealing, Winsor owed fiduciary duties to Quest as a member and officer of the Charter for Excellence Foundation (“Foundation”), which was formed for the benefit of Quest. Winsor abused Quest’s trust in him and negotiated a lease between Quest and his principal, Tower, which called for rental rates that significantly exceeded the industry standard for charter schools. In addition, Winsor, while he was the landlord (through an assignment), negotiated a 1st Addendum to the Torrey Pines Lease to place portable classrooms on site and charged Quest multiples of the actual cost to the landlord. The outrageousness of this situation is reflected in the fact that the amount charged by the landlord to Quest exceeds the cost of the actual portable lease for a twelve (12) month period by approximately \$263,431.68. These exploitive agreements contributed to the dire financial condition of Quest and the appointment of a Receiver.² In other words, Winsor abused his position of trust with Quest to divert tax payer money and line his own pockets, to the detriment of the children of Nevada for whom the money was intended.

Regarding misrepresentations, Winsor took advantage of a desperate situation for Quest wherein the existing lease for the elementary school was expiring by its own terms. Winsor promised to immediately expand the Torrey Pines Campus in order to accommodate the actual

² Quest is the first charter school over which the State Public Charter School Authority (“SPCSA”) has ever appointed a receiver.

1 student population. Instead of completing the build-out as promised, Winsor negotiated the
2 exploitive 1st Addendum, failed to construct additional space and now absolutely refuses to
3 construct the additional space. Although the portable classrooms are only necessary because the
4 landlord breached its promises to expand permanent classroom facilities, the landlord is now, on
5 the eve of the school year, threatening to remove the portable classrooms, which is additional
6 evidence of the landlord's bad faith conduct. Removing the portable classrooms at this late date
7 would be a constructive eviction of Quest and approximately 300 students who are counting on
8 those portable classrooms for the upcoming school year.

9 To make matters even worse, if that were possible, on June 23, 2016, the landlord,
10 through its representative, assured the Receiver that Quest would be allowed to remain at the
11 Torrey Pines Campus for at least the 2016-17 school year. The landlord even encouraged and
12 directed the Receiver to report this news to the SPCSA at the public meeting on June 24, 2016.
13 On the morning of July 7, 2016, the landlord abruptly and unexpectedly changed course and
14 demanded that Quest immediately vacate the Torrey Pines Campus. The Receiver immediately
15 expressed his shock and disbelief. The Receiver proposed putting all arrears claimed to be owing
16 by the landlord, as well as future rent, into escrow pending resolution of pending disputes and to
17 pay the actual cost of the portable units directly to the lessor. The landlord rejected this proposal
18 and continued to demand that Quest immediately vacate the Torrey Pines Campus.

19 Notwithstanding the landlord's wrongful conduct and blatant violation of fiduciary duties
20 by Winsor, the landlord now seeks to improperly evict Quest, along with hundreds of innocent
21 students, teachers and staff. This late demand and effort to evict Quest has literally left Quest
22 with nowhere to relocate and threatens to close down the entire Quest charter school, not just the
23 Torrey Pines Campus. This will result in displacing nearly 920 students and putting nearly 100
24 faculty and staff out of a job.

25 This dispute will be the subject of a separate proceeding before the District Court. Quest
26 has been damaged by the landlord's reprehensible conduct and will seek to recover those
27 damages and request that the landlord be prevented from enforcing the subject lease. No
28 summary eviction order can be entered until all of these factual and legal issues have been

1 resolved. *Anvui, LLC v. G.L. Dragon, LLC*, 123 Nev. 212, 215, 163 P.3d 405, 407 (2007) (“As a
2 matter of first impression, we conclude that an order granting summary eviction under NRS
3 40.253(6) should be reviewed on appeal based upon the standard for review of an order granting
4 summary judgment under NRCP 56 because these proceedings are analogous.”).

5 Quest has continuously and expressly offered to escrow the amounts claimed owed by the
6 landlord and to continue to deposit rent on a monthly basis into escrow until these legal and
7 factual issues can be resolved. Under this proposal, the landlord would be more than adequately
8 protected in the unlikely event he prevails in this dispute. Accordingly, there is simply no rush to
9 evict Quest, including its 715 students and 71 faculty and staff members. A decision of this
10 magnitude deserves more than a summary adjudication. For the reasons set forth below and in
11 the Receiver’s Declaration, summary eviction must be denied.

12 **Background Regarding Quest and Appointment of the Receiver**

13 Quest is a Nevada State funded charter school located in Las Vegas, Nevada. At all
14 relevant times, Quest operated its charter school at four (4) campuses in the Las Vegas
15 metropolitan area consisting of: (i) the Alexander Campus located at 7550 West Alexander, Las
16 Vegas, Nevada 89149 servicing kindergarten; (ii) the Bridger Campus located at 1300 East
17 Bridger, Las Vegas, Nevada 89101 servicing kindergarten through fifth grade; (iii) the Roberson
18 Campus located at 7485 Azure Drive, Las Vegas, Nevada 89130 servicing eighth through twelfth
19 grades;³ and (iv) the Torrey Pines Campus located at 4660, 4656 and 4624 North Rancho Drive,
20 Las Vegas, Nevada 89130 servicing kindergarten through seventh grades.⁴ The lease of the
21 Torrey Pines Campus is the subject of this litigation (the “Torrey Pines Lease”).⁵

22 Effective October 26, 2015, the Director of the Nevada State Public charter school
23 Authority (“SPCSA”) appointed Joshua M. Kern (the “Receiver”) as the receiver and manager of

24 _____
25 ³ The Roberson Campus was closed by the Receiver on or about June 14, 2016.

26 ⁴ The Torrey Pines Campus is by far the largest and most important Quest campus. If Quest is
27 evicted from the Torrey Pines Campus, the entire school will fail, and nearly 920 students will be
28 displaced and almost 100 staff and faculty will lose their jobs. Quest also services a considerable
number of special needs children at its campuses.

⁵ Although the Torrey Pines Lease references 4701 N. Torrey Pines, it appears that reference was
in error.

1 the assets and operations of Quest. See Receiver's Declaration, **Exs. "3" and "4"**. Upon
2 information and belief, Quest is the first Charter School over which the SPCSA has ever
3 appointed a receiver in the State of Nevada. The receivership is an unusual and drastic step for
4 the SPCSA, and a very significant event, and not an action taken lightly by the SPCSA. This
5 action was taken because of deep-seated concerns over the operations of Quest by its prior board
6 and officers. The Receiver's appointment was based in part on preliminary findings from an
7 independent forensic investigation conducted by Deloitte and commissioned by the SPCSA
8 regarding Quest operations, which revealed serious concerns involving mismanagement,
9 potential conflicts of interest, insider dealing, and breach of fiduciary duty issues in connection
10 with a number of areas.

11 **Winsor Serves on Quest's Foundation**

12 One common denominator in many of the exploitive transactions entered into by Quest
13 was the involvement of the Chartered for Excellence Foundation ("Foundation"). The
14 Foundation was a Nevada non-profit foundation purportedly formed for the benefit of Quest. On
15 or around May 17, 2014, Quest and the Foundation entered into an Independent Contractor
16 Agreement (the "Agreement"), pursuant to which the Foundation was to serve as the
17 Professional Service Provider for Quest. Pursuant to section 3.2(b) of the Agreement, the
18 Foundation agreed to perform services for Quest as an independent contractor, such as renting
19 office space, renting "other" space, including, but not limited to, classrooms and administrative
20 rooms as determined by Quest's administration. See Receiver's Declaration, **Ex. "7"**. One of the
21 primary functions of the Foundation was to assist Quest with either purchasing or leasing real
22 property for school campuses.

23 Winsor became a Director of the Foundation Board on or about November 2014 and was
24 a Foundation Board member and Vice-President during the time that the Torrey Pines Lease was
25 negotiated between Quest and the landlord in early 2015 and later when the 1st Addendum was
26 negotiated in mid-2015. See Receiver's Declaration, **Exs. "5" and "6"**. As a Board member and
27 officer of the Foundation, Winsor had a fiduciary duty to act in the best interest of Quest.
28 Clearly, this was not done. Instead, Winsor acted in the best interest of himself and his principal,

1 Tower, the initial landlord for the Torrey Pines Campus. Later, Tower assigned the Torrey Pines
2 Lease to Winsor, individually, at which point Winsor continued to act in his own self-interest
3 without regard to his fiduciary duty to Quest in negotiating the terms of the 1st Addendum.
4 Sometime later, it appears that Winsor assigned the Torrey Pines Lease back to Tower.

5 **The Torrey Pines Lease**

6 The Torrey Pines Lease may very well be the most exploitive agreement involving the
7 Foundation and Quest.⁶ See Receiver's Declaration, Ex. "9". Winsor negotiated the terms of the
8 Torrey Pines Lease with Quest. The Torrey Pines Lease provides for premium lease rates well in
9 excess of the charter school industry standard, at the expense of Quest and the children it serves.
10 In negotiating the Torrey Pines Lease, without regard to the best interests of Quest, Winsor
11 breached his fiduciary duty to Quest and Tower aided and abetted that breach of fiduciary duty.

12 Quest essentially settled for the Torrey Pines Campus, which is in a less than ideal
13 location for a charter school. The campus is in an industrial park located in an industrial section
14 of town and is surrounded by such businesses as the Santa Fe Casino, a farm supply and tack
15 store, Big Dog's Draft House (a bar) and a boarded up adult book store. If anything, the location
16 warrants a reduction in the rental rate, not a premium as first charged by Tower and then by
17 Winsor.

18 The base rent of the Torrey Pines Lease during year one of the Lease Term (9/1/2015 to
19 7/31/2016) was \$35,000.00 per month and \$36,050.00 per month during year two of the Lease
20 Term (8/1/2016 to 7/31/2017), which continues to increase at the rate of three percent (3%) per
21 year over the life of the Lease. The customary percentage of rent charged to charter schools is
22 between 10-15% of the overall revenue generated per campus. As a fiduciary of Quest, Winsor
23 had an obligation, at a minimum, to ensure that Quest was not charged rental rates in excess of
24 the industry standard. Instead, not only did he negotiate rates in excess of the industry standard,
25 but he amended the lease to improperly increase the rent by hundreds of thousands of dollars.

26 _____
27 ⁶ The Receiver discusses at length in his declaration the lease and sublease for Bridger Campus.
28 The Bridger Campus Lease was negotiated directly between the Foundation and the landlord.
The Foundation then negotiated a sublease with Quest with a monthly payment approximately
54% higher than the amount paid by the Foundation under the actual lease.

1 Charter schools are funded on a per-child basis in the amount of approximately \$3,903.00
2 per kindergarten child, per year and approximately \$6,505.00 for each non-kindergarten child.
3 The premises, as defined in the Torrey Pines Lease (the “Premises”), accommodates
4 approximately four hundred fifteen (415) students comprised of seventy-five (75) kindergarten
5 children and three hundred forty (340) non-kindergarten children. Based on these rates and the
6 mix between kindergarten and non-kindergarten students on the Premises at Torrey Pines, the
7 annual revenue generated from payments for students on the Premises is approximately
8 \$2,504,425.00.

9 Therefore, given Winsor’s fiduciary duty to Quest, the monthly rent for the Torrey Pines
10 Lease should have been approximately \$20,870.21 per month (10% of income) and in no event
11 should have exceeded \$31,305.31 per month (15% of income). Instead, and in violation of his
12 fiduciary duties to Quest, Winsor negotiated an annual premium for the Torrey Pines Lease of
13 anywhere from approximately \$45,000.00 to \$170,000.00 in excess of the industry standard.⁷
14 However, this fleecing of Quest, and more importantly the Nevada students for which the money
15 was intended to benefit, did not stop there. As explained below, Winsor then re-negotiated the
16 lease to line his pockets with even more tax-payer funds intended to benefit the children of
17 Nevada, while at the same time falsely promising to expand the Torrey Pines Campus to
18 permanently increase the student population.

19 **The 1st Addendum for the Portable Classrooms**

20 The Premises comprising the Torrey Pines Campus was smaller than the space desired by
21 the School. In other words, Quest never contemplated limiting the student body at the Torrey
22 Pines Campus to only 415 students. Winsor was aware of this and, consequently, Quest and
23 Winsor repeatedly discussed and even had plans prepared to expand the Premises to
24 accommodate additional students and a student body of approximately 815 students, if not more.
25 See Receiver’s Declaration, **Ex. “10”**. The initial phase of this expansion was supposed to be
26 completed by January 2016. In reliance on these representations, Quest entered into the Torrey

27 ⁷ The precise figures are \$44,336.25 (\$31,305.31 per month vs. \$35,000.00 per month) and
28 \$169,557.50 (\$20,870.21 per month vs. \$35,000.00 per month). Notably, these calculations do
not take into account the annual rent increases under the Torrey Pines Lease.

1 Pines Lease. To-date, work on the expansion has not started. On the contrary, the landlord has
2 now expressly stated that it will not expand the campus as previously promised. In a further
3 effort to constructively evict Quest from the Premises, the landlord is now attempting to
4 completely remove the portable classrooms altogether.

5 In the short term, to accommodate a larger student body, the Torrey Pines Lease provided
6 for the placement of temporary portable classrooms capable of increasing the student population
7 at Torrey Pines by approximately three hundred additional students and rented to Quest at a
8 contract rate of \$1.40 per square foot. Winsor was responsible for providing and installing the
9 portable classrooms. Instead of honoring his original agreement with Quest, Winsor negotiated
10 the 1st Addendum to the Torrey Pines Lease (“1st Addendum”). See Receiver’s Declaration,
11 **Ex. “11”**. Pursuant to the 1st Addendum, Winsor effectively increased the rent from the
12 temporary portable classrooms from \$1.40 per square foot to approximately \$2.43 per square
13 foot.⁸ In total, Tower is charging Quest \$29,058.64 per month, or \$348,703.68 for a twelve- (12)
14 month period for the portables.

15 By contrast, the amount actually charged to the landlord for all of the portable units is
16 only \$7,106.00 per month, or \$56,848.00 for a twelve-month period. In other words, the landlord
17 is charging Quest a \$263,431.68 premium over a twelve- (12) month period for the portable units
18 in excess of the amount the landlord is paying for those portable units. These figures speak for
19 themselves. The portables have become a cash cow for the landlord at the expense of Quest and
20 the students it serves.

21 Moreover, although the portable classrooms are only necessary because the landlord
22 breached its promises to expand permanent classroom facilities, the landlord is now, on the eve
23 of the school year, threatening to remove the portable classrooms, which is additional evidence
24 of the landlord’s bad faith conduct. Mr. Kern is informed and believes that on Friday, July 31,
25 2016, the landlord contacted Scotsman, the lessor of the portable units, and requested removal of
26 the portable units. See Receiver’s Declaration, **Ex. “15”**. The combined effects of this pattern of

27 _____
28 ⁸ There are 8 portable classrooms and one portable restroom totaling 11,952 square feet. At
\$29,058.64, Quest is paying \$2.43 per square foot per month.

1 continued wrongful conduct by the landlord is to reduce the student population at the Torrey
2 Pines Campus by approximately 300 students from the enrolled number of 715 to 415 students
3 thereby constructively evicting Quest from the campus even though the landlord is likely to be
4 denied summary eviction. Winsor abused his position of trust with Quest to divert tax payer
5 money and line his own pockets and those of the landlord, to the detriment of the children of
6 Nevada for whom the money was intended. Winsor cannot now be allowed to take advantage of
7 his breaches of fiduciary duties and misrepresentations by evicting Quest.

8 **Discussions With Tower/Winsor Regarding Torrey Pines Campus**

9 Shortly after being appointed Receiver for Quest, the Receiver was contacted by Mr. Fred
10 Waid on behalf of the landlord regarding the lease payments under the Torrey Pines Lease and
11 1st Addendum. Over the past many months the Receiver made it very clear to Mr. Waid that the
12 lease rates were above market for a charter school, discussed the range and parameters of typical
13 rent paid by charter schools of between 10-15% of the revenue generated per campus, expressed
14 a willingness to pay the actual costs for the portable units, and the importance of a long-term
15 arrangement to create stability for Quest, ranging from either reduced rental rates until build-out
16 of the promised additional buildings, or purchase of the property by Quest. The Receiver made
17 several proposals to continue leasing the Torrey Pines Campus, with each offer consisting of
18 reduced rental rates until the additional buildings were constructed and payment of the actual
19 costs of the portable units.

20 The last face-to-face meeting with Mr. Waid occurred in Las Vegas on the morning of
21 June 23, 2016, just one day before a public meeting before the SPCSA where the Receiver was
22 to present a status update regarding the receivership. The discussion reiterated essentially the
23 same concerns that had been expressed by the Receiver many times before: Quest preferred to
24 purchase the property, but if that was not possible, Quest needed long-term stability including the
25 build-out of the promised additional space to replace the temporary portable units. Quest was
26 willing to pay increased rent at industry standards as the new space came on line. Again, the
27 meeting ended without an agreement between the parties with one notable exception: Mr. Waid
28 told the Receiver twice on behalf of the landlord that he could report to the SPCSA at the

1 upcoming public meeting that, notwithstanding the lack of express terms between the parties,
2 Quest would be allowed to remain at the Torrey Pines Campus for at least the 2016-17 school
3 year. Mr. Waid also agreed to further discuss the Receiver's proposal with his client.

4 The following morning, on Friday, June 24, 2016, consistent with Mr. Waid's statements
5 and encouragement, the Receiver did in fact report to the SPCSA that the Landlord was
6 permitting Quest to remain at the Torrey Pines Campus for the 2016-17 school year. It is
7 important to understand that over the extended period of time that the Receiver had been
8 meeting, conversing or otherwise communicating with Mr. Waid, at no time had Tower/Winsor
9 threatened to evict Quest from the Torrey Pines Campus.

10 **Abrupt Change in Position by Tower**

11 Just days later, on July 7, 2016, Mr. Waid informed the Receiver that the landlord had
12 rejected the Receiver's latest offer and that Quest must immediately vacate the Torrey Pines
13 Campus, and requested that the Receiver execute a lease termination/settlement agreement.⁹ This
14 response was completely unexpected and extremely distressing, especially coming on the heels
15 of Mr. Waid's statements on behalf of the landlord the prior week that Quest could operate out of
16 the Torrey Pines Campus for the 2016-17 school year, and to so inform the SPCSA at the public
17 meeting. It was literally impossible to locate, much less move the entire Torrey Pines Campus to
18 another location by the start of the 2016-17 school year this late in the year. Teachers, staff and
19 administrators report to work for the 2016-17 school year on August 8, 2016. Winsor/Tower
20 clearly understood the situation and the implications of the demand that Quest immediately
21 vacate the Torrey Pines Campus.

22 On July 11, 2016, the Receiver reiterated the importance of the Torrey Pines Campus to
23 the operations and future of Quest extended a proposal to cure arrears and payment obligations
24 going forward. This proposal was submitted in the context and furtherance of the prior meeting
25

26
27 ⁹ As explained in more detail in the Receiver's Declaration, the timing of this change in position
28 coincided with the David O. McKay Academy ("McKay Academy") inability to occupy the
Roberson Campus and apparent renewed discussions to lease the Torrey Pines Campus to the
McKay Academy instead.

1 with Mr. Waid wherein he stated that Quest could occupy the Torrey Pines Campus for the 2016-
2 17 school year, but needed to pay something toward arrears and some rent going forward.

3 The Receiver proposed paying a single payment of \$300,531.00 toward arrears to bring
4 the lease current, and explained how he arrived at this figure. The Receiver calculated rental
5 arrears at a rate of \$25,044.25 per month for eight (8) months. This reduced monthly rental rate
6 was based on a student population in the Premises (excluding students crammed into portable
7 units) of 415 students consisting of 75 kinder kids who are funded at a reduced rate of \$3,903.00
8 per child per year and 340 non-kinder kids who are funded at a rate of \$6,505 per child per year.
9 The Receiver further explained that 415 students is the maximum number of students that can
10 occupy the Premises because of the three rooms needed for Special Education, library and
11 Specials (limited to 25 students per room). The Receiver further explained that the monthly
12 rental rate reflects 12.5% of the revenue generated from 415 students in the Premises.

13 Regarding the portable units, the Receiver proposed paying to Tower/Winsor the actual
14 amount of its payment for the portable units, which the Receiver understood to be \$56,848.00 for
15 a twelve-month period (consisting of \$7,106.00 per month for eight months). In addition, the
16 Receiver expressed his understanding that there are outstanding setup charges of \$67,484.07
17 (originally thought to be as high as approximately \$83,000) due and owing under the portable
18 lease. The Receiver explained that Quest would accept responsibility to pay the setup fee. The
19 Receiver backed out late charges and interest charges. The proposal reflected an immediate
20 payment of \$357,379.00, plus the setup fee. The Receiver also offered to cover the expenses for
21 deferred maintenance on the Premises.

22 Alternatively and most importantly, the Receiver offered to place the entire amount
23 asserted by Winsor/Tower to be in arrears immediately into escrow, with monthly rental
24 payments deposited into escrow at current rates pending mediation/arbitration of issues regarding
25 the lease. These issues regarding the Torrey Pines Lease include without limitation the
26 following:

- 27 (a) Rental Rate Reduction: The rental rate charged under the Torrey Pines
28 Lease is above market, excessive, designed to benefit Winsor/Tower at the

1 expense of Quest and was the result of Winsor breaching fiduciary duties
2 owing to Quest by virtue of his position on the Foundation Board as a
3 member and Vice President;

4 (b) Charges for Temporary Portable Classrooms and Restroom: The Torrey
5 Pines Lease provides for the placement of temporary portable classrooms
6 pending construction of additional buildings to accommodate Quest
7 expansion. The amount Tower /Winsor could charge Quest is limited by
8 the Torrey Pines Lease to no more than \$1.40 per square foot.
9 Notwithstanding this limitation, Winsor/Tower is charging Quest
10 \$29,058.64 per month, or \$348,703.68 per year (approx. \$2.43 per square
11 foot). Winsor/Tower is charging Quest a \$263,431.68 premium over a
12 twelve (12) month period for the portable units in excess of the amount
13 Winsor/Tower is paying Scotsman. These charges are clearly in excess of
14 the rental rate permitted under the Torrey Pines Lease and have resulted in
15 the portables being a significant and unintended profit center for
16 Windsor/Tower. This also violates the duties owing by Winsor to Quest as
17 a Foundation Board member and officer;

18 (c) Quest never contemplated limiting the student body at the Torrey Pines
19 Campus to only 415 students and that Quest and Tower /Winsor discussed
20 and even had plans prepared to expand the Premises to accommodate
21 additional students. The additional improvements have not been
22 constructed, yet Quest is being charged the equivalent, or more, as if the
23 expansion was actually built out;

24 (d) Finally, Winsor/Tower is charging a late charge for every late monthly
25 lease payment of ten percent (10%) of the overdue amount, plus fifteen
26 percent (15%) per annum on the unpaid installments. These charges
27 combined constitute an impermissible penalty under Nevada law.
28

Notwithstanding Mr. Waid's representations on behalf of the landlord regarding Quest's ability to remain at Torrey Pines for at least the 2016-17 school year, the landlord immediately rejected this proposal in its entirety, including the alternative proposal to escrow all alleged arrears and rental payments going forward pending resolution of issues concerning the Torrey Pines Lease, and again demanded that Quest immediately vacate the Torrey Pines Campus. The Receiver is informed and believes that the real reason the landlord breached its agreement to let Quest remain at the Torrey Pines Campus at least for the 2016-17 school year and demanded that Quest immediately vacate the premises is because the landlord has an agreement in principal to lease the Torrey Pines Campus to a third party. The Receiver further believes that the new proposed tenant is the McKay Academy. In fact, a McKay Academy vehicle has recently been seen driving around the Torrey Pines Campus.

Importance of the Torrey Pines Lease

The Torrey Pines Campus is by far the largest and most important Quest campus. If Quest is evicted from the Torrey Pines Campus, it is all but certain that Quest will be forced to cease all school operations. It is impossible for Quest to find an alternative location at this late date for the elementary school at the Torrey Pines Campus. Faculty, staff and administrators are scheduled to report to work on August 8, 2016. If Quest is evicted, not only will the 715 students enrolled at Torrey Pines be displaced, and 71 faculty and staff members lose their jobs, but the 60 students enrolled at the Alexander Campus and the 144 students enrolled at the Bridger Campus will also be displaced, as well as 9 staff and 13 faculty from those smaller campuses will lose their jobs.

II.

SUMMARY EVICTION MUST BE DENIED OR MINIMALLY STAYED

Based upon the above, it is necessary for this Court to deny the landlord's efforts to summarily evict Quest until the legal and factual issues are resolved. Summary evictions are analogous to summary judgments, such that any disputes of material fact must prevent the entry of summary evictions. *Anvui, LLC v. G.L. Dragon, LLC*, 123 Nev. 212, 215, 163 P.3d 405, 407 (2007) ("As a matter of first impression, we conclude that an order granting summary eviction

1 under NRS 40.253(6) should be reviewed on appeal based upon the standard for review of an
2 order granting summary judgment under NRCP 56 because these proceedings are analogous.”).
3 In fact, Quest is merely required to raise a legal defense to the alleged unlawful detainer to defeat
4 summary eviction. *Anvui, LLC*, 123 Nev. at 215, 163 P.3d at 407 (“On appeal, Anvui contends
5 that the district court erred in granting summary eviction because it raised a legal defense to its
6 alleged unlawful detainer and that Dragon is required to follow the procedures set forth in NRS
7 40.290 to 40.420. We agree and conclude that the district court erroneously found in Dragon’s
8 favor following the hearing on Dragon’s affidavit of complaint for summary eviction.”).

9 As set forth above, in the Receiver’s Declaration and the Complaint, Quest has raised a
10 series of legal defenses to the alleged unlawful detainer as well as affirmative claims, such that
11 summary eviction must be denied as a matter of law. The landlord, whether Winsor or Tower,
12 will undoubtedly dispute many of the facts set forth in the Receiver’s Declaration, which
13 demonstrates that summary eviction cannot be entered.

14 In the meantime, Quest renews its offer to deposit alleged lease arrears into escrow and
15 continue depositing rent on a monthly basis at the contract rate into escrow pending a resolution
16 of the Complaint. For this reason, the landlord will be more than adequately protected in the
17 unlikely event that he prevails in this dispute. Accordingly, there is simply no rush to evict
18 Quest, including its 715 students and 71 faculty and staff members. A decision of this magnitude
19 deserves more than a summary adjudication. Therefore, summary eviction should be denied or
20 minimally stayed until resolution of the Complaint.¹⁰

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

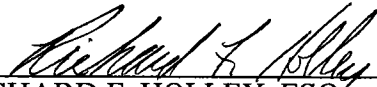
27 _____
28 ¹⁰ Alternatively, at a minimum and consistent with Winsor’s representations, Quest should be
allowed to remain at the Torrey Pines Campus for at least the 2016-17 school year.

CONCLUSION

For the forgoing reasons, the Receiver for Quest requests that this Court deny landlord's request to summarily evict Quest's charter school from the Torrey Pines Campus.

Dated this 2nd day of August, 2016.

**HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON**



RICHARD F. HOLLEY, ESQ.
Nevada Bar No. 3077
OGONNA M. BROWN, ESQ.
Nevada Bar No. 7589
F. THOMAS EDWARDS, ESQ.
Nevada Bar No. 9549
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

*Attorneys for Tenant Quest Academy
Preparatory Education, by and through its duly
appointed Receiver, Joshua M. Kern*

EXHIBIT “A”

FIVE-DAY NOTICE TO PAY RENT OR QUIT

(NRS 40.253)

TO: Quest Academy Preparatory Education
Or Tenant in Possession
7495 W. Azure Drive, Suite 140
Las Vegas, Nevada 89130

FROM: Hutchison & Steffen, LLC
Peccole Professional Park
10080 W. Alta Dr., Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
Attorneys for Landlord Lavar Winsor

Date of Service: July 15, 2016

PLEASE TAKE NOTICE that you are in default in payment of rent for the above-described premises in the sum of \$512,469.12 for the period December, 2015, to July, 2016. Rental payment(s) became delinquent on December 1, 2015.

Your failure to pay rent or vacate the premises within five (5) judicial days¹ following the Date of Service of this notice may result in your landlord applying to the Justice Court for an eviction order. If the court determines that you are guilty of an unlawful detainer, the court may issue a summary order for your removal or an order providing for your nonadmittance, directing the sheriff or constable to remove you within twenty-four (24) hours after receipt of the order. Pursuant to NRS 118A.390, you may seek relief if a landlord unlawfully removes you from the premises or excludes you by blocking or attempting to block your entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of the Nevada Revised Statutes.

YOU ARE HEREBY ADVISED OF YOUR RIGHT TO CONTEST THIS NOTICE by filing an Affidavit (or Answer), no later than noon on the fifth full judicial day¹ following the Date of Service of this notice, with the Justice Court for the Township of Las Vegas Township stating that you have tendered payment or are not in default in the payment of rent. The Justice Court is located at the Regional Justice Center at 200 Lewis Ave., Las Vegas, Nevada 89155.

YOU MAY OBTAIN AN AFFIDAVIT/ANSWER FORM at the Clark County Civil Law Self-Help Center, located at the Regional Justice Center, downtown Las Vegas, or on its website, www.clarkcountycourts.us/CivilSHC.

DECLARATION OF SERVICE

On _____, I served this notice in the following manner:

By delivering a copy to the tenant(s) personally through its counsel Richard F. Holley at 400 S. 4th St., #300, Las Vegas, NV 89101, see attached Acceptance of Service;

— OR —

Because the tenant(s) was absent from tenant's place of residence or from tenant's usual place of business, by leaving a copy with _____, a person of suitable age and discretion, at either place AND mailing a copy to the tenant(s) at tenant's place of residence or place of business;

— OR —

Because tenant's place of residence or business could not be ascertained, or a person of suitable age or discretion could not be found there, by posting a copy in a conspicuous place on the property, delivering a copy to a person there residing, if the person could be found, AND mailing a copy to the tenant(s) at the place where the property is situated.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

_____	\$ _____	_____	_____
Server Name (Printed)	Server Signature	Fee paid for service	Time & date of request
		for service	

¹ Judicial days do not include the date of service, weekends, or certain legal holidays.

EXHIBIT “B”

FIVE-DAY NOTICE TO PAY RENT OR QUIT
(NRS 40.253)

TO: Quest Academy Preparatory Education
Or Tenant(s) in Possession
4660 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4701 N. Torrey Pines
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4624 N. Rancho Drive
Las Vegas, Nevada 89130

FROM: Hutchison & Steffen, LLC
Peccole Professional Park
10080 W. Alta Dr., Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
Attorneys for Landlord Lavar Winsor

Date of Service: July 22, 2016

PLEASE TAKE NOTICE that you are in default in payment of rent for the premises per the Triple Net Real Estate Lease dated March 27, 2015, as: 4701 N. Torrey Pines, Las Vegas, NV 89130; 4660 N. Rancho Drive, Las Vegas, NV 89130; and 4624 N. Rancho Drive, Las Vegas, NV 89130 (see attached map of 3 building locations), and for the premises per the 1st Addendum to the Triple Net Real Estate Lease dated July 16, 2015, all portable classrooms on the premises (see attached site map C0.04 for location of portable classrooms) in the sum of \$512,469.12, for the period December, 2015, to July, 2016. Rental payment(s) became delinquent on December 1, 2015.

Your failure to pay rent or vacate the premises within five (5) judicial days¹ following the Date of Service of this notice may result in your landlord applying to the Justice Court for an eviction order. If the court determines that you are guilty of an unlawful detainer, the court may issue a summary order for your removal or an order providing for your nonadmittance, directing the sheriff or constable to remove you within twenty-four (24) hours after receipt of the order. Pursuant to NRS 118A.390, you may seek relief if a landlord unlawfully removes you from the premises or excludes you by blocking or attempting to block your entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of the Nevada Revised Statutes.

YOU ARE HEREBY ADVISED OF YOUR RIGHT TO CONTEST THIS NOTICE by filing an Affidavit (or Answer), no later than noon on the fifth full judicial day¹ following the Date of Service of this notice, with the Justice Court for the Township of Las Vegas Township stating that you have tendered payment or are not in default in the payment of rent. The Justice Court is located at the Regional Justice Center at 200 Lewis Ave., Las Vegas, Nevada 89155.

YOU MAY OBTAIN AN AFFIDAVIT/ANSWER FORM at the Clark County Civil Law Self-Help Center, located at the Regional Justice Center, downtown Las Vegas, or on its website, www.clarkcountycourts.us/CivilSHC.

¹ Judicial days do not include the date of service, weekends, or certain legal holidays.

DECLARATION OF SERVICE

On _____, I served this notice in the following manner:

By delivering a copy to the tenant(s) personally through its counsel Richard F. Holley at 400 S. 4th St., #300, Las Vegas, NV 89101; see Acceptance of Service;

— OR —

Because the tenant(s) was absent from tenant's place of residence or from tenant's usual place of business, by leaving a copy with _____, a person of suitable age and discretion, at either place AND mailing a copy to the tenant(s) at tenant's place of residence or place of business;

— OR —

Because tenant's place of residence or business could not be ascertained, or a person of suitable age or discretion could not be found there, by posting a copy in a conspicuous place on the property, delivering a copy to a person there residing, if the person could be found, AND mailing a copy to the tenant(s) at the place where the property is situated.

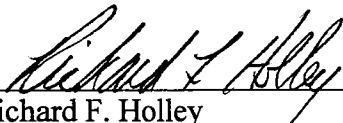
I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

_____	_____	\$ _____	_____
Server Name (Printed)	Server Signature	Fee paid for service	Time & date of request for service

BULLET LEGAL SERVICES, LLC
LICENSE NO. 1471

ACCEPTANCE OF SERVICE

Service of FIVE-DAY NOTICE TO PAY RENT OR QUIT herein upon tenant Quest Academy Preparatory Education is accepted this 22nd day of July, 2016, by Richard F. Holley, who warrants that he is duly authorized to accept service on tenant's behalf.

By: 
Richard F. Holley
400 South Fourth Street, Suite 300
Las Vegas, NV 89101
Attorney for Tenant

ADJACENT PARC.

ADJACENT PARCEL

TEMPORARY FENCE
FOR FUTURE

TEMPORARY FENCE
FOR FUTURE

LA
DOO

PROJECT DATA

A.P.N.: 138-02-113-001

EXISTING ZONING: C-1 & R-E

PROPOSED ZONING: E

SITE AREA: 279,552 S.F. (6.41 ACRES)

REQUIRED: 20' - 0"

PROVIDED: 20' - 0"

PHASE, BUILDING AREA: 39,842 S.F.

PRIMARY SCHOOL

PHASE, LOT COVER: 14.3%

BUILDING AREAS / SITE AREA: 39,842 S.F. / 279,552 S.F.

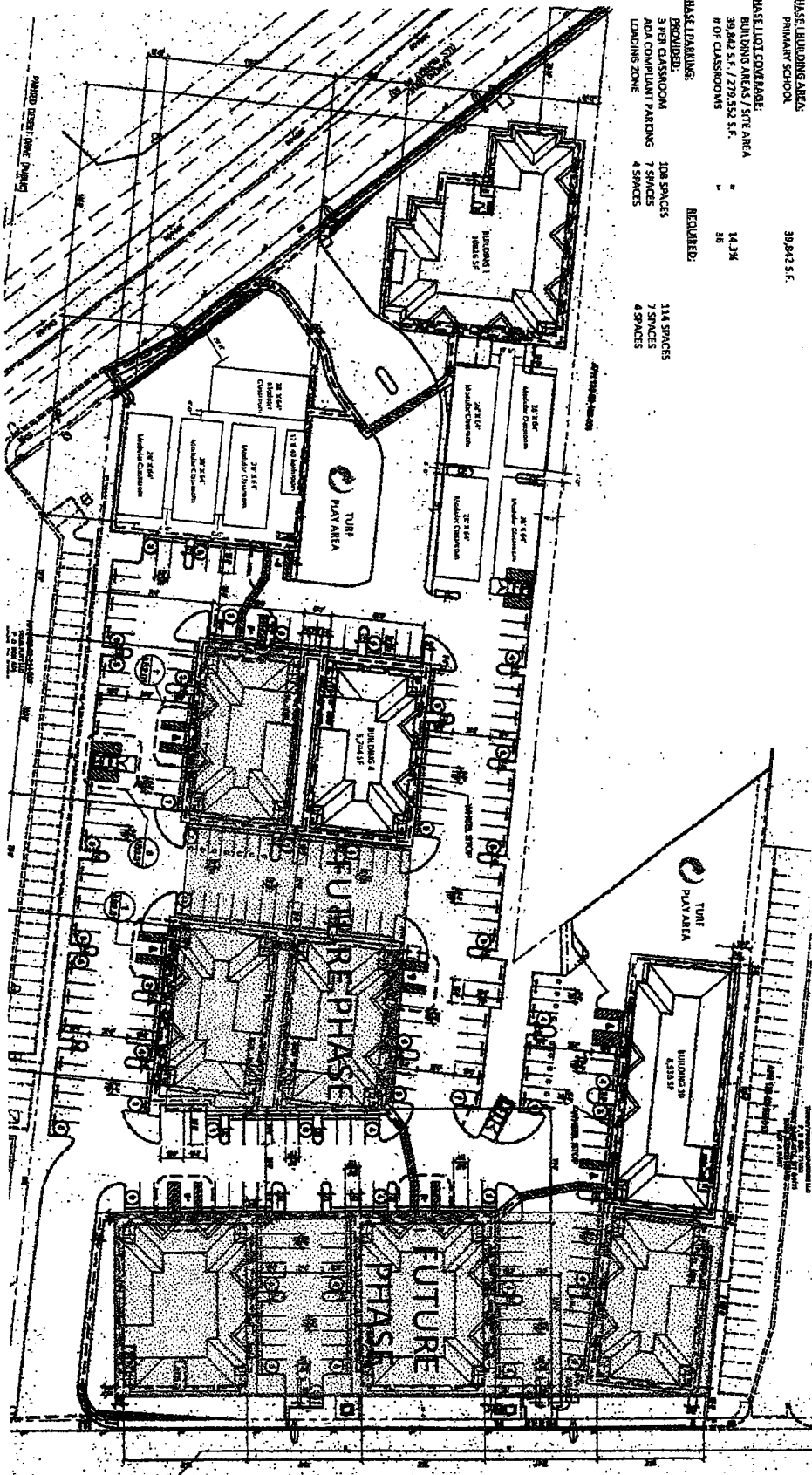
OF CLASSROOMS: 36

PHASE, LOADING: 108 SPACES

PROVIDED: 114 SPACES

ADA COMPLIANT PARKING: 7 SPACES

LOADING ZONE: 4 SPACES



TEMPORARY FENCE
PERMANENT FENCE



DESIGN-BUILDER

QUEST
CONSTRUCTION
Torrey Pines Campus
4024-4030 N. RANCHO DR., LOS ANGELES, CA 90024

SITE PLAN
CO.04

EXHIBIT “C”

FIVE-DAY NOTICE TO PAY RENT OR QUIT

(NRS 40.253)

TO: Quest Academy Preparatory Education
Or Tenant(s) in Possession
4660 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4648 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4624 N. Rancho Drive
Las Vegas, Nevada 89130

FROM: Hutchison & Steffen, LLC
Peccole Professional Park
10080 W. Alta Dr., Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
Attorneys for Landlord Tower Distribution Center,
LLC

Date of Service: July 26, 2016

PLEASE TAKE NOTICE that you are in default in payment of rent for the premises correctly identified per the Assignment of Landlord's Interest in Lease dated July 16, 2015, as: 4648 N. Rancho Drive, Las Vegas, NV 89130; 4660 N. Rancho Drive, Las Vegas, NV 89130; and 4624 N. Rancho Drive, Las Vegas, NV 89130 (see attached Assignment of Landlord's Interest in Lease), and for the premises per the 1st Addendum to the Triple Net Real Estate Lease dated July 16, 2015, all portable classrooms on the premises (see attached site map C0.04 for location of portable classrooms) in the sum of \$512,469.12, for the period December, 2015, to July, 2016. Rental payment(s) became delinquent on December 1, 2015.

Your failure to pay rent or vacate the premises within five (5) judicial days¹ following the Date of Service of this notice may result in your landlord applying to the Justice Court for an eviction order. If the court determines that you are guilty of an unlawful detainer, the court may issue a summary order for your removal or an order providing for your nonadmittance, directing the sheriff or constable to remove you within twenty-four (24) hours after receipt of the order. Pursuant to NRS 118A.390, you may seek relief if a landlord unlawfully removes you from the premises or excludes you by blocking or attempting to block your entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of the Nevada Revised Statutes.

YOU ARE HEREBY ADVISED OF YOUR RIGHT TO CONTEST THIS NOTICE by filing an Affidavit (or Answer), no later than noon on the fifth full judicial day¹ following the Date of Service of this notice, with the Justice Court for the Township of Las Vegas Township stating that you have tendered payment or are not in default in the payment of rent. The Justice Court is located at the Regional Justice Center at 200 Lewis Ave., Las Vegas, Nevada 89155.

YOU MAY OBTAIN AN AFFIDAVIT/ANSWER FORM at the Clark County Civil Law Self-Help Center, located at the Regional Justice Center, downtown Las Vegas, or on its website, www.clarkcountycourts.us/CivilSHC.

¹ Judicial days do not include the date of service, weekends, or certain legal holidays.

DECLARATION OF SERVICE

On _____, I served this notice in the following manner:

By delivering a copy to the tenant(s) personally through its counsel Richard F. Holley at 400 S. 4th St., #300, Las Vegas, NV 89101; see Acceptance of Service;

— OR —

Because the tenant(s) was absent from tenant's place of residence or from tenant's usual place of business, by leaving a copy with _____, a person of suitable age and discretion, at either place AND mailing a copy to the tenant(s) at tenant's place of residence or place of business;

— OR —

Because tenant's place of residence or business could not be ascertained, or a person of suitable age or discretion could not be found there, by posting a copy in a conspicuous place on the property, delivering a copy to a person there residing, if the person could be found, AND mailing a copy to the tenant(s) at the place where the property is situated.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

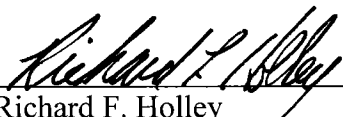
_____ Server Name (Printed)	_____ Server Signature	\$ _____ Fee paid for service	_____ Time & date of request for service
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BULLET LEGAL SERVICES, LLC
LICENSE NO. 1471

ACCEPTANCE OF SERVICE

Service of FIVE-DAY NOTICE TO PAY RENT OR QUIT herein upon tenant Quest Academy Preparatory Education is accepted this 26th day of July, 2016, by Richard F. Holley, who warrants that he is duly authorized to accept service on tenant's behalf.

By: _____


Richard F. Holley
400 South Fourth Street, Suite 300
Las Vegas, NV 89101
Attorney for Tenant

ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE

THIS ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE (this "Agreement"), made this 16 day of July, 2015, by and between **LaVar Winsor** ("Assignor"), and **Tower Distribution Center, LLC**, a Nevada limited-liability company ("Assignee").

Recitals

Assignor **LaVar Winsor**, entered into an "Assignment of Landlord's Interest in Lease" dated May 19, 2015 under which he received from **Tower Distribution Center, LLC** an assignment of all rights held by **Tower Distribution Center, LLC** to a lease agreement dated March 27, 2015, between **Tower Distribution Center, LLC**, as Landlord, and **Quest Academy Preparatory Education, a Nevada State Funded Charter School**, as Tenant. The assigned rights relate to the three (3) original buildings leased to Quest Academy Preparatory Education ("**Quest**"), originally identified in the March 27, 2015 Lease as 4701 Torrey Pines, Las Vegas, Nevada 89130, 4660 N. Rancho Drive, Las Vegas, Nevada 89130 and 4624 N. Rancho Drive, Las Vegas, Nevada 89130. The assigned rights also relate to any and all real property set forth and described in the 1st Addendum to Triple Net Real Estate Lease, commencing August 1, 2015. Upon correction of the official maps for the City of Las Vegas and Clark County, the physical addresses for the three (3) original buildings leased to Quest shall be hereafter identified as 4660, 4624, 4648 N. Rancho Drive, Las Vegas, Nevada 89130 ("**leased premises**"). Assignor **LaVar Winsor**, now desires to assign back to **Tower Distribution Center, LLC** all rights he holds under the March 27, 2015 lease with **Quest Academy Preparatory Education, a Nevada State Funded Charter School**. Assignee **Tower Distribution Center, LLC**, desires to acquire and assume all obligations under, and Assignor **LaVar Winsor** is willing to assign to Assignee, all of Assignor's rights, titles and interests in and to, and all of Assignor's obligations under, the lease dated March 27, 2015 with **Quest Academy Preparatory Education, a Nevada State Funded Charter School** ("**Tenant**").

Agreement

NOW, THEREFORE, in consideration of the above premises, and for the sum of TEN and NO/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by Assignor and Assignee as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement. Effective as of the Closing Date, Assignor **LaVar Winsor** does hereby SELL, TRANSFER, ASSIGN and SET OVER unto Assignee **Tower Distribution Center, LLC** all of Assignor's right, title and interest in, to and under the Lease, including, without limitation, all security deposits paid by **Quest Academy Preparatory Education, a Nevada State Funded Charter School** under the Lease which have not been heretofore forfeited by or returned to the Tenant under such Lease, and Assignee does hereby assume the Lease as of the Closing Date.

2. Assignee hereby agrees to assume any and all liability, demands, claims, causes of action and loss arising under the Lease and arising from the management and operation of the Property, including liability for costs and attorney's fees and expenses, which liability arises

from, or is based upon, any facts or circumstances which occur or exist during any period on or after the Closing Date.

3. This Assignment is made without representation or warranty by Assignor or Assignee other than (a) the warranties of Assignor and Assignee expressly set forth in the Agreement; and (b) the warranty that Assignor has not heretofore assigned the Lease.

4. In the event of any litigation between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, reasonable attorney's fees and expenses.

5. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. This Assignment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Assignment.

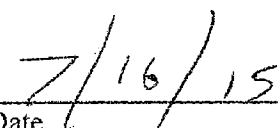
7. This Assignment shall be interpreted under the laws of the State of Nevada and any litigation regarding the same shall be brought in Clark County, Nevada.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first written above.

ASSIGNOR:

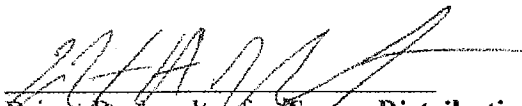


LaVar Winsor

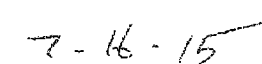


Date

ASSIGNEE:



Briant Buckwalter for Tower Distribution Center, LLC



Date

1ST ADDENDUM TO TRIPLE NET REAL ESTATE LEASE BETWEEN
LAVAR WINSOR (Landlord) (Assignee of TOWER DISTRIBUTION CENTER, LLC)
AND
QUEST ACADEMY PREPARATORY EDUCATION (Tenant)

This is an Addendum to that lease agreement executed between TOWER DISTRIBUTION CENTER, LLC as "Landlord" and QUEST ACADEMY PREPARATORY EDUCATION as "Tenant" which is dated March 27, 2015 ("subject lease").

WHEREAS, TOWER DISTRIBUTION CENTER, LLC assigned its rights as landlord under the subject contract to LAVAR WINSOR in an assignment dated _____; and

WHEREAS, Section 6.03 of the subject lease anticipates and allows for the placement of portable classrooms;

WHEREAS, the parties to this Addendum now wish to include additional real property to the subject lease, and to place temporary portable classrooms and temporary restrooms on the newly increased "premises" as defined in Section 1.01(c);

IT IS THEREFORE MUTUALLY AGREED THAT:

1. The "Premises" defined in Paragraph 1.01(c) of the subject lease shall be increased to include that portion of the "Future Building Sites" (Section 1.01(d)) outlined in the 1st Addendum Exhibit "A" attached hereto and incorporated herein.
2. Upon the Premises defined in the original Paragraph 1.01(c) shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$12,389.44 per month.
3. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of twelve (12) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$14,389.88 per month.
4. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed one temporary portable restroom for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for this temporary portable restroom shall be \$2,279.32 per month.

No other terms or conditions of the above mentioned lease agreement shall be negated or changed as a result of this addendum.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Addendum in the State of Nevada on the date indicated below.

Sign: _____

Date: 7/16/15

Lavar A. Winsor ("Landlord")

Sign: Timothy Zeidler

Date: 7/13/15

Timothy Zeidler, President of QUEST ACADEMY PREPARATORY EDUCATION, A State
Funded Charter School

PROJECT DATA

A.P.N.:

138-02-113-001

EXISTING ZONING:

C-1 & R-E

PROPOSED ZONING:

E

SITE AREA:

279,552 S.F. (6.41 ACRES)

SETBACKS:

REQUIRED: 20'-0"

FRONT:

PROVIDED: 20'-0"

SIDES:

10'-0"

REAR:

20'-0"

PHASE 1 BUILDING AREA:

39,842 S.F.

PHASE 2 BUILDING AREA:

14,334

PHASE 3 BUILDING AREA:

36

PHASE 4 BUILDING AREA:

134 SPACES

PHASE 5 BUILDING AREA:

7 SPACES

PHASE 6 BUILDING AREA:

4 SPACES

PHASE 7 BUILDING AREA:

4 SPACES

PHASE 8 BUILDING AREA:

4 SPACES

PHASE 9 BUILDING AREA:

4 SPACES

PHASE 10 BUILDING AREA:

4 SPACES

PHASE 11 BUILDING AREA:

4 SPACES

PHASE 12 BUILDING AREA:

4 SPACES

PHASE 13 BUILDING AREA:

4 SPACES

PHASE 14 BUILDING AREA:

4 SPACES

PHASE 15 BUILDING AREA:

4 SPACES

PHASE 16 BUILDING AREA:

4 SPACES

PHASE 17 BUILDING AREA:

4 SPACES

PHASE 18 BUILDING AREA:

4 SPACES

PHASE 19 BUILDING AREA:

4 SPACES

PHASE 20 BUILDING AREA:

4 SPACES

PHASE 21 BUILDING AREA:

4 SPACES

PHASE 22 BUILDING AREA:

4 SPACES

PHASE 23 BUILDING AREA:

4 SPACES

PHASE 24 BUILDING AREA:

4 SPACES

PHASE 25 BUILDING AREA:

4 SPACES

PHASE 26 BUILDING AREA:

4 SPACES

PHASE 27 BUILDING AREA:

4 SPACES

PHASE 28 BUILDING AREA:

4 SPACES

PHASE 29 BUILDING AREA:

4 SPACES

PHASE 30 BUILDING AREA:

4 SPACES

PHASE 31 BUILDING AREA:

4 SPACES

PHASE 32 BUILDING AREA:

4 SPACES

PHASE 33 BUILDING AREA:

4 SPACES

PHASE 34 BUILDING AREA:

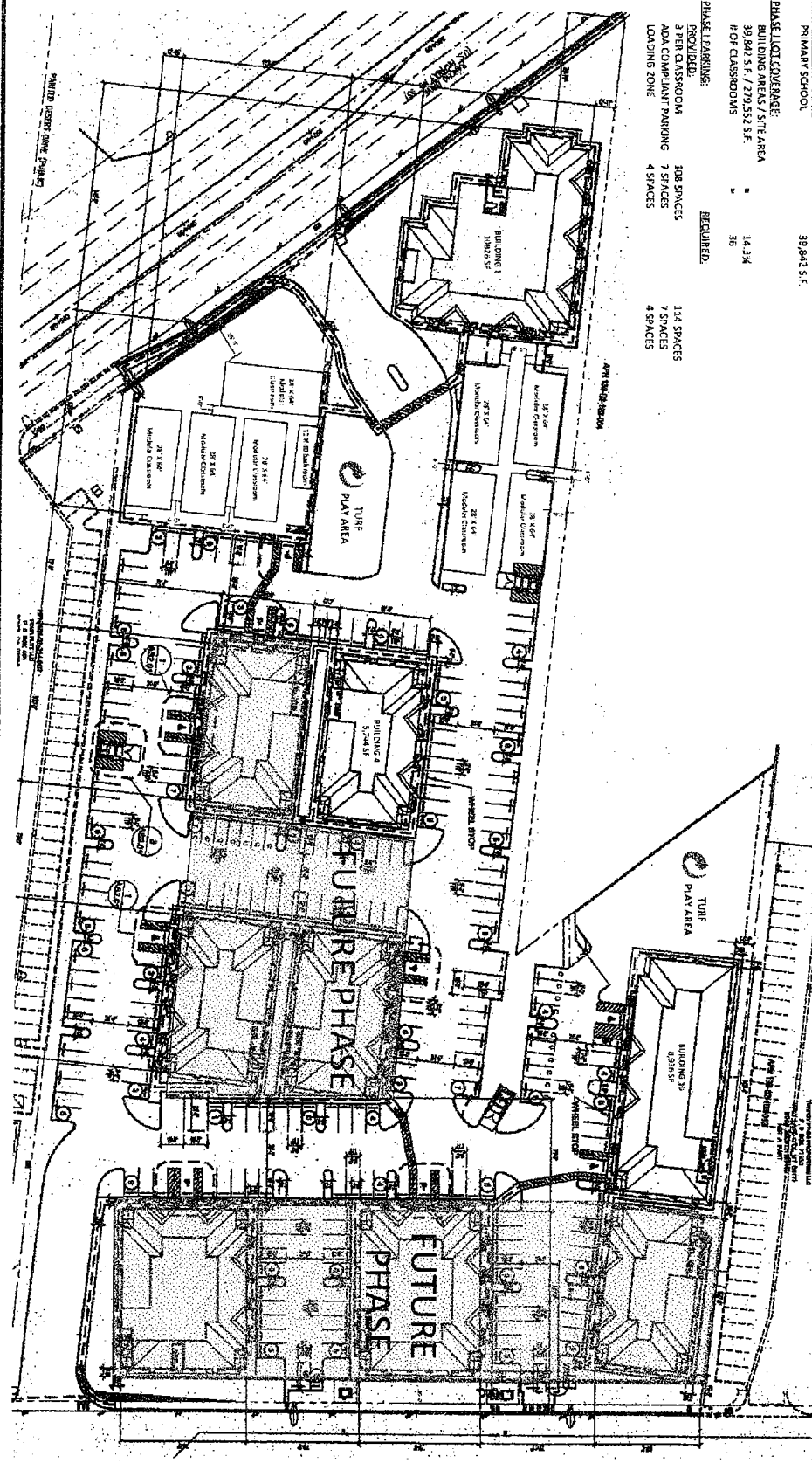
4 SPACES

PHASE 35 BUILDING AREA:

4 SPACES

PHASE 36 BUILDING AREA:

4 SPACES



TEMPORARY FENCE
PERMANENT FENCE



QUEST
CONSTRUCTION COMPANY
Torrey Pines Campus
4624-4630 N. Rancho Dr. Las Vegas, NV 89110

SITE PLAN
CO.04

EXHIBIT “D”

TOWER DISTRIBUTION CENTER, LLC

Business Entity Information

Status:	Default	File Date:	11/27/2002
Type:	Domestic Limited-Liability Company	Entity Number:	LLC14810-2002
Qualifying State:	NV	List of Officers Due:	11/30/2015
Managed By:	Managers	Expiration Date:	11/27/2502
NV Business ID:	NV20021149667	Business License Exp:	11/30/2015

Registered Agent Information

Name:	WILLIAM D REESE	Address 1:	747 TIFFANY BEND CT
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89123
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	
Mailing Zip Code:			
Agent Type:	Noncommercial Registered Agent		

Financial Information

No Par Share Count:	0	Capital Amount:	\$ 0
No stock records found for this company			

— Officers

☒ Include Inactive Officers

Manager - BRIANT A BUCKWALTER

Address 1:	79 W. 1435 S	Address 2:	
City:	OREM	State:	UT
Zip Code:	84058	Country:	
Status:	Active	Email:	

Manager - BRIANT A BUCKWALTER

Address 1:	79 WEST 1435 SOUTH	Address 2:	
City:	OREM	State:	UT
Zip Code:	84058	Country:	
Status:	Historical	Email:	

Manager - JOHN R REESE

Address 1:	7711 PHEASANT WOOD DR	Address 2:	
City:	SANDY	State:	UT
Zip Code:	84093	Country:	
Status:	Active	Email:	

Manager - JOHN R REESE

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Address 1:	7711 PHEASANT WOOD DR	Address 2:	
City:	SANDY	State:	UT
Zip Code:	84093	Country:	
Status:	Historical	Email:	
Manager - WILLIAM D REESE			
Address 1:	747 TIFFANY BEND CT	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89123	Country:	
Status:	Active	Email:	
Manager - WILLIAM D REESE			
Address 1:	747 TIFFANY BEND CT	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89123-0628	Country:	
Status:	Historical	Email:	

- Actions\Amendments			
Action Type:	Articles of Organization		
Document Number:	LLC14810-2002-001	# of Pages:	6
File Date:	11/27/2002	Effective Date:	
(No notes for this action)			
Action Type:	Initial List		
Document Number:	LLC14810-2002-004	# of Pages:	1
File Date:	12/10/2002	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	LLC14810-2002-003	# of Pages:	1
File Date:	10/7/2003	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	LLC14810-2002-002	# of Pages:	1
File Date:	11/9/2004	Effective Date:	
List of Officers for 2004 to 2005			
Action Type:	Annual List		
Document Number:	20060016348-60	# of Pages:	1
File Date:	1/11/2006	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20060594497-06	# of Pages:	1
File Date:	9/15/2006	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20070648078-02	# of Pages:	1

File Date:	9/20/2007	Effective Date:	
07-08			
Action Type:	Registered Agent Change		
Document Number:	20070695299-69	# of Pages:	1
File Date:	10/9/2007	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20080617438-39	# of Pages:	1
File Date:	9/22/2008	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20090666159-04	# of Pages:	1
File Date:	9/5/2009	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20100795436-27	# of Pages:	1
File Date:	10/20/2010	Effective Date:	
10-11			
Action Type:	Annual List		
Document Number:	20110724004-31	# of Pages:	1
File Date:	10/6/2011	Effective Date:	
11/12			
Action Type:	Annual List		
Document Number:	20120679686-27	# of Pages:	1
File Date:	10/3/2012	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20130765201-27	# of Pages:	1
File Date:	11/21/2013	Effective Date:	
2013/2014			
Action Type:	Annual List		
Document Number:	20140794946-56	# of Pages:	1
File Date:	12/5/2014	Effective Date:	
(No notes for this action)			

EXHIBIT “E”

HDW

6. On July 16, 2008, the Nevada State Public Charter School Authority (“SPCSA”)³ approved the proposed charter application for Quest. The term of the Charter Contract was for a period of six (6) years. On April 3, 2014, Quest and the SPCSA entered into a renewed Charter Contract (the “2014 Charter Contract”) with Quest, effective from July 1, 2014, and terminating on June 30, 2020, unless earlier terminated as provided in the 2014 Charter Contract. A true and correct copy of the 2014 Charter Contract is attached hereto as **Exhibit “2”**.

7. At all relevant times, Quest operated its charter school at four (4) campuses in the Las Vegas metropolitan area consisting of: (i) the Alexander Campus located at 7550 West Alexander, Las Vegas, Nevada 89149 servicing kindergarten; (ii) the Bridger Campus located at 1300 East Bridger, Las Vegas, Nevada 89101 servicing kindergarten through fifth grade; (iii) the Roberson Campus located at 7485 Azure Drive, Las Vegas, Nevada 89130 servicing eighth through twelfth grades⁴; and (iv) the Torrey Pines Campus located at 4660, 4656 and 4624 N. Rancho Drive, Las Vegas, Nevada 89130 servicing kindergarten through seventh grades.⁵

8. Pursuant to that certain resolution and agreement entered into between Quest and the SPCSA Board as a condition to granting an amendment request on August 25, 2015, the Director of the SPCSA, acting on delegated authority from the SPCSA Board, appointed me as the receiver and manager of the assets and operations of Quest (“Appointment Letter”), effective October 26, 2015, with full legal authority over all aspects of school finance, operations, and academics, all records of any kind relating to any of the foregoing, all funds and proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds) of Quest (the “Receivership Property”). A true and correct copy of the Appointment

³ The SPCSA was authorized by the Legislature to sponsor charter schools pursuant to NRS 386.509, and on July 16, 2008, the SPCSA approved Quest’s proposed charter application.

⁴ The Roberson Campus was closed by the Receiver on or about June 14, 2016, as discussed in more detail below.

⁵ As discussed below, the Torrey Pines Campus is the most important Quest campus. If Quest is evicted from the Torrey Pines Campus, the entire school will fail, and nearly 910 students will be displaced and almost 100 staff and faculty will lose their jobs. Quest also services a considerable number of special needs children at its campuses.

Letter is attached as **Exhibit “3”**. The Receivership Appointment between me and the SPCSA is attached as **Exhibit “4”**.

9. To my knowledge, Quest is the first charter school over which the SPCSA has ever appointed a receiver in the State of Nevada. The receivership is an unusual and drastic step for the SPCSA, and a very significant event, and not an action taken lightly by the SPCSA. This action was taken because of deep-seated concerns over the operations of Quest by its prior board and officers.

10. I am informed and believe that my appointment as Receiver was based in part on preliminary findings from an independent forensic investigation conducted by Deloitte and commissioned by the SPCSA regarding Quest operations that revealed serious concerns involving mismanagement, potential conflicts of interest, insider dealing, and breach of fiduciary duty issues in connection with a number of areas. Upon being appointed as the Receiver over the assets and operations of Quest, I have been tasked with, among other things, reviewing and evaluating the business and operating practices of Quest; reviewing contracts between Quest and third parties; identifying assets and liabilities of the charter school, and if possible, rehabilitating Quest in order to keep Quest as an operating charter school. The lease and related papers concerning the Torrey Pines Campus is one of the contracts that I have reviewed and investigated.

11. One common denominator in many of the exploitive transactions entered into by Quest was the involvement of the Chartered for Excellence Foundation (“Foundation”). Such is the case with the Torrey Pines Lease. The Torrey Pines Lease was clearly not an arm’s length transaction.

12. I am informed and believe that Lavar Anthony (Tony) Winsor (“Winsor”) became a member of the Foundation Board on or about November 2014 and was a Foundation Board member and Vice-President during the time that the Torrey Pines Lease was negotiated between Quest and the landlord in early 2015 and later when the 1st Addendum was negotiated in mid-2015. Attached as **Exhibit “5”** is a true and correct copy of the 2014 Resolutions in Lieu of Annual Meeting of the Board of Trustees of Chartered for Excellence Foundation dated January

1 15, 2015, wherein Winsor is identified as a Board member of the Foundation and Vice President
2 of the Foundation. I very recently discovered that the Foundation was voluntarily dissolved on
3 April 30, 2016. Winsor signed the 2016 Resolutions of the Board of Trustees of Chartered for
4 Excellence for the dissolution of the Foundation, as Trustee and Vice President of the
5 Foundation. A true and correct copy of the 2016 Resolutions of the Board of Trustees of
6 Chartered for Excellence is attached as **Exhibit “6”**. I am informed and believe that Winsor
7 negotiated the terms of the Torrey Pines Lease with Quest. The initial landlord for the Torrey
8 Pines Campus was Tower Distribution Center, LLC (“Tower”). I am informed and believe that
9 Winsor was at all relevant times the manager and a member of Tower. Winsor signed the Torrey
10 Pines Lease on behalf of Tower. According to the 1st Addendum to the Torrey Pines Lease,
11 Winsor became the assignee of Tower for the Torrey Pines Lease no later than July 2015.
12 Moreover, according to one of the 5-Day Notices, Winsor assigned the Torrey Pines Lease back
13 to Tower.

14 13. I am further informed and believe that Winsor was also at all relevant times either
15 the manager and/or the owner of Dynamic Property Holdings, LLC (“Dynamic”), the landlord
16 with whom Quest entered into a commercial lease for the Roberson Campus.

17 **FOUNDATION’S RELATIONSHIP WITH QUEST AND OVERLAPPING BOARD**
18 **MEMBERS AND OFFICERS**

19 14. Before discussing the Torrey Pines Lease, it is important for the Court to have
20 some background regarding the overlapping relationship between certain individuals and entities
21 associated with Quest, including certain Quest Board members and Officers, and the Foundation.

22 15. The Foundation is, and at all relevant times was, a Nevada non-profit foundation
23 incorporated on January 31, 2014, and created by David Olive (“Olive”), then governing board
24 president of Quest, as a non-profit foundation purportedly for the benefit of Quest. I am informed
25 and believe that Quest was in fact the only charter school affiliated with the Foundation.

26 16. Upon information and belief, all individuals that were part of the Foundation
27 when it was incorporated on January 31, 2014, were also associated with Quest, either as a
28 governing board member or through employment.

1 17. When the Foundation was incorporated on January 31, 2014, the Nevada
2 Secretary of State identified the registered agent for the Foundation as Anthony Barney
3 (“Barney”).

4 18. The original officers and directors of the Foundation when it was incorporated on
5 January 31, 2014, as reflected in the Nevada Secretary of State, included Olive as President and
6 Director, Kelli Miller (“Miller”) as Secretary, Debra Roberson (“Roberson”) as Treasurer, and
7 Barney as Director.

8 19. At the time of the Foundation’s incorporation, Olive, Miller, Roberson and
9 Barney were also affiliated with Quest, in that they were all either employees or board members
10 of Quest. Specifically, on February 1, 2013, Roberson signed an Employment Contract with
11 Quest to serve as Interim Principal; she became the permanent Principal on May 6, 2013, with a
12 2-year contract voted by the Governing Board on June 18, 2013, and later served as the
13 superintendent of Quest. Olive was the Governing Board President of Quest and Miller was the
14 Director of Innovation and Grants for Quest. Barney likewise served on Quest’s Governing
15 Board.

16 20. I am informed and believe that in February 2015, Barney resigned from Quest’s
17 Governing Board but was retained as the Foundation’s paid attorney on or about May 27, 2015.

18 21. Roberson resigned from the Foundation’s Board of Directors in June 2015.

19 **INDEPENDENT CONTRACTOR AGREEMENT BETWEEN THE FOUNDATION AND QUEST**

20 22. On or around May 17, 2014,⁶ Quest and the Foundation entered into an
21 Independent Contractor Agreement (the “Agreement”), pursuant to which the Foundation was to
22 serve as the Professional Service Provider for Quest. A true and correct copy of the Agreement is
23 attached hereto as **Exhibit “7”**.

24 23. Olive executed the Agreement on behalf of Quest as President of the Governing
25 Board, and Miller executed the Agreement on behalf of the Foundation as its Secretary. At the
26 time, Miller was also the Director of Innovation and Grants for Quest.

27 _____
28 ⁶ The “Starting Date” under Section 1.3 of the Agreement was March 1, 2014, notwithstanding
that the Agreement was executed over two months later on May 17, 2014.

24. Pursuant to section 3.2(b) of the Agreement, the Foundation agreed to perform services for Quest as an independent contractor, such as renting office space, renting “other” space, including, but not limited to, classrooms and administrative rooms as determined by Quest’s administration. I am informed and believe that one of the primary functions of the Foundation was to assist Quest with either purchasing or leasing real property for school campuses.

25. Pursuant to section 5 of the Agreement, the compensation to be paid by Quest to the Foundation was to be equal to twenty percent (20%) of the gross amount of any services or goods obtained on behalf of Quest.

BRIDGER LEASE

26. One example of an exploitive agreement facilitated by the Foundation is the Bridger Campus Lease. The Torrey Pines Lease between Quest and Tower/Winsor is simply a variation of this same theme.

27. The Foundation negotiated the terms of and entered into a lease for the Bridger Campus with CSP-Bridger Ave., LLC (“CSP”). The term of the Bridger Campus lease is 25 years. The monthly base rent between the Foundation and CSP was approximately \$27,066.67 per month, subject to an annual 3% increase (the “Bridger Lease”). The Foundation has never produced or provided a copy of the Bridger Lease to me. This lease charged premium rent above industry standards for charter schools for an old building located in inner city Las Vegas that is in need of serious repairs and maintenance.

28. On August 1, 2014, the Foundation sublet the Bridger Campus to Quest (“Bridger Sublease”). A true and correct copy of the Bridger Sublease is attached hereto as **Exhibit “8”**.

29. The Bridger Sublease was also for a term of 25 years; however, the monthly base rent was \$41,778.00 per month, subject to an annual 3% increase. The monthly base rent charged by the Foundation as sub-landlord to Quest, as sub-tenant, is approximately \$14,711.33 more per month than the monthly base rent charged by CSP, the Landlord, to the Foundation, as its tenant. This is an increase of approximately 54% from the base rent charged by CSP to the Foundation

1 and resulted in the Bridger Campus being the most expensive campus for Quest to operate. It is
2 the children that attend Quest that suffer from this egregious overreaching.

3 **TORREY PINES LEASE**

4 30. The Torrey Pines Lease may very well be the most exploitive agreement
5 involving the Foundation and Quest. As a Board member and officer of the Foundation, Winsor
6 had a fiduciary duty to act in the best interest of Quest. Clearly, this was not done. Instead, the
7 Torrey Pines Lease provides for premium lease rates at the expense of Quest and the children it
8 serves. Moreover, I am informed and believe that Winsor took advantage of a desperate
9 situation at Quest where the term of an existing lease at the Montecito Campus, the prior location
10 of the elementary school, was expiring by its own terms and Quest desperately needed another
11 location to house the elementary school.

12 31. Quest essentially settled for the Torrey Pines Campus, which is in a less than ideal
13 location for a charter school. The campus is in an industrial park located in an industrial section
14 of town and is surrounded by such businesses as the Santa Fe Casino, a farm supply and tack
15 store, Big Dog's Draft House (a bar) and a boarded up adult book store. If anything, the location
16 warrants a further reduction in the rental rate, not a premium as first charged by Tower and now
17 by Winsor.

18 32. The Torrey Pines Lease is dated March 27, 2014, and titled a Triple Net Real
19 Estate Lease. The original term of the Torrey Pines Lease is for approximately sixteen (16) years
20 ending on June 31, 2030. The Base Rent during year one of the Lease Term (9/1/2015 to
21 7/31/2016) was Thirty-Five Thousand Dollars (\$35,000.00) per month. During year two of the
22 Lease Term (8/1/2016 to 7/31/2017), the Base Rent is Thirty-Six Thousand, Fifty Dollars
23 (\$36,050.00) per month. The Base Rent continues to increase at the rate of three percent (3%)
24 per year over the life of the Lease. A true and correct copy of the Torrey Pines Lease is attached
25 hereto as **Exhibit "9"**. I do not know how the initial base rent of \$35,000.00 was determined by
26 the parties.

27 33. The Premises, as defined in the Torrey Pines Lease, accommodates approximately
28 four hundred fifteen (415) students comprised of seventy-five (75) kindergarten children and

three hundred forty (340) non-kindergarten children. This is the maximum number of students that can occupy the Premises because of the three rooms needed for Special Education, library and Specials (limited to 25 students per class rooms). The student mix for the Premises is important because of State funding allocations. Kindergarten students are funded by the State at a reduced DSA rate of approximately \$3,903.00 per child, per year. Non-kindergarten students are funded by the State at a DSA rate of approximately \$6,505.00 per student.⁷

34. The customary percentage of rent charged to charter schools is between 10-15% of the overall revenue generated per campus. Based on the DSA rates referenced above and the mix between kindergarten and non-kindergarten students on the Premises at Torrey Pines, the annual revenue generated from DSA payments for students on the Premises is approximately \$2,504,425.00.⁸ The rental rate charged by Winsor/Tower exceeds industry rates.

35. In addition to the above, the Premises comprising the Torrey Pines Campus was smaller than the space desired by the School. In other words, I am informed and believe that Quest never contemplated limiting the student body at the Torrey Pines Campus to only 415 students. The landlord was aware of this and, consequently, Quest and the landlord discussed and even had plans prepared to expand the Premises to accommodate additional students and a student body of approximately 815 students. A true and correct copy of the site plans for expanding the Torrey Pines Campus is attached as **Exhibit "10"**.

36. The initial phase of this expansion was supposed to be completed by January 2016. Upon information and belief, in reliance on these representations, Quest entered into the Torrey Pines Lease and 1st Addendum. To-date, work on the expansion has not started. On the contrary, the landlord has now expressly stated that the landlord will not expand the campus as previously promised, thereby limiting the student population in the Premises to 415 students and

⁷ The DSA rate is subject to change on an annual basis depending on tax rates and other variables. The DSA rate for the 2016-2017 school year is expected to be the same or very similar to the DSA rate for the 2015-16 school year. Kindergarten funding is 60% of regular student funding.

⁸ As a percentage of revenue and based on the typical model, monthly rent for the Premises should have ranged between \$20,870.21 per month (10% of income) to \$31,305.31 per month (15% of income).

1 requiring Quest to rely upon portable classrooms. This is simply just another effort to
2 constructively evict Quest from the Premises.

3 37. In the short term, to accommodate a larger student body, the Torrey Pines Lease
4 provided for the placement of temporary portable classrooms capable of increasing the student
5 population at Torrey Pines by approximately three hundred additional students and rented to
6 Quest at a rate of \$1.40 per square foot. See Exhibit “7” (Torrey Pines Lease), section 6.03. The
7 landlord was responsible for providing and installing the portable classrooms. Id. The Torrey
8 Pines Lease also provided that, in the event Quest chose to have temporary portable classrooms
9 at the Premises, the parties would enter into a separate contract to control installation and use of
10 the portable classrooms. Id.

11 38. On July 16, 2015, the Winsor, as assignee of Tower, entered into the 1st
12 Addendum to Triple Net Real Estate Lease (“1st Addendum”). A true and correct copy of the 1st
13 Addendum is attached as **Exhibit “11”**. Pursuant to the 1st Addendum, the definition of Premises
14 was expanded to include a portion of the “Future Building Sites” (see section 1.10(c)) as outlined
15 in 1st Addendum Exhibit “A”.

16 39. As set forth in the 1st Addendum, four (4) temporary portable classrooms with
17 ADA compliant ramps were to be placed upon the Premises as defined in the original section
18 1.10(c) for the term of six (6) months starting August 1, 2015, at a cost of \$12,389.44 per month.
19 The landlord represented that four portable units were only needed for a six (6) month term
20 because Building 9 would be completed by January 2016, thus eliminating the need for the four
21 portable units. Upon the newly increased Premises as defined in the 1st Addendum Exhibit “A”,
22 four (4) additional temporary portable classrooms were to be placed for the term of twelve (12)
23 months starting August 1, 2015, at a cost of \$14,389.88 per month. Finally, upon the newly
24 increased Premises as defined in the 1st Addendum Exhibit “A”, one temporary portable
25 restroom was to be placed for a term of six (6) months starting August 1, 2015, at a rate of
26 \$2,279.32 per month. In other words, Tower is charging Quest \$29,058.64 per month, or
27 \$348,703.68 for a twelve- (12) month period for the portables.

40. By contrast, the actual lease arrangement between Tower and the owner of the portable units, Williams Scotsman (“Scotsman”) for the portable units is vastly different from the terms of the 1st Addendum.⁹ The written lease agreement between Tower and Scotsman provides for total charges to Tower for the portable classrooms for a twelve-month period of \$131,203.20 and the total charges for the portable restroom for a twelve-month period of \$20,351.54 for a total charge of \$151,554.74. A true and correct copy of the revised portable lease agreement is attached as **Exhibit “13”**. This equates to \$12,629.56 per month.

41. I am now informed and believe that the amount actually charged to the landlord by Scotsman is even lower than the amount referenced in the revised lease. I am now informed and believe that the landlord pays Scotsman only \$7,106.00 per month for all of the portable units, or \$56,848.00 for a twelve-month period.¹⁰

42. In other words, Winsor is charging Quest approximately \$263,431.68 more over a twelve (12) month period for the portable units than Winsor is paying Scotsman.

IMPORTANCE OF TORREY PINES LEASE

43. The Torrey Pines Campus is the most important of all of the Quest campuses for a number of reasons. **First**, the student body at the Torrey Pines Campus is the largest of all the campuses. There are presently 715 students enrolled for the 2016-17 school year. The enrollment at the Alexander Campus is only 60 students and the enrollment at the Bridger Campus is only 144.

44. **Second**, the entire seventh grade class was moved from the Roberson Campus in January 2016 to the Torrey Pines Campus because of the requirements of a Special Use Permit pursuant to which Quest was operating at the Roberson Campus. A true and correct copy of the

⁹ There are a total of three executed lease agreements for the portable units with Scotsman. The first two lease agreements identified Quest as the lessee and were signed by Winsor as the purported owner of Quest. Winsor never held a representative position with Quest. True and correct copies of the two portable leases purportedly signed in the name of Quest are attached as **Exhibit “12”**.

¹⁰ I am further informed and believe that notwithstanding the contractual obligation of Tower to provide and install the temporary portable classrooms that Scotsman contends that there are outstanding set-up charges of approximately \$83,000.00. I have requested from Scotsman support for this expense.

1 Special Use Permit is attached as **Exhibit “14”**. Pursuant to the Special Use Permit, Quest was
2 required to reduce the student population at the Roberson Campus from 435 students to no more
3 than 215 students by the second semester of the 2015-16 school year. Quest satisfied this
4 requirement by moving the Seventh grade class from the Roberson Campus to the Torrey Pines
5 Campus.

6 45. **Third**, as mentioned above, I was essentially forced to close the Roberson
7 Campus in June due to pressure from Dynamic, the landlord, to make way for a new tenant,
8 David O. McKay Academy (“McKay Academy”); reduced enrollment; and dire prospects of
9 renewing the Special Use Permit, which was set to expire by its own terms in July 2016, unless
10 extended. Mayor Pro Tem Ross was adamantly opposed to Quest operating at the Roberson
11 Campus in large part due to perceived misrepresentations by Winsor in obtaining the Special Use
12 Permit in the first place.

13 **DISCUSSIONS WITH TOWER REGARDING TORREY PINES CAMPUS**

14 46. Shortly after being appointed Receiver for Quest, I was contacted by Mr. Fred
15 Waid regarding lease payments under the Torrey Pines Lease and 1st Addendum. Over the past
16 many months I made it very clear to Mr. Waid that the lease rates were above market for a
17 charter school, discussed the range and parameters of typical rent paid by charter schools of
18 between 10-15% of the revenue generated per campus, expressed a willingness to pay the actual
19 costs for the portable units, and the importance of a long term arrangement to create stability for
20 Quest ranging from either reduced rental rates until build-out of the promised additional
21 buildings, or purchase of the property by Quest.

22 47. Regarding offers to purchase, Mr. Waid initially stated that the landlord was not
23 rejecting my offers out of hand, but continually directed the discussion toward some payment
24 toward rental arrears, payment of actual costs for the portable units and proposals for rental rates
25 going forward. During these discussions, I was constantly told that Winsor did not have a
26 personal ownership interest in the Torrey Pines Campus and that Mr. Waid had to discuss
27 matters with the “investors”. I now know these statements were false, as Winsor is identified as
28 the landlord in the 1st Addendum and in the 5-Day Notice. I made several proposals to continue

1 leasing the Torrey Pines Campus, with each offer consisting of reduced rental rates until the
2 additional buildings were constructed and payment of the actual costs of the portable units.
3 While the concept of making a payment toward arrears was discussed no figures presented.

4 48. The last face-to-face meeting with Mr. Waid occurred in Las Vegas on the
5 morning of June 23, 2016, just one day before a public meeting before the SPCSA where I was
6 to present a status update regarding the receivership. This meeting lasted for approximately 2 ½
7 hours. Much of this meeting was spent by Mr. Waid in another room talking with the
8 “investors”. I now believe that Mr. Waid was speaking with Winsor. At the meeting I submitted
9 yet another purchase and rent proposal reiterating essentially the same concerns that had been
10 expressed by me many times before: Quest preferred to purchase the property, but if that was not
11 possible, Quest needed long term stability including the build-out of the promised additional
12 space to replace the temporary portable units. Quest was willing to pay increased rent at industry
13 standards as the new space came on line. Again, the meeting ended without an agreement
14 between the parties with one notable exception: Mr. Waid told me twice that I could report to the
15 SPCSA at the upcoming public meeting that notwithstanding the lack of express terms between
16 the parties, Quest would be allowed to remain at the Torrey Pines Campus for at least the 2016-
17 17 school year. Mr. Waid also agreed to further discuss my proposal with his client, who I now
18 believe to have been at all relevant times Winsor.

19 49. The following morning, on Friday, June 24, 2016, consistent with Mr. Waid’s
20 statements and encouragement, I did in fact report to the SPCSA that the Landlord was
21 permitting Quest to remain at the Torrey Pines Campus for the 2016-17 school year.

22 50. It is important to understand that over the extended period of time my counsel and
23 I had been meeting, conversing or communicating with Mr. Waid, at no time had Tower/ Winsor
24 threatened to evict Quest from the Torrey Pines Campus.

25 **ABRUPT CHANGE IN POSITION BY TOWER**

26 51. Tower/Winsor’s tone toward the Receiver and the Torrey Pines Lease as
27 communicated through Mr. Waid abruptly changed after a meeting on June 28, 2016 with Mayor
28 Pro Tem Ross, Mr. Waid, representatives of McKay Academy, and my legal counsel. The

1 meeting was scheduled at the request of Mr. Waid to discuss Quest's pending application to
2 extend the Special Use Permit for the Roberson Campus and assignment of the Dynamic Lease
3 for the Roberson Campus to the McKay Academy. I am informed and believe that at this
4 meeting Mayor Pro Tem Ross stated in no uncertain terms that he would not approve the
5 application to extend the Special Use Permit to permit any school to operate at the Roberson
6 Campus site. Mayor Pro Tem Ross was emotional about this issue as he felt that Winsor had lied
7 to him in order to obtain the Special Use Permit in the first place. The only possible exception to
8 this position would be if the commercial tenants who had continuously opposed Quest would
9 agree to the McKay Academy operating out of the Roberson Campus location and that any such
10 occupation would absolutely be limited to one year.

11 52. I am informed and believe that within an hour of the conclusion of the meeting
12 with Mayor Pro tem Ross, Tower/Winsor visited the Torrey Pines Campus with representatives
13 of the McKay Academy to tour the site as an alternative location to the Roberson Campus
14 notwithstanding the fact that the Torrey Pines Campus is the largest of all of the Quest campuses.

15 53. In the morning of July 7, 2016, less than one week after the meeting with Mayor
16 Pro Tem Ross regarding the Roberson Campus and less than one week after Tower/Winsor gave
17 McKay Academy representatives a tour of the Torrey Pines Campus, Mr. Waid informed me that
18 the landlord had rejected my latest offer and that Quest must immediately vacate the Torrey
19 Pines Campus and requested that I execute a lease termination/settlement agreement similar to
20 the agreement entered into between Dynamic and Quest relative to the Roberson Campus.

21 54. This response was completely unexpected and extremely distressing especially
22 coming on the heels of Mr. Waid's statements on behalf of the landlord the prior week that Quest
23 could operate out of the Torrey Pines Campus for the 2016-17 school year and to so inform the
24 SPCSA at the public meeting. It was also distressing because at the late date of the demand. It
25 was literally impossible to locate, much less move the entire Torrey Pines Campus to another
26 location by the start of the 2016-17 school year this late in the year. Teachers, staff and
27 administrators report to work for the 2016-17 school year on August 8, 2016. Winsor/Tower
28

1 clearly understood the situation and the implications of the demand that Quest immediately
2 vacate the Torrey Pines Campus.

3 55. On Monday, July 11, 2016, I directed my counsel to reiterate the importance of
4 the Torrey Pines Campus to the operations and future of Quest and to extend a proposal to cure
5 arrears and make lease payments going forward. This proposal was submitted in the context and
6 furtherance of the prior meeting with Mr. Waid wherein he stated that Quest could occupy the
7 Torrey Pines Campus for the 2016-17 school year, but needed to pay something toward arrears
8 and some rent going forward.

9 56. I advised Mr. Waid that according to my calculations through July 2016, the
10 arrears asserted by Tower/Winsor under the Lease is \$557,597.97, consisting of \$280,000.00 in
11 rental arrears, \$232,469.12 in portable arrears, \$53,505.64 in late charges and \$22,587.25 in
12 accrued interest.¹¹

13 57. I proposed paying a single payment of \$300,531.00 toward arrears and to bring
14 the lease current and explained how I arrived at this figure. I calculated rental arrears at a rate of
15 \$25,044.25 per month for eight (8) months. This reduced monthly rental rate was based on a
16 student population in the Premises (excluding students crammed into portable units) of 415
17 students consisting of 75 kinder kids who are funded at a reduced DSA rate of \$3,903.00 per
18 child per year and 340 non-kinder kids who are funded at a DSA rate of \$6,505 per child per
19 year. I further explained that 415 students is the maximum number of students that can occupy
20 the Premises because of the three rooms needed for Special Education, library and Specials
21 (limited to 25 students per room). I further explained that the monthly rental rate reflects 12.5%
22 of the revenue generated from 415 students in the Premises.

23 58. Regarding the portable units, I proposed paying to Tower/Winsor the actual
24 amount of its payment to Scotsman for the portable units, which I understood to be \$56,848.00
25 for a twelve-month period (consisting of \$7,106.00 per month for eight months). In addition, I
26 expressed my understanding that Scotsman contends that there are outstanding set-up charges of
27

28 ¹¹ According to the 5-Day Notice, the arrears owing to Winsor under the Torrey Pines Lease
through July, 2016 is \$512,469.12.

1 \$67,484.07 (originally thought to be as high as approximately \$83,000) due and owing under the
2 portable lease. I explained that Quest would accept responsibility to pay Scotsman the set-up fee.
3 I backed out late charges and interest charges. The proposal reflected an immediate payment of
4 \$357,379.00, plus the set-up fee directly to Scotsman. I also offered to cover the expenses for
5 deferred maintenance on the Premises.

6 59. Regarding lease payments on a going-forward basis, I proposed paying monthly
7 rent of \$25,044.25 per month, with increases to this amount tied to increases in per pupil DSA
8 funding and build-out of additional space to accommodate students presently occupying the
9 temporary portable units, subject to improvements consistent with the original plans. Again, I am
10 now told that notwithstanding prior promises to the Quest Board about constructing additional
11 buildings in order to expand the Torrey Pines Campus, Tower/Winsor no longer intends to build
12 out additional space for Quest. Although the portable classrooms are only necessary because the
13 landlord breached its promises to expand permanent classroom facilities, the landlord is now, on
14 the eve of the school year, threatening to remove the portable classrooms, which is additional
15 evidence of the landlord's bad faith conduct. A true and correct copy of the correspondence
16 between counsel for landlord and my counsel on this issue is attached as **Exhibit "15"**. I further
17 agreed to pay Scotsman directly for the portable units.

18 60. Alternatively and most importantly, I offered to place the entire amount asserted
19 by Tower/Winsor to be in arrears immediately into escrow, with monthly rental payments
20 deposited into escrow at current rates pending mediation/arbitration of issues regarding the lease.
21 These issues regarding the Torrey Pines lease include without limitation the following:

- 22 (a) Rental Rate Reduction: The rental rate charged under the Lease is above
23 market, excessive, designed to benefit Winsor/Tower at the expense of
24 Quest and was the result of Winsor breaching fiduciary duties owing to
25 Quest by virtue of his position on the Foundation Board as a member and
26 Vice President;
- 27 (b) Charges for Temporary Portable Classrooms and Restroom. The Torrey
28 Pines Lease provides for the placement of temporary portable classrooms

1 pending construction of additional buildings to accommodate Quest
2 expansion. The amount Winsor/Tower could charge Quest is limited by
3 the Torrey Pines Lease to no more than \$1.40 per square foot. See Exhibit
4 “7” (Torrey Pines Lease), section 6.03. Notwithstanding this limitation,
5 Winsor/Tower is charging Quest \$29,058.64 per month, or \$348,703.68
6 per year (approx. \$2.43 per square foot). Winsor/Tower is charging Quest
7 a \$263,431.68 premium over a twelve (12) month period for the portable
8 units in excess of the amount Winsor/Tower is paying Scotsman. These
9 charges are clearly in excess of the rental rate permitted under the Torrey
10 Pines Lease and have resulted in the portables being a significant and
11 unintended profit center for Tower. This also violates the duties owing by
12 Winsor to Quest as a Foundation Board member and officer;

- 13 (c) Quest never contemplated limiting the student body at the Torrey Pines
14 Campus to only 415 students and that Quest and Winsor/Tower discussed
15 and even had plans prepared to expand the Premises to accommodate
16 additional students. The additional improvements have not been
17 constructed, yet Quest is being charged the equivalent, or more, as if the
18 expansion was actually built out;
- 19 (d) Finally, Winsor/Tower is charging a late charge for every late monthly
20 lease payment of ten percent (10%) of the overdue amount, plus fifteen
21 percent (15%) per annum on the unpaid installments. These charges
22 combined constitute an impermissible penalty under Nevada law.

23 61. Notwithstanding Mr. Waid’s representations on behalf of landlord regarding
24 Quest’s remaining at Torrey Pines for at least the 2016-17 school year, the landlord immediately
25 rejected this proposal in its entirety, including the alternative proposal to escrow all alleged
26 arrears and rental payments going forward pending resolution of issues concerning the Torrey
27 Pines Lease, and again demanded that Quest immediately vacate the Torrey Pines Campus.

62. I believe the real reason the landlord breached its agreement to let Quest remain at the Torrey Pines Campus at least for the 2016-17 school year and is demanding that Quest immediately vacate the premises is because the landlord has an agreement in principal to lease the Torrey Pines Campus to the McKay Academy. In fact, a McKay Academy vehicle was recently seen driving around the Torrey Pines Campus.

63. I am informed and believe that a representative of the McKay Academy had contacted the SPCSA approximately four (4) to six (6) weeks ago inquiring about taking over and operating Quest so long as it did not need to deal with historical debt or financial issues; McKay Academy has been soliciting students for a Northwest Campus for the 2016-17 school year, but is no longer able to occupy the Roberson Campus; and McKay Academy representatives recently toured the Torrey Pines Campus with Tower/Winsor.

64. If Quest is evicted from the Torrey Pines Campus, it is all but certain that Quest will be forced to cease all school operations. It is impossible for Quest to find an alternative location at this late date for the elementary school at the Torrey Pines Campus. Faculty, staff and administration are scheduled to report to work on August 8, 2016. If Quest is evicted, not only will the 715 students enrolled at Torrey Pines be displaced, and 71 faculty and staff members lose their jobs, but the 60 students enrolled at the Alexander Campus and the 144 students enrolled at the Bridger Campus will also be displaced as well as 9 staff and 13 faculty from those smaller campuses will lose their jobs.

STAY OR ENJOIN FOUNDATION'S EVICTION EFFORTS

65. Based upon the above, it is necessary for this Court to deny, enjoin or stay Tower/Winsor's efforts to evict Quest until the issues referenced above are resolved.

66. In the meantime, Quest will deposit lease arrears into escrow and continue depositing rent on a monthly basis at the contract rate into escrow pending a resolution of the issues surrounding the Lease.¹²

¹² Since November 1, 2015, Quest has paid Tower a total of \$227,196.92 under the Torrey Pines Lease.

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I declare under penalty of perjury under the law of the State of Nevada that the foregoing
is true and correct.

Dated this 1 day of August, 2016.


JOSHUA M. KERN

EXHIBIT “1”

FIVE-DAY NOTICE TO PAY RENT OR QUIT
(NRS 40.253)

TO: Quest Academy Preparatory Education
Or Tenant(s) in Possession
4660 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4648 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4624 N. Rancho Drive
Las Vegas, Nevada 89130

FROM: Hutchison & Steffen, LLC
Peccole Professional Park
10080 W. Alta Dr., Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
Attorneys for Landlord Tower Distribution Center,
LLC

Date of Service: July 26, 2016

PLEASE TAKE NOTICE that you are in default in payment of rent for the premises correctly identified per the Assignment of Landlord's Interest in Lease dated July 16, 2015, as: 4648 N. Rancho Drive, Las Vegas, NV 89130; 4660 N. Rancho Drive, Las Vegas, NV 89130; and 4624 N. Rancho Drive, Las Vegas, NV 89130 (see attached Assignment of Landlord's Interest in Lease), and for the premises per the 1st Addendum to the Triple Net Real Estate Lease dated July 16, 2015, all portable classrooms on the premises (see attached site map C0.04 for location of portable classrooms) in the sum of \$512,469.12, for the period December, 2015, to July, 2016. Rental payment(s) became delinquent on December 1, 2015.

Your failure to pay rent or vacate the premises within five (5) judicial days¹ following the Date of Service of this notice may result in your landlord applying to the Justice Court for an eviction order. If the court determines that you are guilty of an unlawful detainer, the court may issue a summary order for your removal or an order providing for your nonadmittance, directing the sheriff or constable to remove you within twenty-four (24) hours after receipt of the order. Pursuant to NRS 118A.390, you may seek relief if a landlord unlawfully removes you from the premises or excludes you by blocking or attempting to block your entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of the Nevada Revised Statutes.

YOU ARE HEREBY ADVISED OF YOUR RIGHT TO CONTEST THIS NOTICE by filing an Affidavit (or Answer), no later than noon on the fifth full judicial day¹ following the Date of Service of this notice, with the Justice Court for the Township of Las Vegas Township stating that you have tendered payment or are not in default in the payment of rent. The Justice Court is located at the Regional Justice Center at 200 Lewis Ave., Las Vegas, Nevada 89155.

YOU MAY OBTAIN AN AFFIDAVIT/ANSWER FORM at the Clark County Civil Law Self-Help Center, located at the Regional Justice Center, downtown Las Vegas, or on its website, www.clarkcountycourts.us/CivilSHC.

¹ Judicial days do not include the date of service, weekends, or certain legal holidays.

DECLARATION OF SERVICE

On _____, I served this notice in the following manner:

By delivering a copy to the tenant(s) personally through its counsel Richard F. Holley at 400 S. 4th St., #300, Las Vegas, NV 89101; see Acceptance of Service;

— OR —

Because the tenant(s) was absent from tenant's place of residence or from tenant's usual place of business, by leaving a copy with _____, a person of suitable age and discretion, at either place AND mailing a copy to the tenant(s) at tenant's place of residence or place of business;

— OR —

Because tenant's place of residence or business could not be ascertained, or a person of suitable age or discretion could not be found there, by posting a copy in a conspicuous place on the property, delivering a copy to a person there residing, if the person could be found, AND mailing a copy to the tenant(s) at the place where the property is situated.

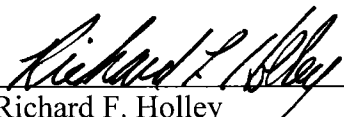
I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

_____ Server Name (Printed)	_____ Server Signature	\$ _____ Fee paid for service	_____ Time & date of request for service
--------------------------------	---------------------------	----------------------------------	---

BULLET LEGAL SERVICES, LLC
LICENSE NO. 1471

ACCEPTANCE OF SERVICE

Service of FIVE-DAY NOTICE TO PAY RENT OR QUIT herein upon tenant Quest Academy Preparatory Education is accepted this 26th day of July, 2016, by Richard F. Holley, who warrants that he is duly authorized to accept service on tenant's behalf.

By: 
Richard F. Holley
400 South Fourth Street, Suite 300
Las Vegas, NV 89101
Attorney for Tenant

ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE

THIS ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE (this "Agreement"), made this 16 day of July, 2015, by and between **LaVar Winsor** ("Assignor"), and **Tower Distribution Center, LLC**, a Nevada limited-liability company ("Assignee").

Recitals

Assignor **LaVar Winsor**, entered into an "Assignment of Landlord's Interest in Lease" dated May 19, 2015 under which he received from **Tower Distribution Center, LLC** an assignment of all rights held by **Tower Distribution Center, LLC** to a lease agreement dated March 27, 2015, between **Tower Distribution Center, LLC**, as Landlord, and **Quest Academy Preparatory Education, a Nevada State Funded Charter School**, as Tenant. The assigned rights relate to the three (3) original buildings leased to Quest Academy Preparatory Education ("**Quest**"), originally identified in the March 27, 2015 Lease as 4701 Torrey Pines, Las Vegas, Nevada 89130, 4660 N. Rancho Drive, Las Vegas, Nevada 89130 and 4624 N. Rancho Drive, Las Vegas, Nevada 89130. The assigned rights also relate to any and all real property set forth and described in the 1st Addendum to Triple Net Real Estate Lease, commencing August 1, 2015. Upon correction of the official maps for the City of Las Vegas and Clark County, the physical addresses for the three (3) original buildings leased to Quest shall be hereafter identified as 4660, 4624, 4648 N. Rancho Drive, Las Vegas, Nevada 89130 ("**leased premises**"). Assignor **LaVar Winsor**, now desires to assign back to **Tower Distribution Center, LLC** all rights he holds under the March 27, 2015 lease with **Quest Academy Preparatory Education, a Nevada State Funded Charter School**. Assignee **Tower Distribution Center, LLC**, desires to acquire and assume all obligations under, and Assignor **LaVar Winsor** is willing to assign to Assignee, all of Assignor's rights, titles and interests in and to, and all of Assignor's obligations under, the lease dated March 27, 2015 with **Quest Academy Preparatory Education, a Nevada State Funded Charter School** ("**Tenant**").

Agreement

NOW, THEREFORE, in consideration of the above premises, and for the sum of TEN and NO/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by Assignor and Assignee as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement. Effective as of the Closing Date, Assignor **LaVar Winsor** does hereby SELL, TRANSFER, ASSIGN and SET OVER unto Assignee **Tower Distribution Center, LLC** all of Assignor's right, title and interest in, to and under the Lease, including, without limitation, all security deposits paid by **Quest Academy Preparatory Education, a Nevada State Funded Charter School** under the Lease which have not been heretofore forfeited by or returned to the Tenant under such Lease, and Assignee does hereby assume the Lease as of the Closing Date.

2. Assignee hereby agrees to assume any and all liability, demands, claims, causes of action and loss arising under the Lease and arising from the management and operation of the Property, including liability for costs and attorney's fees and expenses, which liability arises

from, or is based upon, any facts or circumstances which occur or exist during any period on or after the Closing Date.

3. This Assignment is made without representation or warranty by Assignor or Assignee other than (a) the warranties of Assignor and Assignee expressly set forth in the Agreement; and (b) the warranty that Assignor has not heretofore assigned the Lease.

4. In the event of any litigation between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, reasonable attorney's fees and expenses.

5. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. This Assignment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Assignment.

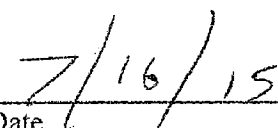
7. This Assignment shall be interpreted under the laws of the State of Nevada and any litigation regarding the same shall be brought in Clark County, Nevada.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first written above.

ASSIGNOR:

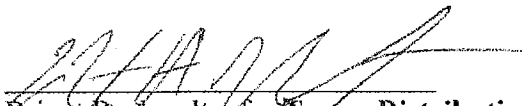


LaVar Winsor

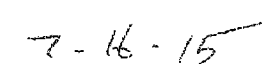


Date

ASSIGNEE:



Briant Buckwalter for Tower Distribution Center, LLC



Date

1ST ADDENDUM TO TRIPLE NET REAL ESTATE LEASE BETWEEN
LAVAR WINSOR (Landlord) (Assignee of TOWER DISTRIBUTION CENTER, LLC)
AND
QUEST ACADEMY PREPARATORY EDUCATION (Tenant)

This is an Addendum to that lease agreement executed between TOWER DISTRIBUTION CENTER, LLC as "Landlord" and QUEST ACADEMY PREPARATORY EDUCATION as "Tenant" which is dated March 27, 2015 ("subject lease").

WHEREAS, TOWER DISTRIBUTION CENTER, LLC assigned its rights as landlord under the subject contract to LAVAR WINSOR in an assignment dated _____; and

WHEREAS, Section 6.03 of the subject lease anticipates and allows for the placement of portable classrooms;

WHEREAS, the parties to this Addendum now wish to include additional real property to the subject lease, and to place temporary portable classrooms and temporary restrooms on the newly increased "premises" as defined in Section 1.01(c);

IT IS THEREFORE MUTUALLY AGREED THAT:

1. The "Premises" defined in Paragraph 1.01(c) of the subject lease shall be increased to include that portion of the "Future Building Sites" (Section 1.01(d)) outlined in the 1st Addendum Exhibit "A" attached hereto and incorporated herein.
2. Upon the Premises defined in the original Paragraph 1.01(c) shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$12,389.44 per month.
3. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of twelve (12) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$14,389.88 per month.
4. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed one temporary portable restroom for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for this temporary portable restroom shall be \$2,279.32 per month.

No other terms or conditions of the above mentioned lease agreement shall be negated or changed as a result of this addendum.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Addendum in the State of Nevada on the date indicated below.

Sign: _____

Date: 7/16/15

Lavar A. Winsor ("Landlord")

Sign: Timothy Zeidler

Date: 7/13/15

Timothy Zeidler, President of QUEST ACADEMY PREPARATORY EDUCATION, A State
Funded Charter School

PROJECT DATA

A.P.N.:

138-02-113-001

EXISTING ZONING:

C-1 & R-E

PROPOSED ZONING:

E

SITE AREA:

279,552 S.F. (6.41 ACRES)

SETBACKS:

REQUIRED: 20'-0"

FRONT:

PROVIDED: 20'-0"

SIDES:

10'-0"

REAR:

20'-0"

PHASE 1 BUILDING AREA:

39,842 S.F.

PHASE 2 BUILDING AREA:

14,334

PHASE 3 BUILDING AREA:

36

PHASE 4 BUILDING AREA:

134 SPACES

PHASE 5 BUILDING AREA:

7 SPACES

PHASE 6 BUILDING AREA:

4 SPACES

PHASE 7 BUILDING AREA:

4 SPACES

PHASE 8 BUILDING AREA:

4 SPACES

PHASE 9 BUILDING AREA:

4 SPACES

PHASE 10 BUILDING AREA:

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PHASE 11 BUILDING AREA:

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PHASE 12 BUILDING AREA:

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PHASE 13 BUILDING AREA:

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PHASE 15 BUILDING AREA:

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PHASE 29 BUILDING AREA:

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PHASE 31 BUILDING AREA:

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PHASE 32 BUILDING AREA:

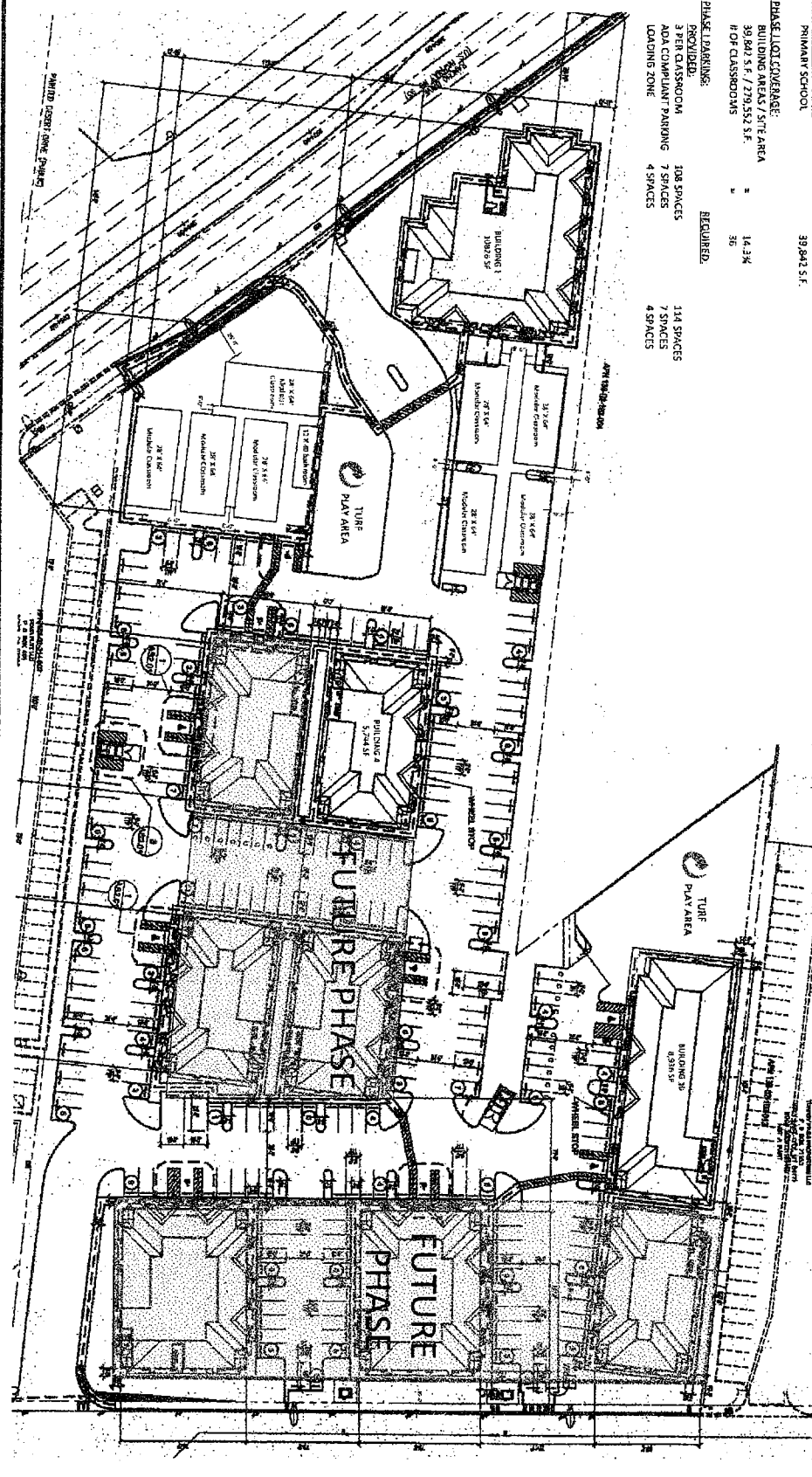
4 SPACES

PHASE 33 BUILDING AREA:

4 SPACES

PHASE 34 BUILDING AREA:

4 SPACES



TEMPORARY FENCE
PERMANENT FENCE



Torrey Pines Campus
4624-4630 N. Rancho Dr. Las Vegas, NV 89110

CO.04

SITE PLAN

EXHIBIT “2”

CHARTER SCHOOL CONTRACT

between

State Public Charter School Authority

and

Quest Academy Preparatory Education

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SIGNATURE PAGE

EXHIBIT #1

Charter School Performance Framework

EXHIBIT #2

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EXHIBIT #3

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CHARTER CONTRACT

This agreement constitutes a Charter Contract (the “Charter Contract”) executed between the State Public Charter School Authority (the “Authority”), and the Quest Academy Preparatory Education Governing Body (the “Applicant(s)”) (collectively, the “Parties”) to establish and operate the Quest Academy Preparatory Education CHARTER SCHOOL (the “Charter School”), an independent and autonomous public school authorized to operate in the State of Nevada.

RECITALS

"WHEREAS, The primary consideration of the legislature in enacting legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk; and

WHEREAS, The intention of the legislature is to provide:

1. The board of trustees of school districts with a method to experiment with providing a variety of independent public schools to the pupils of this state;
2. A framework for such experimentation;
3. A mechanism by which the results achieved by charter schools may be measured and analyzed; and
4. A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated; and

WHEREAS, It is further the intention of the legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

1. Improve the learning of pupils and, by extension, improve the system of public education;
2. Increase the opportunities for learning and access to quality education by pupils;
3. Encourage the use of different and innovative teaching methods;

4. Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
5. Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
6. Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the program of learning offered;"

WHEREAS, The Authority is authorized by the Legislature to sponsor charter schools pursuant to NRS 386.509; and

WHEREAS, on July 16, 2008, the Authority approved the proposed charter application as set forth in Exhibit #3 (initially or as amended, the "Charter Application") and incorporated herein; and

WHEREAS, the Parties intend that this Charter Contract serve as a performance contract that governs the operation of the Charter School;

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 hereby acknowledged, the Authority and Charter School agree as follows:

Part I: Operation of the School

1.1 Establishment

- 1.1.1 As authorized by the Nevada Revised Statute (NRS) 386.509, the Authority hereby authorizes the operation of the Charter School with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Charter Contract.
- 1.1.2 This Charter Contract is entered into between the Charter School, its governing body (the “Charter Board”) and the Authority.

1.2 Parties

- 1.2.1 The person authorized to sign the Charter Contract on behalf of the Charter School is the President of the Charter Board (“Charter School Representative”).
- 1.2.2 The person authorized to sign on behalf of the Authority is the Chair of the Authority or, in the absence of the Chair, the Acting Chair.
- 1.2.3 The Charter School Representative affirms as a condition of this Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Charter Contract on behalf of the Charter School.

1.3 Term of Charter Contract

- 1.3.1 The Term of this Charter Contract shall be six (6) years.
- 1.3.2 This Charter Contract is effective upon execution, and the term of the Charter Contract begins July 1, 2014 and will terminate on June 30, 2020, unless earlier terminated as provided herein.

1.4 General

- 1.4.1 The Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provision of chapter 82 of NRS.
- 1.4.2 The Charter School certifies that all contracts obligating the Charter School have been and will be undertaken by the Charter School in accordance with statute and regulation.
- 1.4.3 The Charter School and its Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authority policies applicable to charter schools.
- 1.4.4 The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation requirements, except to the extent such provisions are inapplicable to charter schools.
- 1.4.5 Pursuant to NRS 386.513, the Local Education Agency of the Charter School is the Authority.

1.5 Charter School Governing Body

- 1.5.1 The Charter School shall be governed by the Charter Board, and deemed a public

body, in a manner that is consistent with the terms of this Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 386.549)

- 1.5.2 The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Charter Contract.
- 1.5.3 The Charter Board shall be the final authority in matters affecting the Charter School, including but not limited to staffing, job titles, employee salary and benefits, financial accountability and curriculum.
- 1.5.4 The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law, Public Records Law, and Nevada Local Government Purchasing laws (NRS 332.039-.148)
- 1.5.5 The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:
 - 1.5.5.1 Articles of Incorporation and Bylaws. The articles of incorporation, if applicable, and bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation and this Charter Contract. The articles of incorporation, if applicable, are set forth in Exhibit #2 (initially or as amended, the “Articles of Incorporation”) and incorporated herein by reference. The Charter School shall notify the sponsor of changes to the bylaws or Articles of Incorporation.
 - 1.5.5.2 Composition. The composition of the Charter Board shall at all times be determined by and consistent with the articles of incorporation, if applicable, and bylaws and all applicable law and regulation. The complete roster of the Charter Board and each member’s affidavit, resume, and Request for Information shall be maintained in the Authority’s established document library (AOIS). The Charter Board shall notify the Authority of any changes to the Board Roster and submit an amended Board Roster to the documents library within ten (10) business days of their taking effect.
 - 1.5.5.3 Affiliation. Notwithstanding any provision to the contrary in the Charter Contract, the Articles of Incorporation, if applicable, or the bylaws, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity, with the exception of the Charter School itself, regardless of whether said entity is affiliated or otherwise partnered with the Charter School. (NAC 386.345(3))
 - 1.5.5.4 Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the “Conflicts of Interest Policy”), including provisions related to nepotism and consistent with this section and applicable law by January 1 of the Charter School’s first year of operation . The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The

adopted and approved Conflicts of Interest Policy shall be maintained in the Authority's established document library (AOIS). Any modification of the Conflicts of Interest Policy must be submitted to the Authority within five (5) days of approval by the Charter Board.

- 1.5.5.5 Non-Commingle. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authority.

1.6 Location

- 1.6.1 The Charter School shall provide educational services, including, without limitation, delivery of instruction or conduct operations at the following location(s):

6610 Grand Montecito Parkway, Las Vegas, Nevada
4141 Meadows Lane, Las Vegas, Nevada
7550 W. Alexander, Las Vegas, Nevada

1.7 Facilities

- 1.7.1 The building(s) in which the Charter School is to be located shall be known as the Charter School Facilities (the "Facilities").
- 1.7.2 The Authority or its designee may, at the Authority's discretion, conduct health and safety inspections of the Facilities.
- 1.7.3 The Facilities shall meet all applicable health, safety and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools.
- 1.7.4 The Charter School's relocation to different Facilities shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.7.5 In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Authority reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Charter Contract.

1.8 Charter School Independence

- 1.8.1 Neither the Authority nor the board of trustees of the local school district in which the Charter School is located may assign any pupil who is enrolled in a public school or any employee who is employed in a public school to the Charter School. Neither the Authority nor the local school district in which the Charter

School is located may interfere with the operation and management of the Charter School except as authorized by NRS 386.490-.610, inclusive, and any other statute or regulation applicable to the Charter School or its officers or employees.

- 1.8.2 The Charter School will be subject to review of its operations and finances by the Authority, including related records, when the Authority, in its sole discretion, deems such review necessary.

1.9 Pre-Opening Conditions

- 1.9.1 The Charter School's pre-opening conditions (initially or as amended, the "Pre-Opening Conditions") shall be as presented in Exhibit #4 and incorporated by reference herein. Any change to the Pre-Opening Conditions shall be a material amendment to this Charter Contract and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.9.2 Failure to timely fulfill any material term of the Pre-Opening Conditions shall be considered a breach of material compliance with the Charter Contract pursuant to NRS 386.535 and shall be grounds for Authority intervention. Notwithstanding the immediately foregoing, the Authority may modify the restrictions contained therein or may grant the Charter School an additional planning year upon good cause shown.

Part 2: School Operations

2.1 Open Meetings and Public Records

- 2.1.1 The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to public meetings and records.

2.2 Mission Statement

- 2.2.1 The Charter School's mission statement (initially or as amended, the "Mission Statement") shall be as presented in the approved Charter Application appearing in Exhibit #3 and incorporated by reference herein. Any change to the Mission Statement shall be a material amendment to this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.3 Age; Grade Range; Number of Students

- 2.3.1 The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under the Charter Contract as identified in the Charter Application appearing in Exhibit #3.
- 2.3.2 The Charter School may modify the number of students in any particular grade, and number of students within a class, to accommodate staffing exigencies and

attrition patterns provided such modifications are consistent with this Charter Contract.

- 2.3.3 Elimination of a grade level that the Charter School was scheduled to serve; expansion to serve grade levels not identified in 2.3.1; or an annual increase or decrease in total enrollment by more than 10% shall be a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance. Regardless what enrollment projections are contained in the charter school application approved by the Authority, the first year enrollment for the Charter School shall serve as the basis for the 10% annual enrollment increase or decrease for the school's second year; similarly, subsequent years' enrollment shall serve as the basis for the following years' enrollment. Each year's enrollment shall be limited to 10% more pupils than the previous year's enrollment unless the school's request for a material amendment is approved by the Authority. For example, a school enrolling 100 pupils any given year may enroll no more than 110 pupils the following year without Authority approval of a material amendment. It is the responsibility of the Charter School to request the material amendment required by this section 2.3.3 in a timely manner so as to manage the school's enrollment to comply with 2.3.3.

2.4 Non-discrimination

- 2.4.1 The Charter School shall not discriminate against any student, employee or other person on the basis of race, color, creed, ethnicity, national origin, gender, marital status, religion, ancestry, disability, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

2.5 Student Recruitment, Enrollment and Attendance

- 2.5.1 The Charter School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability, need for special education services or status as credit-deficient. In no event may the Charter School limit admission based on race, ethnicity, national origin, gender, disability, income level, athletic ability, status as credit-deficient or proficiency in the English language, except as authorized by NRS 386.580(8).
- 2.5.2 The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 386.180(5).
- 2.5.3 If there are more applications to enroll in the charter school than there are

spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public.

- 2.5.4 Pursuant to NRS 386.580, Charter School may give enrollment preference based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, Charter School shall comply therewith upon the effective date of the changes. Before the Charter School enrolls pupils who are eligible for enrollment, the Charter School may enroll a child who:

- 2.5.4.1 Is a sibling of a pupil currently enrolled;
- 2.5.4.2 Was enrolled in a tuition-free prekindergarten program at the Charter School or affiliated program with the Charter School;
- 2.5.4.3 Is a child of a person who is:
 - 2.5.4.3.1 Employed by the Charter School;
 - 2.5.4.3.2 A member of the Committee to Form the Charter School; or
 - 2.5.4.3.3 A member of the Charter Board;
- 2.5.4.4 Is in a particular category of at-risk and the child meets the eligibility requirements prescribed by the Charter School for that particular category; or
- 2.5.4.5 Resides within the school district and within two (2) miles of the Charter School if the Charter School is located in an area that the Authority determines includes a high percentage of children who are at-risk.

2.6 Tuition, Fees and Volunteer Requirements

- 2.6.1 The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a school district would be prohibited by applicable law or regulation from imposing.
- 2.6.2 Nothing in this section shall be interpreted to prohibit the Charter School from imposing fees that a school district would be permitted to impose.
- 2.6.3 Any requirement that a parent commit a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.

2.7 School Calendar; Hours of Operation

- 2.7.1 The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 386.550)

2.8 Student Conduct and Discipline

- 2.8.1 The Charter School shall adopt and adhere to a student discipline policy (the "Discipline Policy") pursuant to NRS 386.585 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent's wishes for reasons other than the reasons for suspension or expulsion stated in

NRS 392.4655 – 392.4675 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.

2.9 Service Agreements, Contracts, Facility Lease or Purchase

2.9.1 Nothing in this Charter shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.

2.9.2 The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Authority, or the Department of Education.

2.10 Contracts with an Educational Management Organization (EMO)

2.10.1 The provisions appearing under 2.9 apply to contracts with an EMO.

2.10.2 Should the Charter School intend to enter into an agreement with an EMO as defined by NRS 386.562, the following provisions shall apply:

2.10.2.1 The Charter School shall comply with all Authority requests for information about the EMO that are reasonably related to the Authority's duty to ensure that the Charter School is in compliance with all provisions of this Charter Contract and NRS 386.562; and NAC 386.400, 386.405, 386.407, 386.180, and 386.204 or other applicable statute and regulation.

2.10.2.2 In no event shall the Charter Board delegate or assign its responsibility for fulfilling the terms of this Charter Contract.

2.10.2.3 Any management contract entered into by Charter School shall include an indemnification provision for the Charter School as follows: "The management company shall indemnify, save and hold harmless against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including but not limited to attorneys' fees and/or litigation expenses, including but not limited to injury to property or persons (including but not limited to civil rights violations), occurring or allegedly occurring, in connection with the operation of the management company, or from conduct committed or alleged to have been committed by the management company on the premises of the Charter School, or from conduct committed by the management company's employees, officers, directors, subcontractors, or agents, during the term of

this Charter Contract or any renewal thereof. Additionally, the management company shall defend the Authority in any such action or proceedings brought thereon. This provision shall survive the termination of this contract.”

- 2.10.2.4 Should the Charter School propose to enter into a contract with an EMO, the Charter School agrees to submit all information requested by Authority regarding the management arrangement, including a copy of the proposed contract and a description of the EMO, with identification of its principals and their backgrounds. Entering into a contract with an EMO when an EMO was not previously engaged, terminating a contract with an existing EMO, or replacing an existing EMO with another EMO is considered a material amendment of the Charter Contract and the Charter School shall not enter into or terminate such contracts without written Authority approval.
- 2.10.2.5 Renewal or renegotiation of an existing contract with an EMO requires the Charter School to notify the sponsor, only, and is not considered a material amendment.

2.11 Employment Matters

- 2.11.1 All employees of the Charter School shall be deemed public employees.
- 2.11.2 The Charter School agrees to comply with the provisions of NRS 386.595 regarding employment status and NRS 386.590 regarding teacher licensure.
- 2.11.3 Neither the Charter School, nor its employees, agents, nor contractors are employees or agents of the Authority; nor are either the Authority or its employees, agents, or contractors employees or agents of the Charter School. None of the provisions of this Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Charter Contract.
- 2.11.4 The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO. The Charter School will establish and implement its own dispute resolution process for employment matters.
- 2.11.5 The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state. (NRS 386.590(a))
- 2.11.6 An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees Retirement System in a manner consistent with NRS 386.595.
- 2.11.7 The Charter School shall conduct criminal background checks and act in accordance with NRS 386.588.
- 2.11.8 The Charter School shall maintain employee files as identified in the Operations

- Manual, which are subject to audit by the Authority or other appropriate entity.
- 2.11.9 If the Charter School receives Title I funding, it must ensure that 100% of teachers in core academic subjects are Highly Qualified (as defined in the Elementary and Secondary Education Act) or are working pursuant to a plan to achieve Highly Qualified status.
- 2.12 Student Health, Welfare and Safety**
- 2.12.1 The Charter School 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.
- 2.13 Transportation**
- 2.13.1 If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Application appearing in Exhibit #3 and incorporated herein.
- 2.13.2 The termination or change of transportation shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

Part 3: Educational Program

3.1 Design Elements

- 3.1.1 The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the charter school performance framework (the “Charter School Performance Framework”) Exhibit #1 incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Application and the Charter Contract.
- 3.1.2 In determining whether or not the Charter School complies with the essential terms of the educational program, the Authority will use the Charter Application (initial or as amended) as the basis to assess fidelity.

3.2 Curriculum

- 3.2.1 The Charter School’s educational program shall meet or exceed Nevada’s content standards.
- 3.2.2 The Charter School shall notify the sponsor of changes to the educational program of the Charter School that the sponsor determines do not depart from the Charter School’s mission.

3.3 Student Assessment

- 3.3.1 The Charter School shall be subject to and comply with all requirements

- related to the state assessment and accountability system for public schools.
- 3.3.2 Nothing in this section prohibits the Charter School or the Authority from assessing student learning outside of and in addition to the state's testing program.
- 3.3.3 Educational program matters not specifically identified in this Charter Contract shall remain within the Charter School's authority and discretion.

3.4 **Special Education**

- 3.4.1 The Authority is the "local education agency" ("LEA") for purposes of compliance with the Individuals with Disabilities Education Act ("IDEA").
- 3.4.2 The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program ("IEP") prescribed by a student's IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities.
- 3.4.3 An annual Memorandum of Understanding which defines the rights and responsibilities of the Charter School acting as a school of the LEA and the Authority acting as LEA will be annually updated and disseminated by the Authority and signed by the Parties.
- 3.4.4 The Charter School shall maintain a special education reserve as a financial reserve or demonstrate, to the Authority's satisfaction, that the Charter School carries an insurance policy with sufficient coverage to ensure compliance with the indemnification and financial obligations of the Charter School. Such reserve or insurance product shall not in any way limit the Charter School's obligation in the event the special education reserve or insurance product is insufficient to fully pay costs incurred in connection with any claim or claims, and the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep any special education reserve separate from and not utilize it to satisfy any other requirements applicable to the Charter School. Any special education reserve shall be maintained in a separate bank account and shall be equal to \$25,000 plus the interest that has been earned in this account to date. The Charter School shall fully fund any reserve account by the end of its fifth year of operation and contribute to it in a manner that can reasonably be expected to reach this goal. If money is withdrawn from the reserve account,

unless otherwise agreed to in writing by the Authority, the Charter School shall be required to replace all sums withdrawn by the end of the subsequent fiscal year.

3.5 English Language Learners

- 3.5.1 The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable laws and regulations. The Authority and the Charter School will work to assure compliance with any and all requirements of the state and federal law regarding services to English language learners.

Part 4: Charter School Finance

4.1 Financial Management

- 4.1.1 The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.
- 4.1.2 At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls, including without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law.
- 4.1.3 The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authority in written form in accordance with the date established by law and regulation and identified in the Reporting Requirements Manual. The Charter School shall pay for the audit.
- 4.1.4 The Charter School shall prepare quarterly financial reports for the Authority in compliance with this Charter Contract. Such reports shall be submitted to the Authority no later than fifteen (15) days following the end of each quarter,

- as defined in the Reporting Requirements Manual.
- 4.1.5 The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the Nevada Department of Education (the “Department”) and/or Authority and to make such records available upon request.
 - 4.1.6 The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.
 - 4.1.7 The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.
 - 4.1.8 The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School’s budget.
 - 4.1.9 Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall perform a physical inventory annually. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation, including without limitation NAC 387.335, 387.342 and 387.360; and NRS 386.536.
 - 4.1.10 If the Charter School’s records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.
 - 4.1.11 Except as may be expressly provided in this Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Authority pursuant to NRS 386.561, or as may be required by law, neither the Charter School nor the Authority shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authority and the Charter School shall be subject to all terms and conditions of this Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the Charter School and the Authority or required by law, shall not be a condition of the approval or continuation of this contract.
 - 4.1.12 The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances, budgeting, accounting, and expenditures, provided that the Authority shall provide technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain

reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.

- 4.1.13 The Charter School is solely responsible for all debt it incurs, and the Authority shall not be contractually bound on the Charter School's account to any third party. A statement to this effect shall be a provision of any and all contracts entered into by the Charter School.

4.2 **Budget**

- 4.2.1 In accordance with law and regulation and as identified in the Reporting Requirements Manual, the Charter School shall submit to the Department and the Authority the school's tentative budget for the upcoming fiscal year and the Charter School shall submit to the Department and the Authority the school's final budget for the upcoming fiscal year. The budget shall:

- 4.2.1.1 Be presented on forms prescribed by the Nevada Department of Taxation; and
- 4.2.1.2 Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

4.3 **Charter School Funding**

- 4.3.1 Charter School shall receive, directly from the Department, state and local aid in an amount equal to its weighted count of enrollment multiplied by the per pupil Distributive School Account amount for the county of residence of each student plus the per pupil Outside Revenue amount for that county. The count of pupils for calculating the basic support for distribution to a charter school is the weighted count of enrollment of pupils on the last day of the first school month of the school district in which the charter school is located for the school year ("Count Day"). The first school month is the thirty day period beginning on the first day of a school year, so long as that thirty day period includes at least twenty school days.
- 4.3.2 The Charter School shall maintain and transmit all necessary student information in the format prescribed by the Department to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the Department, based on the number of pupils enrolled on Count Day.
- 4.3.3 The Charter School shall receive state aid payments quarterly unless the quarterly payments exceed \$500,000 at which time the Department will pay state aid in monthly installments directly to the Charter School.
- 4.3.4 All state aid payments to the Charter School are subject to correction pending the outcome of the Department's annual Pupil Enrollment and Attendance Audit.

4.4 **Authority Funding**

- 4.4.1 The yearly sponsorship fee to be paid by the Charter School to the Authority must be in an amount of money not to exceed two (2) percent but at least one (1) percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124. (NRS 386.570)
- 4.4.2 The Authority shall notify the Charter School in February of the fee anticipated to be charged pursuant to NRS 386.570 in the following fiscal year.

Part 5: Insurance and Legal Liabilities

5.1 Insurance

- 5.1.1 The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NAC 386.215, necessary for the operation of the school, including but not limited to, property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the Charter School and its employees. Should the State legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within thirty (30) days of receiving notice by the Authority of such change. The Authority shall be named as additional insured under all insurance policies identified under NAC 386.215.

5.2 Liability

- 5.2.1 As required by NRS 386.550, the Charter School agrees that the Authority is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Authority, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.
- 5.2.2 If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Authority may be held liable for any claims resulting from the bankruptcy pursuant to NRS 386.575.

Part 6: Transparency and Accountability

6.1 Charter School Reporting

- 6.1.1 The Authority shall provide the Charter School with a Reporting Requirements Manual on or before the commencement of the contract year and updated at least annually. The Authority shall endeavor to make the Reporting Requirements Manual as complete as possible. The Charter School shall be responsible for submitting timely and complete reports in accordance with the

Reporting Requirements Manual.

- 6.1.2 The Authority shall provide the Charter School with an Operations Manual on or before the commencement of the contract year and updated at least annually.

6.2 **Additional Reporting**

- 6.2.1 The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements.

6.3 **Authority Reporting**

- 6.3.1 The Authority shall produce and make available reports to the Charter School in a manner consistent with the Reporting Requirements Manual.

Part 7: Oversight

7.1 **Authority**

- 7.1.1 Pursuant to NRS 386.509, the Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with this Charter Contract, the Charter Application, and applicable law and regulation. The Authority's oversight of the Charter School shall include, but not be limited to, the following activities:

- 7.1.1.1 Oversight, intervention, termination, renewal, and closure processes and procedures for the Charter School;
- 7.1.1.2 Reviewing the performance and compliance of the Charter School within the terms of this Charter Contract and applicable laws, policies and regulations;
- 7.1.1.3 Ensuring the Charter School's compliance with reporting requirements;
- 7.1.1.4 Monitoring the educational, legal, fiscal, and organizational condition of the Charter School; and
- 7.1.1.5 Providing guidance to the Charter School on compliance and other operational matters.

7.2 **Inspection**

- 7.2.1 All records established and maintained in accordance with the provisions of this Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Authority and other applicable agencies, entities, or individuals within a reasonable period of time after request is made.

7.3 **Site Visits**

- 7.3.1 The Authority shall visit the Charter School at least once as a component of the Mid-Term evaluation as defined in the Charter School Performance Framework. Authority may, at its discretion, conduct formal, targeted school visits. Such site visits may include any activities reasonably related to

fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and interviews of school and other stakeholders.

7.4 Notification

- 7.4.1 The Charter School shall notify the Authority immediately of any conditions that it knows are likely to cause it to violate the terms of this Charter Contract or the Charter Application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.
- 7.4.2 The Charter School shall notify the Authority immediately of any circumstances requiring the closure of the Charter School, including but not limited to natural disaster, other extraordinary emergency, or destruction of or damage to the school facility.
- 7.4.3 The Charter School shall immediately notify the Authority of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.
- 7.4.4 The Charter School shall notify the Authority immediately of any change to its corporate legal status.
- 7.4.5 The Charter School shall notify the Authority immediately of any default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more.
- 7.4.6 The Charter School shall notify the Authority immediately if at any time the Charter School receives notice or is informed that the Charter School or the Authority are parties to a legal suit.

7.5 Intervention

- 7.5.1 Consistent with any oversight practices set out in the Charter School Performance Framework, the Authority shall follow a progressive system of notification and calls for corrective action on the part of the Charter School.
- 7.5.2 Any complaints or concerns received by the Authority about the Charter School or its operation including but not limited to complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission, shall be forwarded promptly by the Authority to the Charter School.
- 7.5.3 The Charter School shall promptly forward to the Authority any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or

concerns.

- 7.5.4 The Charter School shall indemnify the Authority for any costs, attorney fees, and/or financial penalties imposed on the Authority by state and/or federal authorities due to actions or omissions of the Charter School relative to regulatory compliance.
- 7.5.5 To the extent that concerns or complaints received by the Authority about the Charter School may trigger Authority intervention, including termination or non-renewal of the Charter Contract, the Authority may monitor the Charter School's handling of such concerns or complaints. In such cases, the Authority may request and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

Part 8: Termination and Default Termination

8.1 Termination

- 8.1.1 As provided by law, this Charter Contract may at any time be terminated by the Authority before its expiration upon determination and majority vote of the Authority that the Charter School, its officers or its employees:
 - 8.1.1.1 Committed a material breach of the terms and conditions of the Charter Contract;
 - 8.1.1.2 Failed to comply with generally accepted standards of fiscal management;
 - 8.1.1.3 Failed to comply with the provisions of NRS 386.490 to 386.610, inclusive, or any other statute or regulation applicable to charter schools; or
 - 8.1.1.4 Persistently underperformed, as measured by the performance indicators, measures and metrics set forth in the Charter School Performance Framework for the Charter School.
- 8.1.2 The Charter Contract may be terminated by the Authority if the Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate.
- 8.1.3 The Charter Contract may be terminated by the Authority if the Authority determines that termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located.
- 8.1.4 In any instance of termination, the Authority shall provide to the Charter School written notice of termination, which notice shall include its findings and reasons for such action, and adhere to the process outlined in NRS 386.535.

8.2 Default Termination

- 8.2.1 The Authority shall terminate the Charter Contract if the school receives three

consecutive annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. The Charter School's annual rating for any school year before the 2013-2014 school year must not be included in the count of consecutive annual ratings.

8.3 Other Remedies

- 8.3.1 The Authority may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

Part 9: Closure

9.1 Closure

- 9.1.1 In the event that the Charter School is required to cease operation for any reason, including but not limited to non-renewal, termination, or voluntary surrender of the Charter Contract, the Charter School shall cooperate fully with the Authority to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation (NRS 386.536), including, but not limited to:
- 9.1.1.1 Securing student records; assisting students with their enrollment in other schools; financial responsibilities and preserving financial records.

Part 10: Dispute Resolution

10.1 Dispute Resolution

- 10.1.1 Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a "dispute" is a disagreement over a non-material matter concerning the operation of the charter school. In the event a dispute arises between the Charter School and the Authority or its staff, the charter school shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Authority or his/her designee for review. The Director will respond to the complaint and proposed resolution, in writing, within thirty (30) calendar days outlining whether or not he/she agrees with the complaint and whether he/she accepts the proposed resolution or offers an alternative resolution to the complaint. If the charter school is not satisfied with the response from the Director, it may request, in writing, a review by the President of the Authority. The President of the Authority will respond, in writing, within fifteen (15) calendar days stating whether or not he/she agrees with the complaint and if so, whether he/she agrees with the proposed resolution, or proposing an alternative resolution to the charter school. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the Authority at the next available meeting for its

consideration. The Authority will decide whether or not it agrees with the complaint or any proposed resolution. Any decision by the Authority is final.

Part 11: School Performance Standards and Review

11.1 Performance Standards

- 11.1.1 The Charter School Performance Framework is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational and mission specific, if applicable, performance of the Charter School. Pursuant to NRS 386.527, the performance framework is incorporated into this Charter Contract as set forth in the Charter School Performance Framework in Exhibit #1.
- 11.1.1.1 The Authority may, upon request for a material amendment from the Charter Board, include additional rigorous, valid and reliable performance indicators that are specific to the Mission of the Charter School and complementary to the existing measures.
- 11.1.1.2 The Charter School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the approved Charter Application and not explicitly incorporated into the Charter School Performance Framework. The specific terms, form and requirements of the Charter School Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authority and will be binding on the Charter School.
- 11.1.2 According to the Charter School Performance Framework, the Charter School shall annually:
 - 11.1.2.1 Meet or exceed standards on the academic indicators;
 - 11.1.2.2 Demonstrate financial sustainability through meeting standards on the financial indicators;
 - 11.1.2.3 Operate in compliance with the terms and conditions of this Charter Contract; and
 - 11.1.2.4 If applicable, demonstrate sound performance on mission specific indicators.

11.2 Review

- 11.2.1 The Authority shall monitor and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Charter School Performance Framework. Such reporting shall take place at least annually.
- 11.2.2 The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Charter School Performance Framework shall provide the basis upon which the Authority will decide whether to renew

the Charter Contract at the end of the term.

- 11.2.3 The Parties intend that, where this Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Charter School Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Charter School Performance Framework as initially established in the Charter Contract.

Part 12: Contract Construction

12.1 Entire Charter Contract

- 12.1.1 The Parties intend this Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Charter Contract may be approved from time to time hereafter.

12.2 Authority

- 12.2.1 The individual officers, agents and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Charter Contract.

12.3 Notice

- 12.3.1 Any notice required, or permitted, under this Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

In the case of State Public Charter School Authority:
Director
1749 N. Stewart St, Suite 40
Carson City, NV 89706

In the case of Charter School:
Administrator
Quest Academy Preparatory Education
4141 Meadows Lane, Las Vegas, Nevada 89107

12.4 Waiver

12.4.1 The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

12.5 Non-Assignment

12.5.1 Neither party to this Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Charter Contract unless the other party agrees in writing to any such assignment.

12.6 Applicable Law

12.6.1 This Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation and Authority policy, and all applicable federal laws of the United States.

12.6.2 The Parties intend that, where this Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

12.7 Material Amendments

12.7.1 Material amendments require Authority approval. Pursuant to NRS 386.527 any material amendment to this Charter Contract will be effective only if approved in writing by the Authority. The proposed amendment must be submitted in a manner consistent with applicable law and regulation and defined in the Operations Manual. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Charter Contract include, but are not limited to, the following:

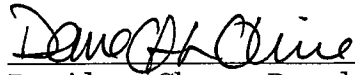
- 12.7.1.1 Change in the Charter School's Pre-Opening Requirements (see 1.9.1);
- 12.7.1.2 Change in the Charter School's location (change of site and/or adding or deleting sites) (see 1.7.4);
- 12.7.1.3 Changes to the Mission Statement (see 2.2.1);
- 12.7.1.4 Elimination of a grade level served or expansion to serve a grade level not served (see 2.3.3);
- 12.7.1.5 10% annual increase or decrease in total enrollment pursuant to 2.3.3 of

12.13 **Material Breach**

12.13.1 A material breach is defined as a violation of this Charter Contract which is substantial and significant as determined by the Authority.

Signature Page

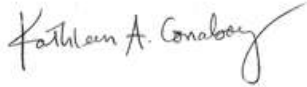
IN WITNESS WHEREOF, the Parties have executed this Charter Contract:



President, Charter Board

Please print your name: David C. Olive

Date: 4-3-2014



Chair, State Public Charter School Authority

Please print your name: Kathleen Conaboy

Date: 4-3-2014

EXHIBIT #1

Charter School Performance Framework

EXHIBIT #2

Articles of Incorporation, if applicable

EXHIBIT #3

Charter Application

EXHIBIT #4

Pre-Opening Conditions

Not Applicable

EXHIBIT 3



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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

October 29, 2015

Ms. Deborah Roberson
Superintendent
Quest Preparatory Academy
4660 North Rancho
Las Vegas, NV 89030

Dear Ms. Roberson,

At the September 28, 2015 meeting of the State Public Charter School Authority board, the Authority reviewed the results of the forensic audit of Quest Preparatory Academy. The SPCSA board unanimously adopted a resolution directing SPCSA staff to take the following actions:

- 1) As the audit has revealed a pattern of self-dealing transactions by past members of this school's board, and because the ramifications of those decisions continue to impact the school, directed SPCSA staff to take immediate actions to work with the school for the installment of a receiver as soon as possible.
- 2) As the auditors received no cooperation from the Chartered For Excellence Foundation, which claimed it was not subject to auditor's requests for information, but significant public money continues to flow from the school to this foundation that was established by former board members, and because of other potentially troubling issues revealed by the audit, including a pattern of awarding contracts without board approval, the execution of excessive contracts that appeared of no benefit to the school, directed staff to forward the full audit results to the Attorney General's public integrity unit for further investigation of any and all issues raised in the audit results.

Pursuant to that resolution and to the agreement Quest made with the SPCSA board as a condition to granting its amendment request on August 25, 2015, the Director of the SPCSA, acting on delegated authority from the SPCSA Board, appointed Mr. Joshua M. Kern of TenSquare, LLC to serve as the Authority-appointed receiver for the school effective October 26, 2015. Pursuant to that appointment, Mr. Kern has full legal authority over all aspects of school finance, operations, and academics and is directed to report back to the SPCSA board and staff on Quest's status.

Pursuant to that appointment, Mr. Kern is to have signatory authority over all bank accounts and shall have the authority to negotiate, enter into, renegotiate, and enforce any and all contracts on behalf of the school. Mr. Kern's compensation, subject to review by the Director, is to be paid out of school funds for the duration of his tenure as the Authority-appointed receiver for the school.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Gavin". The signature is written in a cursive, flowing style with some loops and a prominent initial "P".

Patrick J. Gavin
Director

EXHIBIT “4”

RECEIVERSHIP APPOINTMENT

This Receivership Appointment ("Appointment") is made as of October 26, 2015, by the **NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY**, ("SPCSA") appointing **JOSHUA M. KERN** of TenSquare, LLC ("Receiver") to act as a receiver and manager of the assets, operations and undertakings of Quest Academy Preparatory Education, a Nevada State funded charter school.

RECITALS

A. Quest Academy Preparatory Education ("Quest"), is a Nevada State funded charter school located in Las Vegas, Nevada metropolitan area organized, operated and governed pursuant to Chapter 386 of the Nevada Administrative Code, which governs Local Administrative Organization relating to Charter Schools, and Title 23 of the Nevada Revised Statutes, governing Public Officers and Employees under Nevada Revised Statutes under Chapter 281.

B. Quest operates its charter school at four (4) campuses in the Las Vegas metropolitan area consisting of: (i) the Alexander Campus located at 7550 West Alexander, Las Vegas, Nevada 89149 servicing kindergarten; (ii) the Bridger Campus located at 1300 East Bridger, Las Vegas, Nevada 89101 servicing kindergarten through fifth grade; (iii) the Roberson Campus located at 7485 Azure Drive, Las Vegas, Nevada 89130 servicing seventh through twelfth grade; and (iv) the Torrey Pines Campus located at 4660 North Rancho Drive, Las Vegas, Nevada 89130 servicing kindergarten through sixth grade.

C. Pursuant to that certain resolution and agreement entered into between Quest and the SPCSA board as a condition to granting an amendment request on August 25, 2015, the Director of the SPCSA, acting on delegated authority from the SPCSA Board, appointed Joshua M. Kern as the receiver and manager of the assets, operations and undertakings of Quest, effective October 26, 2015, with full legal authority over all aspects of school finance, operations, and academics, all records of any kind relating to any of the foregoing, all funds and proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds) of Quest (the "Receivership Property").

D. SPCSA and the Receiver desire through this Appointment to further define the duties, responsibilities, authority and compensation of the Receiver pertaining to Quest and the Receivership Property.

NOW, THEREFORE, acting in the authority granted to the SPCSA board by Quest pursuant to the conditions of approval of the August 25 Amendment request, and the authority delegated by the SPCSA board to the Executive Director at the September 28 Board meeting, the SPCSA Executive Director issues the following appointment to which the Receiver agrees shall remain in full force and effect until such time as it is replaced by a judicial order appointing a receiver, or the SPCSA and the Receiver agree in writing that it should be amended, terminated or replaced:

1 In addition to those powers granted by law, the Receiver is authorized to do the following:

- 1.1 To hold, preserve, administer, and operate the business and activities of Quest consistent with its lawful authority and nonprofit purposes with full authority to perform all acts necessary or incidental thereto, including the power to hire and terminate employees;
- 1.2 To continue to operate Quest's campuses in such manner, to such extent, and for such duration as the receiver may in good faith determine to be in the best interest of Quest's students and in the public interest subject to revocation or termination of the Quest's charter issued by the SPCSA;
- 1.3 To immediately collect, marshal, take custody, control and possession of, conserve, hold and manage all funds, accounts, property, premises, mail and other assets of, or in the possession or under the control of Quest, wherever situated, with the power to collect, receive and take possession of all goods, rights, credits, money, leases, books, work papers, and records of accounts, contracts, financial records, monies on hand in banks and other papers and documents of Quest;
- 1.4 To employ such managers, agents, employees, servants and contractors including, without limitation, members and employees of TenSquare, LLC, as may in his judgment be advisable or necessary in the management, conduct, control or custody of the affairs of Quest and the Receivership Property;
- 1.5 To make such payments and disbursements as may be necessary and advisable for the preservation of the business of Quest and the Receivership Property as may be necessary and advisable in discharging his duties as receiver;
- 1.6 To retain and employ investigators, attorneys, accountants and other professionals of his choice, to assist, advise and represent him in his duties as receiver of Quest;
- 1.7 To receive and collect any and all sums of money due to or owing to Quest in any manner whatsoever, whether now due or hereafter due and payable, and to do such things and enter into such agreements in connection with the administration, care, preservation and maintenance of the business and assets of Quest as he may deem advisable;
- 1.8 To institute, prosecute and defend, compromise, adjust, intervene in or become a party to, or assist the Attorney General for the State of Nevada in prosecuting such actions or proceedings as may be necessary or proper for the collection, marshaling, protection, maintenance, or preservation of the Receivership Property, as well as to appear in and conduct the defense of any suit in any court by or against Quest, where such prosecution, defense or other disposition of such action or proceeding will in the judgment of the Receiver be advisable and proper for the protection of business and Receivership Property;
- 1.9 To obtain information within the custody or control of any person, firm or entity needed to identify the accounts, employees, properties, or other assets of Quest, including the Receivership Property;

- 1.10 To pay himself a reasonable compensation, including reimbursement for actual out-of-pocket expenses incurred, for fulfilling his duties as receiver for Quest, subject to approval by SPCSA, from the assets of Quest;
- 1.11 Take exclusive and immediate possession, custody, and control of the Receivership Property and preserve, protect and manage said Receivership Property;
- 1.12 Exclude all third parties, or anyone claiming under or through them who does not have valid rights for possession of the Receivership Property, or any portion thereof, from possession of said Receivership Property, or any portion thereof;
- 1.13 Use, operate, manage, and control the Receivership Property;
- 1.14 Have signatory authority over all Quest bank accounts;
- 1.15 Take exclusive and immediate possession, custody and control of the Quest's records, books of account, ledgers and all business records related to the Receivership Property, wherever located and however maintained (including, without limitation, information contained in the computers and any and all software relating thereto, as well as banking records, statements, and canceled checks and a list identifying all passwords, identification numbers, and other information necessary or appropriate for access to these accounts);
- 1.16 Take exclusive and immediate possession, custody and control of all of Quest's websites, email accounts and passwords (and computers and software relating thereto) related to the Receivership Property or its operation;
- 1.17 Take exclusive and immediate possession, custody and control of all documents that pertain to the Receivership Property, including, but not limited to, all licenses, permits, or governmental approvals relating to the Receivership Property and will execute any and all documents necessary to renew and transfer licenses for the Receivership Property as allowed by the rules and regulations of the applicable government agencies;
- 1.18 Take exclusive and immediate possession, custody and control of all contracts, leases, subleases, management agreements, franchise agreements, royalty agreements, employment agreements, licenses, assignments, or other agreements of any kind whatsoever, whether currently in effect or lapsed, which relate to the Receivership Property;

- 1.19 To continue in effect any contracts, agreements, letters of credit and all other instruments presently existing and not in default relating to the Receivership Property; to negotiate or to enter into contracts, agreements, letters of credit, leases, the terms of which may be extended beyond the appointment of the receivership, or other arrangements; or to modify or cancel leases or other contracts, as the Receiver may deem in his discretion to be appropriate for or beneficial to the operation, management, protection and preservation of the Receivership Property; and to terminate any existing contract, agreement or instrument which is not commercially reasonable or beneficial to the Receivership Property;
- 1.20 Discharge the obligations evidenced by any loan documents pending a judicial or non-judicial sale of the Receivership Property;
- 1.21 To determine, upon taking possession of the Receivership Property, whether, in the Receiver's judgment, there is adequate insurance coverage and if sufficient insurance coverage does not exist, to obtain liability, fire and other insurance necessary to provide adequate coverage for the Receivership Property; the Receiver shall have the discretion to determine who insures the Receivership Property and will be named an additional insured at the time this Agreement is executed;
- 1.22 Establish bank accounts in the name of the Receiver for the deposit of monies and funds collected and received in connection with the Receivership Property, at a federally insured banking institution. The Receiver is not required to expend any funds other than those of the Receivership Property. Monies coming into the possession of the Receiver which are not expended for the purposes herein authorized, shall be held by the Receiver in federally insured banking institution and, to the extent possible, in interest bearing accounts and disbursed in accordance with further review and approval by the SPCSA Director;
- 1.23 Deal exclusively with all government authorities, contractors and subcontractors with regard to the Receivership Property, and take all actions necessary to comply with all agreements with and requirements of all governmental authorities with regard to the Receivership Property;
- 1.24 To take any steps the Receiver believes necessary or desirable to obtain or maintain any licenses, permits, entitlements or governmental approvals relating to the Receivership Property, improvements, and the operation of Quest;
- 1.25 Expend funds to purchase merchandise, materials, supplies and services as the Receiver deems necessary and advisable to assist it in performing its duties hereunder;
- 1.26 To take and file an inventory of all personal property including, furniture, fixtures, equipment, inventory, contracts, leases and sub-leases of the Receivership Property;

- 1.27 Prepare monthly statements reflecting the Receiver's fees and administrative costs and expenses incurred in the operation and administration of the Receivership Property. Receiver shall be fully reimbursed for amounts Receiver expends in the preservation, maintenance of the Receivership Property;
 - 1.28 Take such other actions as may be necessary or incidental to the foregoing specific powers, directions, and general authorities relating to the Receivership Property;
 - 1.29 To obtain from the SPCSA, upon notice to SPCSA, any appropriate modifications of this Appointment;
 - 1.30 To file a voluntary petition for bankruptcy relief pursuant either chapter 7 or chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code") in the United States Bankruptcy Court for the District of Nevada if the Receiver determines in his business judgment that the filing of such a petition is necessary to preserve and protect the assets of Quest. The Receiver shall also be authorized to convert or dismiss any such bankruptcy case if the Receiver later determines that conversion or dismissal is in the best interest of Quest and its creditors. In the event of any such bankruptcy filing, the Receiver shall be authorized to operate Quest as the debtor-in-possession, subject to any required court authorization.
- 2 In addition to the Receiver's authorized actions delineated above, this Appointment also authorizes the Receiver to compel, prohibit and/or enjoin, through judicial process or otherwise, the following:
- 2.1 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, upon execution of this Appointment, from collecting any debts due to the Property; and paying out, assigning, selling, conveying, transferring, encumbering, or delivering any of Quest's assets, and entering into any contracts, agreements or leases on behalf of Quest, including, but not limited to the Receivership Property, to any other person.
 - 2.2 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to deliver to the Receiver any and all funds, accounts, lease payments, revenues, or income derived from the Receivership Property, which are currently held by Quest and/or its trustees, members, officers, directors, managers, employees and agents, and provide to the Receiver information regarding all the accounts in which all Rents, lease payments, revenues, and income derived from the Receivership Property is held and, as necessary, authorize any banks to release such funds to the Receiver.
 - 2.3 To compel all persons or entities, including banks, to turn over those funds, operating bank accounts, and safe deposit boxes to the Receiver without delay and delete all designated signors on bank accounts.

- 2.4 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to grant full access to the Receivership Property and all parts and portions of the Receivership Property and improvements.
- 2.5 To compel Quest, its trustees, members, officers, directors, managers, employees and agents and all other persons or entities in possession or control of Receivership Property to turn over to the Receiver the possession, custody, and control of the Receivership Property, including, without limitation, all keys to all locks relating to the Receivership Property, including without limitation all pass codes, passwords and access codes to all computerized equipment, all of Quest's records, books of account, ledgers and all business records for the Receivership Property, wherever located and however maintained (including, without limitation, information contained in the computers and any and all software relating thereto, as well as banking records, statements, and canceled checks and a list identifying Quest and all passwords, identification numbers, and other information necessary or appropriate for access to these accounts) and provide a list to the Receiver of all persons in possession of keys to the Property;
- 2.6 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the receiver the possession, custody and control of all of Quest's websites, email accounts and passwords (and computers and software relating thereto) related to the Receivership Property or its operation;
- 2.7 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all documents which are or pertain to the Receivership Property, including, but not limited to, all licenses, permits, or governmental approvals relating to the Receivership Property;
- 2.8 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all documents which constitute or pertain to insurance policies, whether currently in effect or lapsed which are related to the Receivership Property, and evidence of payment of premiums due with respect to each policy;
- 2.9 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver copies of all real and personal ad valorem property tax bills and other tax bills relating to the Receivership Property for 2014 and 2015, reflecting current balances due and copies of notices or any other assessments due or forthcoming;
- 2.10 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all contracts, leases, subleases, management agreements, franchise agreements, construction contracts, architect agreements, plans and specifications, royalty agreements, employment agreements, licenses, assignments, or other agreements of any kind whatsoever, whether currently in effect or lapsed, which relate to the Receivership Property;

- 2.11 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all documents of any kind pertaining to any and all toxic chemicals or hazardous material, if any, ever brought, used and/or remaining upon the Receivership Property, including, without limitation, all reports, surveys, inspections, checklists, proposals, orders, citations, fines, warnings and notices;
- 2.12 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver a status report of any and all judgments entered, or threatened or pending litigation, relating to the Receivership Property;
- 2.13 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all monies derived from the Receivership Property, wherever and whatsoever mode maintained;
- 2.14 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver all mail relating to the Receivership Property. The Receiver is further authorized and empowered to take any and all steps necessary to receive, collect and review all mail addressed to Quest including, but not limited to, mail addressed to any post office boxes held in the name of Quest, and the receiver is authorized to instruct the U.S. Postmaster to reroute, hold, and or release said mail to the Receiver.
- 2.15 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to turn over to the Receiver a list of all individuals presently employed by Quest including salary and wage information, and all employee files and records;
- 2.16 To compel Quest, its trustees, members, officers, directors, managers, employees and agents to otherwise cooperate fully with the Receiver in the performance of the Receiver's powers and duties, including, without limitation, the Receiver's exercise of all powers granted to the receiver pursuant to this Appointment.
- 2.17 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents from committing or permitting any waste of or on the Receivership Property or any part thereof or to suffer, commit or permit any act on the Property or any part thereof in violation of the law or transferring, removing, encumbering, or disposing of any real or personal property on the Property;
- 2.18 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents from demanding, collecting, receiving, discounting, or in any way diverting or using any of the funds or revenues from the Receivership Property;

- 2.19 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents from directly or indirectly interfering in any manner with the discharge of the Receiver's duties under this Appointment or the Receiver's possession or operation, or management of the Receivership Property; and
- 2.20 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents from doing any act which will, or which will tend to impair, defeat, divert, prevent, or prejudice the preservation of the Receivership Property, or the preservation of the Plaintiff's interests in the Receivership Property.
- 2.21 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from transferring selling, seizing, encumbering, or otherwise taking action against or disposing of any of the Receivership Property;
- 2.22 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from interfering in any way with the Receiver's use, occupancy, maintenance, or operation of the Receivership Property;
- 2.23 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from withdrawing funds derived from the operation of the Receivership Property;
- 2.24 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from paying or transferring Quest funds other than to the Receiver;
- 2.25 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from removing, disposing of, destroying, concealing, changing or altering any of the records of pertaining to the Receivership Property;
- 2.26 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from terminating, cancelling or otherwise affecting insurance coverage or utility service relating to the Receivership Property; or
- 2.27 To prohibit and enjoin Quest, its trustees, members, officers, directors, managers, employees and agents, or any person acting at its direction or in concert with it from interfering with, noticing an event of default under, canceling or otherwise terminating, altering or changing any franchise agreement relating to any or all of the Receivership Property.

- 3 The Receiver shall prepare and submit to the SPCSA quarterly reports of income and expenses, including, but not limited to, a quarterly operating statement, a balance sheet, accounts payable, schedule of capital expenditures, schedule of contracts and agreements entered into during the preceding quarterly period, and a schedule of governmental taxes and assessments ("Quarterly Report");
- 4 The Receiver shall not be required to give security or post a bond for the payment of such costs or damages as may arise from the appointment of the Receiver, as Receiver.
- 5 Quest shall indemnify and hold harmless Joshua M. Kern, individually, in his capacity as Receiver, his agents, contractors, employees and representatives, from any claims made by persons not a party to this Agreement, which claims arise out of the operation of this receivership, except in a case where the Receiver has acted knowingly outside the scope of the receivership authority, or committed fraud or intentionally misrepresented the Receiver's ministerial authority as the Receiver, or acted in gross negligence, recklessly or in wanton disregard of his duties. In the event a suit is filed against the Receiver, or a related entity of the Receiver, over an issue arising out of this receivership, except as conditioned above, it shall be incumbent upon the Quest to reimburse the Receiver for the fees and costs of defending such action, including any appeals thereof to final resolution and award of judgment. Upon any subsequent notice from the SPCSA terminating the appointment of the Receiver, the Receiver shall render a final accounting which shall be submitted to the SPCSA within 60 days of the notice of termination, with copies of the final accounting delivered to the SPCSA and, after Receiver renders such final accounting, Receiver shall be discharged from any further duties as Receiver.
- 6 Miscellaneous Provisions under this Appointment are as follows:
 - 6.1 Notices. Any notice required or permitted to be given under this Appointment ("Notice") shall be given in writing, by electronic mail, by certified mail postage prepaid, by hand delivery, or by recognized overnight courier service to any party at the address set forth below; and, if by hand delivery, shall be deemed to have been given or made on the day on which it was given; if by recognized overnight courier service, and shall be deemed to have been given on the business day immediately after it was sent. The physical and electronic mail addresses and telephone numbers for each party are as follows, subject to written notice of change of such information in accordance with this provision:

If to SPCSA:	1749 North Stewart Street, Suite 40 Carson City, Nevada 89706-2543 E-mail: pgavin@spcsa.nv.gov Attn: Mr. Patrick J. Gavin, Director
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With a copy to: Gregory D. Ott
Deputy Attorney General
Nevada Attorney General
100 North Carson Street
Carson City, Nevada 89701
E-mail: GOtt@ag.nv.gov

If to Receiver: Joshua M. Kern
TenSquare, LLC
818 Connecticut Avenue, NW
Suite 1009
Washington, DC 20006
E-mail: josh@thetensquaregroup.com

With a copy to: Richard F. Holley, Esq.
Holley Driggs Walch
Fine Wray Puzey & Thompson
400 S 4th Street, Third Floor
Las Vegas, Nevada 89101
rholley@nevadafirm.com

- 6.2 Compensation. The Receiver shall be paid from the Receivership Property, including insurance policies, all compensation arising out of the Receivership. The Receiver shall be paid \$35,000.00 for preparing the initial report to SPCSA regarding Quest and the Receivership Property. The Receiver shall also be compensated at the rate of \$24,000.00 per month for his time spent operating, managing and administering the business operations of Quest and collecting, administering, preserving and protecting the Receivership Property. The Receiver shall also be reimbursed for all costs pertaining to the Receivership. The Receiver shall submit monthly invoices to SPCSA by the 10th day of each month.
- 6.3 Integration. This Appointment sets forth in full the terms of appointment by the SPCSA of the Receiver with respect to the Receivership and is intended as the full, complete, and exclusive expression of powers and obligations governing the relationship between them with respect thereto. This Appointment supersedes all other discussions, promises, representations, warranties, agreements, and understandings between the SPCSA and the Receiver with respect to the subject matter hereof.
- 6.4 Amendments. This Appointment may not be modified or amended except in a writing signed by all Parties.

- 6.5 No Waiver. No waiver of any powers, duties or obligations stated herein by any of the Parties hereunder shall be implied from any omission to take action on account thereof on one or more occasions, and no express waiver shall affect any power, duty or obligation other than that referenced therein, and any such waiver shall be operative only for the time and to the extent stated therein. No waiver of any kind herein shall be effective unless set forth in a writing signed by the SPCSA and the Receiver.
- 6.6 Interpretation. This Appointment is the product of discussions of the Parties, and in the enforcement or interpretation thereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Appointment, or any portion thereof, shall not be effective in regard to the interpretation hereof.
- 6.7 Advice of Counsel. Each of the Parties herein have had the opportunity to receive independent legal advice from attorneys of their choice with respect to the advisability of agreeing to the terms provided herein, including, but not limited to, the tax consequences, if any, of the transactions which are the subject of this Appointment and with respect to the advisability of executing this Appointment, and prior to execution the Parties reviewed this Appointment. This Appointment has been carefully read by, the contents hereof are known by, and it has been signed freely by each of the Parties. The Parties have made such investigation of the facts pertaining to this Appointment and all of the matters pertaining thereto, as they deem necessary.
- 6.8 Governing Law and Jurisdiction. This Appointment shall be governed by and construed in accordance with the laws of the State of Nevada without resort to choice of law principles. The jurisdiction for any dispute arising out of this Appointment shall be Clark County, Nevada, unless another jurisdiction is otherwise mutually agreed to by all the Parties.
- 6.9 Attorneys' Fees. In the event any action or proceeding is commenced in connection with or arising out of this Appointment, the prevailing party shall be entitled to attorneys' fees and costs of suit, whether at trial or on appeal, as fixed by the Court. In the event Quest files for, or is placed into bankruptcy, then the Receiver shall be entitled to any attorneys' fees and costs incurred in the pursuit and enforcement of its rights in such bankruptcy proceeding, whether not an action of an adversarial or contested nature is filed.
- 6.10 Severability. In the event of any invalidity or unenforceability of any provision of this Appointment, the remainder of this Appointment shall remain in full force and effect, unless the absence of the provision that has been determined to be invalid or unenforceable would render the purpose of this Appointment invalid.

- 6.11 Counterparts; Fax Signature. This Appointment may be signed by the Parties hereto in separate counterparts, all of which together shall constitute one and the same instrument. For purposes of this Appointment, a faxed or emailed signature on a counterpart shall be fully binding as though it was an original signature.
- 6.12 Headings. The headings of all paragraphs of this Appointment are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction or interpretation of any term or provision hereof.
- 6.13 Authority. The individual respectively executing this Appointment on behalf of each of the SPCSA and the Receiver represents and warrants that: (i) it is the correct and authorized person to be executing this Appointment; (ii) any necessary consents and/or approvals from any members, partners, officers or trustees, as the case may be, of any of respective Parties required to be obtained for such person to be authorized to execute this Appointment and to bind such party to this Appointment have been obtained; and (iii) following execution of this Appointment by such person, this Appointment shall be a valid and binding obligation of each of the SPCSA and the Receiver.
- 6.14 Survival of Representations, Warranties and Covenants. Each and all provisions of this Appointment shall survive and remain in full force and effect. All releases herein shall survive repayment and performance of obligations under this Appointment.

THIS SPACE INTENTIONALLY LEFT BLANK

- 7 WAIVER OF JURY TRIAL. SPCSA AND THE RECEIVER HEREBY WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY RELATING TO THIS APPOINTMENT, OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS APPOINTMENT. THIS WAIVER OF JURY TRIAL IS MADE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY BY EACH OF THE PARTIES HERETO. IT IS FURTHER ACKNOWLEDGED THAT EACH OF THE PARTIES HERETO HAS HAD AN OPPORTUNITY TO REVIEW THIS APPOINTMENT WITH INDEPENDENT LEGAL COUNSEL. EACH OF THE PARTIES HERETO HAS INITIALED THIS SECTION BELOW TO INDICATE ITS/HIS AGREEMENT WITH THIS JURY TRIAL WAIVER AND OTHER TERMS CONTAINED IN THIS SECTION.


SPCSA


RECEIVER

THE PARTIES HEREBY AGREE THIS APPOINTMENT AS OF October 26, 2015.

**STATE PUBLIC CHARTER
SCHOOL AUTHORITY**

By: 
Patrick J. Gavin, Director

RECEIVER


By: 
Joshua M. Kern

EXHIBIT “5”



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov



130504

Nonprofit Dissolution

(PURSUANT TO NRS 82.451)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Dissolution

For a Nevada Nonprofit Corporation

Voluntary Dissolution by Directors and Members or by Directors Alone;
Directors to Act as Trustees For Liquidation and Winding Up of Corporate Affairs
(Pursuant to NRS 82.451)

1. Name of corporation:

CHARTERED FOR EXCELLENCE FOUNDATION

2. Entity or NV I.D. number: E0057012014-8

3. Names and addresses, either residence or business, of the **president, secretary, and treasurer**, or the equivalent thereof, and all **directors** of the corporation (attach a plain 8 1/2" x 11" sheet to list additional directors):

David C. Olive
President or Equivalent

7916 Rushmore Avenue, Las Vegas, Nevada 89131
Address

David C. Olive
Secretary or Equivalent

7916 Rushmore Avenue, Las Vegas, Nevada 89131
Address

David C. Olive
Treasurer or Equivalent

7916 Rushmore Avenue, Las Vegas, Nevada 89131
Address

David C. Olive
Director

7916 Rushmore Avenue, Las Vegas, Nevada 89131
Address

Lavar Anthony Winsor
Director

7495 W. Azure Drive, Suite 140, Las Vegas, Nevada 89130
Address

4. Effective date and time of filing: (optional) Date: April 30, 2016 Time: 12:00 p.m.

(must not be later than 90 days after the certificate is filed)

5. Officer Signature:

I declare that a resolution to dissolve the above named corporation has been adopted by the board of directors and by any superior organization whose approval is required by a provision of the articles authorized by NRS 82.091. If there are members entitled to vote to take action upon the resolution to dissolve, the undersigned further declare that the resolution has been adopted by a majority of all the voting power.

X

David C. Olive
Signature

President
Title

April 30, 2016
Date

Filing Fee: \$50.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.
This form must be accompanied by appropriate fees.

Nevada Secretary of State 82.451 Nonprofit Dissolution
Revised: 1-25-16

**2016 RESOLUTIONS OF THE BOARD OF TRUSTEES
OF
CHARTERED FOR EXCELLENCE FOUNDATION**

The Board of Trustees of Chartered For Excellence Foundation ("Foundation"), hereby resolve and agreed that the following resolutions were unanimously adopted by the Board of Trustees of Chartered for Excellence Foundation:

Pursuant to NRS 82.451, the Board of Directors (Trustees) unanimously voted to dissolve Chartered For Excellence Foundation as a Nevada Non-Profit Corporation.


These resolutions are signed by the all the Board of Trustees authorized to vote, and a certificate which is attached hereto as Exhibit A will be signed by David C. Olive, as Trustee (Director) and President, and filed in the Office of the Nevada Secretary of State.

The Board of Trustees (Directors) are the trustees of Chartered For Excellence Foundation in liquidation and in winding up of its affairs. The act of a majority of the directors as trustees remaining in office is the act of the directors as trustees.

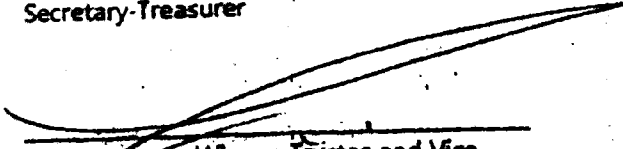
1. **Board of Trustees.** The Board of Trustees' (Directors') names and addresses are as follows:

<i>Name</i>	<i>Address</i>
David C. Olive	7916 Rushmore Avenue, Las Vegas, NV 89131
Lavar Anthony Winsor	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130

Dated April 29, 2016.



David C. Olive, Trustee and President-
Secretary-Treasurer



Lavar Anthony Winsor, Trustee and Vice
President

EXHIBIT “6”

**2014 RESOLUTIONS IN LIEU OF ANNUAL MEETING OF THE BOARD OF TRUSTEES
OF
CHARTERED FOR EXCELLENCE FOUNDATION**

In lieu of the annual meeting of the Board of Trustees of Chartered For Excellence Foundation ("Foundation"), the following resolutions were unanimously adopted by the Board of Trustees of Chartered for Excellence Foundation:

1. **Board of Trustees.** The Board of Trustees' names and addresses are as follows:

David C. Olive	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130
Tony Winsor	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130
Debra Roberson	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130
Stephanie Gabany	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130

2. **Officers.** IT IS HEREBY RESOLVED that each person named below is hereby elected as an officer of the Foundation to serve for one year and until his or her successor is elected and qualified, as follows:

<u>Name</u>	<u>Address</u>	<u>Position</u>
David C. Olive	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130	President
Tony Winsor	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130	Vice President
Debra Roberson	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130	Treasurer
Stephanie Gabany	7495 W. Azure Drive, Suite 140, Las Vegas, NV 89130	Secretary



Anthony L. Barney, Ltd.
A Nevada Professional Law Corporation

Chartered For Excellence Foundation
2014 Resolutions Adopted in Lieu of Annual Meeting
Page 2

3. **Company Transactions:** IT IS HEREBY RESOLVED that all actions, decisions, and agreements made by the current Board of Trustees and its officers of the Foundation as set forth herein are hereby approved, ratified, and confirmed. The actions hereby approved include those reflected on any attached documents, which are incorporated herein by this reference.

Dated 11/15/2015.

David C. Olive, Trustee and President

Lalvar Anthony

(Tony) Winsor, Trustee and Vice President

Debra Roberson, Trustee and Treasurer

Stephanie Gabany, Trustee and Secretary

EXHIBIT “7”

INDEPENDENT CONTRACTOR AGREEMENT

SECTION 1. PARTIES AND BASIC PROVISIONS

Reference to the terms in the following table shall be deemed references to the facts shown therein:

1.1 "School"	QUEST PREPARATORY ACADEMY
1.2 "Professional Service Provider"	CHARTERED FOR EXCELLENCE FOUNDATION
1.3 "Starting Date"	March 1, 2014
1.4 "Term"	CHARTERED CONTRACT PERIOD or December 31, 2020, which ever is less pursuant to Section 6.3.

SECTION 2. RECITALS

2.1 The School is in the industry of providing preparatory education to students grades K-12.

2.2 The School desires to retain the services of the Professional Service Provider (hereinafter "CHARTERED FOR EXCELLENCE FOUNDATION" or "CFEF"), under the terms of this Agreement, and School desires to authorize approval of all contracts undertaken by CFEF pursuant to Paragraph 3.2; and

2.3 CFEF desires to render the Services described in Section 3.2 of this Agreement as an independent contractor for the School.

THEREFORE, in consideration of the mutual promises, covenants, conditions, the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties enter into this Agreement. This Agreement relates back to the Starting Date as shown in paragraph 1.3, notwithstanding the date of this Agreement.

SECTION 3. SERVICES RENDERED

3.1 Services Rendered. Commencing on the Starting Date, the School hereby retains the services of CFEF as its designated representative during the term specified in paragraph 1.4 above, and CFEF accepts to perform the services described in Section 3.2 of this Agreement, as an independent contractor for the School.

3.2 Duties of Professional Service Provider.

- (a) Performance of Services. CFEF agrees to the professional, ethical, and timely performance of its duties under this Section 3 and the terms of this Agreement as an independent contractor of the School.
- (b) Nature of Services. CFEF will provide services for the purchase and acquisition of one or more permanent real estate sites (exclusive of the duties and responsibilities of a qualified and licensed broker/agent), which includes negotiation with and community outreach to financiers, banks, and other national and local lending sources to finance additional school locations. These services include, but are not limited to working with the following professionals for services without the need of further approvals by the Governing Board:
 - 1. building professionals
 - 2. project management professionals
 - 3. project rehabilitation professionals
 - 4. project design professional
 - 5. state and city building departments or agencies
 - 6. zoning managers and elected officials
 - 7. renting office space, renting "other" space including but not limited to classrooms and administrative rooms as determined by School administration.

CFEF may, at its discretion, provide demographics reports, logistics reports, and cost analysis of building projects and other expenditures for review of school authorities;

- (c) CFEF will have its legal and compliance departments review all documents and contracts necessary to carry out its services to the School. However, School at its own discretion, may still hire an attorney to review all contracts between CFEF and the School;
- (d) CFEF is authorized to lease transportation vehicles to the School for agreed upon events;
- (e) CFEF is authorized to develop an educational curriculum that will meet or exceed Nevada state standards of education applicable to state funded charter schools;
- (f) CFEF is authorized to develop a system of instruction and/or lectures that can provide innovative and educational/technological advancements to the student body, parents, and faculty of the School;
- (g) CFEF is authorized to provide facilities management to School campuses;
- (h) CFEF is authorized to facilitate forensic accounting services from certified and accredited professionals on behalf of School;
- (i) CFEF is authorized to apply for and prepare grants for the benefit of the School;
- (j) CFEF is authorized to develop a system of fundraising for the School, that will benefit School and its educational objectives; and
- (k) CFEF is authorized to collect monies on behalf of School for computer expenses, internet usage fees, and or computing fees used by students of the School;
- (l) CFEF is authorized to provide such services as the parties may hereinafter agree upon.

3.3 Supervision of Services. CFEF is responsible to supervise the performance of its duties under this Section 3, and is responsible for all expenses related to the performance of its duties under this Section 3.

SECTION 4. RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor. CFEF agrees to provide the services defined in Section 3 of this Agreement. Except as otherwise stated herein or agreed upon in writing, CFEF shall furnish all labor, tools, equipment, supervision and insurance needed to provide all services. It is understood that CFEF is an independent contractor, and not an employee of School. Nothing contained herein shall be construed to imply an employment, joint venture, partnership or principal and agent relationship between the parties, and neither party shall have any right, power or authority to create any obligations, express or implied, on behalf of the other. CFEF shall not be entitled to participate in any plans, benefits or distributions intended for School's employees.

CFEF agrees that School will make no deductions from any compensation paid to CFEF, and CFEF shall have full and exclusive liability for, the payment of any taxes and/or contributions for unemployment insurance, workers' compensation or any other employment-related costs or obligations, related to the provision of its services.

4.2 Indemnification. CFEF shall defend, indemnify, hold harmless, and insure School from any and all damages, expenses or liability resulting from or arising out of, any negligence or misconduct on CFEF's part, or from any breach or default of this Agreement which is caused or occasioned by the acts of CFEF, or its agents. CFEF further indemnifies School for any claims, costs, losses, fees, penalties, interest, or damages suffered as a result of CFEF's failure to make payment of any taxes and/or contributions for unemployment insurance, workers' compensation or any other employment-related costs or obligations, related to the provision of its services. CFEF shall insure that its employees and affiliates take all actions necessary to comply with the terms and conditions set forth in this Agreement.

4.3 Employees of CFEF. CFEF may, at CFEF's expense, use any employees or subcontractors as CFEF deems necessary to perform the services required of CFEF under this Agreement; provided, however, CFEF specifically agrees that any such employees or subcontractors will be those of CFEF and not of the School.

SECTION 5. COMPENSATION

5.1 Compensation. Compensation shall be paid to CFEF for services rendered and goods purchased for the benefit of School. The rate of compensation will be equal to 20% of the gross amount of any services or goods obtained on behalf of School, except that subleasing from CFEF will be contracted for on a case by case basis, but in no event shall CFEF receive an amount less than 20% of the amount of the entire amount of the lease term between CFEF and owner of the premises which the School occupies or is intended to occupy. It is the responsibility, unless otherwise agreed, that the School shall forward all amounts, for the payment of services rendered and/or goods received, to CFEF at least three business days prior to the due date of such payment.

Example: Technical Institute (TI), as landlord, desires to enter into a contract with CFEF, as tenant, for a lease with the option to purchase. TI desires to donate all of its chairs and workstations to CFEF in return for a charitable deduction. School desires to expand its campuses, but is unable to afford the cost of desks, chairs, and other equipment ("fixtures") in the amount of \$200,000, which TI has agreed to donate to CFEF. The lease between TI and CFEF is \$360,000. School desires to sublease the premises from CFEF, because it desires to receive the benefit of these fixtures without the immediate costs of purchasing these fixtures. The sublease between School and CFEF will permit, at a minimum, that CFEF would sublease to School at \$432,000 allowing School to use the fixtures for \$128,000.00 less than it would have been able purchase the fixtures, and allowing payment for the fixtures to be received over the extended period of the sublease.

SECTION 6. TERMINATION OF AGREEMENT

6.1 Normal Termination. Unless otherwise agreed by the parties in writing or unless terminated earlier as provided herein, this Agreement shall terminate at the end of the term specified in paragraph 1.4. Notwithstanding the foregoing, if the parties continue the business relationship after the end of the term, the parties agree to be bound by the terms of this Agreement until a new agreement is executed by the parties. After the end of the term and upon notice of termination by either party, this Agreement shall terminate within fourteen (14) calendar days.

6.2 Voluntary Termination. Either party may terminate this Agreement as of a date to be specified in a notice of termination prior to the end of the term, such date to be not less than fourteen (14) days after sending of the notice, however the terminating party will be liable for any and all costs associated with termination of this agreement.

6.3 Immediate Termination. In the event that School dissolves, becomes insolvent, or its state charter is revoked or not renewed, this Agreement is terminated.

SECTION 7. CONFIDENTIALITY

7.1 Non-Disclosure Agreement. School agrees that CFEF has invested, and will continue to invest, substantial monies and effort in compiling and storing data regarding educational and business techniques. CFEF agrees that School has created, developed and organized materials and processes regarding educational techniques. In addition, CFEF also understands and agrees that School has an interest in protecting its financial information, including the salaries of its employees. School and CFEF agree that this data is confidential and proprietary information and constitutes "trade secrets," and is hereafter referred to as "Confidential Information." The parties hereto further agree that all information regarding the financial arrangements or financial transactions among the parties hereto, and their investors or lenders, whether in writing or otherwise known, are confidential and proprietary information. The parties hereto agree not to disclose, directly or indirectly, any Confidential Information as defined in this subsection at any time or in any manner whatsoever, except as is absolutely essential and expressly authorized under this Agreement. Neither party shall use any Confidential Information of the other to the detriment, harm or disadvantage, in any way, of the non-disclosing party. If either party believes that it is necessary to disclose this information to any other person or entity, such party must first identify, in writing, that person or entity to the other party, and obtain that party's prior written approval before disclosure.

7.2 Assurance of Confidentiality. In the event that either party reasonably believes after consultation with counsel that it is required by law to disclose any Confidential Information of the other party, such party will:

- (a) provide the non-disclosing party with prompt notice before such disclosure in order that the non-disclosing party may attempt to obtain a protective order or

other assurance that confidential treatment will be accorded such Confidential Information; and

- (b) cooperate with the non-disclosing party in attempting to obtain such order or assurance.

7.3 Injunction. Due to the nature of the Confidential Information being disclosed and because the unauthorized disclosure or use thereof could cause irreparable harm to the non-disclosing party, each party hereto agrees and expressly authorizes, in addition to any other remedy the non-disclosing party may have for a breach of this Agreement, to obtain an injunction against any and all unauthorized disclosures of this information.

7.4 Return of Confidential Information. In the event that either party dissolves, becomes insolvent, or its state charter is revoked or not renewed, or this Agreement is terminated under the terms of Section 6, each party shall immediately return to the other all material containing any Confidential Information, including any and all copies thereof.

SECTION 8. DEFINED TERMS.

8.1 Confidential Information. Billing; accounting; sales; scientific; and technical and other information regarding formulas, patterns, compilations, programs, devices, methods, techniques, operations, educational plans and processes that are owned by either party hereto or which are actually or potentially used in the operation of the their business or obtained from third parties under an agreement of confidentiality. Confidential Information also includes confidential and proprietary business information of either party, other than information which has entered the public domain (unless such information entered the public domain through effects of or on account of either party), and all valuable and unique information and techniques acquired, developed or used by either party relating to its business, operations, employees, customers and suppliers, which give such party a competitive advantage over those who do not know the information and techniques and which are protected by such party from unauthorized disclosure, including but not limited to, customer lists (including potential and existing customers), sources of supply, processes, plans, materials, pricing information, internal memoranda, marketing plans, vendor information, internal policies, and products and services which may be developed from time to time by either party, and their agents or employees.

8.2 NRS. "NRS" means the Nevada Revised Statutes.

8.3 Parties. The "parties" to this Agreement are the "School" and "CHARTERED FOR EXCELLENCE FOUNDATION" named in subsections and respectively.

SECTION 9. MISCELLANEOUS

- 9.1 Assignment. No party may assign its rights or delegate its duties hereunder without the written consent of all other parties. Any attempted assignment or delegation shall be void *ab initio*.
- 9.2 Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Nevada. Jurisdiction and venue for all purposes shall be in Clark County, State of Nevada.
- 9.3 Construction. Where the context or circumstances so require, the singular shall include the plural and vice versa, and references to the masculine, feminine, or neuter gender shall be deemed to be references to the more appropriate gender. The invalidity of any particular provision hereof shall not affect the validity of any other provision. If a named party includes more than one person or entity, the obligations of that party shall be joint and several.
- 9.4 Enforcement. This Agreement shall be construed and enforced as effective and valid. If any portion of this Agreement or any other written policy of procedure is held invalid or inoperative, such determination shall not impair or affect the validity and legality or enforceability of the remaining provisions of this Agreement, and effect will be given to the parties' intent evidenced by the portion held invalid so far as legally and reasonably possible. Except as otherwise provided, any party in breach hereof or in default hereunder shall reimburse each other party for all costs reasonably incurred to enforce this Agreement, including attorneys' fees (whether or not court proceedings are actually commenced).
- 9.5 Headings. Headings used in this Agreement are intended for reference purposes only and shall not be used in the interpretation of this Agreement.
- 9.6 Integration and Modifications. This Agreement, and the other written agreements referred to herein, constitute the parties' entire Agreement and supersede any and all oral or written representations which may have been made by any party to any other party. No modification to this Agreement may be enforced unless it is signed by the party against whom it is to be enforced.
- 9.7 Notices. When this Agreement provides for notice to a party, such notice shall be sent postage prepaid to the party by U.S. first-class mail, by personal delivery, or by overnight delivery service, and notice shall be deemed given when sent. Any notice of default or breach must be sent by a method for which a delivery receipt is obtained; otherwise, the notice shall not be deemed sent until actually received. Notice shall be sent to the address shown in Section 1, above, or to a more recent address given in a properly sent notice. Notice from a party's employee, attorney, or other representative shall constitute notice from the party.
- 9.8 Remedies. The remedies hereunder are cumulative, and each party may exercise all remedies permitted by law in addition to those specifically enumerated herein.

- 9.9 Succession. The School will not consolidate nor merge into, or with, another School, nor transfer all or substantially all of its assets to another School, unless such School (hereinafter referred to as the "Successor School") shall assume this Agreement and its duties.
- 9.10 Waiver. Each party has the right to insist on full compliance with terms of this Agreement at any time, regardless of any one or more past occasions on which such right has been waived.
- 9.11 Prior Agreements and Indemnification. School agrees that execution of this agreement with the School will not violate or breach any agreement with any other individual or entity. School agrees to indemnify CFEF for claims made by such individuals or entities. Such claims include, but are not limited to, reasonable attorney fees and expenses of investigation by any third party that such third party may now have or may hereafter come to have against the School; such claim(s) being based upon or arising from any non-competition agreement, confidentiality agreement or secrecy agreement between School and such third party that was in existence on the date of this Agreement.
- 9.12 Attorney Review. Each party acknowledges that he or she has been informed of the propriety of having an attorney review this Agreement on his or her behalf. Each party also acknowledges that the restrictions reference herein have been explained prior to execution of this Agreement, and has entered into this Agreement with full knowledge of the restrictions, and agrees that the terms herein are fair and reasonable.

IN WITNESS WHEREOF, the School has caused this Agreement to be executed, by a duly authorized officer; and CHARTERED FOR EXCELLENCE FOUNDATION, by a duly authorized agent, has signed this Agreement, as of the date shown.

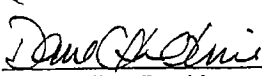

<p>"School" QUEST PREPARATORY ACADEMY</p> <p> _____ David Olive, President Date: <u>5-17-14</u></p>	<p>"Professional Service Provider" CHARTERED FOR EXCELLENCE FOUNDATION</p> <p> _____ By: Kelli Miller, Secretary Treasurer Date: <u>5-17-14</u></p>
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EXHIBIT “8”

BUILDING AND IMPROVEMENT SUBLEASE

(ABSOLUTE NET – BOND TYPE)

**1300 EAST BRIDGER AVENUE,
LAS VEGAS, NEVADA 89101**

CHARTERED FOR EXCELLENCE FOUNDATION,

a Nevada Non-Profit Corporation

as Sublessor,

and

QUEST PREPARATORY ACADEMY,

a Nevada State Sponsored Charter School

as Sublessee.

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EXHIBITS:

Exhibit A	Definitions Applicable to the Sublease
Exhibit B	Legal Description of the Land Portion of the Premises
Exhibit B-1	Depiction/Site Plan of the Premises
Exhibit C	Form of Memorandum of Sublease
Exhibit D	Form of Sublessee's Estoppel Certificate
Exhibit E	Sublessee's Insurance Specifications and Limits
Exhibit F	State Specific Provisions
Exhibit 101	Integration, Incorporation of Ground Lease and Assumption of Sublessor's Obligations as Lessee under the Ground Lease
Exhibit 102	Sublessor's Surviving Interests in Ground Leased Facilities

BUILDING AND IMPROVEMENT SUBLEASE (Absolute Net – Bond Type)

This Building and Improvement Sublease (the “**Sublease**”), dated as of the date set forth in Section 1 of the Basic Sublease Provisions below (the “**Basic Sublease Provisions**”), is made by and between **CHARTERED FOR EXCELLENCE FOUNDATION**, a Nevada Non-Profit Corporation (“**Sublessor**”), and **QUEST PREPARATORY ACADEMY**, a Nevada State Sponsored Charter School (“**Sublessee**”). Except as otherwise set forth herein, capitalized terms used herein shall have the meaning set forth in the Basic Sublease Provisions and, if not defined therein, then in Exhibit A attached hereto.

BASIC SUBLEASE PROVISIONS

1. Effective Date August 1, 2014
2. Premises (Article 1) Approximately 14,000 square feet of useable building space commonly known as 1300 East Bridger Avenue, Las Vegas, Nevada 89101 contained on a ground leased parcel of 2.89 acres and the Improvements located thereon.
3. Term of the Sublease (Article 2)
 - 3.1 Length of Term Twenty Five (25) Years.
 - 3.2 Sublease Commencement Date August 1, 2014
 - 3.3 Sublease Expiration Date The last day of the three hundredth (300th) month to occur after the Sublease Commencement Date (as such date may be extended pursuant to the terms of this Sublease).
 - 3.4 Options to Extend the Term of the Sublease Two (2) automatic options to extend the Term of the Sublease, each for a period of five (5) years, subject to the terms and conditions set forth in Section 2.2 herein.
4. Minimum Annual Rent (Article 3) The Minimum Annual Rent shall be as follows:

Months 1-12: The Minimum Annual Rent shall be \$324,800, which amount shall increase three percent (3%) per annum, effective the first day of the thirteenth (13th) month of the Term of the Sublease and on a like day of every year of the Term of the Sublease (as it may be extended as provided herein) thereafter.
5. Permitted Use (Article 5) Public charter school and other uses directly related to a public charter school’s educational purpose and operations.
6. Security Deposit (Article 21) \$27,066.67 increasing by three percent (3%) per annum in concert with the annual increases in the Minimum Annual Rent effective the first day of the thirteenth (13th) month of the Term of the Sublease and on a like day of every year of the Term of the

Sublease (as it may be extended as provided herein) thereafter.

7. Notice Address of Sublessee (Section 26.18) On and after the Sublease Commencement Date, notices shall be sent to Sublessee at the Premises.
8. Notice Address of Sublessor (Section 26.18) _____
9. Brokers (Section 26.24)
- For Sublessor None
- For Sublessee None
10. Guarantor(s) (Section 26.32) None

[CONTINUED ON FOLLOWING PAGE]

EXHIBITS ATTACHED AND INCORPORATED HEREIN

Exhibit A	Definitions Applicable to the Sublease
Exhibit B	Legal Description of the Land Portion of the Premises
Exhibit B-1	Depiction/Site Plan of the Premises
Exhibit C	Form of Memorandum of Sublease
Exhibit D	Form of Sublessee's Estoppel Certificate
Exhibit E	Sublessee's Insurance Specifications and Limits
Exhibit F	State Specific Provisions
Exhibit 101	Integration, Incorporation of Ground Lease and Assumption of Sublessor's Obligations as Lessee under the Ground Lease
Exhibit 102	Sublessor's Surviving Interests in Ground Leased Facilities

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease as of the Effective Date, consisting of the foregoing Basic Sublease Provisions, the paragraphs which follow, and all exhibits attached hereto.

"SUBLESSOR":

**CHARTERED FOR EXCELLENCE
FOUNDATIN, a Nevada Non-Profit
Corporation,**

By: _____

Name: Kelli Miller, PhD

Title: Director

"SUBLESSEE":

**QUEST PREPARATORY ACADEMY,
a Nevada State Sponsored Charter School**

By: _____

Name: David C Olive

Title: Governing Board President

"LANDLORD":

**CSP-BRIDGER AVE., LLC
a Nevada limited liability company**

By: _____

Name: _____

Title: _____

[PROVISION BELOW IS TO BE COMPLETED AFTER SUBLEASE COMMENCEMENT]

Sublessee hereby confirm that the Term of the Sublease commenced on August 1, 2014.

DC/Oi
Sublessee Initials

7/9/14
Date

ARTICLE 1

PREMISES, BUILDING

1.1 Leasing. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases from Sublessor the Premises subject to the Ground Lease and other Permitted Encumbrances. The outline of the Premises is generally depicted on the Site Plan attached hereto as **Exhibit B-1**. The parties hereto agree that the Sublease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Sublessee covenants as a material part of the consideration for this Sublease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Sublease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit B-1** is to show the approximate location of the Premises only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof, the specific location of the Building or any other improvements or of the accessways to the Premises. For purposes of this Sublease, the square footage set forth in the Basic Sublease Provisions or elsewhere in the Sublease shall be deemed accurate and neither the Premises, Building, Improvements, nor Land shall be subject to remeasurement.

1.1.1 Title. Sublessee acknowledges and agrees that Sublessee has examined the title to the Premises prior to the execution and delivery of this Sublease and has found the condition of title to be satisfactory for the purposes contemplated by this Sublease. Without limiting the generality of the foregoing, the Premises are demised and let subject to the terms of this Sublease as well as all of the following:

1.1.1.1 The Ground Lease other Permitted Encumbrances.

1.1.1.2 The Legal Requirements.

1.1.1.3 The Insurance Requirements.

1.1.1.4 The condition of the Premises as of the commencement of the Term, without representation or warranty by Sublessor.

1.1.2 Condition. SUBLESSOR HAS NOT MADE AND WILL NOT MAKE ANY INSPECTION OF ANY OF THE PREMISES, AND SUBLESSOR SUBLEASES AND WILL SUBLEASE AND SUBLESSEE TAKES AND WILL TAKE THE PREMISES "AS IS", AND SUBLESSEE ACKNOWLEDGES THAT SUBLESSOR (WHETHER ACTING AS SUBLESSOR HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL SUBLESSOR BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE PREMISES, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR USE OR PURPOSE (INCLUDING, WITHOUT LIMITATION, SUBLESSEE'S INTENDED USE), COMPLIANCE WITH "LEGAL REQUIREMENTS", DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, AS TO SUBLESSOR'S TITLE THERETO, OR AS TO VALUE, COMPLIANCE WITH SPECIFICATIONS, LOCATION, USE, CONDITION, MERCHANTABILITY, QUALITY, DESCRIPTION, DURABILITY OR OPERATION, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY SUBLESSEE. Sublessee acknowledges that the

Premises are of its selection and to its specifications, and that the Premises have been inspected by Sublessee and are satisfactory to it. In the event of any defect or deficiency in any of the Premises of any nature, whether patent or latent, Sublessor shall not have any responsibility or liability with respect thereto or for any incidental or consequential damages (including strict liability in tort). The provisions of this Paragraph have been negotiated, and the foregoing provisions are intended to be a complete exclusion and negation of any warranties by Sublessor, express or implied, with respect to the Premises, arising pursuant to the uniform commercial code or any other law now or hereafter in effect or otherwise.

ARTICLE 2

INITIAL TERM OF THE SUBLEASE; OPTIONS TO EXTEND THE TERM OF SUBLEASE

2.1 Initial Term of the Sublease. The terms and provisions of this Sublease shall be effective as of the date of this Sublease. The Term of the Sublease shall commence on the Sublease Commencement Date and shall terminate on the Sublease Expiration Date (as it may be extended as provided in this Sublease) unless this Sublease is sooner terminated as hereinafter provided. At any time during the Term of the Sublease, Sublessor may request that Sublessee execute or initial the Basic Sublease Provisions where indicated (or execute a different comparable document) to confirm the Sublease Commencement Date, which Sublessee shall execute/initial and return to Sublessor within five (5) days of receipt thereof.

2.2 Automatic Extension of the Term of the Sublease; Sublessee Right to Decline Extension. Sublessor hereby grants Sublessee, the Options to Extend the Term of the Sublease set forth in the Basic Sublease Provisions, if any. Each Option to Extend the Term of the Sublease shall be deemed *automatically exercised* without notice or further action by any party unless Sublessor delivers the irrevocable Option Decline Notice to Sublessee. If the irrevocable Option Decline Notice has not been timely delivered, the next available Option to Extend the Term of the Sublease shall be deemed effective and exercised and the Sublease Expiration Date shall be extended for a period of years as set forth in the Basic Sublease Provisions. If the irrevocable Option Decline Notice is timely delivered, the then-current Sublease Expiration Date shall not be extended and all remaining Options to Extend the Term of the Sublease shall be terminated and of no further force or effect and Sublessee shall have no ability to rescind the Option Decline Notice.

2.3 Option Rent. Upon commencement of each Option to Extend the Term of the Sublease and during the extended Term of the Sublease, the Minimum Annual Rent shall continue to be adjusted as provided in the Basic Sublease Provisions.

ARTICLE 3

BASE RENT

3.1 Generally. Sublessee shall pay, without prior notice or demand, to Sublessor at the place or address it designates in writing from time to time, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, one-twelfth (1/12th) of the Minimum Annual Rent (the "Minimum Monthly Rent") in advance on or before the Rent Payment Date for each and every calendar month during the Term of the Sublease, without any setoff or deduction whatsoever. The Minimum Monthly Rent for the first full month of the Term of the Sublease shall be paid at the time of Sublessee's execution of this Sublease. If any payment of Minimum Monthly Rent is for a period which is shorter than one month, the Minimum Monthly Rent for any such fractional month shall accrue on a daily basis such that 1/30th of the Minimum Monthly Rent shall be payable for each and

every day that the Sublease is in effect and/or Sublessee is in possession of the Premises (whichever is greater). All other payments or adjustments required to be made under the terms of this Sublease that require proration on a time basis shall be prorated on the basis of thirty (30) day months notwithstanding the actual numbers of days in such month. Upon written notice to Sublessee at any time, Sublessor may (in its sole discretion) elect to require (by providing written notice to Sublessee) that Sublessee pay the Minimum Monthly Rent and any Additional Rent by electronic funds transfer or wire transfer on or before the Rent Payment Date and, if so elected, may charge a two percent (2%) processing fee for any payments not made by such electronic funds transfer or wire transfer.

ARTICLE 4

ADDITIONAL RENT

4.1 Survival. Without limitation on other obligations of Sublessee which survive the expiration of the Term of the Sublease, the obligations of Sublessee to pay the Rent shall survive the expiration or termination of the Sublease.

4.2 Additional Rent. Sublessee covenants to pay and discharge, when the same shall become due, as Additional Rent, all other amounts, liabilities and obligations which Sublessee assumes or agrees to pay or discharge pursuant to this Sublease, together with every fine, penalty, interest and cost which may be added for non-payment or late payment thereof. In the event of any failure by Sublessee to pay or discharge any of the foregoing, the Sublessor shall have all rights, powers and remedies provided herein, by law or otherwise in the case of non-payment of Rent.

4.3 Taxes and Other Charges as Additional Rent. Without limiting Sublessee's obligations set forth elsewhere in this Sublease, Sublessee shall pay at least thirty (30) days before due and before interest or penalties are due thereon: (i) all taxes, assessments, levies, fees, water and sewer rents and charges of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen, which are, at any time prior to or during the Term hereof, imposed or levied upon, assessed, or incurred by Sublessor or Sublessee against (A) the Premises, (B) any Rent, Additional Rent or other sum payable hereunder, or (C) this Sublease, the Ground Lease, or the Subleasehold estates thereby created, or which arise in respect of the operation, possession or use of the Premises; (ii) all gross receipts or similar taxes imposed or levied upon, assessed against or measured by any Rent, Additional Rent or other sum payable hereunder; (iii) all sales, use and similar taxes at any time levied, assessed or payable on account of the acquisition, leasing or use of the Premises; (iv) all charges and/or taxes for any easement or agreement maintained for the benefit of the Premises; (v) all charges for water, sewer and other utilities serving the Premises; (vi) all ground rents on or with respect to the Premises, whether payable under the Ground Lease or any other ground lease; and (vii) all other public charges and/or taxes whether of a like or different nature, even if unforeseen or extraordinary, imposed or assessed upon or with respect to the Premises. Any such taxes, assessments and other charges with respect to the Premises for the then current tax period shall be apportioned as of the Commencement Date, and the pro rata share thereof shall be paid to the Sublessor or credited to Sublessee, as the case may be. Sublessee shall furnish to the Sublessor, promptly after demand therefor, proof of payment of all items referred to above which are payable by Sublessee. If any such assessment may legally be paid in installments, Sublessee may pay such assessment in installments; in such event, Sublessee shall be liable only for installments which are attributable to any period falling within the Term hereof.

4.4 Expenses for Permitted Exceptions as Additional Rent. Sublessee agrees that Sublessee is obligated to and shall perform all obligations of the owner of the Premises and pay all expenses which the owner of the Premises may be required to pay in accordance with any of the Permitted Encumbrances (including, without limitation any Ground Lease, or any other similar

agreements) and that Sublessee shall comply with all of the terms and conditions of the Permitted Encumbrances during the term of this Sublease.

4.5 Sublessor's Right to Pay or Cure. Should Sublessee fail to pay any Additional Rent when due, Sublessor shall have the right (but not the obligation) to pay, such amount and/or to discharge or remove any tax, assessment, levy, fee, rent, charge, lien or encumbrance on behalf of Sublessee and charge Sublessee for all costs and expenses incurred or paid by Sublessor plus the Administrative Fee. Sublessee further covenants and agrees to indemnify, defend and hold harmless Sublessor against any claim, loss or damage suffered by Sublessor by reason of Sublessee's failure to perform any obligations or pay any expenses as and when required under this Sublease.

4.6 Net Sublease. It is understood and agreed by Sublessee that this Sublease is an absolute triple net Sublease and the Rent, Additional Rent and all other sums payable hereunder to Sublessor shall be absolutely net to the Sublessor, without deduction or set off. Sublessee shall be responsible for (and pay directly) all taxes, payments in lieu of taxes, assessments, utility charges, liens, insurance, capital replacements, maintenance, repairs and all other costs associated with the Premises, whether existing now or hereinafter imposed or incurred. Sublessee shall pay all sums payable hereunder without notice or demand, and without set-off, abatement, suspension or deduction and Sublessee shall not interpose any counterclaim or defense of whatever nature or description in any proceeding by the Sublessor for the collection of money due hereunder.

4.7 Not Financing. Sublessor and Sublessee agree that this Sublease is a true Sublease and does not represent a financing arrangement. Each party shall reflect the transactions represented by this Sublease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true Sublease" treatment rather than "financing" treatment.

ARTICLE 5

USE OF PREMISES

5.1 Permitted Use. Sublessee shall use the Premises solely for the Permitted Use set forth in Section 5 of the Basic Sublease Provisions and Sublessee shall not use or permit the Premises to be used for any other purpose or purposes whatsoever without the prior written consent of Sublessor, which may be withheld in Sublessor's sole discretion.

5.2 Prohibited Uses. In no event shall the Premises be used for any purpose which shall violate any of the provisions of any Permitted Encumbrance or any covenants, conditions, restrictions or agreements hereafter created by or consented to by Sublessee applicable to the Premises. Sublessee agrees that with respect to the Permitted Encumbrances and any covenants, restrictions or agreements hereafter created by or consented to by Sublessee, Sublessee shall observe, perform and comply with and carry out the provisions thereof required therein to be observed and performed by Sublessor. Sublessee shall not commit or suffer to be committed any waste in or upon the Premises. Sublessee shall not permit any unlawful occupation, business or trade to be conducted on the Premises or any use to be made thereof contrary to applicable Legal Requirements or Insurance Requirements. Sublessee shall not use, occupy or permit any of the Premises to be used or occupied, nor do or permit anything to be done in or on any of the Premises, in a manner which would (i) make void or voidable any insurance which Sublessee is required hereunder to maintain then in force with respect to any of the Premises, (ii) affect the ability of Sublessee to obtain any insurance which Sublessee is required to furnish hereunder, or (iii) cause any injury or damage to the Building or any other Improvements, unless pursuant to Alterations permitted under this Sublease.

5.3 Compliance with Law. Sublessee shall, at its expense, comply with and shall cause the Premises and all Occupants of any portion thereof to comply with all Insurance Requirements and Legal Requirements, including those which require the making of any structural, unforeseen or extraordinary changes, whether or not any of the same which may hereafter be enacted involve a change of policy on the part of the governmental body enacting the same.

5.4 Permits and Approvals. Sublessee shall, at its sole cost and expense, obtain all permits, certificates, approvals, licenses and all other necessary or appropriate actions of any Federal, State or City authorities required for the operation of Sublessee's business on the Premises, all in accordance with the Legal Requirements.

5.5 Compliance with Contractual Requirements. Sublessee shall, at its expense, comply with the requirements of all policies of insurance which are carried by Sublessee (or by the Sublessor when permitted by the terms of this Sublease) which at any time may be in force with respect to the Premises or any portion thereof, and with the provisions of all contracts, agreements and restrictions entered into by such Sublessee or by which such Sublessee is legally bound affecting the Premises or any portion thereof or the ownership, occupancy or use thereof.

5.6 Quiet Enjoyment. If and so long as Sublessee shall pays all Rent and other charges herein provided, observes and performs all covenants, agreements and obligations contained herein and there is otherwise no Event of Default, Sublessor covenants to do no act to disturb the peaceful and quiet occupation and enjoyment of the Premises by Sublessee; provided, that the Sublessor and its agents may enter upon and examine the Premises as provided herein.

5.7 Surrender of Premises. At the expiration or earlier termination of the Term of this Sublease or any portion thereof, Sublessee shall peaceably leave, quit and surrender the Premises.

ARTICLE 6

NON-TERMINABILITY

6.1 No Termination Rights. It is the intention of the parties hereto that the obligations of Sublessee under this Sublease shall be separate and independent covenants and agreements, and that Minimum Annual Rent, Additional Rent and all other sums payable by Sublessee hereunder shall continue to be payable on an absolute net basis and in all events (or, in lieu thereof, Sublessee shall pay amounts equal thereto), and that all obligations of Sublessee under this Sublease (including both monetary and performance obligations) shall continue unaffected, unless this Sublease shall have been terminated pursuant to an express provision of this Sublease. Accordingly, except as otherwise expressly provided in this Sublease, this Sublease shall not terminate and Sublessee shall not have any right to terminate this Sublease, during the Term. Except as otherwise expressly provided in this Sublease, Sublessee shall not be entitled to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to Minimum Annual Rent, Additional Rent or any other sums payable under this Sublease; and except as otherwise expressly provided in this Sublease, the obligations of Sublessee under this Sublease shall **not** be affected, modified, reduced or excused by any interference with Sublessee's use of any of the Premises for any reason. Without limitation, Sublessee's obligations under this Sublease shall not be affected, modified, reduced or excused by any of the following:

- 6.1.1** Any damage to or destruction of any of the Premises by any cause whatsoever,
- 6.1.2** Any Condemnation:

- Premises,
- 6.1.3 The prohibition, limitation or restriction of Sublessee's use of any of the
- 6.1.4 Any eviction by paramount title or otherwise,
- 6.1.5 Sublessor's acquisition of ownership of any of the Premises,
- 6.1.6 Any default on the part of Sublessor under this Sublease or under any other
- agreement,
- 6.1.7 Any latent or other defect in, or any theft or loss of any of the Premises,
- 6.1.8 The breach of any warranty of any seller or manufacturer of any of the
- Equipment,
- 6.1.9 Any violation of Section 5.6 by Sublessor,
- 6.1.10 Any other cause, whether similar or dissimilar to the foregoing, any present or future law or Legal Requirement to the contrary notwithstanding.

ARTICLE 7

MAINTENANCE, REPAIRS, AND OPERATION

7.1 Maintenance, Repairs and Operation. Sublessee agrees that it will, during the Term of this Sublease, at its expense, keep, maintain, repair, replace, use and operate the Premises, including any altered, rebuilt, additional or substituted buildings, structures, equipment, and other improvements thereto, in good repair and appearance and in a first-class and leasable condition, and will promptly make all structural and non-structural, foreseen and unforeseen, and ordinary and extraordinary changes, repairs and replacements of every kind and nature which may be required to be made upon or in connection with the Premises or any part thereof in order to keep and maintain the Premises, in good repair and appearance and in a leasable condition. Without limiting the generality of the foregoing, Sublessee shall maintain, repair and/or replace all equipment or facilities, including, but not limited to, plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection and sprinkler system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Sublessee's responsibilities for any and all capital replacement of all such equipment and/or facilities shall be determined according to generally accepted replacement schedules. Sublessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Section 7.2 below. Sublessee shall, at its own expense, keep the Premises in a clean, neat and sanitary condition and shall keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal), including, when necessary, the exterior repainting or refinishing of the Building. Sublessee shall do or cause others to do all shoring of the Premises (including the foundations and walls of the Building) and every other act necessary or appropriate for preservation and safety thereof, by reason of or in connection with any excavation or other building operation upon any of the Premises, whether or not Sublessor shall, by reason of any Legal Requirements or Insurance Requirements, be required to take such action or be liable for failure to do so. Sublessee shall, in all events, make all repairs for which it is responsible hereunder promptly, and all repairs shall be in a good, proper and workmanlike manner. Sublessee hereby waives the right to make repairs at Sublessor's expense under the provisions of any laws permitting repairs by a Sublessee at the expense of Sublessor to the extent allowed by law, in that Sublessor and Sublessee have by this Sublease (including, without limitation, Article 11) made specific provision for such repairs and have defined their respective obligations relating thereto.

7.2 Records; Service Contracts. As part of its maintenance obligations hereunder, Sublessee shall, at Sublessor's request, provide Sublessor with copies of all maintenance schedules,

service contracts, reports and notices prepared by, for or on behalf of Sublessee. Sublessee shall procure and maintain preventative maintenance contracts, with copies to Sublessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) heating and air conditioning equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Sublessor reserves the right, upon notice to Sublessee, to procure and maintain any or all of such service contracts, and Sublessee shall reimburse Sublessor, upon demand, for the cost thereof plus the Administrative Fee.

7.3 Sublessor has No Obligations. Sublessor shall not be required to maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature or description to the Premises (or any other property), or any part thereof, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to maintain the Premises, or any part thereof in any way. Sublessee hereby expressly waives the right to make repairs at the expense of the Sublessor, which such right may be provided for in any law now or hereafter in effect.

7.4 Equipment Replacements. Sublessee shall, at its sole expense, from time to time replace with other operational equipment or parts any of the Equipment which shall have become worn out or unusable for the purpose for which it is intended, been taken by a Condemnation, or been lost, stolen, damaged or destroyed. Sublessee shall repair at its sole cost and expense all damage to the Premises caused by the removal of Equipment (including any replacements thereof) or other personal property of Sublessee or the installation of any replacement Equipment. All replacement Equipment shall immediately become the property of Sublessor and shall be free and clear of all liens and rights of others and shall become a part of the Equipment as if originally demised herein.

7.5 Compliance with Requirements. In the event that any Improvements violate any Legal Requirements or Insurance Requirements and as a result of such violation enforcement action is threatened or commenced against Sublessee or with respect to the Premises, then Sublessee, at the request of Sublessor, shall either (i) obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such violation, whether the same shall affect Sublessor, Sublessee or both, or (ii) take such action as shall be necessary to remove such violation, including, if necessary, any Alteration. Any such repair or Alteration shall be made in conformity with the provisions of Section 8 below.

7.6 Compliance with Environmental Laws. Sublessee represents and warrants that, except as herein set forth, it will not use, store or dispose of any Hazardous Materials in or on the Premises. Without limiting the foregoing, Sublessee agrees that it will not install any underground or above ground storage tank at the Premises without specific, prior written approval from the Sublessor, which approval may be withheld in Sublessor's sole and absolute discretion. Similarly, Sublessee agrees that it will not store Hazardous Materials or other combustible or flammable materials on the Premises. Notwithstanding the preceding provisions, Sublessor agrees that Sublessee may use, store and properly dispose of Permitted Chemicals. However, Sublessee may use, store and dispose of same, provided that in doing so; Sublessee fully complies with all Environmental Laws.

7.7 Remediation of Hazardous Materials. To the extent required by the Environmental Laws, any other Legal Requirements, the Insurance Requirements, and/or any other federal, state or local laws, rules or regulations governing Hazardous Materials, Sublessee shall remove any Hazardous Materials whether now or hereafter existing on the Premises and whether or not arising out of or in any manner connected with Sublessee's occupancy of the Premises during the Term. In addition to, and without limiting other indemnity provisions set forth in this Sublease, Sublessee shall and hereby does

agree to defend, indemnify and hold Sublessor and its Landlord(s), and their respective officers, directors, shareholders, partners, members and employees, harmless from and against any and all causes of actions, suits, demands or judgments of any nature whatsoever, losses, damages, penalties, expenses, fees, claims, costs (including response and remedial costs), and liabilities, including, but not limited to, reasonable in-house and outside attorneys' fees and costs of litigation, arising out of or in any manner connected with (i) the violation of any applicable federal, state or local Environmental Law with respect to the Premises; (ii) the "release" or "threatened release" of or failure to remove, as required by this Article, Hazardous Materials from the Premises or any portion or portions thereof, including any past or current release and any release or threatened release during the initial term or any extension of Term, whether or not arising out of or in any manner connected with Sublessee's occupancy of the Premises.

7.8 Failure to Comply. If Sublessee shall be in default under any of the provisions of this Article, Sublessor may after thirty (30) business days written notice given to Sublessee and failure of Sublessee to cure during said period, but without notice in the event of an emergency, do whatever is necessary to cure such default as may be appropriate under the circumstances for the account of and at the expense of Sublessee. In the event of an emergency Sublessor shall notify Sublessee of the situation by phone or other available communication. All reasonable sums so paid by Sublessor and all reasonable costs and expenses (including, without limitation, in-house and outside attorneys' fees and expenses) so incurred, together with interest thereon at the Default Rate from the date of payment or incurring the expense, shall constitute Additional Rent payable by Sublessee under this Sublease and shall be paid by Sublessee to Sublessor on demand.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 Sublessor's Consent to Alterations. Sublessee shall not make, permit, or cause to be made Alterations to the Premises without first obtaining the written approval of Sublessor, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, Sublessee shall have the right, at its discretion and sole cost, without obtaining the prior written consent of Sublessor, but subject to all governmental requirements, and subject to first notifying Sublessor in writing of such proposed Alterations, to make any interior nonstructural Alterations to the Building it may desire so long as the cost thereof does not exceed \$50,000.00. Any request for consent to (or notice of) Alterations shall be accompanied by two (2) complete sets of plans and specifications for the proposed Alterations, suitable for submission to Sublessor's architect for evaluation. Sublessee shall pay all reasonable costs incurred by Sublessor in the evaluation of the plans and specifications, including, but not limited to, architects' and engineers' fees and an Administrative Fee. In addition, as a condition to its consent, Sublessor may require Sublessee to furnish assurances satisfactory to Sublessor that all contractors who will perform such work have in force workers' compensation and such other employee and comprehensive general liability insurance as Sublessor deems necessary to supplement the insurance coverage provided for in this Sublease. Sublessor may impose, as a condition of its consent to any and all Alterations, such requirements as Sublessor in its sole discretion may deem desirable, including, but not limited to, the requirement that Sublessee utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Sublessee from a list provided and consented to by Sublessor, the requirement that upon Sublessor's request, Sublessee shall, at Sublessee's expense, remove such Alterations upon the expiration or any early termination of the Term of the Sublease. In addition, Sublessor may require that Sublessee provide Sublessor, at Sublessee's sole cost and expense, a performance and/or payment bond or a lien and completion bond or some alternate form of security satisfactory to Sublessor (and naming Sublessor as a co-obligee) in an amount equal to one and one-half (1½) times the estimated cost of the Alterations, to ensure Sublessor that said Alterations shall be completed lien-free and satisfactorily to Sublessor. Sublessee shall give Sublessor notice at least twenty

(20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Sublessor the opportunity of posting and recording appropriate notices of non-responsibility. Sublessor shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. Any consent or supervision by Sublessor of such Alterations shall in no event constitute Sublessor's approval of the work so performed, nor shall Sublessor be responsible for or have any liability with respect to such supervision or work. Copies of required building permits or authorizations shall be obtained by Sublessee at its expense and Sublessee shall furnish copies of same to Sublessor.

8.2 Manner of Construction.

In the event that Sublessor gives its prior written consent to any Alterations, or if such consent is not required, Sublessee agrees that in connection with any Alteration: (i) the Alterations shall be constructed using materials of equal or greater quality to the existing Improvements, and the fair market value of the Premises shall not be lessened in any material respect after the completion of any such Alteration, or its structural integrity impaired; (ii) the Alteration and any Alteration theretofore made or thereafter to be made shall not in the aggregate reduce the gross floor area of the Improvements by more than five percent (5%); (iii) all such Alterations shall be performed in a good and workmanlike manner in accordance with the plans and specifications consented to by Sublessor, and shall be expeditiously completed in compliance with all Legal Requirements; (iv) all work done in connection with any such Alteration shall comply with all Insurance Requirements; (v) Sublessee shall promptly pay all costs and expenses of any such Alteration, and shall discharge all liens filed against any of the Premises arising out of the same; (vi) Sublessee shall procure and pay for all permits and licenses required in connection with any such Alteration; and (vii) upon completion thereof, all such Alterations shall be the property of Sublessor and shall be subject to this Sublease. In addition, upon completion of any Alterations, Sublessee agrees to cause a Notice of Completion (or similar document evidencing completion of the work) to be recorded, and Sublessee shall deliver to Sublessor a reproducible copy of the "as built" set of plans and specifications (modified to reflect change orders) of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 Construction Insurance. In addition to the requirements of Article 10 of this Sublease, in the event that Sublessee makes any Alterations, prior to the commencement of such Alterations, Sublessee shall provide Sublessor with evidence that Sublessee carries "**Builder's All Risk**" insurance in an amount approved by Sublessor covering the construction of such Alterations, and such other insurance as Sublessor may require, it being understood and agreed that all of such Alterations shall be insured by Sublessee pursuant to Article 10 of this Sublease immediately upon completion thereof.

ARTICLE 9

COVENANT AGAINST LIENS; RECORDING; TITLE

9.1 Liens. Sublessee shall not, directly or indirectly, create or permit to be created or to remain, and shall promptly discharge, any lien on the Premises, Sublessor's reversionary estate therein, on the Minimum Annual Rent, Additional Rent or on any other sums payable by Sublessee under this Sublease, other than Permitted Encumbrances, and encumbrances or other charges created by or resulting from any act or omission by Sublessor or those claiming by, through or under Sublessor (but not Sublessee). Notice is hereby given that Sublessor shall not be liable for any labor, services or materials furnished or to be furnished to Sublessee, or to anyone holding any of the Premises through or under Sublessee, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Sublessor in and to any of the Premises. Sublessee shall give Sublessor notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time

as may be necessary under applicable laws) to afford Sublessor the opportunity of posting and recording appropriate notices of non-responsibility. Sublessor shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens.

9.2 Intentionally Deleted.

9.3 Creation of Subleasehold Only. Nothing in this Sublease and no action or inaction by Sublessor shall be deemed or construed to mean that Sublessor has granted to Sublessee any right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest or lien in or upon the estate of Sublessor in any of the Premises.

ARTICLE 10

INDEMNITY AND INSURANCE

10.1 Indemnification and Waiver. The provisions of this Article shall survive the expiration or sooner termination of this Sublease including, without limitation, any period where Sublessee remains in possession of (or responsible for) the Premises beyond such expiration or sooner termination.

10.1.1 Sublessee hereby unconditionally assumes all risk of damage to property or injury to persons in, upon or about the Premises for any reason and from any cause whatsoever and agrees the Sublessor Parties shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by or to Sublessee or by or to other persons claiming through Sublessee. Sublessee shall indemnify, defend, protect, and hold harmless the Sublessor Parties from any and all Claims and Losses incurred in connection with, in any way relating to, or arising from: (i) the Premises or this Sublease; (ii) the use, non-use, occupancy, condition, design, construction, maintenance, repair or rebuilding of the Premises; and (iii) any injury to or death of any person or persons or any loss of or damage to any property, real or personal, in any manner arising from or connected with the Premises or this Sublease. Sublessee's obligations under this paragraph shall apply (and not be reduced) whether or not Sublessor has or should have knowledge or notice of the defect or conditions, if any, causing or contributing to the Claims and Losses and whether or not the Claims and Losses were caused by any Sublessor Parties negligence. Sublessee shall indemnify, defend, protect, and hold harmless the Sublessor Parties for Claims and Losses in any way relating to or arising from: (a) any causes in, on or about the Premises; (b) any activity, work, or thing done, or permitted or suffered by Sublessee in, on, or about the Premises; (c) any acts, omission, or negligence of Sublessee or of any person claiming under Sublessee, or the contractors, agents, employees, invitees, or visitors of Sublessee or any such person; (d) any breach, violation, or non-performance by Sublessee or any person claiming under Sublessee or the employees, agents, contractors, invitees, or visitors of Sublessee or any such person of any term, covenant, or provision of this Sublease or any law, ordinance, or governmental requirement of any kind; (e) any injury or damage to the person, property, or business of Sublessee, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises under the express or implied invitation of Sublessee; or (f) the placement of any personal property or other items within the Premises. The foregoing indemnity is intended to apply to all Claims and Losses incurred directly by the Sublessor Parties, or their property, as well as by any third party or their property. Should Sublessor be named as a defendant in any suit brought against Sublessee in connection with or arising out of Sublessee's occupancy of the Premises, Sublessee shall pay to Sublessor its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants', experts', and in-house and outside attorneys' fees including, without limitation, cumis counsel. Further, Sublessee's agreement to indemnify Sublessor pursuant to this Section is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Sublessee pursuant to the provisions of this Sublease, to the extent such

policies cover the matters subject to Sublessee's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Sublease.

10.1.2 Sublessee's obligation to indemnify shall include the greater of (a) actual cost, or (b) the commercially reasonable professional rates, for in-house and outside attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Sublessor or its counsel from the first notice that any claim or demand is to be made or may be made. Payment shall not be a condition precedent to the enforcement of any indemnity provision in this Sublease. If any action or proceeding shall be brought against any Sublessor Parties for which Sublessee is to provide indemnification under this Sublease, then the Sublessor Parties shall be entitled to pursue either of the following options, both at Sublessee's sole cost and expense:

10.1.2.1 The Sublessor Parties shall be entitled to, in their sole and complete discretion, to select separate counsel to defend the Sublessor Parties at commercially reasonable rates and to change counsel at any time; or

10.1.2.2 Sublessee upon notice from any Sublessor Party shall defend the same; provided, however, that if at any time (including, without limitation, after Sublessee has retained counsel) any Sublessor Parties have articulable reasons to disapprove the counsel chosen by Sublessee to defend the Sublessor Parties or asserts a conflict of interest, any Sublessor Party may, but shall not be obligated to, disapprove such counsel by written notice to Sublessee stating with reasonable specificity the reasons for such disapproval. In the event of any such disapproval, the Sublessor Parties shall be entitled to: (i) select and retain counsel as provided in Section 10.1.2.1 above; or (ii) cause Sublessee to discharge the disapproved counsel and choose replacement counsel reasonably acceptable to the Sublessor Parties.

10.1.3 Sublessee shall not be required to indemnify and hold Sublessor harmless from any claims and losses determined by a court of competent jurisdiction to have been caused solely by the willful misconduct of the Sublessor Parties (except for damage to Sublessee's personal property, fixtures, furniture and equipment in the Premises, to the extent Sublessee is required to obtain insurance coverage therefor pursuant to the terms of this Sublease).

10.2 Sublessee's Compliance With Insurance Requirements. Sublessee shall, at Sublessee's expense, comply with all insurance company requirements pertaining to the use of the Premises, whether such insurance is obtained by Sublessee or Sublessor. If Sublessee's conduct or use of the Premises causes any increase in the premium charged to Sublessor for its insurance (if any) then Sublessee shall reimburse Sublessor for any such increase. Sublessee, at Sublessee's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 Sublessee's Insurance Specifications and Limits. Sublessee shall maintain the coverages set forth in Exhibit E attached hereto during the entire Term of the Sublease. In addition, Sublessee shall carry and maintain during the entire Term of the Sublease, at Sublessee's sole cost and expense, increased amounts of the insurance required to be carried by Sublessee pursuant to this Article and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Sublessee's operations therein, as may be reasonably requested by Sublessor, Landlord, Lender, credit facilitator, or credit enhancer.

10.4 Subrogation. Sublessor and Sublessee intend that all property loss and injury risks shall be borne by Sublessee and its insurance carriers. Accordingly, Sublessee hereby agrees to look solely to, and seek recovery only from, Sublessee's insurance carriers (and not Sublessor or Sublessor's insurance) in the event of an injury or property loss. Sublessee hereby waives all rights and claims against Sublessor

and its insurance companies and Sublessee further waives all rights of subrogation of Sublessee's insurers, provided such waiver of subrogation shall not affect the right of Sublessee to recover thereunder. Sublessee agrees that its insurance policies are now, or shall be, endorsed to reflect the foregoing waiver of subrogation. Upon request, Sublessee will cause all other occupants of the Premises claiming by, under, or through Sublessee to execute and deliver to Sublessor a waiver of claims similar to the waiver in this Section 10.4 and to obtain such waiver of subrogation rights endorsements.

ARTICLE 11

CONDEMNATION; DAMAGE AND DESTRUCTION; RESTORATION

11.1 Notice of Condemnation. Sublessee, promptly upon obtaining knowledge of the institution of any proceeding for Condemnation, shall notify Sublessor thereof and Sublessor shall be entitled to participate in any Condemnation proceeding. Sublessor, promptly after obtaining knowledge of the institution of any proceeding for Condemnation, shall notify Sublessee thereof and Sublessee shall have the right to participate in such proceedings. All Improvements are deemed to inure to Sublessor and shall be deemed Sublessor's property for purposes of condemnation. Subject to the provisions of this Article, Sublessee hereby irrevocably assigns to Lender (if any) or to Sublessor, in that order, any award or payment in respect of any Condemnation of Sublessor's interest in the Premises including Improvements and Trade Fixtures, except that (except as hereinafter provided) nothing in this Sublease shall be deemed to assign to Sublessor or Lender any award or payment on account of the Improvements or Trade Fixtures residually owned by Sublessee which are not insuring or being abandoned to Sublessor at any time during, at expiration or earlier termination of the Term of the Sublease, moving expenses and out-of-pocket expenses incidental to the move, if available, to the extent Sublessee shall have a right to make a separate claim therefor against the condemnor, it being agreed, however, that in no event shall Sublessee be entitled to any payment that reduces the award to which Sublessor is or would be entitled for the condemnation of Sublessor's interest in the Premises.

11.2 Restoration after Condemnation. In the event of a Condemnation of any part of the Premises, subject to the requirements of this Article, the Net Award shall be retained by Sublessor or, if applicable, Lender. Promptly after such Condemnation, Sublessee shall commence and diligently continue the Restoration of the Premises in accordance with the provisions of this Sublease, including but not limited to the provisions of Article 7. In such event, the following provisions shall apply:

11.2.1 Upon the payment to Sublessor of the Net Award of a Taking, Sublessor and Landlord shall make the Restoration Award available to Sublessee for Restoration, in accordance with the provisions of Section 11.7 below, and promptly after completion of the Restoration, the balance of the Net Award shall be paid to Sublessor. Sublessee shall complete such Restoration (including all Improvements and Equipment), whether or not the Net Award is sufficient for such purpose.

11.2.2 In the event of a Requisition of the Premises, Sublessor shall apply the Net Award of such Requisition, to the extent available, to the installments of Minimum Annual Rent, Additional Rent or other sums payable by Sublessee hereunder thereafter payable and Sublessee shall pay any balance remaining thereafter. Upon the expiration of the Term, any portion of such Net Award which shall not have been previously credited to Sublessee on account of the Minimum Annual Rent and Additional Rent shall be retained by Sublessor.

11.3 Consents. Except with respect to an award or payment to which Sublessee alone is entitled pursuant to the provisions of this Article, no agreement with any condemnor in settlement of or under threat of any Condemnation shall be made by either Sublessor or Sublessee without the written

consent of the other, and of Landlord and/or Lender, if the Premises are then subject to a mortgage or credit facility, which consent shall not be unreasonably withheld or delayed.

11.4 Notice of Casualty. In the event of any Casualty exceeding \$10,000 (regardless of the cause thereof), Sublessee shall give Sublessor immediate notice thereof. Sublessee shall adjust, collect and compromise any and all claims, with the consent of Sublessor and its Landlord, not to be unreasonably withheld or delayed, and Sublessor and Landlord shall have the right to join with Sublessee therein. If the estimated cost of Restoration or repair shall be Fifty Thousand Dollars (\$50,000.00) or less, all proceeds of any insurance required under Article 10 shall be payable to Sublessee, provided that there is no Event of Default under this Sublease (in which case the proceeds shall be paid to Sublessor). In all other events, such proceeds shall be paid to Sublessor, or at Sublessor or Landlord's election, to a Trustee designated by Sublessor. The cost of the Trustee, if any, shall be paid by Sublessee and shall not be deducted or paid from the Restoration Fund. Each insurer is hereby authorized and directed upon Sublessor's request to make payment under said policies directly to such Trustee instead of to Sublessor and Sublessee jointly; and Sublessee and Sublessor each hereby appoints such Trustee as its attorney-in-fact to endorse any draft therefor for the purposes set forth in this Sublease.

11.5 Restoration after Casualty. In the event of a Casualty loss exceeding \$50,000, Net Proceeds shall be retained by Sublessor or the Trustee (as applicable). Promptly after such casualty, Sublessee, at Sublessor's election, shall commence and diligently continue to perform the Restoration to the Premises in accordance with the provisions of this Sublease, including but not limited to the provisions of Article 7. Upon receipt of such Net Proceeds, the Sublessor or Trustee (as the case may be) shall, to the extent available, make the Net Proceeds available to Sublessee for Restoration, in accordance with the provisions of Section 11.7 below. Sublessee shall complete such Restoration (including all Improvements and Equipment), whether or not the Net Proceeds are sufficient for such purpose. In the event any Casualty occurs at such time as Sublessee shall not have maintained insurance in accordance with this Sublease, Sublessee shall pay the Sublessee Insurance Payment to Sublessor or the Trustee (as applicable).

11.6 No Termination or Abatement of Rent. In the event of any Condemnation or Casualty, the Term shall nevertheless continue and there shall be no abatement or reduction of Minimum Annual Rent, Additional Rent or any other sums payable by Sublessee under the Sublease. Without limiting the generality of the foregoing, during the period of Restoration, all Minimum Annual Rent, Additional Rent and other sums payable hereunder shall continue unabated and unreduced.

11.7 Restoration. The Restoration Fund shall be held and disbursed by Sublessor or the Trustee (as applicable) in accordance with the following conditions:

11.7.1 Prior to commencement of the Restoration the architects, general contractor(s), and plans and specifications for the Restoration shall be consented by Sublessor, which consent shall not be unreasonably withheld or delayed; and which consent shall be granted to the extent that the plans and specifications depict a Restoration which is substantially similar to the Improvements and Equipment which existed prior to the occurrence of the Casualty or Taking, whichever is applicable.

11.7.2 At the time of any proposed disbursement, no Event of Default (as defined below) shall be allowed to exist and no mechanics' or materialmen's liens shall have been filed and remain undischarged or unbonded.

11.7.3 Disbursements shall be made from time to time in an amount not exceeding the hard and soft cost of the work and costs incurred since the last disbursement upon receipt of (1) satisfactory evidence, including architects' certificates of the stage of completion, of the estimated cost of

completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (2) partial releases of liens, and (3) other reasonable evidence of cost and payment so that Sublessor can verify that the amounts disbursed from time to time are represented by work that is completed in place or delivered to the site and free and clear of mechanics' lien claims.

11.7.4 Each request for disbursement shall be accompanied by a certificate of Sublessee describing the work, materials or other costs or expenses, for which payment is requested, stating the cost incurred in connection therewith and stating that Sublessee has not previously received payment for such work or expense and the certificate to be delivered by Sublessee upon completion of the work shall, in addition, state that the work has been substantially completed and complies with the applicable requirements of this Sublease.

11.7.5 Upon Sublessor's request, Sublessor or the Trustee (as applicable) shall retain ten percent (10%) of the Restoration Fund until the Restoration is complete.

11.7.6 The Restoration Fund shall be kept in a separate interest-bearing federally insured account by Sublessor or the Trustee (as applicable).

11.7.7 At all times the undisbursed balance of the Restoration Fund held by Sublessor or the Trustee (as applicable) plus any funds contributed thereto by Sublessee shall be not less than the unpaid cost of completing the Restoration, free and clear of all liens.

11.7.8 In addition, prior to commencement of Restoration and at any time during Restoration, if the estimated cost of Restoration, as reasonably determined by Sublessor, exceeds the amount of the Net Proceeds, the Restoration Award and Sublessee Insurance Payment available for such Restoration, the amount of such excess shall be paid by Sublessee to Sublessor or the Trustee (as applicable) to be added to the Restoration Fund or Sublessee shall fund at its own expense the costs of such Restoration until the remaining Restoration Fund is sufficient for the completion of the Restoration. Any sum in the Restoration Fund which remains in the Restoration Fund upon the completion of Restoration shall be paid to Sublessee. For purposes of determining the source of funds with respect to the disposition of funds remaining after the completion of Restoration, the Net Proceeds or the Restoration Award shall be deemed to be disbursed prior to any amount added by Sublessee.

11.8 Waiver of Statutory Provisions.

11.8.1 The provisions of this Sublease, including this Article, constitute an express agreement between Sublessor and Sublessee with respect to any and all damage to, or destruction of, all or any part of the Premises. The parties hereby expressly waive any statute or regulation of the State in which the Premises are located that provides for any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other similar statute or regulation, now or hereafter in effect, and agree that any such statute or regulation shall have no application to this Sublease or any damage or destruction to all or any part of the Premises.

11.8.2 The parties waive such rights of Sublease termination (if any) as may be granted them in the event of a Condemnation by the laws of the State in which the Premises are located, it being their agreement that the parties have no such rights of termination as a result of any Condemnation or Casualty.

ARTICLE 12

NONWAIVER

No provision of this Sublease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Sublessor shall not be deemed to be a waiver of any preceding breach by Sublessee of any term, covenant or condition of this Sublease, other than the failure of Sublessee to pay the particular Rent so accepted, regardless of Sublessor's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Sublessor's right to receive the full amount due, nor shall any endorsement or statement on any check or other payment form or any letter accompanying such check or other payment form be deemed an accord and satisfaction, and Sublessor may accept such check or payment without prejudice to Sublessor's right to recover the full amount due. No receipt of monies by Sublessor from Sublessee after the termination of this Sublease shall in any way alter the length of the Term of the Sublease or of Sublessee's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Term of the Sublease or affect any notice given Sublessee prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Sublessor may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

PERMITTED CONTESTS

13.1 After prior written notice to Sublessor, Sublessee shall not be required to (i) pay any Imposition, (ii) comply with any Legal Requirement, (iii) discharge or remove any mechanic's lien arising from Sublessee's construction activities so long as Sublessee shall contest, in good faith and at its expense, the existence, the amount or the validity thereof, the amount of the damages caused thereby, or the extent of its or Sublessor's liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (a) the collection of, or other realization upon, the Imposition or lien so contested, (b) the sale, forfeiture or loss of any of the Premises, any Minimum Annual Rent or any Additional Rent to satisfy the same or to pay any damages caused by the violation of any such Legal Requirement or by any such violation, (c) any interference with the use or occupancy of any of the Premises, (d) any interference with the payment of any Minimum Annual Rent or any Additional Rent, (e) the cancellation of any fire or other insurance policy.

13.2 In no event shall Sublessee pursue any contest with respect to any Imposition, Legal Requirement, lien, or violation, referred to above in such manner that exposes Sublessor or Landlord to (i) criminal liability, penalty or sanction, (ii) any civil liability, penalty or sanction for which Sublessee has not made provisions reasonably acceptable to Sublessor and Landlord or (iii) defeasance of its interest in the Premises.

13.3 In connection with any contest, Sublessor may require that Sublessee provide Sublessor, at Sublessee's sole cost and expense, a performance and/or payment bond or a lien and completion bond in an amount equal to one and one-half (1½) times the amount in dispute.

13.4 Sublessee agrees that each such contest shall be promptly and diligently prosecuted to a final conclusion, except that Sublessee shall have the right to attempt to settle or compromise such contest

through negotiations. Sublessee shall pay and save Landlord and Sublessor harmless against any and all Claims and Losses in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 Transfers. Sublessee shall not, without the prior written consent of Sublessor, Transfer this Sublease or any interest hereunder or permit the Transfer this Sublease or any interest hereunder. If Sublessee desires Sublessor's consent to any Transfer, Sublessee shall deliver to Sublessor a Transfer Notice (including all documents required to be delivered therewith). Any Transfer made without Sublessor's prior written consent shall, at Sublessor's option, be null, void and of no effect, and shall, at Sublessor's option, constitute an Event of Default by Sublessee under this Sublease. Whether or not Sublessor consents to any proposed Transfer, Sublessee shall pay Sublessor's Transfer Expenses within thirty (30) days after written request by Sublessor. In addition, as a condition to the effectiveness of any Transfer (whether a Permitted Transfer or consummated with Sublessor's consent), Sublessee and/or the Transferee shall pay the Transfer Fee to Sublessor at the time the Transfer Notice is provided to Sublessor.

14.2 Sublessor's Consent. Sublessor shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Sublease and under any applicable law for Sublessor to withhold consent to any proposed Transfer where Sublessor determines in good faith that one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Premises, or would be a significantly less prestigious occupant of the Subject Space than Sublessee;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Sublease;

14.2.3 The Transferee is either a governmental or quasi-governmental agency or instrumentality thereof (other a charter school);

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, purchase right, or other similar right held by Sublessee; or

14.2.6 The Transferee does not intend to occupy the entire Premises and conduct its business therefrom for a substantial portion of the term of the Transfer.

If Sublessor consents to any Transfer, Sublessee may within four (4) months after Sublessor's consent, but not later than the expiration of the one hundred eighty (180) day period set forth in the

Transfer Notice, enter into such Transfer of the Premises or portion thereof, upon the same terms and conditions as are set forth in the Transfer Notice furnished by Sublessee to Sublessor pursuant to this Sublease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Sublessor would initially have been entitled to refuse its consent to such Transfer under this Sublease, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Sublessee's original Transfer Notice, Sublessee shall again submit the Transfer to Sublessor for its approval and other action under this Article. Notwithstanding anything to the contrary in this Sublease, if Sublessee or any proposed Transferee claims that Sublessor has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Sublessee hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Sublease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee. Sublessee shall indemnify, defend and hold harmless Sublessor from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Sublessee's proposed sublease or assignee) who claim they were damaged by Sublessor's wrongful withholding or conditioning of Sublessor's consent.

14.3 Transfer Premium. If Sublessor consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Sublessee shall pay to Sublessor the Transfer Premium defined herein.

14.4 Effect of Transfer. If Sublessor consents to a Transfer and as a condition precedent to the effectiveness of such consent, (i) the terms and conditions of this Sublease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Sublessee or a Transferee, (iii) Sublessee shall deliver to Sublessor, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Sublessor, (iv) Sublessee shall furnish upon Sublessor's request a complete statement, certified by an independent certified public accountant, or Sublessee's chief financial officer, setting forth in detail the computation of any Transfer Premium Sublessee has derived and shall derive from such Transfer; and (vi) no Transfer relating to this Sublease or agreement entered into with respect thereto, whether with or without Sublessor's consent, shall relieve Sublessee or any guarantor of the Sublease from any liability under this Sublease, including, without limitation, in connection with the Subject Space. Sublessor or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Sublessee relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Sublessee shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Sublessee shall pay Sublessor's costs of such audit.

14.5 Intentionally Deleted.

14.6 Occurrence of Default. Any Transfer hereunder shall be subordinate and subject to the provisions of this Sublease, and if this Sublease shall be terminated during the term of any Transfer, Sublessor shall have the right to: (i) treat such Transfer as canceled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Sublessor as its Sublessor under any such Transfer. If Sublessee shall be in default under this Sublease, Sublessor is hereby irrevocably authorized, as Sublessee's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Sublessor (which Sublessor shall apply towards Sublessee's obligations under this Sublease) until such default is cured. Such Transferee shall rely on any representation by Sublessor that Sublessee is in default hereunder, without any need for confirmation thereof by Sublessee. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Sublessee thereafter to be performed or observed under this Sublease. No

collection or acceptance of rent by Sublessor from any Transferee shall be deemed a waiver of any provision of this Article or the approval of any Transferee or a release of Sublessee from any obligation under this Sublease, whether theretofore or thereafter accruing. In no event shall Sublessor's enforcement of any provision of this Sublease against any Transferee be deemed a waiver of Sublessor's right to enforce any term of this Sublease against Sublessee or any other person. If Sublessee's obligations hereunder have been guaranteed, Sublessor's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

ARTICLE 15

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 Surrender of Premises. No act or thing done by Sublessor or any agent or employee of Sublessor during the Term of the Sublease shall be deemed to constitute an acceptance by Sublessor of a surrender of the Premises unless such intent is specifically acknowledged in writing by Sublessor. The delivery of keys to the Premises to Sublessor or any agent or employee of Sublessor shall not constitute a surrender of the Premises or effect a termination of this Sublease, whether or not the keys are thereafter retained by Sublessor, and notwithstanding such delivery Sublessee shall be entitled to the return of such keys at any reasonable time upon request until this Sublease shall have been properly terminated. The voluntary or other surrender of this Sublease by Sublessee, whether accepted by Sublessor or not, or a mutual termination hereof, shall not work a merger, and at the option of Sublessor shall operate as an assignment to Sublessor of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 Delivery of Possession. Upon the expiration or earlier termination of this Sublease, Sublessee shall peaceably leave and surrender the Premises (except as to any portion thereof with respect to which this Sublease has previously terminated) to Sublessor. Sublessee shall surrender the Premises to Sublessor good order and condition and, subject to Sublessor's rights under Section 19.2.5 below, Sublessee shall remove from the Premises on or prior to such expiration or earlier termination the Trade Fixtures and personal property which is owned by Sublessee or third parties other than Sublessor, and Sublessee at its expense shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Trade Fixtures and personal property not so removed at the end of the Term or within thirty days after the earlier termination of the Term for any reason whatsoever shall, at Sublessor's option, become the property of Sublessor, and Sublessor may thereafter cause such property to be removed from the Premises. The cost of removing and disposing of such property and repairing any damage to any of the Premises caused by such removal shall be borne by Sublessee. Sublessor shall not in any manner or to any extent be obligated to reimburse Sublessee for any property which becomes the property of Sublessor as a result of such expiration or earlier termination (including pursuant to the exercise of Sublessor's rights under Section 19.2.5 below). Sublessee waives all claims against Sublessor for any damage to Sublessee resulting from Sublessor's retention or disposition of any such Trade Fixtures or Sublessee's personal property. Sublessee shall be liable to Sublessor for Sublessor's costs for storing, removing and disposing of any Trade Fixtures or Sublessee's personal property and shall indemnify and hold Sublessor harmless from the claim of any third party to an interest in said personal property.

ARTICLE 16

HOLDING OVER

If Sublessee holds over after the expiration of the Term of the Sublease or earlier termination thereof, with or without the express or implied consent of Sublessor, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the amount of Rent paid by Sublessee during the last rentable period of the Term of the Sublease. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. For purposes of this Article, a holding over shall include, without limitation, Sublessee's failure to remove items and restore the Premises as required in Article 15, above. Nothing contained in this Article shall be construed as consent by Sublessor to any holding over by Sublessee, and Sublessor expressly reserves the right to require Sublessee to surrender possession of the Premises to Sublessor as provided in this Sublease upon the expiration or other termination of this Sublease. The provisions of this Article shall not be deemed to limit or constitute a waiver of any other rights or remedies of Sublessor provided herein or at law. If Sublessee fails to surrender the Premises upon the termination or expiration of this Sublease, in addition to any other liabilities to Sublessor accruing therefrom, Sublessee shall protect, defend, indemnify and hold Sublessor harmless from all loss, costs (including reasonable in-house and outside attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding Sublessee founded upon such failure to surrender and any lost profits to Sublessor resulting therefrom. A termination or non-renewal of this Sublease is not intended to be and shall not be deemed to be a breach of the covenant of good faith and fair dealing.

ARTICLE 17

ESTOPPEL CERTIFICATES

Sublessee shall at any time and from time to time, upon not less than twenty (20) days' prior written request from Sublessor, execute, acknowledge and deliver to the Sublessor a statement in writing in the form of Exhibit D attached hereto and such other matters as may reasonably be requested by Sublessor or its Landlord. It is intended that any such statements may be relied upon by Sublessor and its Landlord, the recipient of such statements or their assignees or by any prospective purchaser, assignee or sublessee of the Premises. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Premises. Failure of Sublessee to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an Event of Default and Sublessee's acceptance of the Premises and an acknowledgment by Sublessee that statements included in the estoppel certificate are true and correct, without exception. If Sublessee fails or refuses to execute, acknowledge, and deliver any such document within twenty (20) days after written demand, Sublessor, its successors and assigns will be entitled to execute, acknowledge, and deliver any such document on behalf of Sublessee as Sublessee's attorney-in-fact. Sublessee constitutes and irrevocably appoints Sublessor, its successors and assigns, as Sublessee's attorney-in-fact to execute, acknowledge, and deliver on behalf of Sublessee any documents described in this Article. This Article shall be self-operative and no further instrument shall be required in order to affect it.

ARTICLE 18

SUBORDINATION AND ATTORNMENT

18.1 Subordination. This Sublease shall be subject and subordinate to all present and future ground or underlying Subleases of the Premises and to the lien of any Mortgage or other trust deed or

other encumbrances now or hereafter in force against the Premises, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying Subleases, require in writing that this Sublease be superior thereto. Sublessee covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Sublease, provided such lienholder or purchaser or ground lessor shall agree to accept this Sublease and not disturb Sublessee's occupancy, so long as Sublessee timely pays the rent and observes and performs the terms, covenants and conditions of this Sublease to be observed and performed by Sublessee. Sublessor's interest herein may be assigned as security at any time to any lienholder or Lender. Sublessee shall, within five (5) business days of request by Sublessor, execute such further instruments or assurances as Sublessor or the holders of any mortgages or deeds of trust encumbering the interest of Sublessor in the Building or the ground or underlying lessors of the Building or Premises, or any portion thereof may reasonably deem necessary to evidence or confirm the subordination or superiority of this Sublease to any such mortgages, trust deeds, ground leases or underlying Subleases. If Sublessee fails or refuses to execute, acknowledge, and deliver any such document within five (5) business days after written demand, Sublessor, its successors and assigns will be entitled to execute, acknowledge, and deliver any such document on behalf of Sublessee as Sublessee's attorney-in-fact. Sublessee constitutes and irrevocably appoints Sublessor, its successors and assigns, as Sublessee's attorney-in-fact to execute, acknowledge, and deliver on behalf of Sublessee any documents described in this Article. Sublessee waives the provisions of any current or future statute, rule or law which may give or purport to give Sublessee any right or election to terminate or otherwise adversely affect this Sublease and the obligations of Sublessee hereunder in the event of any foreclosure proceeding or sale. This Article shall be self-operative and no further instrument of subordination shall be required in order to affect it. Upon Sublessee's request, Sublessor agrees to request from its Landlord(s) a Non-Disturbance Agreement.

ARTICLE 19

DEFAULTS; REMEDIES

19.1 Events of Default. The occurrence of any of the following shall constitute a default of this Sublease by Sublessee (an "Event of Default"):

19.1.1 Any failure by Sublessee to pay any Rent or any other charge required to be paid under this Sublease, or any part thereof, when due unless such failure is cured within three (3) business days after written notice that said amounts are past due; provided, however, that Sublessee will not be entitled to more than one (1) notice for default in payment of Rent during any twelve (12) month period, and if, within twelve (12) months after any such notice, any Rent is not paid when due, an event of default will have occurred without further notice; or

19.1.2 Except where a specific time period is otherwise set forth for Sublessee's performance in this Sublease, in which event the failure to perform by Sublessee within such time period shall be an Event of Default by Sublessee under this Section 19.1.2, any failure by Sublessee to observe or perform any other provision, covenant or condition of this Sublease to be observed or performed by Sublessee where such failure continues for ten (10) days after written notice thereof from Sublessor to Sublessee; provided that if the nature of such default is such that the same cannot reasonably be cured within a ten (10) day period, Sublessee shall not be deemed to be in default if it diligently commences

such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of thirty (30) days after written notice thereof from Sublessor to Sublessee; or

19.1.3 To the extent permitted by law, a general assignment by Sublessee or any guarantor of this Sublease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Sublessee, an Affiliate, or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Sublessee, an Affiliate, or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Sublessee, an Affiliate, or any guarantor, unless possession is restored to Sublessee, an Affiliate, or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Sublessee's assets located upon the Premises or of Sublessee's interest in this Sublease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment or vacation of all or a substantial portion of the Premises by Sublessee; or

19.1.5 The failure by Sublessee to observe or perform according to the provisions of Section 10.3 or any other Insurance Requirements, where such failure continues for more than five (5) business days after notice from Sublessor; or

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 Remedies Upon Default. Upon the occurrence of any Event of Default by Sublessee, Sublessor shall have, in addition to any other remedies available to Sublessor at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Sublease, in which event Sublessee shall immediately surrender the Premises to Sublessor, and if Sublessee fails to do so, Sublessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Sublessee and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Sublessor may recover from Sublessee the following:

(i) The worth at the time of any unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Sublessee proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term of the Sublease after the time of award exceeds the amount of such rental loss that Sublessee proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Sublessor for all the detriment proximately caused by Sublessee's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new Sublessee, whether for the same or a different use, and any special concessions made to obtain a new Sublessee; and

(v) At Sublessor'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.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Sublessee pursuant to the terms of this Sublease, whether to Sublessor or to others. As used in Paragraphs 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Default Rate, but in no case greater than the maximum amount of such interest permitted by law. As used in Paragraph 19.2.1(iii) above, the "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%).

19.2.2 To the extent that Sublessee was permitted to occupy the Premises without the payment of Rent or at a reduced Rent at the beginning of the Term of the Sublease ("reduced rent period"), Sublessor shall be entitled to an amount equal to what the Rent would have been during the reduced rent period to be determined at the Rent rate per month established for the last month of the first year of the Term of the Sublease of this Sublease (including any renewal or extension of this Sublease).

19.2.3 Upon the occurrence of an Event of a Default, Sublessor shall have the remedy to continue the Sublease in effect after Sublessee's breach and abandonment and recover rent as it becomes due, if Sublessee has the right to sublet or assign, subject only to reasonable limitations. Accordingly, if Sublessor does not elect to terminate this Sublease on account of any Event of Default by Sublessee, Sublessor may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due.

19.2.4 Sublessor shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 through 19.2.3, above, or any law or other provision of this Sublease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Sublease, or restrain or enjoin a violation or breach of any provision hereof.

19.2.5 In addition to any other rights and remedies set forth in this Sublease, upon any termination of this Sublease due to an Event of Default or upon the end of the Term of the Sublease, Sublessor shall have the right (but not the obligation) to become the owner of some or all of the Trade Fixtures located on the Premises (at Sublessor's sole discretion) which existed prior to such Event of Default. Sublessor shall exercise the foregoing right, if at all, no later than ninety (90) days after the termination of the Sublease due to an Event of Default. Sublessor reserves the right to demand a mandatory meeting between Sublessor and Sublessee (or, if Sublessee refuses such demand, to enter onto the Premises at any time) at any time to establish and document those items that shall be removed or left. Upon Sublessor's request, Sublessee shall execute and deliver a General Assignment and Bill of Sale (or other similar document) confirming Sublessor's ownership of the applicable Trade Fixtures. If Sublessee fails or refuses to execute, acknowledge, and deliver any such document within five (5) business days after written demand, Sublessor, its successors and assigns will be entitled to execute, acknowledge, and deliver any such document on behalf of Sublessee as Sublessee's attorney-in-fact.

19.3 Subleases of Sublessee. Whether or not Sublessor elects to terminate this Sublease on account of any Event of Default, as set forth in this Article, Sublessor shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Sublessee and affecting the Premises or may, in Sublessor's sole discretion, succeed to Sublessee's interest in such subleases, licenses, concessions or arrangements. In the event of Sublessor's election to succeed to Sublessee's interest in any such subleases, licenses, concessions or arrangements, Sublessee shall, as of the date of notice by Sublessor of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 Form of Payment After Default. Following the occurrence of an Event of Default by Sublessee, Sublessor shall have the right to require that any or all subsequent amounts paid by Sublessee to Sublessor hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Sublessor, or by other means approved by Sublessor, notwithstanding any prior practice of accepting payments in any different form.

19.5 Efforts to Relet. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Sublessor's interests hereunder, or any other action or omission by Sublessor shall be construed as an election by Sublessor to terminate this Sublease or Sublessee's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Sublessee in whole or in part from any of Sublessee's obligations hereunder, unless express written notice of such intention is sent by Sublessor to Sublessee. Sublessee hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Sublease.

19.6 Default by Sublessor. Sublessor shall not be deemed to be in default in the performance of any obligation required by it under this Sublease, or under any agreement executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Sublessee to Sublessor, specifying wherein Sublessor has failed to perform such obligation; provided, however, that if the nature of Sublessor's obligation is such that more than thirty (30) days are required for its performance, then Sublessor shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion. Nothing in this Article shall be interpreted to mean that Sublessee shall have the right to terminate this Sublease or that Sublessee is excused from paying any Rent due hereunder. If Sublessor fails to cure its default during the applicable time period, Sublessee's sole and exclusive remedy shall be to bring an action for its actual damages. Sublessee hereby expressly waives all of its other rights and remedies including, without limitation, any claim for consequential or punitive damages. In the event Sublessor is in default of this Sublease, Landlord has the right to succeed Sublessor as Sublandlord and Sublessee agrees to perform all of its obligations under this Sublease directly to and with the Landlord.

ARTICLE 20

FINANCIAL STATEMENTS; OTHER DOCUMENTS

Sublessee shall furnish to the Sublessor within one hundred twenty (120) days after the end of each fiscal year of Sublessee a consolidated balance sheet for Sublessee and its parent and its subsidiaries, statements of income, statements of changes in stockholder's equity for Sublessee and its subsidiaries, certified by independent certified public accountants of recognized standing selected by Sublessee, together with copies of all documents and materials filed by it, its parent or its subsidiaries during the year with the United States Securities and Exchange Commission, any state or federal agency, regulatory or licensing body, or its lenders. If there is a guarantor of this Sublease, at such time Sublessee shall provide

all of the foregoing documents and information with respect to such Guarantor(s). Without limiting the foregoing, at any time during the Term of the Sublease, Sublessor may require Sublessee and any Guarantor(s) to provide Sublessor with a current financial statement and financial statements. In addition, Sublessee shall promptly furnish the Sublessor from time to time such other information regarding its operations, business affairs and financial condition concerning the Premises as the Sublessor may reasonably request. Sublessee shall provide the Sublessor with copies of any reports furnished to any state or federal agency, regulatory or licensing body, or lender relative to the Premises or Sublessee's activities and operations.

ARTICLE 21

SECURITY DEPOSIT

Concurrent with Sublessee's execution of this Sublease, Sublessee shall deposit the Security Deposit with Sublessor as security for the faithful performance by Sublessee of all of its obligations under this Sublease. If Sublessee defaults with respect to any provisions of this Sublease, including, but not limited to, the provisions relating to the payment of Rent, the removal of property and the repair of resultant damage, Sublessor may, without notice to Sublessee, but shall not be required to apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default and Sublessee shall, within five (5) days of demand therefor, restore the Security Deposit to its original amount. Any unapplied portion of the Security Deposit shall be returned to Sublessee, or, at Sublessor's option, to the last assignee of Sublessee's interest hereunder, within sixty (60) days following the expiration of the Term of the Sublease so long as Sublessee is not in default under this Sublease. Sublessee shall not be entitled to any interest on the Security Deposit. Without limiting the generality of the foregoing, Sublessee acknowledges that the Security Deposit may be held and applied to offset any and all damages arising from Sublessee's default under, or breach of this Sublease. Sublessor is not required to hold the Security Deposit in a separate account and may co-mingle the funds with other funds of Sublessor.

ARTICLE 22

SIGNS

22.1 Advertising Media. Sublessee shall not affix upon the Premises any sign, advertising placard, name, insignia, trademark, descriptive material or other like item unless approved by Sublessor in advance. No advertising medium shall be utilized by Sublessee which can be heard or seen outside the Premises or patio area including, without limitation, flashing lights, searchlights, loudspeakers, phonographs, radios or televisions.

22.2 Signs. Notwithstanding anything contained in Section 22.1 to the contrary, Sublessee shall erect signs at its own expense in accordance with (a) the sign criteria established by Sublessor; and (b) all applicable laws, ordinances and regulations, and shall maintain these signs in good condition and repair during the Term. At Sublessor's option, Sublessee shall, at its sole cost and expense, remove some or all of the signs installed by Sublessee upon the expiration or earlier termination of this Sublease.

22.3 Prohibited Signage and Other Items. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Sublessor may be removed without notice by Sublessor at the sole expense of Sublessee.

22.4 Change in Sublessee's Name. Should the name of Sublessee be legally changed to another name, Sublessee shall be entitled to modify, at Sublessee's sole cost and expense, Sublessee's name on the signage previously installed pursuant to this Article to reflect Sublessee's new name, so long

as Sublessor reasonably determines the new name does not relate to an entity which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Premises, or which would otherwise reasonably offend or be unacceptable to a Sublessor of comparable Premises.

ARTICLE 23

LATE CHARGES

Sublessee hereby acknowledges that late payment by Sublessee to Sublessor of Rent due hereunder will cause Sublessor to incur costs not contemplated by this Sublease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing, administration and accounting charges and late charges which may be imposed on Sublessor by the terms of any encumbrance covering the Premises. Accordingly, if any installment of Rent or any other sum due from Sublessee shall not be received by Sublessor or Sublessor's designee within five (5) days after said amount is due, then Sublessee shall pay to Sublessor a late charge equal to the greater of (i) five percent (5%) of the overdue amount, or (ii) two Hundred Fifty Dollars (\$250.00). In addition, Sublessee shall pay any in-house and outside attorneys' fees incurred by Sublessor by reason of Sublessee's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Sublessor's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Sublessor's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing under this Sublease which are not paid within five (5) days after the date they are due shall bear interest from the date when due until paid at the Default Rate.

ARTICLE 24

SUBLESSOR'S RIGHT TO CURE DEFAULT; PAYMENTS BY SUBLESSEE

24.1 Sublessor's Cure. All covenants and agreements to be kept or performed by Sublessee under this Sublease shall be performed by Sublessee at Sublessee's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Sublessee shall fail to perform any obligation under this Sublease, and such failure shall continue in excess of the time allowed under Section 19.1, above, unless a specific time period is otherwise stated in this Sublease, Sublessor may, but shall not be obligated to, make any such payment or perform any such act on Sublessee's part without waiving its rights based upon any default of Sublessee and without releasing Sublessee from any obligations hereunder.

24.2 Sublessee's Reimbursement. Except as may be specifically provided to the contrary in this Sublease, Sublessee shall pay to Sublessor, upon delivery by Sublessor to Sublessee of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Sublessor in connection with the remedying by Sublessor of Sublessee's defaults pursuant to the provisions of Section 24.1; and (ii) sums equal to all expenditures made and obligations incurred by Sublessor in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Sublessor under this Sublease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Sublessee's obligations under this Section 24.2 shall survive the expiration or sooner termination of the Term of the Sublease.

ARTICLE 25

ENTRY BY SUBLESSOR

Sublessor, its agents, contractors, servants and employees may upon 24 hours prior oral notice enter the Premises during business hours upon reasonable notice and complying with any of Sublessee's visitor policies if entry is during school hours (except in the event of an emergency, in which case, Sublessor may enter the Premises at all times without notice), (a) to examine and inspect the Premises; (b) to perform any obligation, or exercise any right or remedy, of Sublessor under this Sublease; (c) to make repairs to the Premises as Sublessor deems necessary or desirable; (d) to perform work necessary to comply with the Legal Requirements and/or Insurance Requirements; (e) to perform work that Sublessor deems reasonably necessary to prevent waste or deterioration in connection with the Premises; (f) to show the Premises to prospective purchasers, Lenders, mortgagees or Sublessees, or to current or prospective Lenders, mortgagees, ground or underlying lessors or insurers; (g) to post notices of nonresponsibility; (h) to take possession due to any breach of this Sublease in the manner provided herein; and (i) perform any covenants of Sublessee which Sublessee fails to perform. Sublessor may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Sublessee hereby waives any claims for damages or for any injuries or inconvenience to or interference with Sublessee's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by Sublessor's entry, all claims for such damage being hereby reSubleased. In an emergency, Sublessor shall have the right to use any means that Sublessor may deem proper to open the doors in and to the Premises. Any entry into the Premises by Sublessor in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Sublessee from any portion of the Premises. No provision of this Sublease shall be construed as obligating Sublessor to perform any repairs, alterations or decorations. No reentry into or taking of possession of the Premises by Sublessor pursuant to this Article shall be construed as an election to terminate this Sublease unless a written notice of such intention be given to Sublessee or unless the termination thereof be decreed by a court of competent jurisdiction. No notice from Sublessor under this Sublease or under a forcible entry and detainer statute or similar law will constitute an election by Sublessor to terminate this Sublease unless such notice specifically says so. Sublessor reserves the right following any such reentry or re-letting, or both, to exercise its right to terminate this Sublease by giving Sublessee such written notice, and, in that event the Sublease will terminate as specified in such notice.

ARTICLE 26

MISCELLANEOUS PROVISIONS

26.1 Terms; Captions. The words "Sublessor" and "Sublessee" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

26.2 Binding Effect. Subject to all other provisions of this Sublease, each of the covenants, conditions, and provisions of this Sublease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Sublessor and of Sublessee, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Sublessee contrary to the provisions of Article 14 of this Sublease.

26.3 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Sublessor or any other person, are granted to Sublessee by this Sublease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in, on, or about the Premises, the same shall be without liability to Sublessor and without any reduction or diminution of Sublessee's obligations under this Sublease.

26.4 **Modification of Sublease.** Should any current or prospective mortgagee, Landlord, Lender, credit facilitator, or ground lessor for the Premises require a modification of this Sublease, which modification will not cause an increased cost or expense to Sublessee or in any other way materially and adversely change the rights and obligations of Sublessee hereunder, then and in such event, Sublessee agrees that this Sublease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Sublessor within ten (10) days following a request therefor. At the request of Sublessor or any mortgagee, credit facilitator, or ground lessor, Sublessee agrees to execute a short form of Sublease and deliver the same to Sublessor within ten (10) days following the request therefor.

26.5 **Transfer of Sublessor's Interest.** Sublessee acknowledges that Sublessor has the right to transfer all or any portion of its interest in the Premises or Building and in this Sublease, and Sublessee agrees that in the event of any such transfer, Sublessor shall automatically be released from all liability under this Sublease for the portion of the interest transferred and Sublessee agrees to look solely to such transferee for the performance of Sublessor's obligations hereunder for the portion of the interest transferred after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Sublease to be performed by Sublessor for the portion of the interest transferred, including the return of any Security Deposit, and Sublessee shall attorn to such transferee. Sublessee further acknowledges that Sublessor may assign its interest in this Sublease to a Lender as additional security and agrees that such an assignment shall not reSublease Sublessor from its obligations hereunder and that Sublessee shall continue to look to Sublessor for the performance of its obligations hereunder.

26.6 **Prohibition Against Recording.** Neither this Sublease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Sublessee or by anyone acting through, under or on behalf of Sublessee.

26.7 **Sublessor's Title.** Sublessor's title is and always shall be paramount to the title of Sublessee. Nothing herein contained shall empower Sublessee to do any act which can, shall or may encumber the title of Sublessor.

26.8 **Relationship of Parties.** Nothing contained in this Sublease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Sublessor and Sublessee.

26.9 **Application of Payments.** Sublessor shall have the right to apply payments received from Sublessee pursuant to this Sublease, regardless of Sublessee's designation of such payments, to satisfy any obligations of Sublessee hereunder, in such order and amounts as Sublessor, in its sole discretion, may elect.

26.10 **Time of Essence.** Time is of the essence with respect to Sublessee's performance of every provision of this Sublease in which time of performance is a factor (including, without limitation, Sublessee's delivery of an Option Decline Notice, if any).

26.11 Partial Invalidity. If any term, provision or condition contained in this Sublease shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Sublease shall be valid and enforceable to the fullest extent possible permitted by law.

26.12 No Warranty. In executing and delivering this Sublease, Sublessee has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Sublessor is furnishing the same services to other Sublessees, at all, on the same level or on the same basis, or any warranty or any statement of Sublessor which is not set forth herein or in one or more of the exhibits attached hereto. Sublessee agrees that neither Sublessor nor any agent of Sublessor has made any representation or warranty as to the suitability of the Premises for the conduct of Sublessee's business, that any specific Sublessee or number of Sublessees shall occupy any space in buildings adjacent (or in proximity) to the Premises, nor has Sublessor agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Sublease. Sublessee further agrees that neither Sublessor nor any agent of Sublessor has made any representation or warranty with respect to the physical condition of the Premises, the land upon which the Premises are located, or the expenses of operation of the Premises, or any other matter or thing affecting or related to the Premises, except as herein expressly set forth in the provisions of this Sublease.

26.13 Sublessor Exculpation. The liability of Sublessor or the Sublessor Parties to Sublessee for any default by Sublessor under this Sublease or arising in connection herewith or with Sublessor's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Sublessor in the Premises or (b) the equity interest Sublessor would have in the Premises if the Premises were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Premises (as such value is determined by Sublessor), provided that in no event shall such liability extend to any sales or insurance proceeds received by Sublessor or the Sublessor Parties in connection with the Premises. Neither Sublessor, nor any of the Sublessor Parties shall have any personal liability therefor, and Sublessee hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Sublessee. The limitations of liability contained in this Section 26.13 shall inure to the benefit of Sublessor's and the Sublessor Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Sublessor (if Sublessor is a partnership), or trustee or beneficiary (if Sublessor or any partner of Sublessor is a trust), have any liability for the performance of Sublessor's obligations under this Sublease. Notwithstanding any contrary provision herein, neither Sublessor nor the Sublessor Parties shall be liable under any circumstances for injury or damage to, or interference with, Sublessee's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

26.14 Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Sublease and this Sublease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Sublessor to Sublessee with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Sublease. None of the terms, covenants, conditions or provisions of this Sublease can be modified, deleted or added to except in writing signed by the parties hereto.

26.15 Waiver of Redemption by Sublessee. Sublessee hereby waives, for Sublessee and for all those claiming under Sublessee, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Sublessee's right of occupancy of the Premises after any termination of this Sublease.

26.16 Notices. All Notices given or required to be given by either party to the other hereunder or by law shall be in writing and shall be (A) transmitted by facsimile or email, if such facsimile or email is promptly followed by a Notice sent by Mail with return receipt requested, (B) delivered by a nationally recognized overnight courier, or (C) delivered personally with receipt of delivery. If any Notice is sent by facsimile or email, the date that the Notice is deemed to be delivered shall be (i) the date a receipt by the receiving party is acknowledged either by return facsimile or email or (ii) the date received by the receiving party by Mail evidenced by return receipt. Any Notice given by overnight courier will be deemed given on the date the overnight courier delivery is made, and any Notice given by personal delivery will be deemed given on the date personal delivery is made or attempted to be made. If Notice is tendered under the provisions of this Sublease and is refused, or a return receipt is refused to be given, by the intended recipient of the Notice, the Notice shall nonetheless be considered to have been given and shall be effective as of the date provided in this Sublease. The contrary notwithstanding, any Notice given to Sublessee in a manner other than that provided in this Sublease, which is actually received by Sublessee, shall be effective with respect to Sublessee on receipt of such Notice. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Sublessee at the appropriate address set forth in Section 7 of the Basic Sublease Provisions, or to such other place as Sublessee may from time to time designate in a Notice to Sublessor, or to Sublessor at the addresses set forth in Section 8 of the Basic Sublease Provisions, or to such other places as Sublessor may from time to time designate in a Notice to Sublessee. If Sublessee is notified of the identity and address of Sublessor's mortgagee, Lender, or ground or underlying lessor, Sublessee shall give to such mortgagee, Lender, or ground or underlying lessor written notice of any default by Sublessor under the terms of this Sublease by registered or certified mail, and such mortgagee, Lender, or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Sublessee's exercising any remedy available to Sublessee.

26.17 Joint and Several. If there is more than one Sublessee, the obligations imposed upon Sublessee under this Sublease shall be joint and several.

26.18 Authority. If Sublessee is a corporation, trust or partnership, each of the persons executing this Sublease on behalf of Sublessee warrants to Sublessor that Sublessee is a duly authorized and existing corporation, that Sublessee is qualified to do business in the state in which the Premises are located, that Sublessee has full right and authority to enter into this Sublease and that each person signing this Sublease on behalf of Sublessee has full authority to do so. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a certified copy of a resolution of Sublessee's Board of Directors authorizing the execution of this Sublease or other evidence of such authority reasonably acceptable to Sublessor. If Sublessee is a partnership, each person signing this Sublease for Sublessee represents and warrants that he is a general partner of the partnership, that he has full authority to sign for the partnership and that this Sublease binds the partnership and all general partners of the partnership. Sublessee shall give written notice to Sublessor of any general partner's withdrawal or addition. Within thirty (30) days after this Sublease is signed, Sublessee shall deliver to Sublessor a copy of Sublessee's recorded statement of partnership or certificate of limited partnership.

26.19 Attorneys' Fees. In the event that either Sublessor or Sublessee brings any action, arbitration, or proceeding against the other for possession of the Premises or for the recovery of any sum due hereunder, or because of the breach of any covenant, condition, or provision hereof, or for any other relief against the other, declaratory or otherwise, including appeals therefrom, and whether being an action based upon a tort, or contract or this Sublease, then the prevailing party to this Sublease in any

such proceeding shall be paid by the other party to this Sublease in any such proceeding reasonable in-house and outside attorneys' fees (as costs) and all costs of such action or proceeding which shall be enforceable, whether or not such action or proceeding is prosecuted to final judgment, and including an allowance for in-house and outside attorneys' fees (as costs) for appeals and rehearings. Should Sublessor be made a party to any suit or proceeding brought by any third party, arising by reason of Sublessee's use or occupancy of the Premises and not being a dispute essentially between Sublessor and Sublessee, then Sublessee shall defend the same and Sublessor therein, at Sublessee's sole cost and expense, and shall hold Sublessor free and harmless from any liability, duty or obligation therein, including all in-house and outside attorneys' fees of Sublessor.

26.20 Governing Law. THIS SUBLEASE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED. IN THE EVENT SUBLESSOR COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, SUBLESSEE SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, SUBLESSOR AND SUBLESSEE HEREBY CONSENT TO THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF NEVADA.

26.21 Submission of Sublease. Submission of this instrument for examination or signature by Sublessee does not constitute a reservation of, option for, or option to Sublease and it is not effective as a Sublease or otherwise until execution and delivery by both Sublessor and Sublessee.

26.22 Brokers. Sublessor and Sublessee hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Sublease, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Sublease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable in-house and outside attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

26.23 Independent Covenants. This Sublease shall be construed as though the covenants herein between Sublessor and Sublessee are independent and not dependent and Sublessee hereby expressly waives the benefit of any statute to the contrary and agrees that if Sublessor fails to perform its obligations set forth herein, Sublessee shall not be entitled to make any repairs or perform any acts hereunder at Sublessor's expense or to any setoff of the Rent or other amounts owing hereunder against Sublessor.

26.24 Counterparts. This Sublease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single Sublease.

26.25 Confidentiality. Sublessee acknowledges that the content of this Sublease and any related documents are confidential information. Sublessee shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Sublessee's financial, legal, and space planning consultants.

26.26 No Violation. Sublessee hereby warrants and represents that neither its execution of nor performance under this Sublease shall cause Sublessee to be in violation of any agreement, instrument,

contract, law, rule or regulation by which Sublessee is bound, and Sublessee shall protect, defend, indemnify and hold Sublessor harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable in-house and outside attorneys' fees and costs, arising from Sublessee's breach of this warranty and representation.

26.27 Development of the Project.

26.27.1 Intentionally Deleted.

26.27.2 Intentionally Deleted.

26.27.3 Construction of Other Improvements. Sublessee acknowledges that Sublessor may perform construction on the Premises following Sublessee's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Sublessee hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

26.28 Intentionally Deleted.

26.29 Waiver of Jury Trial. SUBLESSEE AND SUBLESSOR HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR ARBITRATION OR SIMILAR JUDICIAL PROCEEDING ARISING OUT OF OR IN ANY WAY RELATING TO THIS SUBLEASE.

26.30 Hazardous Substances. Sublessor may, upon reasonable notice to Sublessee, be granted access to and enter the Premises at any time to perform or cause to have performed an environmental inspection, site assessment or audit. Such environmental inspector or auditor may be chosen by Sublessor, in its sole discretion, and be performed at Sublessor's sole expense, except as provided herein. To the extent that the report prepared upon such inspection, assessment or audit, indicates the presence of Hazardous Materials in violation of Environmental Laws, or provides recommendations or suggestions to prohibit the reSublease, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises, or to comply with any Environmental Laws, Sublessee shall promptly, at Sublessee's sole expense, comply with such recommendations or suggestions, including, but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor and Sublessee shall reimburse Sublessor for the costs or fees of the initial and any subsequent environmental inspection, site assessment or audit report as Additional Rent. Notwithstanding the above, if at any time, Sublessor has actual notice or reasonable cause to believe that Sublessee has violated, or permitted any violations of any Environmental Law, then Sublessor will be entitled to perform an environmental inspection, assessment or audit at any time, and Sublessee must reimburse Sublessor for the cost or fees incurred for such as Additional Rent.

26.31 Approval by Landlord. Sublessee acknowledges and agrees that this Sublease is subject to the approval of the Landlord, and Sublessee hereby agrees to make such modifications of this Sublease as shall be reasonably requested by the Landlord, so long as such modifications shall not increase Rent payable hereunder, or the Term hereof, or otherwise materially, adversely affect Sublessee's rights and obligations hereunder.

26.32 Intentionally Deleted.

26.33 State Specific Provisions. The provisions set forth on **Exhibit F** attached hereto (if any) are incorporated herein by reference.

26.34 Intentionally Deleted.

[End of Sublease Provisions - Exhibits to Follow.]

EXHIBIT A

DEFINITIONS APPLICABLE TO THE SUBLEASE

"Additional Rent" shall mean all amounts due and payable by Sublessee under this Sublease other than Minimum Annual Rent.

"Administrative Fee" means and refers to any fee or costs charged by Sublessor for its management and overhead with respect to the Sublease and/or the Premises, and/or compensation for time expended (at professional rates) to administer or attend to any provision of the Sublease.

"Affiliate" means and refers to any company or entity controlled by, controls, or is under common control with, Sublessee or any company or entity in which Sublessee influences the operation, direction or management. **"Control,"** as used in this paragraph means (i) the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or (ii) possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person, company or entity.

"Alteration" or "Alterations" means and refers to mean (whether or not adjacent to or abutting any then-existing buildings) any or all changes, additions, expansions, improvements, reconstructions, removals or replacements of or to any part of the Premises (including, without limitation, the Improvements or Equipment), both interior or exterior, and ordinary and extraordinary.

"Brokers" means and refers to the real estate brokers or agents specified in the Basic Sublease Provisions.

"Building" means and refers to the buildings, structures and other improvements now existing or hereinafter constructed on the Land.

"Casualty" means and refers to any damage or destruction to all or any portion of the Premises regardless of the cause of such damage or destruction and whether or not insured against. Casualty includes, without limitation, damage or destruction caused by fire, vandalism, acts of god or nature, earthquake, and water damage of any and all type.

"Claims and Losses" means and refers to (as the context requires) any or all losses, costs, damages, causes of action, suits, claims, demands or judgments, expense and liability of any nature whatsoever, howsoever caused (including without limitation court costs, expert's costs, and reasonable fees for in-house and outside attorneys and their staff members).

"Condemnation" means and refers to (i) any Requisition; and/or (ii) Taking.

"Default Rate" means and refers to the greater of the following per annum rates: (i) the rate equal to the "prime rate" announced from time to time by Bank of America, a national banking association, or its successor, as its prime rate plus four percent (4%), (ii) twelve percent (12%) per annum, and (iii) the highest rate permitted by applicable law.

"Equipment" means and refers to the machinery and equipment which is now or hereinafter attached to the Building or Land in such a manner as to become fixtures under applicable law, together with all additions and accessions thereto, substitutions therefor and replacements thereof permitted by this Sublease, excepting therefrom the Trade Fixtures.

“Entity Transfers” means and refers to any of the following: (i) if Sublessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more (calculated on an aggregate basis cumulative over time) of the partners/members, or transfer of fifty percent (50%) or more (calculated on an aggregate basis cumulative over time) of partnership/membership interests, or the dissolution of the partnership/limited liability company without immediate reconstitution thereof, and (ii) if Sublessee is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Sublessee or (B) the sale or other transfer of an aggregate (cumulative over time) of fifty percent (50%) or more of the voting shares of Sublessee, or (C) the sale, mortgage, hypothecation or pledge of an aggregate (cumulative over time) of fifty percent (50%) or more of the book value or market value (whichever is lesser) of the assets of Sublessee. In addition, Entity Transfer shall include any transaction or series of transactions whereby Sublessee converts from a non-profit entity to a for-profit entity or any change in guarantors, credit enhancers or holders of any charter or operating license for the Sublessee of any type.

“Environmental Laws” means and refers to any and all federal, state, local or quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, compliance or mitigation programs (including, without limitation, asbestos containing materials operation and maintenance plans), regulations or guidance or policy documents now or hereafter enacted or promulgated and as amended from time to time, in any way relating to (i) the protection of the environment, the health and safety of persons (including employees), property or the public welfare from actual or potential release, discharge, escape or emission (whether past or present) of any hazardous materials or (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any hazardous materials.

“Event of Default” is defined in Section 19.1.

“Ground Lease” means and refers to that certain Ground Lease, dated August 1, 2014, executed by Garden Foods Inc. dba GF Capital, as Ground Lessor, and CSP-Bridger Ave., LLC, as Ground Lessee.

“Hazardous Materials” and **“Hazardous Substances”** means and refers to any solid, liquid or gaseous substance or material that is described or characterized as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the Environmental Laws”, or any other words which are intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, nuclear or radioactive matter, medical waste, soot, vapors, fumes, acids, alkalis, chemicals, microbial matters (such as molds, fungi or other bacterial matters), biological agents and chemicals which may cause adverse health effects, including but not limited to, cancers and /or toxicity. The words “Hazardous Materials” and “Hazardous Substances” have the same meaning and can be used interchangeably.

“Improvements” means and refers collectively to the Building or any other improvements on, to, or about the Land.

“Insurance Requirements” means and refers collectively to any and all of the terms and specifications of each insurance policy required to be carried by Sublessee under this Sublease (including, without limitation, the policies required by the provisions of Exhibit E attached to the Sublease) and the requirements of the issuer of such policy, including any existing violation of any thereof. Insurance

Requirements also shall include, if applicable, the requirements of (i) the issuer of any insurance policies procured by Sublessor from time to time; provided, however, that nothing herein shall be deemed or construed as requiring Sublessor to obtain any such insurance policies and (ii) any subsequent requirements of any Lender, credit facilitator, or credit enhancer of Sublessor's which pertain to the Sublessor or Premises.

"Land" means and refers to the lot or parcel of land described in Exhibit B attached to the Sublease and made a part hereof, together with the appurtenant rights and easements, related thereto.

"Sublessor Parties" means and refers collectively to Sublessor, its member, members, partners, partners and their respective officers, agents, servants, employees, and independent contractors.

"Sublease Commencement Date" is defined and delineated in the Basic Sublease Provisions.

"Sublease Expiration Date" is defined and delineated in the Basic Sublease Provisions.

"Term of the Sublease" refers to the Term of the Sublease set forth in Section 3.1 of the Basic Sublease Provisions including any Options to Extend the Term of the Sublease.

"Landlord" refers to the owner of the Premises.

"Legal Requirements" means and refers collectively to any and all present and future laws, zoning regulations, restrictions, rules and ordinances, codes (including, without limitation, building codes), ordinances, orders, judgments, decrees, injunctions, rules, regulations and requirements, even if unforeseen or extraordinary, of every duly constituted governmental authority or agency and all covenants, conditions, and restrictions now of record which may be applicable to Sublessee, Sublessor (with respect to the Premises) or to all or any part of or interest in the Premises, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Premises, even if compliance therewith (i) necessitates structural changes or improvements (including changes required to comply with the "Americans with Disabilities Act" or other similar statutes, whether now existing or enacted in the future), or (ii) results in interference with the use or enjoyment of the Premises, or (iii) requires Sublessee to carry insurance other than as required by the provisions of this Sublease.

"Lender" refers, collectively, to any lender(s) or credit facility of Landlord.

"Mail" means and refers to a Notice or other correspondence sent by United States certified or registered mail, postage prepaid, return receipt requested.

"Minimum Annual Rent" means and refers to the Minimum Annual Rent set forth in the Basic Sublease Provisions (as such amount is increased from time to time).

"Mortgage" means and refers to a mortgage in favor of Landlord's Lender encumbering the Premises and/or Sublessor's interest in this Sublease or any Ground Lease.

"Net Award" means and refers to the entire award payable to Sublessor by reason of a Condemnation, less any expenses incurred by Sublessor in collecting such award.

"Net Proceeds" means and refers to the entire proceeds of any insurance required to be maintained by Sublessee under this Sublease payable in the event of a casualty, less any expenses incurred by Sublessor in collecting such proceeds.

"Non-Disturbance Agreement" means and refers to an agreement between Sublessor, its Landlord(s), and Sublessee which provides that Sublessee's possession of the Premises, and this Sublease, including any options to extend the term hereof, will not be disturbed so long as Sublessee has not committed an Event of Default and attorns to the obligations due to the record owner of any portion of the Premises or due to any Lender.

"Notices" means and refers to any and all notices, demands, statements, designations, approvals or other given by either party to the other hereunder.

"Occupant" means and refers to any lessee, licensee, concessionaire, franchisee or user of a portion of the Premises under a Sublease, sublease, license, concession or franchise or similar agreement whether with Sublessee or any other person.

"Original Sublessee" refers to the Sublessee originally named in the Basic Sublease Provisions.

"Option(s) to Extend the Term of the Sublease" is defined in the Basic Sublease Provisions.

"Option Decline Notice" means and refers to a written notice from Sublessee to Sublessor which: (i) is delivered in strict accordance with the notice requirements of the Sublease; (ii) is received by Sublessor not more than thirty-six (36) months and not less than twenty-four (24) months prior to the then-scheduled Sublease Expiration Date; and (iii) expressly states that Sublessee has irrevocably elected to decline any and all automatic Options to Extend the Term of the Sublease not previously exercised.

"Permitted Encumbrances" means and refers to all covenants, conditions, restrictions, reservations, liens, encroachments, easements, ground leases (including, without limitation, the Ground Lease), and other matters now or hereinafter of record or mutual agreement that encumbers the Premises.

"Permitted Chemicals" means and refers to commonly available household cleaners and chemicals used to maintain the Premises, in Sublessee's routine operations, and/or which are appropriate for classroom use and which are not (i) hazardous to public welfare or the Premises or any component thereof, and (ii) are not otherwise a Hazardous Material or Hazardous Substance.

"Premises" refers collectively to all of the following: (i) the Land (if applicable, subject to the Ground Lease); (ii) the Improvements; and (iii) the Equipment.

"Rent" refers collectively to the Minimum Annual Rent, Minimum Monthly Rent and the Additional Rent.

"Rent Payment Date" refers to the date which is three (3) calendar days prior to the first (1st) day of each Calendar Month. For example, the Rent Payment Date for February Rent is January 29 and the Rent Payment Date for March Rent is February 26.

"Requisition" means and refers to any temporary condemnation or confiscation of the use or occupancy of the Premises by any governmental authority, civil or military, whether pursuant to an agreement with such governmental authority, in settlement of, or under threat of any such requisition or confiscation, or otherwise.

"Restoration" means and refers to Sublessee's restoration of the Premises as nearly as possible to its value, condition and character existing immediately prior to a Condemnation or casualty (as the case may be).

"Restoration Award" means and refers to a portion of the Net Award equal to the cost of Restoration.

"Restoration Fund" means and refers to the aggregate sum of the Net Proceeds, the Restoration Award and Sublessee Insurance Payment.

"Security Deposit" means and refers to the Security Deposit set forth in the Basic Sublease Provisions,

"Subject Space" means the portion of the Premises that Sublessee proposes to Transfer; provided, however, that in the case of an Entity Transfer, the Subject Space shall mean and refer to the entire Premises.

"Taking" means and refers to any taking of the Premises in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of any agreement with any condemnor in settlement of, or under threat of any such condemnation or other eminent domain proceedings or by any other means, or any *de facto* condemnation (inverse or otherwise).

"Sublessee Insurance Payment" means and refers to an amount equal to the insurance proceeds that would have been payable if Sublessee had maintained the insurance required under the Sublease.

"Trade Fixtures" shall mean and refer to all fixtures, equipment and other items of personal property which are not attached to the Premises and are owned by Sublessee and used in the operation of the business conducted on the Premises.

"Transfer" or **"Transfers"** means any of the following, whether by agreement or operation of law: (i) assignment, mortgage, pledge, hypothecation, encumbrance (or the attachment of a lien to the Premises or this Sublease) or otherwise transfer of this Sublease or any interest hereunder, (ii) any subletting of the Premises or any part thereof; (iii) any license or concession agreements (written or otherwise) with respect to the Premises or other agreement which permits the occupancy or use of the Premises or any part thereof by any persons other than Sublessee and its employees for the Permitted Use contained herein; and/or (iv) an Entity Transfer.

"Transfer Expenses" means and refers to any and all Administrative Fees and reasonable professional fees (including, without limitation, in-house and outside attorneys', accountants', architects', engineers', consultants', and their staff's fees) and all costs incurred by Sublessor in connection with its review, processing, and documentation of a proposed Transfer.

"Transfer Fee" means and refers to a fee payable to Sublessor in connection with a Transfer in an amount equal to one month of the then-current Minimum Annual Rent.

"Transfer Notice" means and refers to Sublessee's written notice to Sublessor requesting consent to a proposed Transfer. To be valid, a Transfer notice shall include all of the following: (i) the proposed effective date of the Transfer, which shall not be less than sixty (60) days nor more than one hundred eighty (180) days after the date of receipt by the Sublessor of the Transfer Notice, (ii) a description of the Subject Space to be transferred, (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, provided that Sublessor shall have the right to require Sublessee to utilize Sublessor's standard Transfer documents in connection with the documentation of such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and

history of the proposed Transferee and any other information required by Sublessor which will enable Sublessor to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space, and (v) a cashiers' check made payable to Sublessor in the amount of the Transfer Premium as calculated by Sublessee according to the terms of this Section. Such calculation of the Transfer Premium is subject to confirmation and adjustment, if needed, by Sublessor after review of the calculation proposed by Sublessee and contained in the Transfer Notice.

"Transfer Premium" shall mean the sum of the following amounts:

(i) if the Transfer is made in connection with an Entity Transfer, the transfer of Sublessee's business, and/or the transfer of substantially all of Sublessee's assets, then fifty percent (50%) of the greater of the amount (A) expressed or (B) any "key" money, bonus or other consideration which by competent business valuation techniques can be determined to be equivalent to the value which could be realized on the sale, transfer, or assignment of the Sublease however reflected, expressed or otherwise built into, either directly or indirectly, the consideration paid for the Sublessee's business or assets or such Entity transfer; plus

(ii) fifty percent (50%) of all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer which is in excess of the Rent payable by Sublessee under this Sublease during the term or occupancy continuing from the Transfer date. If less than all of the Premises is transferred the Transfer Premium shall be calculated on a per rentable square foot basis; plus

(iii) key money, bonus money or other cash consideration paid by Transferee to Sublessee in connection with such Transfer, and any payment in excess of fair market value for services rendered by Sublessee to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Sublessee to Transferee in connection with such Transfer.

"Transferee" means and refers to any person or entity to which any Transfer is made or sought to be made by Sublessee.

"Trustee" means and refers to a trustee which shall be a federally insured bank or other financial institution, selected by Sublessor and Sublessee and reasonably satisfactory to Lender; provided, however, that if the Premises are encumbered by a Mortgage or credit facility, such Lender, if it so desires, shall be the Trustee.

"Work" means and refers to Alteration or Alterations, repairs or construction work of any kind occurring on or in connection with the Premises.

EXHIBIT B

LEGAL DESCRIPTION OF THE LAND PORTION OF THE PREMISES

Lots One (1) through Sixteen (16) in Block Twelve (12) of Ladd's Addition to Las Vegas, as shown by map thereof on file in Book 1 of Plats, Page 2, in the office of the County Recorder, Clark County, Nevada.

Together with that portion of land as vacated by that certain Order of Vacation recorded August 25, 1942 in Book 17 of Miscellaneous Records, Page 409-411, Instrument No. 147858 of Official Records.

Also together with that portion of land as vacated by that certain Order of Vacation recorded May 12, 2004 in Book 20040512 as Instrument No. 0002469 of Official Records.

Excepting therefrom those portions as conveyed to the City of Las Vegas by Grant Deed recorded May 12, 2004 in Book 20040512 as Instrument No. 0002470 of Official Records.

Assessor's Parcel Number: 139-35-410-005, 139-35-410-021

Legal Description Documents:

147858

20040512-2469

20040512-2470

EXHIBIT B-1

DEPICTION/SITE PLAN OF THE PREMISES

EXHIBIT C

FORM OF MEMORANDUM OF SUBLEASE

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Attention: _____

MEMORANDUM OF SUBLEASE

(Short Form - Memorandum)

This Sublease (Short Form Memorandum) dated as of August, 2014, is by and between: Chartered for Excellence Foundation, a Nevada Non-Profit Corporation, with its principal office located at 7495 W Azure Dr., Suite 236, Las Vegas, NV 89130 ("**Sublessor**"), and Quest Preparatory Academy, a Nevada State Sponsored Charter School with its principal office located at 7495 W Azure Dr., Suite 250, Las Vegas, NV 89130 ("**Sublessee**").

W I T N E S S E T H:

1. Sublessor hereby Subleases to Sublessee and Sublessee hereby Subleases from Sublessor that certain premises ("**Premises**") located in the City of Las Vegas, County of Clark, State of Nevada, and legally described on Exhibit A-1 attached hereto and incorporated herein by this reference, at the rental and upon all of the terms and conditions set forth in that certain Sublease dated August 2014 between the parties hereto ("**Sublease**").

2. The Premises is Subleased for a term of Twenty Five years ("**Term**") with two five (5) year options to extend the Term of the Sublease. The Sublease Commencement Date under the Sublease is August 1, 2014, and the Sublease Expiration Date of the Sublease is July 31, 2039, subject to earlier termination, as provided in the Sublease.


4. Should there be any inconsistency between the terms of this instrument and the Sublease, the terms of the Sublease shall prevail.

5. This Memorandum of Sublease is meant to provide notice only of the existence of the Sublease and shall confer no rights nor impute any obligations by Sublessor or Sublessee to any party other than as contained in the Sublease itself.

IN WITNESS WHEREOF, each of the parties hereto has executed this instrument as of the date first above written.

"Sublessor":

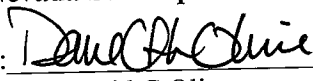
**Chartered for Excellence Foundation,
a Nevada Non-Profit Corporation**

By: 
Kelli Miller, PhD

Its: Director

"Sublessee":

**Quest Preparatory Academy
a Nevada State Sponsored Charter School**

By: 
David C Olive

Its: Governing Board President

"Landlord":

**CSP-Bridger Ave., LLC
a Nevada limited liability company**

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT D

FORM OF SUBLESSEE'S ESTOPPEL CERTIFICATE

The undersigned as Sublessee under that certain Building and Improvement Sublease (the "Sublease") made and entered into as of August 1, 2014 by and between Chartered for Excellence Foundation as Sublessor, and the undersigned as Sublessee, for Premises located at 1300 East Bridger Avenue, Las Vegas, Nevada, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Sublease and all Exhibits, addendums, amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Sublease, the Term of the Sublease commenced on August 1, 2014, and the original Term of the Sublease expires on July 31, 2039, and the undersigned has no option to terminate or cancel the Sublease (other than to decline to exercise the automatic Option to Extend the Term of the Sublease) or to purchase all or any part of the Premises, the Building and/or the Project.

3. Minimum Annual Rent became payable on August 1, 2014.

4. The Sublease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Sublessee has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

N/A

6. All monthly installments of Minimum Annual Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through July 31, 2039. The current monthly installment of Minimum Annual Rent is \$27,066.67.

7. All conditions of the Sublease to be performed by Sublessor necessary to the enforceability of the Sublease have been satisfied and Sublessor is not in default thereunder. In addition, the undersigned has not delivered any notice to Sublessor regarding a default by Sublessor thereunder.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Sublessor except as provided in the Sublease in the current amount of \$27,066.67 for rent and \$27,066.67 for Security.

9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Sublessor.

10. If Sublessee is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Sublessee hereby represents and warrants that Sublessee is a duly formed and existing entity qualified to do business in Nevada and that Sublessee has full right and authority to

execute and deliver this Estoppel Certificate and that each person signing on behalf of Sublessee is authorized to do so.

11. There are no claims or legal actions pending against the undersigned under the laws of the United States or any state.

12. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any Hazardous Materials or Hazardous Substances in, on, or about the Premises.

13. All Sublessee improvement work to be performed by Sublessor under the Sublease has been completed in accordance with the Sublease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Sublease in connection with any Sublessee improvement work have been paid in full.

The undersigned acknowledges that this Sublessee's Estoppel Certificate may be delivered to Sublessor or to a credit facilitator, credit enhancer, prospective mortgagee or prospective purchaser ("Third Party"), and acknowledges that said Third Party will be relying upon the statements contained herein in making the any business arrangement regarding the Sublessor and that receipt by the Third Party of this certificate is a condition of making such business arrangement.

Executed at the Business Office for Quest Preparatory Academy on the ninth day of July, 2014.

"Sublessee":

Quest Preparatory Academy,
a Nevada State Sponsored Charter School

By: David C Olive
David C Olive
Its: Governing Board President

EXHIBIT E

SUBLESSEE'S INSURANCE SPECIFICATIONS AND LIMITS

1. Insurance Policies. Sublessee shall procure, pay for and keep in full force and effect the following types of insurance, at its sole cost and expense, commencing on the earlier of (i) the Sublease Commencement Date; or (ii) the date Sublessee is given earlier access to the Premises, and continuing during the Term of the Sublease. Any insurance policy proceeds shall be used as provided in the Sublease.

(a) Commercial general liability insurance covering bodily injury, personal injury, death and property damage liability with a combined single limit equal to the greater of: (i) Five Million Dollars (\$5,000,000.00), which amount shall be subject to increases as Sublessor may reasonably require from time to time in accordance with prudent industry risk management practices, insuring against any and all liability of the insureds with respect to the Premises or arising out of the maintenance, use or occupancy of the Premises and all areas appurtenant thereto, or related to the exercise of any rights of Sublessee pursuant to this Sublease; or (ii) the aggregate amount of such insurance carried by Sublessee, for bodily injury, personal injury, death and property damage liability in any one occurrence. All such commercial general liability insurance shall specifically insure the performance by Sublessee of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property in the Sublease, and shall include, without limitation, blanket contractual, cross liability and severability of interest clauses, products/completed operations, broad form property damage, independent contractors, owned, non-owned and hired vehicles and, if alcoholic beverages are served, sold, consumed or obtained in, on, or about the Premises, liquor liability.

(b) Workers' compensation coverage as required by law, together with employer's liability coverage, with a limit of not less than One Million Dollars (\$1,000,000.00) and waiver by Sublessee's insurer of any right of subrogation against Sublessor by reason of any payment pursuant to such coverage.

(c) Business interruption insurance including the coverage for at least two (2) years' payments of Minimum Annual Rent and Additional Rent.

(d) Plate glass insurance covering all plate glass on the Premises at full replacement value.

(e) Sublessee shall carry in full force and effect fire insurance, with extended coverage, upon the Premises specifically insuring against loss or damage due to all perils, including, but not limited to the following: fire, windstorm, cyclone, tornado, hail, flood, subsidence, explosion, riot, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage. Such insurance coverage shall cover the entire Premises including, without limitation, all Buildings, Improvements, Equipment, Trade Fixtures, and leasehold improvements, and personal property from time to time in, on or about the Premises, in an amount not less than one hundred percent (100%) of their full replacement value from time to time (provided, however, that Sublessee shall be entirely responsible for any portion of the full replacement value of the Premises not covered by insurance) including coverage for code update, building ordinance, and replacement at different location. Such policy shall include a replacement cost endorsement, providing protection against any peril included within the classification Fire and Extended Coverage, and sprinkler damage, vandalism, malicious mischief and such other additional perils as are covered in an "all risk" standard insurance policy.

(f) During periods of war or national emergency, Sublessee shall maintain war risk insurance in an amount not less than the actual replacement cost of the Premises excluding, when and to the extent obtainable from the United States Government or an agency thereof at reasonable cost.

(g) Whenever Sublessee or any person claiming under Sublessee, or the contractors, agents, employees, invitees, or visitors of Sublessee shall be engaged in any Work in excess of \$10,000, Sublessee shall obtain or cause its contractor to obtain completed value "all risks" builder's risk insurance, in amounts reasonably acceptable to Sublessor. In addition, Sublessee and its contractor(s) shall obtain worker's compensation insurance or other adequate insurance coverage covering all persons employed in connection with the Work, whether by Sublessee, its contractors or subcontractors.

(h) Such additional and/or other insurance with respect to the Premises and in such amounts as at the time is customarily carried by prudent owners or Sublessees with respect to improvements similar in character, location and use and occupancy to the Premises.

2 Policy Form. The minimum limits of policies of insurance required of Sublessee under this Sublease shall in no event limit the liability of Sublessee under this Sublease. Such insurance shall name Sublessor, and any other party the Sublessor so specifies, as an additional insured and loss payee. All policies of insurance to be maintained by Sublessee as provided for herein shall be issued by insurance companies with general policy holder's ratings of not less than A and financial ratings of not less than X, as rated in the most current available "Best's Key Rating Guide", and which are authorized to do business in the State in which the Premises are located. All such policies shall name and be for the mutual and joint benefit and protection of Sublessor, Sublessee and Landlord as additional insureds. Executed copies of the policies of insurance or certificates thereof shall be delivered to Sublessor prior to Sublessee, its agents or employees entering the Premises for any purpose, and thereafter, executed copies of renewal policies or certificates thereof shall be delivered to Sublessor within thirty (30) days prior to the expiration of the term of each policy. All policies of insurance delivered to Sublessor must contain a provision that the company writing the policy will give to Sublessor thirty (30) days' notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. The insurance required to be maintained by Sublessee under this Sublease may be subject to commercially reasonable deductibles (not to exceed \$25,000). All property damage and other casualty policies shall allow for waiver of subrogation in accordance with the requirements of the Sublease. All insurance policies maintained by Sublessee shall be endorsed to read that such policies are primary policies and any insurance carried by Sublessor shall be noncontributing with such policies. Each policy shall also provide that any losses otherwise payable thereunder shall be payable notwithstanding (i) any act or omission of Sublessor or Sublessee which might, absent such provision, result in a forfeiture of all or a part of such insurance payment, or (ii) the occupation or use of any of the Premises for purposes more hazardous than permitted by the provisions of such policy.

3. Blanket Policies. Notwithstanding anything to the contrary contained herein, Sublessee's obligations to carry insurance may be satisfied by coverage under a so-called blanket policy or policies of insurance; provided, however, Sublessor and Landlord(s) or beneficiary (ies) shall be named as additional insureds, the coverage afforded Sublessor will not be reduced or diminished, and the requirements set forth in this Sublease are otherwise satisfied by such blanket policy or policies.

4. Failure by Sublessee to Maintain Insurance. If Sublessee refuses or neglects to secure and maintain insurance policies complying with the provisions of Sublease, Sublessor may secure the appropriate insurance policies and Sublessee shall pay, upon demand, the cost of same plus an Administrative Fee to Sublessor as Additional Rent.

EXHIBIT F
STATE SPECIFIC PROVISIONS

EXHIBIT 101

**INTEGRATION, INCORPORATION OF GROUND LEASE AND ASSUMPTION OF
SUBLESSOR'S OBLIGATIONS AS LESSEE UNDER THE GROUND LEASE**

1. To the extent that any covenants contained within this Agreement are not in conflict with those specific provisions which are contained in the Ground Lease which is attached hereto then the provisions contained within this Agreement shall set the rights, privileges and obligations of the Sublessor and Sublessee.
2. However, in the event of a conflict, the provisions of the underlying Ground Lease to the extent applicable to the Subleased Premises shall, except as herein specifically provided otherwise, fix the rights and obligations of the parties hereto with the same effect as if Sublessor and Sublessee were respectively the Lessor and Lessee named in the Ground Lease, and Sublessor and Sublessee shall each enjoy all those rights and privileges afforded respectively to said Lessor and Lessee in said Ground Lease.
3. Except as otherwise herein specifically provided, Sublessee hereby assumes the Sublessor's obligations as Lessee under the Ground Lease and covenants to perform the covenants and undertakings of Lessee under the Ground Lease to the extent that same are applicable to the Subleased Premises and Sublessor hereby covenants to perform or cause Lessor to perform, the covenants and undertakings of Lessor under the Ground Lease to the extent that same are applicable to the Subleased Premises.
4. The parties agree that the provisions of the following Articles or Sections of the Ground Lease are, for purposes of this Agreement, hereby included:

N/A

5. Sublessee agrees herein and by his signature has indicated below that Sublessee expressly attorns to, accepts and assumes all the terms, conditions and obligations of the provisions of the Ground Lease which have been attached hereto and incorporated herein.

EXHIBIT 102

Sublessor's Surviving Interests in Ground Leased Facilities

1. The parties hereto affirm and acknowledge Sublessor's "property interest" in, for and to the Improvements built, made by, abandoned to or otherwise owned by Ground Lessor (hereafter "Ground Lessor's Property") on or about the land which is the subject of the Ground Lease.
2. The stated purposes of this article are to protect the Sublessor's investment in said "property interest" and to provide for the continued compensation to Sublessor which is to survive beyond the scheduled expiration of the Ground Lease, and thereby induce Sublessor to not demolish the facility nor remove the trade fixtures, equipment, Improvements, etc., and as a further result thereof to induce Ground Lessor to improve and/or maintain said real and personal property as a going concern facility so that Sublessee or subsequent Sublessees may reap the benefits of the location and facility in an operating or near operating condition for any extendable term of the Agreement.
3. Any "substituted agreement" for the occupancy for said Premises or any portion thereof drawn for the benefit of the Ground Lessor (or any replacement) and/or the Sublessee or any interested parties shall not defeat the continuing and surviving obligations of the Sublessee to the Sublessor under the continuing or assigned occupancy for the Premises, and this Exhibit shall attach as a rider and attorn to the Substituted Agreement, and furthermore shall survive any effort which attempts to defeat the purpose of this Exhibit.
4. Except as otherwise provided in the Sublease or other related agreement, the Sublessor specifically reserves and retains for Sublessor's sole and exclusive benefit all rights to negotiate with the Ground Lessor to purchase the property or to option, extend, renew, replace or substitute any contract for the occupancy rights (or ground lease) of the Premises. Should the Ground Lessor communicate with or notify Sublessee of any matter including, but not limited to, its interest in selling the real property or optioning, extending, renewing, replacing, substituting or modifying the Sublease, relocating, expanding or extending the tenancy, Sublessee agrees to immediately (within 24 hours of said communication) notify Sublessor in writing by certified or registered mail of all the information transmitted by the Ground Lessor to Sublessee and herewith assigns to Sublessor any rights or negotiating privileges which Ground Lessor has given or offered to Sublessee. Sublessee unconditionally warrants to Sublessor that it shall not circumvent Sublessor in any manner whatsoever in regard to the continued occupancy or opportunity for ownership of the Premises.

EXHIBIT “9”

TRIPLE NET REAL ESTATE LEASE

Between

TOWER DISTRIBUTION CENTER, LLC

as Landlord

and

QUEST ACADEMY PREPARATORY EDUCATION

as Tenant

Dated as of 3/27, 2015

TRIPLE NET REAL ESTATE LEASE

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TRIPLE NET REAL ESTATE LEASE

THIS TRIPLE NET REAL ESTATE LEASE (this "Lease") is made as of the ____ day of _____, 2015, by and between **TOWER DISTRIBUTION CENTER, LLC**, a Nevada limited liability company ("Landlord") and **QUEST ACADEMY PREPARATORY EDUCATION**, a Nevada State Funded Charter School ("Tenant").

ARTICLE ONE BASIC TERMS

Section 1.01 DEFINITIONS. For purposes of this Lease, the following terms shall have the following meanings:

(a) Landlord's Address: **7495 W. Azure Drive, Suite 100, Las Vegas, Nevada 89130 Attention: Tony Winsor.**

(b) Tenant's Address: **7495 W. Azure Drive, Suite 140, Las Vegas, Nevada 89130**

(c) Premises: Approximately **twenty-five thousand and twenty-six (25,026)** rentable square feet of office space located at **4701 N. Torrey Pines, Las Vegas, Nevada, 89130; 4660 N. Rancho Drive, Las Vegas, Nevada 89130; and 4624 N. Rancho Drive, Las Vegas, Nevada, 89130; as well all the attached parking, courtyard, paved, and/or landscaped areas set forth on the map attached hereto as Exhibit "A" and incorporated herein by reference. "Premises" does not include the "Future Building Sites" identified in Exhibit A by a red line outlining the site of the "Temporary Fence for Future".**

(d) Future Building Sites: That portion of land owned by Landlord contained within in the red boundary identified as "Temporary Fence for Future" shown on the map attached hereto as Exhibit A, which shows pads placed for the building of future buildings. Future Building Sites is that portion of Exhibit A which is not the "Premises" as described in Section 1.01(c) above.

(e) The "Lease Term" or "original lease term" shall begin on the Commencement Date and continue until **July 31, 2030.**

(f) The "Extended Lease Term" or "extended term" is an option granted to Tenant to extend the lease by an additional one year pursuant to Section 2.02.

(g) Commencement Date: Shall mean the earlier of the date Tenant actually occupies the Premises or **August 1, 2015**, except as delayed pursuant to this Lease. If all required governmental inspections have been completed and a certificate of occupancy has been issued for the Premises before August 1, 2015, Tenant may take early possession of the premises and pay a monthly rent of \$35,000.00 per month until the "Base Rent" takes effect on September 1, 2015 as outlined in Section 1.03.

(h) Permitted Uses: **Charter School and Related Institution.**

(i) Tenant's Guarantor: **Quest Academy, a Nevada State Funded Charter School.**

(j) Landlord's Broker: **None.**

(k) Tenant's Broker: **None.**

(l) Real Property Taxes: Any form of tax, assessment, license fee, license tax, business license fee, commercial rental tax, levy, charge, penalty, tax or similar imposition, imposed by an authority having the direct power to tax (including any city, county, state or federal government, or any school, agricultural, lighting, drainage, transportation, air pollution, environmental or other improvement or special assessment district) as against any legal or equitable interest of Landlord in the Building and/or the Premises.

(m) Prime Rate: That fluctuating rate of interest announced from time to time by the Commercial Bank of Nevada as its prime or reference commercial lending rate of interest (or in the event such bank is no longer announcing such rate, by such other federally regulated banking institution of comparable stature as Landlord shall reasonably determine).

Section 1.02 DEPOSIT. A security deposit of **Thirty-Five Thousand Dollars (\$35,000.00)** shall be given on the first full month of occupancy. No "base rent" shall be charged for the first full month of occupancy.

Section 1.03 BASE RENT. The payment of "Base Rent" shall increase three percent (3%) per year, shall begin on September 1, 2015, and shall be as follows:

- (i) During year one of the Lease Term (9/1/2015 to 7/31/16, the Base Rent shall be equal to Thirty-five Thousand Dollars (\$35,000.00) per month.
- (ii) During year two of the Lease Term (8/1/2016 to 7/31/17), the Base Rent shall be equal to Thirty-Six Thousand and Fifty Dollars (\$36,050.00) per month.
- (iii) During year three of the Lease Term (8/1/2017 to 7/31/2018, the Base Rent shall be equal to Thirty-Seven Thousand, One Hundred Thirty-One and 50/100 Dollars (\$37,131.50) per month.
- (iv) During year four of the Lease Term (8/1/2018 to 7/31/2019), the Base Rent shall be equal to Thirty-Eight Thousand, Two Hundred Forty-Five and 45/100 Dollars (\$38,245.45) per month.
- (v) During year five of the Lease Term (8/1/2019 to 7/31/2020), the Base Rent shall be equal to Thirty-Nine Thousand, Three Hundred Ninety-Two and 81/100 Dollars (\$39,392.81) per month.
- (vi) During year six of the Lease Term (8/1/2020 to 7/31/2021), the Base Rent shall be equal to Forty Thousand, Five Hundred and Seventy-Four and 59/100 Dollars (\$40,574.59) per month.
- (vii) During year seven of the Lease Term (8/1/2021 to 7/31/2022), the Base Rent shall be equal to Forty-One Thousand, Seven Hundred and Ninety-One and 83/100 Dollars (\$41,791.83) per month.

- (viii) During year eight of the Lease Term (8/1/2022 to 7/31/2023), the Base Rent shall be equal to Forty-Three Thousand, Forty-Five and 58/100 Dollars (\$43,045.58) per month.
- (ix) During year nine of the Lease Term (8/1/2023 to 7/31/2024), the Base Rent shall be equal to Forty-Four Thousand, Three Hundred and Thirty-Six and 95/100 Dollars (\$44,336.95) per month.
- (x) During year ten of the Lease Term (8/1/2024 to 7/31/2025), the Base Rent shall be equal to Forty-Five Thousand, Six Hundred and Sixty-Seven and 06/100 Dollars (\$45,667.06) per month.
- (xi) During year eleven of the Lease Term (8/1/2025 to 7/31/2026), the Base Rent shall be equal to Forty-Seven Thousand, Thirty-Seven and 07/100 Dollars (\$47,037.07) per month.
- (xii) During year twelve of the Lease Term (8/1/2026 to 7/31/2027), the Base Rent shall be equal to Forty-Eight Thousand, Four Hundred and Forty-Eight and 18/100 Dollars (\$48,448.18) per month.
- (xiii) During year thirteen of the Lease Term (8/1/2027 to 7/31/2028), the Base Rent shall be equal to Forty-Nine Thousand, Nine Hundred and One and 63/100 Dollars (\$49,901.63) per month.
- (xiv) During year fourteen of the Lease Term (8/1/2028 to 7/31/2029), the Base Rent shall be equal to Fifty-One Thousand, Three Hundred and Ninety-Eight and 68/100 Dollars (\$51,398.68) per month.
- (xv) During year fifteen of the Lease Term (8/1/2029 to 7/31/2030), the Base Rent shall be equal to Fifty-Two Thousand, Nine Hundred and Forty and 64/100 Dollars (\$52,940.64) per month.

ARTICLE TWO

LEASE TERM AND RIGHT OF FIRST REFUSAL

Section 2.01 LEASE OF PROPERTY FOR LEASE TERM. Landlord hereby leases the Premises to Tenant and Tenant leases the Premises from Landlord for the "Lease Term" defined in Section 1.01(e). The "Commencement Date" shall be the date specified in Section 1.01(g) above unless advanced or delayed under any provision of this Lease.

Section 2.02 OPTION FOR EXTENDED LEASE TERM. Provided this Lease is still in effect and has not been terminated for any reason, and provided the Tenant notifies Landlord **Ninety (90) Days** before the expiration of the Lease Term of Tenant's election so to do, the Tenant is hereby given the right, at Tenant's option to extend the term of this lease for an additional **one (1) year period** from **August 1, 2030**, to and including **July 31, 2031** ("Extended Lease Term" or "extended term") at the rental amount of **Fifty-Four Thousand, Five Hundred and Twenty-Eight and 86/100 Dollars (\$54,528.86)** per month and upon the same terms and conditions as set forth herein for the original term hereof.

Section 2.03 HOLDING OVER. Tenant shall vacate the Premises upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify and hold Landlord harmless against all damages, claims, losses, penalties, charges, and expenses (including reasonable attorney's fees) incurred by Landlord resulting from any delay by Tenant in vacating the Premises. If Tenant does not vacate the Premises upon the expiration or earlier termination of this Lease and Landlord thereafter accepts rent from Tenant, Tenant's occupancy of the Premises shall be a tenancy at will, subject to all of the terms of this Lease applicable to a tenancy at will, except that the Base Rent then in effect shall be equal to two hundred percent (200%) of the Base Rent in effect immediately prior to the expiration or earlier termination of this Lease.

Section 2.04 RIGHT OF FIRST REFUSAL. In the event of any offer acceptable to Landlord, or to Landlord's successor in interest, at any time or times during the original or extended term hereof, for a lease of the Premises and/or Future Building Sites, the Landlord, prior to acceptance thereof, shall give the Tenant, with respect to each such offer, written notice thereof and a copy of said offer including the name and address of the proposed lessee; and Tenant shall have the option and right of first refusal for sixty (60) days after receipt of such notice within which to elect to lease the Premises and/or Future Building Sites, as the case may be, on the terms of said offer. If Tenant shall elect to lease the Premises and/or Future Building Sites pursuant to the option and first refusal herein granted, it shall give notice of such election within such sixty (60) day period. Tenant's failure at any time to exercise its option under this paragraph shall not effect this lease and the continuance of Tenant's rights and options under this and any other paragraph herein.

In the absence of a competing offer, Tenant may still, during the time of the original or extended term hereof, and with the approval of Landlord, elect to lease all or part of the "Future Building Sites" identified in Section 1.01(d) for Fair Market Rent. In the event of a continuing dispute concerning Fair Market Rent, Tenant and Landlord shall select a local appraiser who is a member of the American Institute of Real Estate Appraisers, or if it shall not then be in existence, a member of the most nearly comparable organization, and who has a minimum of five (5) years experience in the Las Vegas, Nevada commercial leasing market, who is licensed by the State of Nevada, and who is not affiliated with either party or involved in an active transaction in which either party is also involved. The appraiser shall determine the Fair Market Rent by evaluating the bona fide rates, terms and conditions then being paid by tenants in "arm's length" transactions for comparable space in comparable buildings in the same geographic submarket as the Premises, recognizing that there shall be no brokerage fees payable in the transaction. The determination of the appraiser shall be final and binding on Landlord and Tenant. In the event that Landlord and Tenant cannot come to an agreement on a single neutral appraiser, Landlord and Tenant shall each appoint their own appraisers to negotiate together on a valuation. If the two appointed appraisers are unable to come to an agreement on a single appraisal, they shall choose an independent third appraiser and submit their separate appraisals to the independent third appraiser. The valuation made by the independent third party appraiser shall be final and binding.

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ARTICLE THREE

COMMON AREAS

There are no common areas. All areas described in Paragraph 1.01(c) and outlined in Exhibit "A" are being leased by Tenant and are to be well maintained by Tenant. There are no common areas for which Landlord has maintenance responsibility. The two areas in Exhibit "A" outlined in red and identified as "Temporary Fence for Future" are "Future Building Sites" under 1.01(d) and are not part of the "Premises" under 1.01(c). The Future Building Sites shall be maintained by Landlord in accordance with established safety statutes and regulations, and fenced off by Landlord as indicated on Exhibit "A".

ARTICLE FOUR

OTHER CHARGES PAYABLE BY TENANT; INSURANCE

Section 4.01 ADDITIONAL RENT.

All charges payable by Tenant hereunder other than "Base Rent" are called "Additional Rent." Unless this Lease provides otherwise, all Additional Rent shall be paid with the next monthly installment of Base Rent. The Term "Rent" shall mean Base Rent and Additional Rent.

Section 4.02 OPERATING COSTS.

Tenant, at Tenant's expense, shall perform all repairs and replacements and routine maintenance necessary to properly maintain all portions of the Premises. Tenant shall keep all portions of the Premises for which they have responsibility in good repair and proper working condition. Landlord reserves the right to enter the Premises and make any repairs or replacement Landlord feels necessary due to Tenant failure to maintain the premises. If Landlord is forced to perform any repairs, replacement, or maintenance on the Premises due to Tenant's failure to comply with this provision, Tenant shall reimburse Landlord for any and all expenses incurred.

Pursuant to NRS 361.096, Tenant is a tax exempt governmental entity. Tenant shall pay no real property taxes to Landlord. Landlord agrees to timely apply for tax abatement from the Clark County Assessors office.

Section 4.03 PERSONAL PROPERTY TAXES.

Pursuant to NRS 361.096, Tenant is a tax exempt governmental entity. Tenant shall pay no personal property taxes to Landlord.

Section 4.04 UTILITIES. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, telephone, water, and other utilities and services supplied to the Premises.

Section 4.05 INSURANCE.

(a) Property Insurance. Tenant shall maintain property insurance on the Building and appurtenant structures in such amounts as Landlord may deem necessary or appropriate. Such insurance shall be at the Tenant's expense, shall be **Five Million Dollars (\$5,000,000) or what the insurance company estimates is the replacement value of the building, whichever is greater**, and shall

name Landlord as an additional insured. Payments for losses thereunder shall be made to Tenant, and Tenant shall use said payments to rebuild the premises to the same specifications as original construction.

(b) Public Liability Insurance. Tenant shall, at Tenant's expense, maintain a policy of Commercial General Liability insurance insuring Landlord and Tenant against liability arising out of the ownership, use, occupancy or maintenance of the Premises. The initial amount of such insurance shall be at least **One Million Dollars (\$1,000,000)**, and shall be subject to periodic increase upon reasonable demand by Landlord based upon inflation, increased liability awards, recommendation of professional insurance advisers, and other relevant factors. However, the limits of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. Landlord shall be named as an additional insured on said policy and such policy shall contain the following provision: "Such insurance as afforded by this policy for the benefit of Landlord shall be primary as respects any claims, losses or liabilities arising out of the use of the Premises by the Tenant or by Tenants operation and any insurance carried by the Landlord shall be excess and noncontributing." The policy shall insure Tenant's performance of the indemnity provisions of Section 5.05.

(c) Insurance Policies. Insurance required to be maintained by Tenant hereunder shall be in companies holding a "General Policyholders' Rating" of "B +" or better and a "financial rating" of 10 or better, as set forth in the most current issue of "Best's Insurance Guide," or a policy underwritten by Lloyd's of London. Tenant shall promptly deliver to Landlord, within thirty (30) days of the Commencement Date, original certificates evidencing the existence and amounts of such insurance. Acceptance of the Tenant's insurance company, considering the rating and financial health of the insurer, is subject to final approval by the Landlord. No such policy shall be cancelable or subject to substantial reduction of coverage except after thirty (30) days prior written notice to Landlord. Tenant shall, within thirty (30) days prior to the expiration, cancellation or reduction of such policies, furnish Landlord with renewals or "binders" thereof. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies required under this Lease.

Section 4.06 WAIVER OF SUBROGATION. Tenant and/or Landlord shall obtain from the issuer of the insurance policies referred to in this Article 4 a mutual waiver of subrogation provision in said policies and Tenant and Landlord each hereby release and relieve the other, and waive any and all rights of recovery against the other, or against the employees, officers, agents and representatives of the other, for loss or damage arising out of or incident to the perils insured against under this Article 4 which perils occur in, on or about the Property, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors or invitees. These waivers of subrogation shall be evidenced by appropriate endorsements to the Tenant's and/or Landlord's policies.

Section 4.07 LATE CHARGES. Tenant acknowledges that Tenant's failure to pay Base Rent or Additional Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Premises. Therefore, if Landlord does not receive any Rent payment within ten (10) days after it becomes due; Tenant shall pay Landlord a late charge equal to ten percent (10%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will

incur by reason of such late payment. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Rent, the Rent shall automatically become due and payable quarterly in advance, rather than monthly.

Section 4.08 INTEREST ON PAST DUE OBLIGATIONS. Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of (i) fifteen percent (15%) per annum, or (ii) the Prime Rate plus five (5) percentage points per annum, whichever is greater, from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

Section 4.09 RETURN OF CHECK. If Base Rent or Additional Rent is paid by check and the check is returned to Landlord for any reason whatsoever without payment, Tenant shall be assessed a late charge and interest on past due amount pursuant to Sections 4.07 and 4.08 as well as a Fifty Dollar (\$50) fee to cover the charge assessed by the financial institution that returns the check. If payment is returned for insufficient funds, Landlord has the right to demand payment in the form of cashiers or certified check. If Tenant has two (2) or more insufficient funds' payments in a twelve (12) month period, Landlord will have the right to demand all subsequent payments be in the form of a cashiers or certified check.

ARTICLE FIVE **USE OF PROPERTY**

Section 5.01 PERMITTED USES. Tenant may use the Premises only for the Permitted Uses set forth in Section 1.01(h) above.

Section 5.02 MANNER OF USE. Tenant shall not cause or permit the Premises to be used in any way (i) which constitutes (or would constitute) a violation of any law, ordinance, or governmental regulation or order, or (ii) which annoys or interferes with the rights of tenants or users of the Office Complex, or (iii) which constitutes a nuisance or waste. Tenant shall comply with all applicable statutes, ordinances, rules, regulations, orders and requirements, now in force or which may hereafter be in force ("Laws") regulating the use, occupancy or alterations by Tenant of the Premises, including the Occupational Safety and Health Act and all Laws relating to toxic and hazardous wastes and environmental protection. Landlord is responsible to secure all zoning permits for the Premises, and the further suitability of the Premises for Tenant's intended use.

Section 5.03 HAZARDOUS SUBSTANCES.

(a) Hazardous Substances. The term "Hazardous Substances", as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority. However, reasonable exception will be made for substances which otherwise might be deemed "Hazardous Substances" when

stored and used properly in the educational setting such as in chemistry, science or other related classroom settings.

(b) Tenant's Restrictions. Tenant shall not cause or permit to occur:

- (1) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, or about the Premises, or arising from Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or
- (2) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substances on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except as specifically disclosed on a schedule attached to this Lease.

(c) Environmental Clean-up.

(1) Tenant shall, at Tenant's own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances ("Hazardous Substances Laws").

(2) Tenant shall, at Tenant's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "Authorities") under the Hazardous Substances Laws.

(3) Should any Authority or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Tenant's use or occupancy of the Premises, then Tenant shall, at Tenant's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Tenant shall carry out all such clean-up plans.

(4) Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Landlord. If Tenant fails to fulfill any duty imposed under this Paragraph (c) within a reasonable time, Landlord may do so; and in such case, Tenant shall cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the applicability of the Laws to the Premises and Tenant's use thereof, and for compliance therewith, and Tenant shall execute all documents promptly upon Landlord's request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any Law shall constitute a waiver of any of Tenant's obligations under this Paragraph (c).

(d) Tenant's Indemnity.

- (1) Tenant shall indemnify, defend, and hold harmless Landlord, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, agents, and employees from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of

Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Tenant's use or occupancy of the Premises, or from Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Hazardous Substances Laws and all other environmental laws.

- (2) Landlord, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, agents, and employees (collectively, "Landlord") shall indemnify, defend, and hold harmless Tenant, from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Landlord's use or occupancy of the Premises, or from Landlord's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Hazardous Substances Laws and all other environmental laws.
- (3) Landlord's and Tenant's obligations and liabilities under this Paragraph (d) shall survive the expiration of this Lease.

Section 5.04 INTENTIONALLY OMITTED

Section 5.05 INDEMNITY. Tenant shall indemnify and hold harmless Landlord and all agents, servants and employees of Landlord from and against all claims, losses, damages, expenses (including reasonable attorneys' fees), penalties and charges arising from or in connection with (i) Tenant's use of the Premises during the Lease Term, or (ii) from the conduct of Tenant's business, or (iii) from any activity, work or things done, permitted or suffered by Tenant in or about the Premises during the Lease Term or pursuant to the License. Tenant shall further indemnify and hold harmless Landlord from and against any and all claims, loss, damage, expense (including reasonable attorneys' fees), penalty or charge arising from any default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding were brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by legal counsel reasonably satisfactory to Landlord. Tenant, as a material part of its consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in or upon the Premises arising from any cause and Tenant hereby waives all claims in respect thereof against Landlord. Notwithstanding the foregoing, Tenant shall not be required to defend, save harmless or indemnify Landlord from any liability for injury, loss, accident or damage to any person or property resulting from Landlord's own negligence or willful acts or omissions, or those of Landlord's officers, agents, contractors or employees. Tenant's indemnity is not intended to nor shall it relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease to the extent that such policies cover the results of negligent acts or omissions of Landlord, its officers, agents, contractors or employees, or the failure of Landlord to perform any of its obligations under this Lease. Landlord shall indemnify and hold harmless or indemnify Tenant from any liability for injury, loss, accident or damage to any person or property resulting from Landlord's

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own negligence or willful acts or omissions, or those of Landlord's officers, agents, contractors or employees.

Section 5.06 LANDLORD'S ACCESS. Landlord or its agents may enter the Premises at all reasonable times for repairs and any other purpose Landlord deems necessary. Landlord shall give Tenant prior notice of such entry, except in the case of an emergency. Landlord understands and agrees that Tenant's intended use of the Building and Premises is for a charter school. As a result, Landlord agrees to use its best efforts to schedule any entrance upon the Premises to times when school is not in session, when students are not present, or when such entry would produce the least possible disruption to students, class schedules and other school events. Tenant shall provide Landlord with copies of all keys to the Premises, except for cabinets or other strong box(es) where confidential documents are stored.

Section 5.07 QUIET POSSESSION. If Tenant pays the rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Premises for the full Lease Term, subject to the provisions of this Lease and the Declaration.

ARTICLE SIX

CONDITION OF PROPERTY; MAINTENANCE, REPAIRS AND ALTERATIONS

Section 6.01 INTENTIONALLY OMITTED

Section 6.02 INTENTIONALLY OMITTED

Section 6.03 PORTABLE CLASSROOM PLACEMENT. Tenant may choose to have temporary portable classrooms **able to serve up to a maximum of 208 students** placed on the Premises by Landlord and rented at a rate of **\$1.40 per square foot**. Said portable classrooms shall be provided and installed by Landlord. Tenant shall give Landlord written notice of Tenant's decision to have portable classrooms installed. Landlord will then have 120 days after receipt of the written notice to have the portable classrooms and all necessary utilities installed. In the event this provision is utilized by Tenant, a separate contract shall be prepared between Landlord and Tenant to control the installation and use of said portable classrooms.

Section 6.04 TENANT'S OBLIGATIONS.

(a) Except as otherwise indicated in this Agreement, Tenant shall, at Tenant's sole cost and expense, keep all portions of the Premises in good order, condition and repair, including, without limitation, all components of the electrical, mechanical, plumbing, heating and air conditioning systems which serve the Premises. If any portion of the Premises or any system or equipment in the Premises which Tenant is obligated to repair cannot be fully repaired, Tenant shall promptly replace such portion of or system or equipment in the Premises, regardless of whether the benefit of such replacement extends beyond the Lease Term.

(b) If Tenant fails to maintain or repair the Premises as required by this Section 6.04, Landlord may, upon ten (10) days' prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Premises (subject to the provisions of Section 5.06 hereof) and perform such maintenance or repair on behalf of Tenant. In such case, Tenant shall reimburse

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Landlord for all costs incurred in performing such maintenance or repair, and for reasonable costs not to exceed a 5% surcharge for Landlord's supervision, immediately upon demand.

Section 6.05 ALTERATIONS; ADDITIONS AND IMPROVEMENTS.

(a) Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which will not be unreasonably withheld. Tenant shall deliver to Landlord, for Landlord's approval prior to any construction, a complete set of plans and specifications for the proposed alterations, additions or improvements, copies of contracts with general contractors, evidence of contractor's insurance and bonds, and all necessary permits for such construction. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 6.05(a) upon Landlord's written request. All alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all-applicable laws and regulations, and by a contractor approved by Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations shall create no responsibility for liability on the part of Landlord for their completeness, design, sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials.

(b) Tenant shall pay when due all claims for labor and material furnished to the Premises. Tenant shall give Landlord at least ten (10) days' prior written notice of the commencement of any work on the Premises. Landlord may elect to record and post notices of non-responsibility on the Premises.

Section 6.06 CONDITION UPON TERMINATION. Upon the termination of this Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense; any damage to the Premises caused by the removal of any such machinery or equipment. In no event, however, shall Tenant remove any of the following materials or equipment without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

ARTICLE SEVEN
DAMAGE OR DESTRUCTION

Section 7.01 PARTIAL DAMAGE TO PROPERTY. Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. If the Premises is only partially damaged and if the proceeds received by Landlord from the insurance policies described in Section 4.05(a) are sufficient to pay for the necessary repairs, this Lease shall remain in effect

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and Landlord shall repair the damage as soon as reasonably possible. Landlord may elect to repair any damage to Tenant's fixtures, equipment, or improvements but shall be under no obligation to do so. If the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or if the cause of the damage is not covered by the insurance policies which Landlord maintains under Section 4.05(a), Landlord may elect either to (a) repair the damage as soon as reasonably possible, in which case this Lease shall remain in full force and effect, or (b) terminate this Lease as of the date the damage occurred. If Landlord elects to repair the damage, Tenant shall pay to Landlord the deductible amount (if any) under Landlord's insurance policies, and, if damage was due to an act or omission of Tenant, the difference between the actual cost of repair and any insurance proceeds received by Landlord. Landlord shall notify Tenant within thirty (30) days after receipt of notice of the occurrence of the damage, whether Landlord elects to repair the damage or terminate this Lease. If the damage to the Premises occurs during the last six (6) months of the Lease Term, Landlord may elect to terminate this Lease as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. In such event, Landlord shall not be obligated to repair or restore the Premises and Tenant shall have no right to continue this Lease. Landlord shall notify Tenant of its election within thirty (30) days after receipt of notice of the occurrence of the damage.

Section 7.02 TOTAL OR SUBSTANTIAL DESTRUCTION. If the Premises or the Building is totally or substantially destroyed by any cause other than Tenant's own negligence, this lease will be terminated as of the date the destruction occurred regardless of receipt of insurance proceeds by Landlord or Tenant. If the destruction was caused by an act or omission of Tenant, and the Building can be rebuilt within one (1) year after the date of destruction, Landlord may elect to rebuild the Premises at Landlord's own expense, in which case, this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within thirty (30) days after the occurrence of total or substantial destruction. If the destruction was caused by an act or omission of Tenant, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord.

Section 7.03 REDUCTION OF RENT. If the Premises is destroyed or damaged and Landlord or Tenant repairs or restores the Premises pursuant to the provisions of this Article Seven, any Rent payable during the period of such damage, repair and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Premises is impaired as of the date of the casualty. Except for such possible reduction in Rent, Tenant shall not be entitled to any compensation, reduction, or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Premises. In the event this Lease is terminated pursuant to this Article Seven, all obligations of Tenant to pay Rent shall abate as of the date of the casualty.

Section 7.04 WAIVER. Tenant waives the protection of any statute, code or judicial decision which grants a tenant the right to terminate a lease in the event of the substantial destruction of the leased property. Tenant agrees that the provisions of this Article Seven above shall govern the rights and obligations of Landlord and Tenant in the event of any casualty to the Premises.

ARTICLE EIGHT **CONDEMNATION**

Section 8.01 CONDEMNATION. If the whole or substantially the whole of the Building or the Premises should be taken for any public or quasi-public use, by right of eminent domain or otherwise or should be sold in lieu of condemnation, then this Lease shall terminate as of the date

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when physical possession of the Building or the Premises is taken by the condemning authority. If less than the whole or substantially the whole of the Building or the Premises is thus taken or sold, Landlord (whether or not the Premises are affected thereby) may terminate this Lease by giving written notice thereof; in which event this Lease shall terminate as of the date when physical possession of such portion of the Building or Premises is taken by the condemning authority. If the Lease is not so terminated upon any such taking or sale, the Rent payable hereunder shall be diminished by an equitable amount, and Landlord shall, to the extent Landlord deems feasible, restore the Building and the Premises to substantially their former condition, but such work shall not exceed the scope of the work done by Landlord in originally constructing the Building and installing Building Standard Improvements in the Premises, nor shall Landlord in any event be required to spend for such work an amount in excess of the amount received by Landlord as compensation for such taking. All amounts awarded upon a taking of any part or all of the Building or the Premises shall belong to Landlord, and Tenant shall not be entitled to and expressly waives all claims to any such compensation.

ARTICLE NINE

ASSIGNMENT AND SUBLETTING

Section 9.01 LANDLORD'S CONSENT REQUIRED. No portion of the Premises or of Tenant's interest in this Lease may be acquired by any other person or entity, whether by assignment, mortgage, sublease, transfer, operation of law, or act of Tenant, without Landlord's prior written consent, which will not be unreasonably withheld. Any attempted transfer without consent shall be void and shall constitute a non-curable breach of this Lease. If Tenant is a partnership, any cumulative transfer of more than twenty percent (20%) of the partnership interests shall require Landlord's consent. If Tenant is a corporation or other legal entity, any change in a controlling interest of the voting stock or other ownership interests of such corporation or other legal entity shall require Landlord's consent.

Section 9.02 LANDLORD'S ELECTION. Tenant's request for consent to any transfer described in Section 9.01 above shall be accompanied by a written statement setting forth the details of the proposed transfer, including the name, business and financial condition of the prospective transferee, financial details of the proposed transfer (e.g., the term of and rent and security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Landlord shall have the right in Landlord's sole discretion (a) to withhold consent; (b) to grant consent; or (c) if the transfer is a sublease of the Premises or an assignment of this Lease, to terminate this Lease as of the effective date of such sublease or assignment, in which case Landlord may elect to enter into a direct lease with the proposed assignee or subtenant.

Section 9.03 NO RELEASE OF TENANT. No transfer consented to by Landlord, shall release Tenant or change Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Lease. Upon the occurrence of any default under this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting any remedies against any subtenant or assignee. Any permitted assignee or sub-tenant shall, at Landlord's option, attorney to Landlord and shall pay all Rent directly to Landlord. Landlord's acceptance of Rent from any other person shall not constitute a waiver of any provision of this Article Nine. Consent to one transfer shall not constitute a consent to any subsequent transfer. If Tenants transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies

against the transferee. Landlord may consent to subsequent assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant of its liability under this Lease.

Section 9.04 NO MERGER. No merger shall result from Tenant's sublease of the Premises under this Article Nine, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any such event, Landlord may terminate any or all Subtenancies or succeed to the interest of Tenant as sublandlord thereunder.

ARTICLE TEN **DEFAULTS; REMEDIES**

Section 10.01 COVENANTS AND CONDITIONS. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

Section 10.02 DEFAULTS. Tenant shall be in material default under this Lease:

- (a) If Tenant abandons the Premises or if Tenant vacates the Premises for thirty (30) consecutive days;
- (b) If Tenant fails to pay Rent or any other charge required to be paid by Tenant, as and when due;
- (c) If Tenant fails to perform any of Tenant's nonmonetary obligations under this Lease for a period of ten (10) days after written notice from Landlord; provided that if more than ten (10) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within such ten (10) day period and thereafter diligently pursues its completion;
- (d) (i) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant and is not dismissed within thirty (30) days; (ii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession is not restored to Tenant within thirty (30) days; or (iv) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days. If a court of competent jurisdiction determines that any of the acts described in this subsection (d) is not a default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the difference between the rent (or any other consideration) paid in connection with such assignment or sublease and the rent payable by Tenant hereunder;
- (e) Any representation or warranty made by Tenant or by a subtenant or assignee in connection with this Lease shall have been false or misleading as of the date such representation or warranty was made; or

(f) If Tenant fails to take substantial occupancy of the Premises within a reasonable time after the Commencement Date.

Section 10.03 REMEDIES. On the occurrence of any default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation (i) the worth at the time of the award of the unpaid Base Rent, Additional Rent and other charges which had been earned at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which would have been paid for the balance of the Lease term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation or alteration of the Premises, Landlord's reasonable attorneys' fees incurred in connection therewith, and any real estate commission paid or payable. As used in subparts (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of fifteen percent, or such lesser amount as may then be the maximum lawful rate, accruing the date such payments are due until paid. As used in subpart (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent(1%);

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder. Landlord's election to maintain Tenant's right to possession shall not prejudice Landlord's right, at any time thereafter to terminate Tenant's right to possession and proceed in accordance with Section 10.03 (a) above; or

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Nevada.

Section 10.04 CUMULATIVE REMEDIES. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

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ARTICLE ELEVEN
PROTECTION OF LENDERS

Section 11.01 SUBORDINATION. Landlord shall have the right to subordinate this Lease to any ground lease, deed of trust or mortgage encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. However, Tenant's right to quiet possession of the Premises during the Lease Term shall not be disturbed if Tenant pays the rent and performs all of Tenant's obligations under this Lease and is not otherwise in default. If any ground lessor, beneficiary or mortgagee elects to have this Lease prior to the lien of its ground lease, deed of trust or mortgage and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease, deed of trust or mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, deed of trust or mortgage or the date of recording thereof.

Section 11.02 ATTORNMEN. If Landlord's interest in the Premises is acquired by any ground lessor, beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of law, which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

Section 11.03 SIGNING OF DOCUMENTS. Tenant shall sign and deliver any instruments or documents necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Such subordination and attornment documents may contain such provisions as are customarily required by any ground lessor, beneficiary under a deed of trust or mortgagee. If Tenant fails to do so within ten (10) days after written request, Tenant hereby makes, constitutes and irrevocably appoints Landlord, or any transferee or successor of Landlord, the attorney-in-fact of Tenant to execute and deliver any such instrument or document.

Section 11.04 ESTOPPEL CERTIFICATES.

(a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying; (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) that the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by Landlord or the holder of a mortgage, deed of trust or lien to which the Premises is or becomes subject. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's

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Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

Section 11.05 TENANT'S FINANCIAL CONDITION. Within ten (10) days after written request from Landlord, Tenant shall deliver to Landlord such financial statements as are reasonably required by Landlord to verify the assets and liabilities of Tenant, or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to any lender designated by Landlord any financial statements required by such lender to facilitate the financing or refinancing of the Premises. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth herein.

ARTICLE TWELVE **LEGAL COSTS**

Section 12.01 LEGAL PROCEEDINGS.

(a) Tenant shall reimburse Landlord, upon demand, for any costs or expenses incurred by Landlord in connection with any breach or default of Tenant under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Furthermore, if any action for breach of or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs. Such attorneys' fees and costs shall be paid by the losing party in such action.

(b) Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability incurred by Landlord if Landlord becomes or is made a party to any claim or action (a) instituted by Tenant, or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant; (b) for foreclosure of any lien for labor or material furnished to or for Tenant or such other person; (c) otherwise arising out of or resulting from any act or transaction of Tenant or such other person; or (d) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. Tenant shall defend Landlord against any such claim or action at Tenant's expense with counsel reasonably acceptable to Landlord or, at Landlord's election, Tenant shall reimburse Landlord for any legal fees or costs incurred by Landlord in any such claim or action.

Section 12.02 LANDLORD'S CONSENT. Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for Landlord's consent under Article Nine (Assignment and Subletting), or in connection with any other act which Tenant proposes to do and which requires Landlord's consent.

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MISCELLANEOUS PROVISIONS

Section 13.01 NON-DISCRIMINATION. Tenant promises, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing transferring, occupancy, tenure or use of the Premises or any portion thereof.

Section 13.02 INTENTIONALLY OMITTED.

Section 13.03 LANDLORD'S LIABILITY.

As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises or the leasehold estate under a ground lease of the Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds previously paid by Tenant if such funds have not yet been applied under the terms of this Lease.

Tenant shall deposit with Landlord a cash security deposit (the "Security Deposit") in the amount of the Initial Security Deposit set forth in Section 1.02 above. Landlord may apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's written request. Tenant's failure to do so shall be a material default under this Lease. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. If Tenant is not in default at the expiration or termination of this Lease, Landlord shall return the Security Deposit to Tenant, or, at Landlord's option, to Tenant's assignee or sublessee.

Section 13.04 SEVERABILITY. A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

Section 13.05 INTERPRETATION. The captions of the Articles and Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission.

Section 13.06 INCORPORATION OF PRIOR AGREEMENTS; MODIFICATIONS. This Lease is the only agreement between the parties pertaining to the lease of the Premises and no other agreements are effective-. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

Section 13.07 NOTICES. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered to Tenant's Address specified in Section 1.01(b) above, except that upon Tenant's taking possession of the Premises, the Premises shall be Tenant's address for notice purposes. Notices to Landlord shall be delivered to Landlord's Address specified in Section 1.01(a) above. All notices shall be effective upon delivery or attempted delivery in accordance with this Section 13.07. Either party may change its notice address upon written notice to the other party.

Section 13.08 WAIVERS. All waivers must be in writing and signed by the waiving party. Landlord's failure to enforcement any provision of this Lease or its acceptance of rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord, and Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

Section 13.09 NO RECORDATION. Tenant shall not record this Lease without prior written consent from Landlord. However, either Landlord or Tenant may require that a "short form" memorandum of this Lease executed by both parties be recorded.

Section 13.10 BINDING EFFECT; CHOICE OF LAW. This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interests of Tenant's successor are acquired in accordance with the terms of this Lease. This Lease shall be governed by and construed in accordance with the laws of the State of Nevada and the venue for any proceeding involving the interpretation or performance of this Agreement shall be Clark County.

Section 13.11 CORPORATE AUTHORITY; PARTNERSHIP AUTHORITY. Each person signing this Lease on behalf of Tenant represents and warrants that he has full corporate authority to do so and that this Lease binds the corporation. Within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's Board of Directors authorizing the execution of this Lease or other evidence of such authority reasonably acceptable to Landlord.

Section 13.12 INTENTIONALLY OMITTED.

Section 13.13 FORCE MAJEURE. If Landlord cannot perform any of its obligations due to events beyond Landlord's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, governmental regulation or restriction and weather conditions.

Section 13.14 EXECUTION OF LEASE. This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. The delivery of this Lease by Landlord to Tenant shall not be deemed to be an offer and shall not be binding upon either party until executed and delivered by both parties.

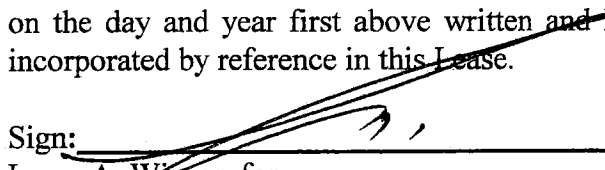
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Section 13.15 BROKERS AND LEASING AGENTS. Landlord represents and warrants to Tenant, and Tenant represents and warrants to Landlord, that no broker, leasing agent or finder has been engaged by it other than Landlord's Broker (if any) specified in Section 1.01(j) and Tenant's Broker (if any) specified in Section 1.01(k), respectively, in connection with any of the transactions contemplated by this Lease, or to its knowledge is in any way connected with any of such transactions. In the event of any claims for brokers' or finders' fees or commissions in connection with the negotiation, execution or consummation of this Lease, Tenant shall indemnify, save harmless and defend Landlord from and against such claims if they shall be based upon any statement or representation or agreement made by Tenant, and Landlord shall indemnify, save harmless and defend Tenant if such claims shall be based upon any statement, representation or agreement made by Landlord.

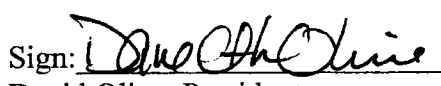
Section 13.16 INTENTIONALLY OMITTED

Section 13.17 LIENS. Tenant shall not permit any mechanic's, materialmen's or other liens to be filed against the real property of which the Premises form a part nor against the Tenant's leasehold interest in the Premises. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any such liens are filed and are not discharged by Tenant by bond or otherwise within ten (10) days after the filing thereof, Landlord may, without waiving its rights and remedies based on such breach of Tenant and without releasing Tenant from any of its obligations, cause such liens to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. Tenant shall pay to Landlord at once, upon notice by Landlord, any sum paid by Landlord to remove such liens, together with interest at the maximum rate per annum permitted by law from the date of such payment by Landlord.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease in the State of Nevada on the day and year first above written and have initialed all Riders which are attached to or incorporated by reference in this Lease.

Sign: 
Lavar A. Winsor, for
For TOWER DISTRIBUTION CENTER, LLC ("Landlord")

Date: 3/27/2015

Sign: 
David Olive, President
For QUEST ACADEMY PREPATORY EDUCATION,
A State Funded Charter School

Date: 3/27/2015

EXHIBIT "A"

MAP OF LEASED "PREMISES" AND "FUTURE BUILDING SITES"

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ADJACENT PARCEL

ADJACENT PARCEL

TEMPORARY FENCE
FOR FUTURE

TEMPORARY FENCE
FOR FUTURE

TEMPORARY FENCE

LA
DO

EXHIBIT “10”

A.P.N.: 138-02-113-001

A.P.N.: 136-02-113-001

EXISTING ZONING: C-1 & R-1

PROPOSED ZONING:

SITE AREA: 279,552 S.F. (6.41 ACRES)

SETBACKS: FRONT	REQUIRED: 20' - 0"	PROVIDED: 20' - 0"
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Size	20' - 0"	20' - 0"
REAR		

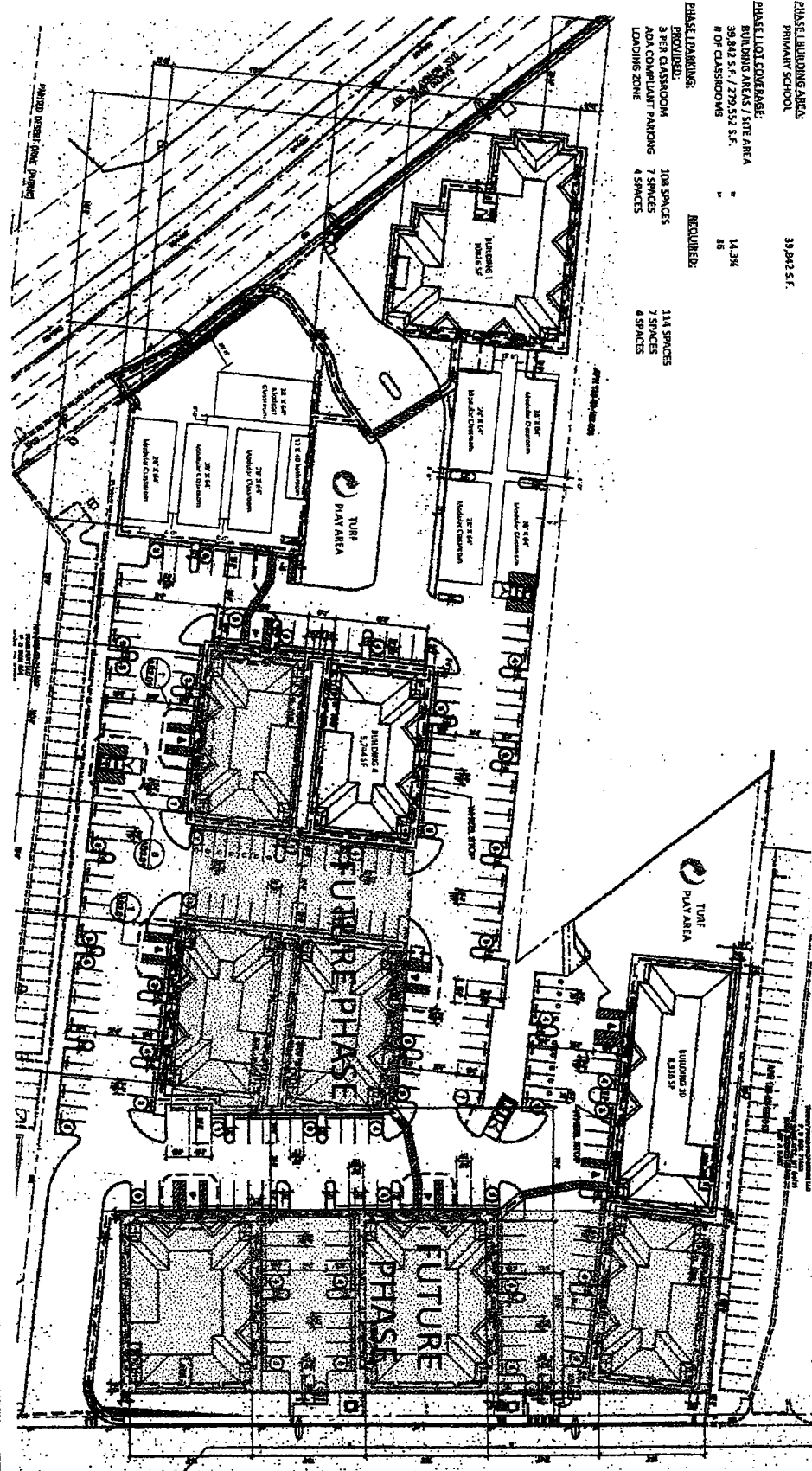
PHASE I BUILDING AREA:
PRIMARY SCHOOL 39,842 S.F.

BUILDING AREAS / SITE AREA

39,842 S.F. / 219,552 S.F.	2	14,574
# OF CLASSROOMS	12	36

PHASE 1 PARKING:
REQUIRED

<u>PROVIDED:</u>	
3 PER CLASSROOM	108 SPACES
ADA COMPLIANT PARKING	7 SPACES
LOADING ZONE	4 SPACES
	114 SPACES
	7 SPACES
	4 SPACES



TEMPORARY FENCE
4226 4226 4226 4226 4226
PERMANENT FENCE
4226 4226 4226 4226 4226



Sustain Builders
NCL 9-001-07705
6400 S.W. Parkway Dr. #10-400 in Alameda, CA 94522
Ph (925) 766-8779 • F (925) 699-6263 • www.sustain-builders.com

DESIGN-BUILDER

Dr. Perry is a native of England and holds a Ph.D. in psychology from the University of London. He has been a member of the American Psychological Association since 1965.

 **QUEST**
EDUCATIONAL JOURNALS
Torrey Pines Campus
4024-0690 W. Ranchito Dr., Los Verdes, NV 89120

SITE PLAN

CO.04

EXHIBIT “11”

1ST ADDENDUM TO TRIPLE NET REAL ESTATE LEASE BETWEEN
LAVAR WINSOR (Landlord) (Assignee of TOWER DISTRIBUTION CENTER, LLC)
AND
QUEST ACADEMY PREPARATORY EDUCATION (Tenant)

This is an Addendum to that lease agreement executed between TOWER DISTRIBUTION CENTER, LLC as "Landlord" and QUEST ACADEMY PREPARATORY EDUCATION as "Tenant" which is dated March 27, 2015 ("subject lease").

WHEREAS, TOWER DISTRIBUTION CENTER, LLC assigned its rights as landlord under the subject contract to LAVAR WINSOR in an assignment dated _____; and

WHEREAS, Section 6.03 of the subject lease anticipates and allows for the placement of portable classrooms;

WHEREAS, the parties to this Addendum now wish to include additional real property to the subject lease, and to place temporary portable classrooms and temporary restrooms on the newly increased "premises" as defined in Section 1.01(c);

IT IS THEREFORE MUTUALLY AGREED THAT:

1. The "Premises" defined in Paragraph 1.01(c) of the subject lease shall be increased to include that portion of the "Future Building Sites" (Section 1.01(d)) outlined in the 1st Addendum Exhibit "A" attached hereto and incorporated herein.
2. Upon the Premises defined in the original Paragraph 1.01(c) shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$12,389.44 per month.
3. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of twelve (12) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$14,389.88 per month.
4. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed one temporary portable restroom for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for this temporary portable restroom shall be \$2,279.32 per month.

No other terms or conditions of the above mentioned lease agreement shall be negated or changed as a result of this addendum.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Addendum in the State of Nevada on the date indicated below.

Sign: _____

Date: 7/16/15

Lavar A. Winsor ("Landlord")

Sign: Timothy Zeidler

Date: 7/13/15

Timothy Zeidler, President of QUEST ACADEMY PREPATORY EDUCATION, A State
Funded Charter School

EXHIBIT “12”



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number:542048
Revision: 2
Date: April 28, 2015

Lease Agreement

Lessee: 17604581

Quest Academy Preparatory Education
6610 Grand Montecito Pkwy
Las Vegas, Nevada, 89149

Contact:

Tony Winsor
6610 Grand Montecito Pkwy
Las Vegas, NV, 89149
Phone: (702) 933-5300
Fax:

Ship To Address:

LAS VEGAS, NV, 89130

Delivery Date(on or about):
7/13/2015

E-mail: tony.winsor@yahoo.com

Rental Pricing Per Month		Quantity	Price	Extended
64x24 Classroom (60x24 Box)	Unit Number:	1	\$599.40	\$599.40
ADA/IBC Ramp - 30' & Under		2	\$234.00	\$468.00
Data Hub Rental		1	\$50.00	\$50.00
Minimum Lease Term: 11 Months		Total Monthly Building Charges:		\$599.40
		Other Monthly Charges:		\$518.00
		Total Rental Charges Per Month:		\$1,117.40
Delivery & Installation				
Ramp - Delivery & Setup		2	\$509.17	\$1,018.36
State Inspection		1	\$250.00	\$250.00
01331 Foundation Engineering		1	\$500.00	\$500.00
Tiedowns into dirt		24	\$46.85	\$1,124.40
Block and Level		1	\$1,548.00	\$1,548.00
Delivery Freight		2	\$592.31	\$1,184.62
Wood skirting		168	\$13.56	\$2,278.08
		Total Delivery & Installation Charges:		\$7,903.46
Final Return Charges*				
Skirting Removal - Wood LF		168	\$3.00	\$504.00
Ramp - Knockdown & Return		2	\$509.17	\$1,018.36
Teardown		1	\$1,500.00	\$1,500.00
Return Freight		2	\$284.62	\$569.24
		Due On Final Invoice*:		\$3,591.60
Total Charges Including (11) Month Rental, Delivery, Installation & Return**:				\$23,786.46

Summary of Charges

Model: CL6424	QUANTITY: 4	Total Charges for (4) Building(s):	\$95,145.84
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An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number:542048
Revision: 2
Date: April 28, 2015

INSURANCE REQUIREMENTS ADDENDUM

QTY	PRODUCT	EQUIPMENT VALUE/BUILDING	DEDUCTIBLE PER UNIT
4	CL6424	\$64329.00	

Lessee:Quest Academy Preparatory Education

Pursuant to Section 12 of the Williams Scotsman Lease Agreement and its Terms and Conditions ("Agreement"), a Lessee is obligated to provide insurance to Williams Scotsman, Inc. ("Lessor") with the following insurance coverage:

1. **Commercial General Liability Insurance:** policy of combined bodily injury and property damage insurance insuring Lessee and Lessor against any liability arising out of the use, maintenance, or possession of the Equipment. Such insurance shall be in an amount not less than \$1,000,000 per occurrence, naming the Lessor as Additional Insured and Loss Payee.
2. **Commercial Property Insurance:** covering all losses or damage, in an amount equal to 100% of the Equipment Value set forth in the Lease providing protection against perils included within the classification and special extended perils (all "risk" insurance), naming the Lessor as Additional Insured and Loss Payee.

Commercial General Liability Insurance

Lessee is providing Commercial General Liability Insurance in accordance with the requirements set forth Section 11 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee fails to deliver the required certificate of insurance, Lessee understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.

Commercial Property Insurance

Lessee is providing Commercial Property Insurance in accordance with the requirements set forth Section 12 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee fails to deliver the required certificate of insurance, Lessee understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 542048
Revision: 2
Date: April 28, 2015

Clarifications

*Final Return Charges are estimated and will be charged at Lessor's market rate at time of return for any Lease Term greater than twelve (12) months. **All prices exclude applicable taxes. All Lessees and Leases are subject to credit review. In addition to the stated prices, customer shall pay any local, state or provincial, federal and/or personal property tax or fees related to the equipment identified above ("Equipment"), its value or its use. Lessee acknowledges that upon delivery of the Equipment, this Agreement may be updated with the actual serial number(s), delivery date(s), lock serial number(s), etc, if necessary and Lessee will be supplied a copy of the updated information. Prices exclude taxes, licenses, permit fees, utility connection charges, site preparation and permitting which is the sole responsibility of Lessee, unless otherwise expressly agreed by Lessor in writing. Lessee is responsible for locating and marking underground utilities prior to delivery and compliance with all applicable code requirements unless otherwise expressly agreed by the Lessor in writing. Price assumes a level site with clear access. Lessee must notify Lessor prior to delivery or return of any potentially hazardous conditions or other site conditions that may otherwise effect delivery, installation, dismantling or return of any Equipment. Failure to notify Lessor of such conditions will result in additional charges, as applicable. Physical Damage & Commercial Liability insurance coverage is required beginning on the date of delivery. Lessor is not responsible for changes required by code or building inspectors. Pricing is valid for thirty (30) days. Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor Modular Equipment and Value Added Products (as such items are defined in Lessor's General Terms & Conditions) selected by Lessee as set forth in this Agreement. All such items leased by the Lessee for purposes of this Lease shall be referred to collectively as the "Equipment". By its signature below, Lessee hereby acknowledges that it has read and agrees to be bound by the Lessor's General Terms & Conditions (09-09-13) located on Lessor's internet site (<http://www.willscot.com/terms>) in their entirety, which are incorporated herein by reference and agrees to lease the Equipment from Lessor subject to the terms therein. Although Lessor will provide Lessee with a copy of the General Terms & Conditions upon written request, Lessee should print copies of this Agreement and General Terms & Conditions for recordkeeping purposes. Each party is authorized to accept and rely upon a facsimile signature, digital, or electronic signatures of the other party on this Agreement. Any such signature will be treated as an original signature for all purposes and shall be fully binding. The undersigned represent that they have the express authority of the respective party they represent to enter into and execute this Agreement and bind the respective party thereby.

Invoicing Options (select one)

☐ **Paperless Invoicing Option**
Williams Scotsman now issues paperless invoices via email, an efficient, convenient & environmentally friendly process. Go green and provide us with the proper email address for your invoices.

A/P Email: _____

☐ **Standard Mail Option**

Invoices will be mailed to:
6610 Grand Montecito Pkwy
Las Vegas Nevada 89149

Enter a new billing address: _____

Signatures

Lessee:: Quest Academy Preparatory Education

Lessor: Williams Scotsman, Inc.

Signature: _____

Signature: _____

Print Name: Garvin Winsor

Print Name: George Hume

Title: Owner

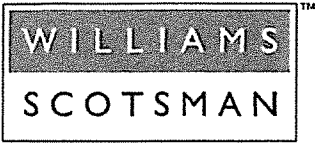
Title: Manager

Date: 6-11-15

Date: 8-2-15

PO# _____

PLEASE RETURN SIGNED AGREEMENT TO: LVNLeases@willscot.com



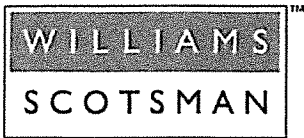
An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number:542048
Revision: 2
Date: April 28, 2015

Floorplan



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 542043
Revision: 3
Date: April 28, 2015

Lease Agreement

Lessee: 17604581
Quest Academy Preparatory Education
6610 Grand Montecito Pkwy
Las Vegas, Nevada, 89149

Contact: Tony Winsor
6610 Grand Montecito Pkwy
Las Vegas, NV, 89149
Phone: (702) 933-5300
Fax: 7495 W Azure Dr. #100
Las Vegas NV 89130

Delivery Date (on or about):
7/13/2015

E-mail: tony.winsor@yahoo.com

Rental Pricing Per Month		Quantity	Price	Extended
64x24 Classroom (60x24 Box)	Unit Number:	1	\$641.70	\$641.70
ADA/IBC Ramp - 30' & Under		2	\$234.00	\$468.00
Data Hub Rental		1	\$50.00	\$50.00
Minimum Lease Term: 6 Months		Total Monthly Building Charges:		\$641.70
		Other Monthly Charges:		\$518.00
		Total Rental Charges Per Month:		\$1,159.70
Delivery & Installation				
Ramp - Delivery & Setup		2	\$509.17	\$1,018.36
License fee		1	\$250.00	\$250.00
01331 Foundation Engineering		1	\$500.00	\$500.00
Tiedowns into dirt		24	\$46.85	\$1,124.40
Block and Level		1	\$1,548.00	\$1,548.00
Delivery Freight		2	\$592.31	\$1,184.62
Wood skirting		168	\$13.56	\$2,278.08
			Total Delivery & Installation Charges:	\$7,903.46
Final Return Charges*				
Skirting Removal - Wood LF		168	\$3.00	\$504.00
Ramp - Knockdown & Return		2	\$509.17	\$1,018.36
Teardown		1	\$1,500.00	\$1,500.00
Return Freight		2	\$284.62	\$569.24
			Due On Final Invoice*:	\$3,591.60
Total Charges Including (6) Month Rental, Delivery, Installation & Return**:				\$18,453.26

Summary of Charges

Model: CL6424	QUANTITY: 4	Total Charges for (4) Building(s):	\$73,813.04
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An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number:542043
Revision: 3
Date: April 28, 2015

Lease Agreement

Lessee: 17604581
Quest Academy Preparatory Education
6610 Grand Montecito Pkwy
Las Vegas, Nevada, 89149

Contact:
Tony Winsor
6610 Grand Montecito Pkwy
Las Vegas, NV, 89149
Phone: (702) 933-5300
Fax:

Ship To Address:

LAS VEGAS, NV, 89130

Delivery Date(on or about):
7/13/2015

E-mail: tony.winsor@yahoo.com

Rental Pricing Per Month		Quantity	Price	Extended
40x12 Toilet Unit (36x12 Box)	Unit Number:	1	\$987.00	\$987.00
ADA/IBC Ramp - 30' & Under		2	\$260.00	\$520.00
Minimum Lease Term: 6 Months		Total Monthly Building Charges:		\$987.00
		Other Monthly Charges:		\$520.00
		Total Rental Charges Per Month:		\$1,507.00
Delivery & Installation				
Fuel Surcharge Delivery		1	\$23.69	\$23.69
Ramp - Delivery & Setup		2	\$565.75	\$1,131.50
License fee		1	\$250.00	\$250.00
Hitch removal		1	\$93.75	\$93.75
Tiedowns into dirt		12	\$52.06	\$624.72
Block and Level		1	\$94.66	\$94.66
Delivery Freight		1	\$592.31	\$592.31
Wood skirting		96	\$15.06	\$1,445.76
Total Delivery & Installation Charges:				\$4,256.39
Final Return Charges*				
Fuel Surcharge Return		1	\$11.38	\$11.38
Tiedown-Dirt Removal		12	\$20.00	\$240.00
Ramp - Knockdown & Return		2	\$565.75	\$1,131.50
Hitch installation		1	\$93.75	\$93.75
Skirting Removal - Wood LF		96	\$4.51	\$432.96
Teardown		1	\$73.33	\$73.33
Return Freight		1	\$284.62	\$284.62
Due On Final Invoice*:				\$2,267.54
Total Charges Including (6) Month Rental, Delivery, Installation & Return**:				\$15,565.93

Summary of Charges

Model: TT4012	QUANTITY: 1	Total Charges for (1) Building(s):	\$15,565.93
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An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number:542043
Revision: 3
Date: April 28, 2015

INSURANCE REQUIREMENTS ADDENDUM

QTY	PRODUCT	EQUIPMENT VALUE/BUILDING	DEDUCTIBLE PER UNIT
4	CL6424	\$64329.00	
1	TT4012	\$54562.00	

Lessee:Quest Academy Preparatory Education

Pursuant to Section 12 of the Williams Scotsman Lease Agreement and its Terms and Conditions ("Agreement"), a Lessee is obligated to provide insurance to Williams Scotsman, Inc. ("Lessor") with the following insurance coverage:

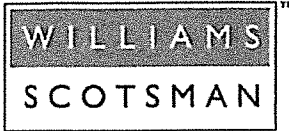
1. **Commercial General Liability Insurance:** policy of combined bodily injury and property damage insurance insuring Lessee and Lessor against any liability arising out of the use, maintenance, or possession of the Equipment. Such insurance shall be in an amount not less than \$1,000,000 per occurrence, naming the Lessor as Additional Insured and Loss Payee.
2. **Commercial Property Insurance:** covering all losses or damage, in an amount equal to 100% of the Equipment Value set forth in the Lease providing protection against perils included within the classification and special extended perils (all "risk" insurance), naming the Lessor as Additional Insured and Loss Payee.

Commercial General Liability Insurance

Lessee is providing Commercial General Liability Insurance in accordance with the requirements set forth Section 11 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee fails to deliver the required certificate of insurance, Lessee understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.

Commercial Property Insurance

Lessee: is providing Commercial Property Insurance in accordance with the requirements set forth Section 12 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee: fails to deliver the required certificate of insurance, Lessee: understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 542043

Revision: 3
Date: April 28, 2015

Clarifications

*Final Return Charges are estimated and will be charged at Lessor's market rate at time of return for any Lease Term greater than twelve (12) months. **All prices exclude applicable taxes. All Lessees and Leases are subject to credit review. In addition to the stated prices, customer shall pay any local, state or provincial, federal and/or personal property tax or fees related to the equipment identified above ("Equipment"), its value or its use. Lessee acknowledges that upon delivery of the Equipment, this Agreement may be updated with the actual serial number(s), delivery date(s), lock serial number(s), etc, if necessary and Lessee will be supplied a copy of the updated information. Prices exclude taxes, licenses, permit fees, utility connection charges, site preparation and permitting which is the sole responsibility of Lessee, unless otherwise expressly agreed by Lessor in writing. Lessee is responsible for locating and marking underground utilities prior to delivery and compliance with all applicable code requirements unless otherwise expressly agreed by the Lessor in writing. Price assumes a level site with clear access. Lessee must notify Lessor prior to delivery or return of any potentially hazardous conditions or other site conditions that may otherwise effect delivery, installation, dismantling or return of any Equipment. Failure to notify Lessor of such conditions will result in additional charges, as applicable. Physical Damage & Commercial Liability insurance coverage is required beginning on the date of delivery. Lessor is not responsible for changes required by code or building inspectors. Pricing is valid for thirty (30) days. Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor Modular Equipment and Value Added Products (as such items are defined in Lessor's General Terms & Conditions) selected by Lessee as set forth in this Agreement. All such items leased by the Lessee for purposes of this Lease shall be referred to collectively as the "Equipment". By its signature below, Lessee hereby acknowledges that it has read and agrees to be bound by the Lessor's General Terms & Conditions (09-09-13) located on Lessor's internet site (<http://www.willscot.com/terms>) in their entirety, which are incorporated herein by reference and agrees to lease the Equipment from Lessor subject to the terms therein. Although Lessor will provide Lessee with a copy of the General Terms & Conditions upon written request, Lessee should print copies of this Agreement and General Terms & Conditions for recordkeeping purposes. Each party is authorized to accept and rely upon a facsimile signature, digital, or electronic signatures of the other party on this Agreement. Any such signature will be treated as an original signature for all purposes and shall be fully binding. The undersigned represent that they have the express authority of the respective party they represent to enter into and execute this Agreement and bind the respective party thereby.

Invoicing Options (select one)

☐ Paperless Invoicing Option
Williams Scotsman now issues paperless invoices via email, an efficient, convenient & environmentally friendly process. Go green and provide us with the proper email address for your invoices.

A/P Email: _____

☐ Standard Mail Option
Invoices will be mailed to:
6610 Grand Montecito Pkwy
Las Vegas Nevada 89149

Enter a new billing address: _____

Signatures

Lessee:: Quest Academy Preparatory Education

Signature: _____

Print Name: LaVar Winsor

Title: Owner

Date: 6-11-15

PO#

Lessor: Williams Scotsman, Inc.

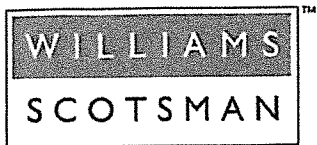
Signature: _____

Print Name: George Ferguson

Title: Manager

Date: 8-7-15

PLEASE RETURN SIGNED AGREEMENT TO: LVNLeases@willscot.com



An ALGECO SCOTSMAN Company

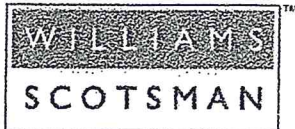
Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 542043
Revision: 3
Date: April 28, 2015

Floorplan

EXHIBIT “13”



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 579653
Revision: 1
Date: August 31, 2015

Lease Agreement

Lessee: 18438668
Tower Distribution Center LLC
7495 W Azure dr
Las Vegas, Nevada, 89130

Contact:
Tony Winsor
7495 W Azure dr
Las Vegas, NV, 89130
Phone: (702) 933-5300
Fax:

Ship To Address:
4860 N Rancho Drive
LAS VEGAS, NV, 89130

Delivery Date (on or about):
9/8/2015

E-mail: tony.winsor@yahoo.com

Rental Pricing Per Month		Quantity	Price	Extended
64x24 Classroom (60x24 Box)	Unit Number:	1	\$599.40	\$599.40
ADA/IBC Ramp - 30' & Under		2	\$234.00	\$468.00
Minimum Lease Term: 12 Months		Total Monthly Building Charges:		\$599.40
		Other Monthly Charges:		\$468.00
		Total Rental Charges Per Month:		\$1,067.40
Delivery & Installation				
		Total Delivery & Installation Charges:		\$0.00
Final Return Charges*				
Ramp - Knockdown & Return		2	\$509.18	\$1,018.36
Skirting Removal - Wood LF		168	\$3.00	\$504.00
Teardown		1	\$1,500.00	\$1,500.00
Return Freight		2	\$284.62	\$569.24
		Due On Final Invoice*:		\$3,591.60
Total Charges Including (12) Month Rental, Delivery, Installation & Return**:				\$16,400.40

Summary of Charges

Model: CL6424	QUANTITY: 8	Total Charges for (8) Building(s): \$131,203.20
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An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kler Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 579653
Revision: 1
Date: August 31, 2015

Lease Agreement

Lessee: 18438668
Tower Distribution Center LLC
7495 W Azure dr
Las Vegas, Nevada, 89130

Contact:
Tony Winsor
7495 W Azure dr
Las Vegas, NV, 89130
Phone: (702) 933-5300
Fax:

Ship To Address:
4660 N Rancho Drive
LAS VEGAS, NV, 89130

Delivery Date (on or about):
9/8/2015

E-mail: tony.winsor@yahoo.com

Rental Pricing Per Month	Quantity	Price	Extended
40x12 Toilet Unit (36x12 Box)	1	\$987.00	\$987.00
ADA/IBC Ramp - 30' & Under	2	\$260.00	\$520.00
Minimum Lease Term: 12 Months			
		Total Monthly Building Charges:	\$987.00
		Other Monthly Charges:	\$520.00
		Total Rental Charges Per Month:	\$1,507.00

Delivery & Installation

Total Delivery & Installation Charges: \$0.00

Final Return Charges*

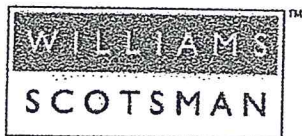
Fuel Surcharge Return	1	\$11.38	\$11.38
Tiedown-Dirt Removal	12	\$20.00	\$240.00
Skirting Removal - Wood LF	96	\$4.51	\$432.96
Ramp - Knockdown & Return	2	\$565.75	\$1,131.50
Hitch Installation	1	\$93.75	\$93.75
Teardown	1	\$73.33	\$73.33
Return Freight	1	\$284.62	\$284.62

Due On Final Invoice*: \$2,267.54

Total Charges Including (12) Month Rental, Delivery, Installation & Return:** \$20,351.54

Summary of Charges

Model: TT4012	QUANTITY: 1	Total Charges for (1) Building(s): \$20,351.54
---------------	-------------	---



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 48504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 579653

Revision: 1

Date: August 31, 2015

INSURANCE REQUIREMENTS ADDENDUM

QTY	PRODUCT	EQUIPMENT VALUE/BUILDING	DEDUCTIBLE PER UNIT
8	CL6424	\$64329.00	
1	TT4012	\$54562.00	

Lessee: Tower Distribution Center LLC

Pursuant to Section 12 of the Williams Scotsman Lease Agreement and its Terms and Conditions ("Agreement"), a Lessee is obligated to provide insurance to Williams Scotsman, Inc. ("Lessor") with the following Insurance coverage:

1. **Commercial General Liability Insurance:** policy of combined bodily injury and property damage insurance insuring Lessee and Lessor against any liability arising out of the use, maintenance, or possession of the Equipment. Such insurance shall be in an amount not less than \$1,000,000 per occurrence, naming the Lessor as Additional Insured and Loss Payee.
2. **Commercial Property Insurance:** covering all losses or damage, in an amount equal to 100% of the Equipment Value set forth in the Lease providing protection against perils included within the classification and special extended perils (all "risk" insurance), naming the Lessor as Additional Insured and Loss Payee.

Commercial General Liability Insurance

Lessee is providing Commercial General Liability Insurance in accordance with the requirements set forth Section 11 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee fails to deliver the required certificate of insurance, Lessee understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.

Commercial Property Insurance

Lessee is providing Commercial Property Insurance in accordance with the requirements set forth Section 12 of the Lease and will provide a certificate of insurance in the manner and within the time frame set forth in the Agreement. If Lessee fails to deliver the required certificate of insurance, Lessee understands and agrees that the Lessor has the right to impose a missing insurance certificate fee.



An ALGECO SCOTSMAN Company

Williams Scotsman, Inc.
3435 Kier Road
North Las Vegas, NV 89030-4477

Your Williams Scotsman Representative
Jacob McKim
Phone: (702)798-6080 Ext. 46504
Fax: 702-798-6163
Toll Free: 800-782-1500

Contract Number: 579653
Revision: 1
Date: August 31, 2015

Clarifications

*Final Return Charges are estimated and will be charged at Lessor's market rate at time of return for any Lease Term greater than twelve (12) months. **All prices exclude applicable taxes. All Lessees and Leases are subject to credit review. In addition to the stated prices, customer shall pay any local, state or provincial, federal and/or personal property tax or fees related to the equipment identified above ("Equipment"), its value or its use. Lessee acknowledges that upon delivery of the Equipment, this Agreement may be updated with the actual serial number(s), delivery date(s), lock serial number(s), etc, if necessary and Lessee will be supplied a copy of the updated information. Prices exclude taxes, licenses, permit fees, utility connection charges, site preparation and permitting which is the sole responsibility of Lessee, unless otherwise expressly agreed by Lessor in writing. Lessee is responsible for locating and marking underground utilities prior to delivery and compliance with all applicable code requirements unless otherwise expressly agreed by the Lessor in writing. Price assumes a level site with clear access. Lessee must notify Lessor prior to delivery or return of any potentially hazardous conditions or other site conditions that may otherwise effect delivery, installation, dismantling or return of any Equipment. Failure to notify Lessor of such conditions will result in additional charges, as applicable. Physical Damage & Commercial Liability insurance coverage is required beginning on the date of delivery. Lessor is not responsible for changes required by code or building inspectors. Pricing is valid for thirty (30) days.

Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor Modular Equipment and Value Added Products (as such items are defined in Lessor's General Terms & Conditions) selected by Lessee as set forth in this Agreement. All such items leased by the Lessee for purposes of this Lease shall be referred to collectively as the "Equipment". By its signature below, Lessee hereby acknowledges that it has read and agrees to be bound by the Lessor's General Terms & Conditions (08-01-15) located on Lessor's Internet site (<http://www.willscot.com/terms>) in their entirety, which are incorporated herein by reference and agrees to lease the Equipment from Lessor subject to the terms therein. Although Lessor will provide Lessee with a copy of the General Terms & Conditions upon written request, Lessee should print copies of this Agreement and General Terms & Conditions for recordkeeping purposes. Each party is authorized to accept and rely upon a facsimile signature, digital, or electronic signatures of the other party on this Agreement. Any such signature will be treated as an original signature for all purposes and shall be fully binding. The undersigned represent that they have the express authority of the respective party they represent to enter into and execute this Agreement and bind the respective party thereby.

Invoicing Options (select one)

☒ Paperless Invoicing Option

Williams Scotsman prefers electronic invoicing, an efficient, convenient and environmentally friendly process. To avoid fees, provide us with the proper email address for your invoices.

A/P Email:

A/P Email on File:

☐ Standard Mail Option

Customer prefers to receive paper invoice via mail. Fees may apply. Invoices will be mailed to:

7495 W Azure Dr

Enter a new billing address:

Signatures

Lessee:	Tower Distribution Center LLC	Lessor:	Williams Scotsman, Inc.
Signature:		Signature:	
Print Name:	Brian Buckwalter	Print Name:	Jacob McKim
Title:	Manager	Title:	Account Manager
Date:	9/10/15	Date:	9/30/15
PO#			

PLEASE RETURN SIGNED AGREEMENT TO: LVNLeases@willscot.com

George Reynolds
Area Manager
10/3/15

EXHIBIT “14”



**LAS VEGAS
CITY COUNCIL**

CAROLYN G. GOODMAN
MAYOR

STEVEN D. ROSS
MAYOR PRO TEM

LOIS TARKANIAN
RICKI Y. BARLOW
STAVROS S. ANTHONY
BOB COFFIN
BOB BEERS

ELIZABETH N. FRETWELL
CITY MANAGER

July 15, 2015

Mr. Tony Winsor
Dynamic Property Holdings LLC
7495 West Azure Drive; Ste. 100

**RE: RQR-59613 [PRJ-59614] - REQUIRED REVIEW
PLANNING COMMISSION MEETING OF JULY 14, 2015**

Dear Applicant:

Your request for a Required Review of an approved Special Use Permit (SUP-53970) FOR AN EXISTING PUBLIC SCHOOL, SECONDARY USE at 7485 West Azure Drive (APN 125-27-114-023), T-C (Town Center) Zone [SX-TC (Suburban Mixed Use - Town Center) Special Land Use Designation], Ward 6 (Ross) [PRJ-59614], was considered by the Planning Commission on July 14, 2015.

The Planning Commission voted to **APPROVE** your request, subject to the following amended conditions:

Planning

1. A Required Review shall be considered at a public hearing within one year from the date of this application's approval.
2. Total number of students shall not exceed 435 first semester.
3. Total number of students shall not exceed 215 second semester.
4. Quest Academy must hire a full-time parking/traffic/campus monitor.
5. All gym classes must be held indoors.
6. All parents/guardians must sign the drop-off/pick-up agreement.
7. School traffic flashers whether temporary or permanent must be installed to identify the school zone prior to the opening of the school year.
8. Conformance to the Conditions of Approval for Special Use Permit (SUP-53970) shall be required.
9. Payment of the required fees totaling \$800.00 (\$300.00 application fee, \$500.00 notification fee) within 10 days of Planning Commission action.

CITY OF LAS VEGAS
DEPARTMENT OF PLANNING
DEVELOPMENT SERVICES CENTER
333 NORTH RANCHO DRIVE
3RD FLOOR
LAS VEGAS, NEVADA 89106

VOICE 702.229.6301
FAX 702.474.7463
TTY 7-1-1
www.lasvegasnevada.gov



/city of las vegas

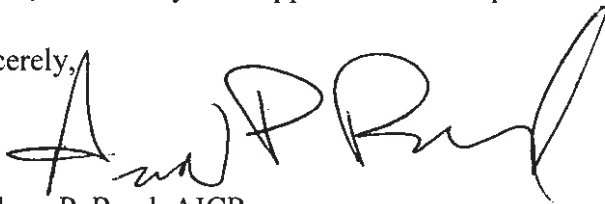
10. A public hearing required review before Planning Commission shall be heard three months from the date of approval.
11. All City Code requirements and design standards of all City departments must be satisfied, except as modified herein.

Public Works

12. Prior to the start of the 2015-2016 school year, construct school flashers on Azure Drive meeting the approval of the City Traffic Engineer.

This action by the Planning Commission on **July 14, 2015** is final unless a written appeal is filed with the City Clerk within ten days of the date of the Planning Commission's decision as allowed by code or there is a review action filed by the City Council within the same time period. For additional information on appeals or review requests submitted please access <http://www.lasvegasnevada.gov/CheckStatus/DevelopmentApp.htm>, or contact the Department of Planning and Development at 702.229.6301 after **July 27, 2015**. No building permits or business licenses related to these items shall be issued prior to the expiration of the required ten day waiting period, or until any filed appeal is resolved pursuant to LVMC Title 19.18.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew P. Reed', written over a horizontal line.

Andrew P. Reed, AICP
Planning Supervisor
Case Planning Division

AR:nl

EXHIBIT “15”

July 28, 2016

Via U.S. Mail and Email: rholley@nevadafirm.com

Richard F. Holley, Esq.
400 S. 4th Street, Suite 300
Las Vegas, NV 89101
Facsimile: (702) 791-1912

Re: Quest Academy Preparatory Education:

Dear Mr. Holley,

As you are aware our law firm represents Tower Distribution Center, LLC. (Tower) in this matter. This letter is to inform you provisions 2 and 4 of the 1st Addendum to the lease between Tower and Quest Academy Preparatory Education have expired. Provision 3 is set to expire August 1, 2016. There are no provisions for extension of terms detailed in the Addendum. The provisions encompass a total of eight classroom portable units, one restroom unit and the land upon which they rest.

Scotsman is set to remove the nine portable units located on the premises of the Quest Academy, Torrey Pines Campus. You have until August 11, 2016, to remove any property belonging to Quest Academy within the portable units.

If you have any questions concerning the content of this letter, please feel free to contact me.

Sincerely yours,


Christian M. Orme
for the Firm



HOLLEY•DRIGGS•WALCH
FINE•WRAY•PUZEY•THOMPSON

PLEASE REPLY TO LAS VEGAS OFFICE
WRITER'S EMAIL: TEDWARDS@NEVADAFIRM.COM

July 29, 2016

Via U.S. Mail and Email: corne@hutchlegal.com

Christian M. Orme, Esq.
Hutchison & Steffen
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145

RE: Quest Academy Preparatory Education

Dear Mr. Orme:

We received your July 28, 2016 letter stating that we have until August 11, 2016 to remove any property from the portable units. In response, first, the lease with Scotsman runs through at least August 31, 2016, such that we do not understand how the landlord arrived at the August 11, 2016 deadline. Second, the expanded definition of the Premises in the 1st Addendum does not expire until July 31, 2030. Third, if the landlord would like to evict Quest Academy Precatory Education ("Quest") from the portable units located on the Premises, as defined by the 1st Addendum, it must follow the eviction procedures required by Nevada law. Your letter does not comply with Nevada law. Any attempt to evict Quest from the Premises without first complying with Nevada's eviction laws will expose landlord to significant liabilities.

Moreover, the portable units are still required because the landlord has breached its promises to expand permanent classroom facilities. The landlord cannot breach its promises to expand the permanent classroom facilities and then, on the eve of the school year, threaten to remove the portable classrooms, which are only necessary because of the landlord's misconduct. Your letter is simply additional evidence of the landlord's bad faith conduct.

Please withdraw your demand or explain why the landlord does not need to comply with Nevada law.

Very truly yours,

HOLLEY DRIGGS WALCH
FINE WRAY PUZEY & THOMPSON

F. Thomas Edwards

FTE:nsm

FIVE-DAY NOTICE TO PAY RENT OR QUIT

FIVE-DAY NOTICE TO PAY RENT OR QUIT
(NRS 40.253)

TO: Quest Academy Preparatory Education
Or Tenant(s) in Possession
4660 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4648 N. Rancho Drive
Las Vegas, Nevada 89130

Quest Academy Preparatory Education
Or Tenant(s) in Possession
4624 N. Rancho Drive
Las Vegas, Nevada 89130

FROM: Hutchison & Steffen, LLC
Peccole Professional Park
10080 W. Alta Dr., Suite 200
Las Vegas, Nevada 89145
(702) 385-2500
Attorneys for Landlord Tower Distribution Center,
LLC

Date of Service: July 26, 2016

PLEASE TAKE NOTICE that you are in default in payment of rent for the premises correctly identified per the Assignment of Landlord's Interest in Lease dated July 16, 2015, as: 4648 N. Rancho Drive, Las Vegas, NV 89130; 4660 N. Rancho Drive, Las Vegas, NV 89130; and 4624 N. Rancho Drive, Las Vegas, NV 89130 (see attached Assignment of Landlord's Interest in Lease), and for the premises per the 1st Addendum to the Triple Net Real Estate Lease dated July 16, 2015, all portable classrooms on the premises (see attached site map C0.04 for location of portable classrooms) in the sum of \$512,469.12, for the period December, 2015, to July, 2016. Rental payment(s) became delinquent on December 1, 2015.

Your failure to pay rent or vacate the premises within five (5) judicial days¹ following the Date of Service of this notice may result in your landlord applying to the Justice Court for an eviction order. If the court determines that you are guilty of an unlawful detainer, the court may issue a summary order for your removal or an order providing for your nonadmittance, directing the sheriff or constable to remove you within twenty-four (24) hours after receipt of the order. Pursuant to NRS 118A.390, you may seek relief if a landlord unlawfully removes you from the premises or excludes you by blocking or attempting to block your entry upon the premises or willfully interrupts or causes or permits the interruption of an essential service required by the rental agreement or chapter 118A of the Nevada Revised Statutes.

YOU ARE HEREBY ADVISED OF YOUR RIGHT TO CONTEST THIS NOTICE by filing an Affidavit (or Answer), no later than noon on the fifth full judicial day¹ following the Date of Service of this notice, with the Justice Court for the Township of Las Vegas Township stating that you have tendered payment or are not in default in the payment of rent. The Justice Court is located at the Regional Justice Center at 200 Lewis Ave., Las Vegas, Nevada 89155.

YOU MAY OBTAIN AN AFFIDAVIT/ANSWER FORM at the Clark County Civil Law Self-Help Center, located at the Regional Justice Center, downtown Las Vegas, or on its website, www.clarkcountycourts.us/CivilSHC.

¹ Judicial days do not include the date of service, weekends, or certain legal holidays.

DECLARATION OF SERVICE

On _____, I served this notice in the following manner:

By delivering a copy to the tenant(s) personally through its counsel Richard F. Holley at 400 S. 4th St., #300, Las Vegas, NV 89101; see Acceptance of Service;

— OR —

Because the tenant(s) was absent from tenant's place of residence or from tenant's usual place of business, by leaving a copy with _____, a person of suitable age and discretion, at either place AND mailing a copy to the tenant(s) at tenant's place of residence or place of business;

— OR —

Because tenant's place of residence or business could not be ascertained, or a person of suitable age or discretion could not be found there, by posting a copy in a conspicuous place on the property, delivering a copy to a person there residing, if the person could be found, AND mailing a copy to the tenant(s) at the place where the property is situated.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

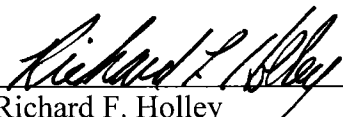
_____ Server Name (Printed)	_____ Server Signature	\$ _____ Fee paid for service	_____ Time & date of request for service
--------------------------------	---------------------------	----------------------------------	---

BULLET LEGAL SERVICES, LLC
LICENSE NO. 1471

ACCEPTANCE OF SERVICE

Service of FIVE-DAY NOTICE TO PAY RENT OR QUIT herein upon tenant Quest Academy Preparatory Education is accepted this 26th day of July, 2016, by Richard F. Holley, who warrants that he is duly authorized to accept service on tenant's behalf.

By: _____


Richard F. Holley
400 South Fourth Street, Suite 300
Las Vegas, NV 89101
Attorney for Tenant

ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE

THIS ASSIGNMENT OF LANDLORD'S INTEREST IN LEASE (this "Agreement"), made this 16 day of July, 2015, by and between **LaVar Winsor** ("Assignor"), and **Tower Distribution Center, LLC**, a Nevada limited-liability company ("Assignee").

Recitals

Assignor **LaVar Winsor**, entered into an "Assignment of Landlord's Interest in Lease" dated May 19, 2015 under which he received from **Tower Distribution Center, LLC** an assignment of all rights held by **Tower Distribution Center, LLC** to a lease agreement dated March 27, 2015, between **Tower Distribution Center, LLC**, as Landlord, and **Quest Academy Preparatory Education, a Nevada State Funded Charter School**, as Tenant. The assigned rights relate to the three (3) original buildings leased to Quest Academy Preparatory Education ("**Quest**"), originally identified in the March 27, 2015 Lease as 4701 Torrey Pines, Las Vegas, Nevada 89130, 4660 N. Rancho Drive, Las Vegas, Nevada 89130 and 4624 N. Rancho Drive, Las Vegas, Nevada 89130. The assigned rights also relate to any and all real property set forth and described in the 1st Addendum to Triple Net Real Estate Lease, commencing August 1, 2015. Upon correction of the official maps for the City of Las Vegas and Clark County, the physical addresses for the three (3) original buildings leased to Quest shall be hereafter identified as 4660, 4624, 4648 N. Rancho Drive, Las Vegas, Nevada 89130 ("**leased premises**"). Assignor **LaVar Winsor**, now desires to assign back to **Tower Distribution Center, LLC** all rights he holds under the March 27, 2015 lease with **Quest Academy Preparatory Education, a Nevada State Funded Charter School**. Assignee **Tower Distribution Center, LLC**, desires to acquire and assume all obligations under, and Assignor **LaVar Winsor** is willing to assign to Assignee, all of Assignor's rights, titles and interests in and to, and all of Assignor's obligations under, the lease dated March 27, 2015 with **Quest Academy Preparatory Education, a Nevada State Funded Charter School** ("**Tenant**").

Agreement

NOW, THEREFORE, in consideration of the above premises, and for the sum of TEN and NO/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by Assignor and Assignee as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement. Effective as of the Closing Date, Assignor **LaVar Winsor** does hereby SELL, TRANSFER, ASSIGN and SET OVER unto Assignee **Tower Distribution Center, LLC** all of Assignor's right, title and interest in, to and under the Lease, including, without limitation, all security deposits paid by **Quest Academy Preparatory Education, a Nevada State Funded Charter School** under the Lease which have not been heretofore forfeited by or returned to the Tenant under such Lease, and Assignee does hereby assume the Lease as of the Closing Date.

2. Assignee hereby agrees to assume any and all liability, demands, claims, causes of action and loss arising under the Lease and arising from the management and operation of the Property, including liability for costs and attorney's fees and expenses, which liability arises

from, or is based upon, any facts or circumstances which occur or exist during any period on or after the Closing Date.

3. This Assignment is made without representation or warranty by Assignor or Assignee other than (a) the warranties of Assignor and Assignee expressly set forth in the Agreement; and (b) the warranty that Assignor has not heretofore assigned the Lease.

4. In the event of any litigation between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, reasonable attorney's fees and expenses.

5. This Assignment shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. This Assignment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Assignment.

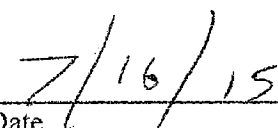
7. This Assignment shall be interpreted under the laws of the State of Nevada and any litigation regarding the same shall be brought in Clark County, Nevada.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first written above.

ASSIGNOR:

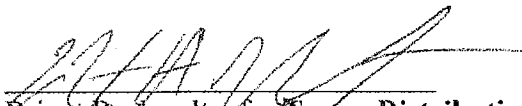


LaVar Winsor

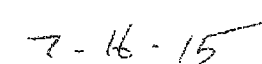


Date

ASSIGNEE:



Briant Buckwalter for Tower Distribution Center, LLC



Date

1ST ADDENDUM TO TRIPLE NET REAL ESTATE LEASE BETWEEN
LAVAR WINSOR (Landlord) (Assignee of TOWER DISTRIBUTION CENTER, LLC)
AND
QUEST ACADEMY PREPARATORY EDUCATION (Tenant)

This is an Addendum to that lease agreement executed between TOWER DISTRIBUTION CENTER, LLC as "Landlord" and QUEST ACADEMY PREPARATORY EDUCATION as "Tenant" which is dated March 27, 2015 ("subject lease").

WHEREAS, TOWER DISTRIBUTION CENTER, LLC assigned its rights as landlord under the subject contract to LAVAR WINSOR in an assignment dated _____; and

WHEREAS, Section 6.03 of the subject lease anticipates and allows for the placement of portable classrooms;

WHEREAS, the parties to this Addendum now wish to include additional real property to the subject lease, and to place temporary portable classrooms and temporary restrooms on the newly increased "premises" as defined in Section 1.01(c);

IT IS THEREFORE MUTUALLY AGREED THAT:

1. The "Premises" defined in Paragraph 1.01(c) of the subject lease shall be increased to include that portion of the "Future Building Sites" (Section 1.01(d)) outlined in the 1st Addendum Exhibit "A" attached hereto and incorporated herein.
2. Upon the Premises defined in the original Paragraph 1.01(c) shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$12,389.44 per month.
3. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed four (4) temporary portable classrooms with ADA compliant ramps for the term of twelve (12) months starting August 1, 2015. The additional rent (Section 4.01) for these four temporary portable classrooms shall be \$14,389.88 per month.
4. Upon the newly increased Premises as defined in Addendum Exhibit "A" shall be placed one temporary portable restroom for the term of six (6) months starting August 1, 2015. The additional rent (Section 4.01) for this temporary portable restroom shall be \$2,279.32 per month.

No other terms or conditions of the above mentioned lease agreement shall be negated or changed as a result of this addendum.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Addendum in the State of Nevada on the date indicated below.

Sign: _____

Date: 7/16/15

Lavar A. Winsor ("Landlord")

Sign: Timothy Zeidler

Date: 7/13/15

Timothy Zeidler, President of QUEST ACADEMY PREPARATORY EDUCATION, A State
Funded Charter School

PROJECT DATA

A.P.N.:

138-02-113-001

EXISTING ZONING:

C-1 & R-E

PROPOSED ZONING:

E

SITE AREA:

279,552 S.F. (6.41 ACRES)

SETBACKS:

REQUIRED: 20'-0"

FRONT:

PROVIDED: 20'-0"

SIDES:

10'-0"

REAR:

20'-0"

PHASE 1 BUILDING AREA:

39,842 S.F.

PHASE 2 BUILDING AREA:

14,334

PHASE 3 BUILDING AREA:

36

PHASE 4 BUILDING AREA:

134 SPACES

PHASE 5 BUILDING AREA:

7 SPACES

PHASE 6 BUILDING AREA:

4 SPACES

PHASE 7 BUILDING AREA:

4 SPACES

PHASE 8 BUILDING AREA:

4 SPACES

PHASE 9 BUILDING AREA:

4 SPACES

PHASE 10 BUILDING AREA:

4 SPACES

PHASE 11 BUILDING AREA:

4 SPACES

PHASE 12 BUILDING AREA:

4 SPACES

PHASE 13 BUILDING AREA:

4 SPACES

PHASE 14 BUILDING AREA:

4 SPACES

PHASE 15 BUILDING AREA:

4 SPACES

PHASE 16 BUILDING AREA:

4 SPACES

PHASE 17 BUILDING AREA:

4 SPACES

PHASE 18 BUILDING AREA:

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PHASE 19 BUILDING AREA:

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PHASE 20 BUILDING AREA:

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PHASE 21 BUILDING AREA:

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PHASE 22 BUILDING AREA:

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PHASE 23 BUILDING AREA:

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PHASE 24 BUILDING AREA:

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PHASE 25 BUILDING AREA:

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PHASE 26 BUILDING AREA:

4 SPACES

PHASE 27 BUILDING AREA:

4 SPACES

PHASE 28 BUILDING AREA:

4 SPACES

PHASE 29 BUILDING AREA:

4 SPACES

PHASE 30 BUILDING AREA:

4 SPACES

PHASE 31 BUILDING AREA:

4 SPACES

PHASE 32 BUILDING AREA:

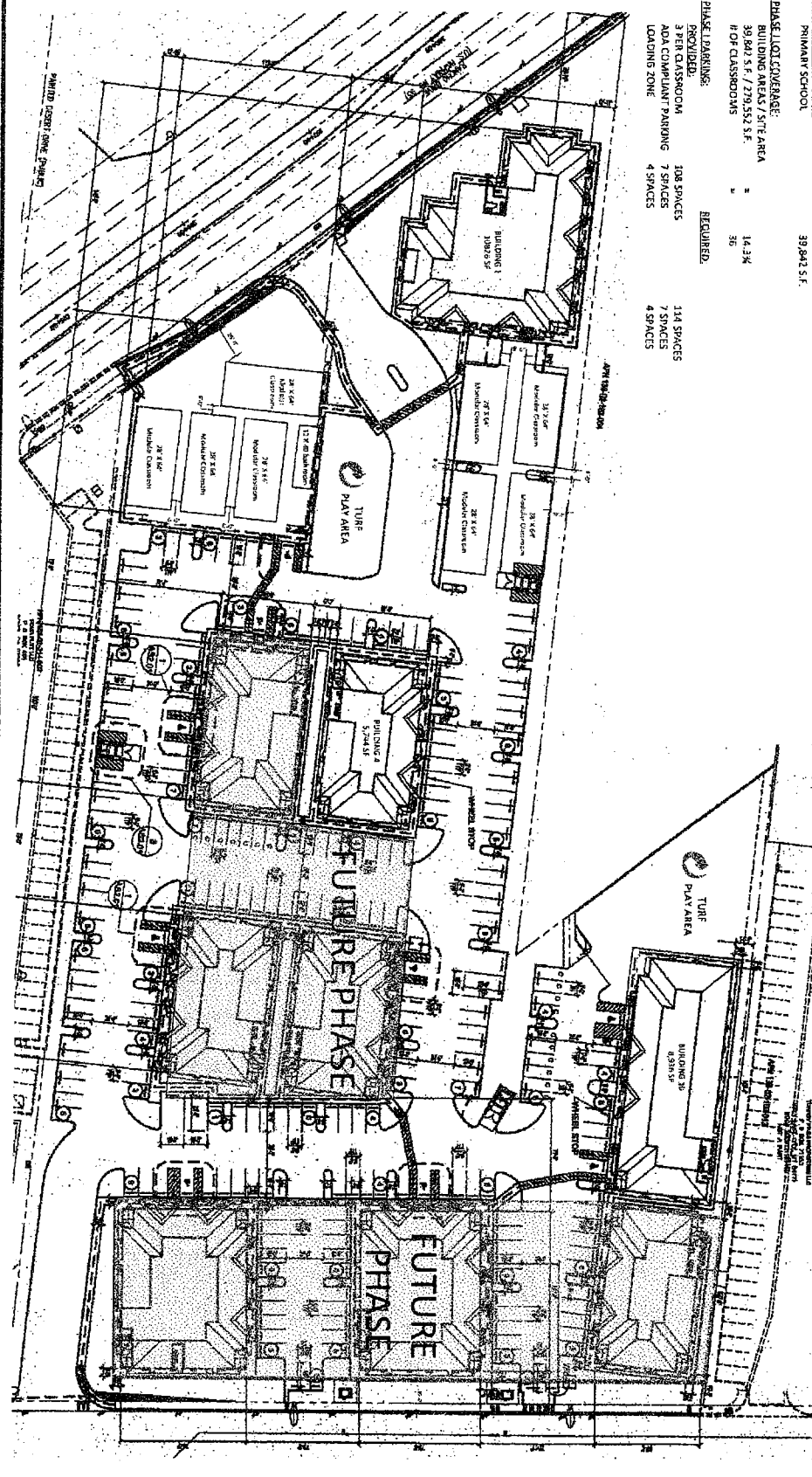
4 SPACES

PHASE 33 BUILDING AREA:

4 SPACES

PHASE 34 BUILDING AREA:

4 SPACES



TEMPORARY FENCE
PERMANENT FENCE



QUEST
CONSTRUCTION COMPANY
Torrey Pines Campus
4624-4630 N. Rancho Dr. Las Vegas, NV 89110

SITE PLAN
CO.04

CIVIL COVER SHEET

JUSTICE / MUNICIPAL CIVIL COURT COVER SHEET

Justice _____ Court _____

Case No. _____
(Assigned by Clerk's Office)

I. Party Information *(provide both home and mailing addresses if different)*

Plaintiff(s) (name/address/phone):	Defendant(s) (name/address/phone):
Tower Distribution Center, LLC	Quest Academy Preparatory Education
Attorney (name/address/phone):	Attorney (name/address/phone):
Hutchison & Steffen, LLC	Holley Driggs Walch Fine Wray Puzey & Thompson
10080 W. Alta Drive, Suite 200	400 S. 4th Street, Third Floor
Las Vegas, Nevada 89145; Tel: 702-385-2500	Las Vegas, Nevada 89101; Tel: 702-791-0308

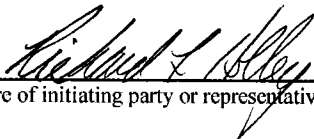
II. Nature of Controversy *(please select the one most applicable filing type below)*

Civil Case Filing Types

Real Property	Torts	Protection Orders
Real Property <input checked="" type="checkbox"/> Landlord/Tenant (Summary Eviction) <input type="checkbox"/> Unlawful Detainer Complaint (Writs of Restitution) <input type="checkbox"/> Other Real Property	Negligence <input type="checkbox"/> Auto <input type="checkbox"/> Premises Liability <input type="checkbox"/> Other Negligence Other Torts <input type="checkbox"/> Intentional Misconduct <input type="checkbox"/> Other Torts	Protection Order <input type="checkbox"/> Request for Domestic Violence Protective Order <input type="checkbox"/> Request for Protection Order (Non-Domestic Violence) <input type="checkbox"/> Sexual Assault Related Protection Order- Extension Request <input type="checkbox"/> Request for Extended Domestic Violence Protective Order <input type="checkbox"/> Request for Extended Protective Order (Non-Domestic Violence)
Contract Case Seller Plaintiff (Debt Collection) <input type="checkbox"/> Credit Card Collection <input type="checkbox"/> Payday Loan Collection <input type="checkbox"/> Debt Collection Agency <input type="checkbox"/> Other Debt Collection Other Contract Case <input type="checkbox"/> Contract Buyer Plaintiff <input type="checkbox"/> Other Contract Case	Other Civil Filings Other Civil Filing <input type="checkbox"/> Contested Liens Case <input type="checkbox"/> District Court Order to Seal Records <input type="checkbox"/> Other Civil Matters	

August 2, 2016

Date


 Signature of initiating party or representative