

**LEASE AND OPERATING AGREEMENT BETWEEN
THE CITY OF LAS VEGAS AND ACELERO LEARNING CLARK COUNTY**

THIS LEASE AND OPERATING AGREEMENT (this "Lease") is entered into as of _____, 2018 (the "Effective Date"), by and between the CITY OF LAS VEGAS, a Nevada municipal corporation ("City" or "Landlord"), and ACELERO LEARNING CLARK COUNTY, a Nevada for profit corporation ("Acelero" or "Tenant"). Landlord and Tenant are sometimes collectively referred to herein as the "Parties".

RECITALS

WHEREAS, Landlord is the owner in fee of that certain improved real property located at 700 Twin Lakes Drive, Las Vegas, Clark County, Nevada (the "Real Property" and the improvements thereon, the "Building Improvements"); and

WHEREAS, Tenant is a Head Start provider that provides services to foster the education and socialization of children in the Las Vegas Valley (the "Acelero Program Services"); and

WHEREAS, Landlord has completed a public work project to rehabilitate the Real Property and Building Improvements (the "Public Work") for reuse by the Variety Early Learning Center ("VELC"); and

WHEREAS, additional space is available in the Building Improvements for Acelero to occupy in order to provide services that are complementary to VELC; and

WHEREAS, VELC currently leases from the City and occupies a portion of the Building Improvements consisting of seven thousand three hundred and ninety nine square feet (7,399 SF) and related shared common areas consisting of ten thousand one hundred and fifty two (10,152) and eight thousand seven hundred square feet (8,700 SF) shared use exterior playground and recreational space (the "Shared Recreation Areas") (collectively, the interior and exterior space is referred to herein as the "Variety Premises"), as depicted on Exhibit "A", for the purposes of operating the VELC's activities and related uses, under the terms, conditions, and covenants set forth in the Lease and Operating Agreement between the City and VELC; and

WHEREAS, Acelero desires to lease and occupy a portion of the Building Improvements consisting of two thousand four hundred and forty nine (2,449) square feet and related shared common areas consisting of ten thousand one hundred and fifty two (10,152) and eight thousand seven hundred square feet (8,700 SF) shared use exterior playground and recreational space (collectively, the interior and exterior space is referred to herein as the "Acelero Premises"), as depicted on Exhibit "A", for the purposes of operating Acelero Program Services; and

WHEREAS, Acelero acknowledges that Acelero and VELC will occupy the Building Improvements as co-tenant and Acelero agrees to enter into a Memorandum with VELC to document Acelero's and VELC's respective obligations as co-tenants; and

WHEREAS, pursuant to Nevada Revised Statutes Chapter ("NRS") 268.063, the Las Vegas City Council may lease property of the City to a tenant that is for the purposes of economic development without first offering the real property to the public and for less than fair market value so long as the City Council adopts a resolution finding that is in the best interest of the public; and

WHEREAS, Acelero, by utilizing Acelero Premises, will contribute to City in its efforts to enhance education in the Las Vegas; and

WHEREAS, City has determined the lease of the Acelero Premises for the purposes as herein set forth will provide a substantial benefit to the residents of the City; and

WHEREAS, City agrees to lease the Acelero Premises and Acelero agrees to lease the Acelero Premises upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the terms, covenants, conditions, and provisions hereinafter set forth and other good and valuable consideration, it is hereby mutually agreed by and between City and Acelero that the foregoing recitals are true and correct, and further agreed as follows:

AGREEMENT

SECTION 1-DEFINITIONS

1.1. Definitions. As used herein the following terms shall have the following definitions:

"Acelero" shall have the meaning set forth in the first paragraph of this Lease.

"Acelero Program Services" shall have the meaning set forth in the second Recital.

"Activity and Use Limitations" means legal or physical restrictions or limitations, on the use of, or access to, a site or facility, such as institutional or engineering controls and Hazardous Substances monitoring in soil and groundwater, that are intended to reduce or eliminate potential exposure to Hazardous Substances present in the soil or groundwater on or within the Premises in order to ensure maintenance of a condition for the Premises of no significant risk to public health or the environment.

"Alterations" shall have the meaning set forth in Section 8.1.

"Applicable Environmental Guidance" means all Applicable Laws, Activity and Use Limitations, and Environmental Laws. To the extent Applicable Environmental Guidance is in conflict as to any matter affecting human health or the environment, the Applicable Environmental Guidance that is most protective of human health and the environment shall be the Applicable Environmental Guidance for purposes of this Lease.

"Applicable Laws" shall have the meaning set forth in Section 6.1.

"Building Improvements" shall have the meaning set forth in the first Recital.

"Charge" shall have the meaning set forth in Section 10.1.

"City" shall mean the City of Las Vegas, Nevada, a Nevada municipal corporation.

"Commencement Date" shall have the meaning set forth in Section 2.2.

"Covered Hazardous Substances" shall have the meaning set forth in Section 6.8.B.

"CPI-U" means the Consumer Price Index for All Urban Consumers, all items (1982-84 = 100), as issued by the U.S. Department of Labor, Bureau of Labor Statistics. If the Department of Labor ceases to issue the CPI-U, Landlord may select a substitute index or measure of cost of living to calculate the appropriate cost of living increase.

"CPI-U Percentage Increase" means the percentage obtained by dividing (a) the difference (but not less than zero) between (i) the CPI-U most recently published prior to the Adjustment Date and (ii) the CPI-U published most recently preceding the date that is twelve (12) months prior to the Adjustment Date by (b) the CPI-U published most recently preceding the date that is twelve (12) months prior to the Adjustment Date.

"Effective Date" shall have the meaning set forth in the first paragraph of this Lease.

"Environmental Condition" means (a) a Release or threat of a Release of any Hazardous Substances affecting the Premises for which investigation, response, evaluation, treatment, removal, remediation, monitoring, abatement or any type of corrective action is required under any Environmental Laws, (b) any condition or activity at the Real Property that is not in compliance with any Environmental Laws, and (c) any condition or activity at the Real Property which results in or forms the basis for a claim by any Governmental Authority or citizen or citizen group for compliance, injunctive relief, damages (including, without limitation, natural resources or toxic tort damages), penalties, or removal, response, remedial or other action pursuant to any Environmental Laws and/or a third party seeking damages and/or injunctive relief related to actual or alleged personal injury, medical monitoring, wrongful death and/or property damage.

"Environmental Laws" means any past, present or future federal, state or local law, statute, rule, regulation, code, ordinance, order, decree, judgment, injunction, notice, policy, or binding agreement, and all amendments thereto, issued, promulgated, or entered into by any Governmental Authority, relating in any way to the environment, the preservation, degradation, loss, damage, restoration or reclamation of natural resources, waste management, health, industrial hygiene, safety matters, Environmental Condition or Hazardous Substances.

"Expiration Date" shall have the meaning set forth in Section 2.2.

"Governmental Authority" or **"Governmental Authorities"** means the United States of America, the State of Nevada, the City of Las Vegas, Clark County, any other community development district and any agency, department, commission, board, bureau, instrumentality or political subdivision (including any county or district) of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises (or any portion thereof).

"Hazardous Substances" means any product, byproduct, compound, substance, chemical, material or waste, including, without limitation, asbestos, solvents, degreasers, heavy metals, refrigerants, nitrates, urea formaldehyde, polychlorinated biphenyls, dioxins, petroleum and petroleum products, fuel additives, and any other material, whose presence, characteristics, nature, quantity, intensity, existence, use, manufacture, possession, handling, disposal, transportation, spill, Release, threatened Release, treatment, storage, production, discharge, emission, remediation, cleanup, abatement, removal, migration, or effect, either by itself or in combination with other materials is or is allegedly: (a) injurious, dangerous, toxic, hazardous to human or animal health, aquatic or biota life, safety or welfare or any other portion of the environment; (b) regulated, defined, listed, prohibited, controlled, studied or monitored in any manner by any Governmental Authority or Environmental Laws; or (c) a basis for liability to any Governmental Authority or third party under any regulatory, statutory or common law theory.

"HVAC" shall have the meaning set forth in Section 5.3.

"Landlord" shall have the meaning set forth in the first paragraph of this Lease.

"Landlord Event of Default" and **"Landlord Events of Default"** shall have the meanings set forth in Section 18.1.A.

"Lease" shall have the meaning set forth in the first paragraph of this Lease.

"Lease Term" shall have the meaning set forth in Section 2.3.

"Minor Alterations" means (a) all nonstructural Alterations other than any single nonstructural Alteration which costs in excess of Ten Thousand Dollars (\$10,000), which amount shall be increased by the applicable CPI-U Percentage on the Adjustment Date.

“**NRS**” means the Nevada Revised Statutes, as amended from time to time.

“**Option Term**” shall have the meaning set forth in Section 2.3.

“**Public Work**” shall have the meaning set forth in the third Recital.

“**Real Property**” shall have the meaning set forth in the first Recital.

“**Release**” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substances into the environment, including the abandonment, discarding, burying or disposal of barrels, tanks, containers and other receptacles containing any Hazardous Substances but does not mean any subsurface passive migration or leaching of any Hazardous Substances existing on the Real Property as of the Commencement Date.

“**Rent**” shall have the meaning set forth in Section 3.1.

“**School Year**” means the year round Acelero academic term that begins in August or September and ends in July or August of the following year.

“**Shared Recreation Areas**” shall have the meaning set forth in the fifth Recital.

“**Tenant**” shall have the meaning set forth in the first paragraph of this Lease.

“**Tenant Event of Default**” and “**Tenant Events of Default**” shall have the meanings set forth in Section 17.1.A.

“**Tenant’s Property**” shall have the meaning set forth in Section 4.3.

“**Variety Premises**” shall have the meaning set forth in the fifth Recital.

“**VELC**” shall have the meaning set forth in the third Recital.

“**Shared Recreation Areas**” shall have the meaning set forth in the fifth Recital.

SECTION 2-DEMISE OF PREMISES AND TERM

2.1. DEMISE. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Acelero Premises, to have and to hold the Acelero Premises during the Lease Term and subject to the terms and conditions herein contained.

A. PARKING AREAS. It is understood and agreed that the Tenant shall have the right to use the common area parking lot on the Real Property at no additional charge. All unassigned parking areas, access roads, courtyards, and other areas, facilities, or improvements furnished by Landlord are for the general and non-exclusive use in common of all tenants of the Building Improvements, and those persons invited upon the Real Property and shall be subject to the exclusive control and management of Landlord. Landlord shall have the right, without obligation, to establish, modify, and enforce such rules and regulations, which the Landlord may, in its sole opinion, deem reasonable and/or necessary.

2.2. PRIMARY TERM. Unless earlier terminated in accordance with the terms in this Lease, the Primary Term shall be for a term of three (3) years, commencing on August 1, 2018, 2018, at 12:00 am local time (“**Commencement Date**”), and terminating on the third (3rd) anniversary of the Commencement Date July 31, 2021, at 11:59 pm local time (“**Expiration Date**”).

2.3. OPTION TERMS. At all times during which this Lease is in force and effect, and if Tenant is not in default of this Lease, Tenant may request to extend this Lease for two (2) additional terms of one (1) year each (each, an “**Option Term**”) by giving a written request addressed to the attention of the City’s Real Estate Administrator at least ninety (90) days prior to the expiration of the Primary Term or any

Option Term, and upon receiving such request, Landlord shall provide written notification of approval or denial of the Option Term within thirty (30) days of receipt of the request. Landlord's approval of any Option Term shall not be unreasonably withheld, delayed, or conditioned.

Any reference to "**Lease Term**" in this Lease shall include the Primary Term and any Option Term.

2.4. HOLDING OVER. Should Tenant hold possession of the Acelero Premises after the expiration or earlier termination of the Lease Term, such holding over shall create a tenancy from month to month only, upon the same terms and conditions set forth herein.

2.5. OWNERSHIP.

A. The Parties agree that the Real Property and Building Improvements are owned by Landlord, and Tenant has no right, title, or interest in the Real Property and the Building Improvements other than the leasehold interest in the same created by this Lease.

SECTION 3-RENT; BASE ADDITIONAL RENT; ADDITIONAL RENT

3.1. RENT. Tenant shall pay to Landlord annual rent for the Acelero Premises in the amount of TWO THOUSAND EIGHT HUNDRED DOLLARS AND NO CENTS (\$2,800.00) per month, payable on the Commencement Date and thereafter no later than the fifth (5th) day of the month thereafter during the Lease Term (the "**Rent**"). Tenant hereby covenants and agrees to pay Rent to Landlord as provided herein, without prior demand, deduction, or set-off whatsoever, in lawful money of the United States of America at such place or places as may from time to time be designated in writing by Landlord. For convenience, Tenant may pre-pay rent for any Lease Term or any portion thereof. Rent not paid within ten (10) days after the due date shall bear interest at the rate of one and one-half percent (1.5%) per month on any outstanding amount of Rent due until paid in full.

If the Commencement Date falls on a day of the month other than the first day of such month or if any payment of the Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of any Term at a rate per day which is equal to 1/365 of the applicable annual Rent.

In addition to the Rent, Tenant shall pay to Landlord a refundable key fee of Twenty-Five Dollars (\$25.00) per key. If Tenant requests a lock core change for any interior or exterior doors to the Acelero Premises, the fee paid by Tenant to Landlord shall be Thirty Dollars (\$30.00) per lock core.

SECTION 4-DELIVERY/ACCEPTANCE; TERMINATION AND SURRENDER

4.1. DELIVERY/ACCEPTANCE OF THE PROPERTY. Upon the Commencement Date, Landlord shall deliver to Tenant, and Tenant shall accept from Landlord, possession of the Acelero Premises and fixtures. Tenant acknowledges and agrees that it is leasing the Property based solely upon Tenant's inspection and investigation of the Property and all documents related thereto, or its opportunity to do so, and except for Landlord's covenants, representations, and warranties otherwise expressly set forth in this Lease, Tenant is leasing the Property in an "AS IS, WHERE IS" condition, without relying upon any representations or warranties, express, implied or statutory, of any kind. Without limiting the above, Tenant acknowledges that, except as otherwise expressly set forth in this Lease, neither Landlord, nor any other party has made any representations or warranties, express or implied, on which Tenant is relying as to any matters, directly or indirectly, concerning the Acelero Premises including, but not limited to, the Building Improvements and infrastructure, if any, development rights, expenses associated with the

Acelero Premises, taxes, assessments, bonds, utilities, soil, subsoil, drainage, environmental or building laws, rules or regulations, or Hazardous Materials, or any other matters affecting or relating to the Property.

4.2. **TERMINATION.** In addition to other termination provisions contained in this Lease, either party may terminate this Lease with or without cause effective on the last day of the then-current School Year, by providing a minimum of ninety (90) days written notice to the other party. For the avoidance of doubt and by example, if the 2020 School Year ends of July 15, 2020, then either party may terminate this Lease by providing written notice no later than April 15, 2020.

4.3. **SURRENDER OF PROPERTY.** Upon the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, within thirty (30) days after receipt of written notice, remove all personal property and trade fixtures which Tenant has installed or placed in or on the Acelero Premises (all of which are hereinafter collectively referred to as "**Tenant's Property**"), from the Acelero Premises and repair all damage thereto resulting from such removal and Tenant shall thereupon surrender the Acelero Premises. Tenant shall also provide to Landlord such customary deeds and other instruments reasonably requested by Landlord in connection with the surrender of the Acelero Premises. In the event Tenant shall fail to remove any of Tenant's Property, Landlord shall retain such Tenant's Property without any payment or offset therefore.

SECTION 5-UTILITIES AND MAINTENANCE

5.1. **LANDLORD UTILITIES.** Landlord shall provide the following utilities to the Acelero Premises and the common areas in the Building Improvements and Real Property:

A. electric, gas, water, sewer, and trash removal utilities for the Acelero Premises and the remaining portion of Real Property (e.g. parking area and landscaping);

Landlord's obligation to furnish utilities is subject to the rules and regulations of applicable utilities and of any governmental authority. Landlord does not warrant that the services provided for herein will be free from any irregularity or stoppage. Landlord shall use due diligence to correct the same, but no such condition or event will create any liability for Landlord, or constitute an eviction, actual or constructive, of Tenant, or cause any abatement of the Rent payable under this Lease or relieve Tenant from any of its obligations under this Lease. In the event any maintenance contemplated herein is required by reason of grossly negligent or willful misconduct of Tenant or its employees, agents, or invitees or of any other person using the CCSD Premises with Tenant's express or implied consent, and except for fire or casualty losses, Landlord may make such repair and invoice the Tenant for same, unless Landlord actually recovers the entire cost through insurance proceeds.

5.2. **TENANT UTILITIES.** Tenant shall procure and pay reoccurring costs for the following utilities for the Acelero Premises.

- A. phone and internet service; and
- B. security services for the Acelero Premises; and
- C. landscaping and irrigation maintenance for the Shared Recreation Areas.
- D. janitorial service in the Acelero Premises.

5.3. **LANDLORD MAINTENANCE AND REPAIRS.** Landlord shall repair or maintain the Building Improvements and Real Property, including the following:

- A. Building Improvements electrical, mechanical, plumbing, heating, air conditioning and

ventilation ("HVAC") systems; and

- B. Building Improvement shell maintenance (e.g. foundations, roof, exterior walls, common area doors, and common area windows); and
- C. Building Improvements intrusion alarm maintenance; and
- D. life-safety systems maintenance, inspections, and testing costs; and
- E. parking lot and walkway maintenance; and
- F. landscaping, hardscaping, and irrigation maintenance, exclusive of the Shared Recreation Areas; and

If Landlord fails to maintain or repair the Building Improvements and Real Property as required by this Lease and such failure continues for thirty (30) days after written notice thereof from Tenant to Landlord (provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if Landlord shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than sixty (60) days after such written notice), then Tenant may, without declaring Landlord in default of this Lease and upon ten (10) days prior notice to Landlord, (except that no notice shall be required in the case of an emergency), perform such maintenance or repair on behalf of Landlord. In such case, Landlord shall reimburse Tenant for all costs incurred in performing such maintenance or repair, including twenty percent (20%) of such costs for Landlord's supervision, promptly upon demand.

5.4. **TENANT MAINTENANCE AND REPAIRS.** Tenant shall maintain the Acelero Premises, and every part thereof, in a clean, neat, and orderly condition, free of objectionable noise, odors, or nuisances and will in all respects and at all times fully comply with health, safety, and police regulations, including all laws, regulations, statutes, or codes concerning the use, storage, or maintenance of Hazardous Materials on the Acelero Premises. Tenant shall further not suffer or permit any person to commit any waste on the Acelero Premises. Tenant shall be solely responsible for the cost and expense of the following:

- A. exterior and interior doors and windows to the Acelero Premises; and
- B. The portion of common area walls that are interior to the Acelero Premises; partition walls, floors, and ceilings in the Acelero Premises; and
- C. repairs to the plumbing fixtures (e.g. hot water heater, faucets, toilets, and drinking water fountains and systems, including filters) and electrical fixtures (light bulbs, light fixtures, light switches, receptacles, and emergency lighting bulbs and batteries) in the Acelero Premises; and
- D. all kitchen appliances; and
- E. grease trap service; and
- F. HVAC system filters in the Acelero Premises; and
- G. landscaping, hardscaping, irrigation, and recreation equipment maintenance in the Shared Recreation Areas and in front of the main entrance to the Building Improvements where wind-blown debris accumulates; and
- H. pest control in the Acelero Premises.

If Tenant fails to maintain or repair the Acelero Premises as required by this Lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant (provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if Tenant shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than sixty (60) days after such written notice), then Landlord may, without declaring Tenant in default of this Lease and upon ten (10) days prior notice to Tenant, (except that no notice shall be required in the case of an emergency), enter the Acelero Premises and perform such maintenance or repair on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair, including twenty percent (20%) of such costs for Landlord's supervision, promptly upon demand.

5.5. MISCELLANEOUS. VELC and Acelero shall enter into a Memorandum to allocate maintenance and repair costs related to the occupancy of the Building Improvements. Landlord anticipates a seventy five percent (75%) and twenty five percent (25%) split, to VELC and Acelero, respectively, based on the percentage of square foot occupancy. Notwithstanding the foregoing, VELC and Acelero shall individually be responsible for any repairs caused by the actions, negligent or otherwise, of its respective officers, employees, contractor, agents, invitees, program participants, or volunteers. Any disputes related to the allocation of maintenance and repair costs between VELC and Acelero shall be promptly reported to the City's Real Estate Administration. The City Manager, or designee, shall, within thirty (30) days after receipt of said dispute, issue a finding to resolve said dispute. The City Manager's or designee's determination shall be final and shall not be appealable to either the City Council or any court.

SECTION 6-USE OF ACELERO PREMISES

6.1. PURPOSE; COMPLY WITH LAW. Tenant may use and occupy the Acelero Premises solely for the purpose of conducting its business, which is expressly limited to Acelero Program Services. Tenant shall, at all times during the Lease Term, comply with all federal, state and local governmental rules, policies, permits, authorizations, regulations, ordinances, codes, statutes, and laws, now or hereafter in effect pertaining to the Acelero Premises or the use thereof (collectively, the "Applicable Laws"). In addition, Tenant shall comply with the education requirements as detailed in Exhibit "B".

6.2. USE RESTRICTIONS. Tenant shall use the Acelero Premises only to conduct activities that are substantially related to Acelero Program Services constituting the basis for the Landlord entering into this Lease. Tenant shall not construct or permit any use of the Acelero Premises for any commercial purpose, excepting those commercial purposes operated by Tenant or its agents and that directly support Tenant's operations as detailed this Section. If Tenant's use of the Acelero Premises for anything other than the Acelero Program Services, Tenant shall have thirty (30) days to remove such use from the Acelero Premises upon notice from Landlord. If the use is not removed with thirty (30) days after notice from Landlord, this Lease shall terminate and Tenant will surrender the Acelero Premises to Landlord pursuant to the terms of this Lease. Landlord is using Redevelopment Agency education set-aside funding pursuant to NRS 279 to make the improvement to the Building Improvements and is subject to restrictions thereunder.

6.3. TENANT'S COVENANT TO OPERATE ACELERO PREMISES. Tenant covenants the Acelero Premises will be continually operated in a manner consistent with Tenant's education objectives. Additional permitted uses include administrative offices, classrooms, storage, and other such incidental uses related to the Tenant's education operations. Additional uses not contemplated herein are subject to

the review and approval by the City Manager, which shall not be unreasonably conditioned, delayed, or withheld.

6.4. SPECIAL EVENTS; BENEFITS; FUND RAISERS. Tenant may permit special events, benefits, and fund raisers on the Acelero Premises and may charge a rental fee for such events, during which the Acelero Premises may be used by persons other than Tenant. Tenant is responsible for obtaining all applicable permits, licenses, and insurance certificates that may be required for a special event, benefit, or fund raiser.

6.6. NAMING RIGHTS. Tenant shall retain the building name "City of Las Vegas Strong Start Academy" and may add "operated by Acelero Learning Clark County".

6.7. SIGNAGE. Tenant shall be permitted to display one or more signs indicating that an Acelero Head Start program is housed at the Acelero Premises. Any new signage installed by Tenant shall be professionally fabricated and installed in accordance with the City's Municipal Code, design guidelines, and brand standards at the sole cost of Tenant.

6.8. ENVIRONMENTAL CONDITIONS.

A. NO HAZARDOUS SUBSTANCES. Tenant shall not have any liability whatsoever under this Lease to Landlord for any Hazardous Substances generated, stored, manufactured, produced, released, spilled, present, located, discharged or disposed of on, under, beneath, or within the soil, subsurface, surface water, or ground water of the Acelero Premises prior to or as of the Commencement Date. After the Commencement Date, Tenant shall not use the Acelero Premises, or permit any entity or person to use the Acelero Premises, for the generation, storage, manufacture, production, releasing, discharge, or disposal of any Hazardous Substances; provided, however, Tenant shall be permitted to store, use and dispose of Hazardous Substances (a) to the extent packaged and contained in cleaning or office products for consumer use in quantities for ordinary day-to-day use, and (b) to the extent customarily used in the Tenant's operations. If Tenant knows, or has reasonable cause to believe, that Hazardous Substances have come to be located in, on, under or about the Acelero Premises during the Lease Term, Tenant shall promptly give Landlord written notice thereof, together with a copy of any statement, report, notice, registration, application, permit, license, claim, action, or proceeding given to, or received from, any Governmental Authority or private party concerning the presence, spill, release, discharge of, or exposure to, Hazardous Substances including but not limited to all such documents as may be involved in any reportable use involving the Acelero Premises during the Lease Term. If any Hazardous Substances, are present in or about the Acelero Premises during the Lease Term, Landlord shall have the right upon twenty-four (24) hour advance written notice to Tenant to engage a consultant to inspect the Acelero Premises and to review Tenant's use of Hazardous Substances and all of Tenant's practices with respect to its use of such Hazardous Substances. Tenant shall cooperate in all respects with such inspections and reviews. All reasonable costs of such consultants shall be reimbursed to Landlord within fifteen (15) days of written demand therefor by Landlord. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Section, unless specifically so provided in such agreement.

B. ENVIRONMENTAL INDEMNITY. Tenant shall have no indemnification obligation in connection with any Hazardous Substances generated, stored, manufactured, produced, released, spilled, present, located, discharged or disposed of on, under, beneath, or within the soil, subsurface, surface water, or ground water of the Acelero Premises prior to or as of the Commencement Date. Tenant shall indemnify, protect, defend and hold Landlord, its agents, employees, lenders and ground lessor, if any, and the Acelero Premises, harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, loss of permits and attorneys' and consultants' fees arising out of or

otherwise involving: (i) Tenant's failure to use or occupy the Acelero Premises in a manner consistent with Applicable Environmental Guidance; or (ii) any Hazardous Substances brought onto the Acelero Premises by or for Tenant or by anyone under Tenant's control after the Commencement Date and during the Lease Term ("**Covered Hazardous Substances**"). Tenant's indemnification obligations under this Section shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant during the Lease Term, and the cost of investigation (including reasonable consultants' and attorneys' fees and testing), removal, remediation and/or abatement of any Covered Hazardous Substances. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Section, unless specifically so provided in such agreement. Tenant's indemnity obligations provided in this Section shall include, without in any way limiting the foregoing:

a. All reasonable costs, expenses and attorneys' fees incurred or sustained by any party in making any investigation on account of any claim, demand, loss, liability, cost, charge, suit, order, judgment or adjudication, in prosecuting or defending any action brought in connection therewith, in obtaining or seeking to obtain a release therefrom and in enforcing any of the agreements herein contained;

b. Liability for required costs and expenses of abatement, correction or clean-up, fines, damages, response costs or penalties pursuant to the provisions of any Applicable Laws or Environmental Laws; and

c. Liability for personal injury or Acelero Premises damage arising under any statutory or common-law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance, or for the carrying on of an abnormally dangerous activity, and response costs.

Tenant's indemnity in this Section shall survive termination of this Lease.

C. **INSPECTION.** Landlord or its agents, employees or contractors may enter the Acelero Premises during normal business hours after twenty-four (24) hours prior written notice to Tenant (except, in the case of emergency no such notice will be required), to examine the Acelero Premises to determine compliance with the terms of this Lease. At all times, Landlord, its invitees and agents, will comply with Tenant's security procedures, which shall include presentation of identification as a condition of entry and signing in and out.

SECTION 7-ADDITIONAL COVENANTS OF LANDLORD AND TENANT

7.1. NO NEW ENCUMBRANCES.

A. Landlord shall not, without Tenant's prior approval, which approval shall not be unreasonably withheld, cause or permit the Acelero Premises to become subject to any liens or encumbrances in addition to those recorded against the Acelero Premises as of the Commencement Date.

B. Tenant shall not, without Landlord's prior approval, which approval shall not be unreasonably withheld, cause or permit the Acelero Premises to become subject to any liens or encumbrances in addition to those recorded against the Acelero Premises as of the Commencement Date, except as otherwise provided or permitted herein.

7.2. **COMPLIANCE WITH BUDGET LAWS.** All of the Landlord's financial obligations under this Lease are subject to the governing body of Landlord lawfully making an appropriation to pay the amount needed to fulfill such obligations and are binding upon Landlord only to the extent such an appropriation is made. Nothing contained in this Lease obligates Landlord to make any such appropriation; provided,

however, if Landlord fails to fulfill any of its obligations hereunder for such reason, Tenant may terminate this Lease on thirty (30) days' notice.

SECTION 8-ALTERATIONS

8.1. Except for Minor Alterations, Tenant shall not make any alterations, additions, or improvements to the Acelero Premises (collectively "Alterations") including, without limitation, any Alterations to the exterior of the Acelero Premises (including signage) without Landlord's prior written consent, which shall not be unreasonably withheld or conditioned. Tenant shall deliver to Landlord, for Landlord's approval (which approval shall not be unreasonably withheld, delayed, or conditioned) prior to bidding (to the extent bidding is required for such Alterations) any construction of the Alterations (except for Minor Alterations), a complete set of plans and specifications for the proposed Alterations (except for Minor Alterations), copies of contracts with general contractors, evidence of contractor's insurance and bonds, and all then necessary permits for such construction, to the extent each is completed and available at such time. Except for Minor Alterations, 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 constructed in violation of this Section promptly following Landlord's written demand therefore. All Alterations will be accomplished in a good and workmanlike manner, in conformity with all Applicable Laws, and by a contractor approved by Landlord which approval shall not be unreasonably withheld, provided that Landlord's approval of the contractor shall not be required for Minor Alterations. Landlord's approval of the plans, specifications and working drawings for any Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design, sufficiency, or compliance with all Applicable Laws. Except for Minor Alterations, upon completion of any such work, Tenant shall provide Landlord with "as built" plans, CADD drawings, copies of all construction contracts, and proof of payment for all labor and materials. All Alterations, including Minor Alterations, shall be made in compliance with and in accordance with NRS Chapter 338, to the extent applicable.

SECTION 9-TAXES

9.1. TAXES RELATED TO TENANT ACTIVITIES. Tenant shall pay when due any and all taxes, assessments or fees for which Tenant is liable and which arise directly or indirectly from Tenant's activities on the Acelero Premises. Within ten (10) business days of written demand from Landlord, Tenant shall furnish Landlord evidence satisfactory to Landlord of the timely payment of any such tax, assessment or fee.

9.2. LANDLORD RECEIVES STATEMENT OR BILL. Whenever Landlord shall receive any statement or bill for any tax, payable in whole or in part by Tenant, or shall otherwise be required to make any payment on account thereof, Tenant shall pay the amount due hereunder within thirty (30) calendar days after written demand therefor accompanied by delivery to Tenant of a copy of such tax statement.

SECTION 10-LIENS

10.1. Tenant shall pay when due all claims for labor and material furnished to the Acelero Premises other than any claims caused by or for the benefit of Landlord or any of its affiliates. Tenant shall give Landlord at least thirty (30) days prior written notice of the commencement of any work on the Acelero Premises by Tenant or on its behalf. Landlord may elect to record and post notices of non-responsibility on the Acelero Premises. Tenant will not permit to be created or to remain undischarged any lien, encumbrance or other charge arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for Tenant which might be or become a lien or

encumbrance or other charge (collectively a "**Charge**") against or upon the Acelero Premises or any part thereof. If any Charge by a person engaged by Tenant or Tenant's contractor to work on the Acelero Premises shall be filed against or upon the Acelero Premises or any part thereof, Tenant shall within thirty (30) days after demand from Landlord cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause any Charge to be discharged within the period aforesaid, then, in addition to any other right or remedy it may have, Landlord may, but shall not be obligated to, discharge the same by payment, deposit or by bonding proceedings. Any amount so paid by Landlord and all interest, costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection therewith shall constitute additional rent payable by Tenant under the Lease and shall be paid by Tenant to Landlord promptly upon demand. No work which Landlord permits Tenant to do shall be deemed to be for the immediate use and benefit of Landlord and no Charge shall be allowed against the estate, right, title or interests of Landlord by reason of any consent given by Landlord to Tenant to do work in or about the Acelero Premises or provide materials therefore.

Notwithstanding the foregoing, Tenant may in good faith, by appropriate proceedings and upon notice to Landlord, contest the validity, applicability or amount of any Charge so long as (i) such contest is diligently pursued, and (ii) Landlord reasonably determines that such contest suspends the obligation to pay the Charge and that nonpayment of such Charge will not result in the sale, loss, forfeiture or diminution of the Acelero Premises or any part thereof or any interest of Landlord therein; provided, however, that Tenant shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided, further, that in any event each such contest shall be concluded, the Charge shall be paid prior to the date any writ or order is issued under which the Acelero Premises may be sold, lost or forfeited.

SECTION 11-INSURANCE

11.1. **MAINTAIN INSURANCE POLICIES.** Tenant shall, at Tenant's expense, maintain in force and effect on the Real Property and Building Improvements at all times the following insurance:

A. Commercial general liability insurance against claims for bodily injury, property damage, and broad form contractual liability coverage on, in or about the Real Property in amounts not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. The commercial general liability insurance shall be endorsed to include Corporal Punishment (CG 22 67 10 93) coverage and shall not be endorsed to exclude Abuse and Molestation (CG 21 46 07 98) coverage. Landlord shall be named as an additional insured party by endorsement under the commercial general liability policy (CG 20 11 04 13).

B. Educator's Legal Liability. Liability insurance covering the Tenant and its officers, employees, agents, invitees, and volunteers from liability claims arising from wrongful acts, errors or omissions with regard to the conduct of their duties related to operation and management of the Acelero Program Services with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

C. When required by Applicable Laws, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the workers' compensation laws of the state of Nevada.

11.2. **PROPERTY INSURANCE.**

A. Landlord shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Building Improvements (but excluding items listed in subsection b. below), providing protection against all perils included in a Causes of Loss - Special Form policy (or its successor form), in the amount of their full replacement cost (i.e., the cost to replace without deduction for depreciation).

B. Tenant, at its sole discretion, may obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to Tenant's own property, inventory, trade fixtures, and furniture, and personal property of others, providing protection against all perils included in a Causes of Loss - Special Form policy (or its successor form) in the amount of their full replacement cost (i.e., the cost to replace without deduction for depreciation). Landlord is not responsible for Tenant's property, inventory, trade fixtures and furniture, and personal property of others within the Tenant's care, custody, or control.

11.3. INSURANCE MISCELLANEOUS

A. **MUTUAL WAIVER AND RELEASE.** Notwithstanding any other provision of this Lease to the contrary, neither party to this Lease or its officers, employees, agents, invitees, and volunteers shall be liable to the other for loss or damage caused by any risk covered by insurance required to be carried under this Lease, and each party to this Lease hereby waives any rights of recovery against the other and its Board of Trustees, directors, officers, employees, agents, invitees, and volunteers for injury or loss on account of such covered risks.

B. **MUTUAL WAIVER OF SUBROGATION.** All policies of property insurance required to be carried by either party under this Section shall include a clause or endorsement whereby such party's insurer waives all right of subrogation, and all rights based upon an assignment from its insured, against the other party, its officers, employees, agents, invitees, and volunteers, and in the case of Tenant, its subtenants and their officers, directors, partners, members, managers, employees, agents, invitees, and volunteers in connection with any loss or damage thereby insured against; provided that the foregoing reference shall not be deemed a consent by Landlord to any sublease of the Acelero Premises. If any policy of insurance requires the agreement of a party's insurer as a condition to the effectiveness of this mutual waiver of subrogation, such party agrees to make a commercially reasonable effort to obtain such agreement.

C. **NO PROHIBITED ITEMS OR USE.** Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Acelero Premises any article or permit any activity which may be prohibited by any standard form of insurance policy or conduct or permit the conduct of any use which violates the terms and conditions of any insurance policy required to be maintained pursuant to this Lease.

SECTION 12-DESTRUCTION OF ACELERO PREMISES; CONDEMNATION

12.1. **SUBSTANTIAL DESTRUCTION.** If the Building Improvements should be totally destroyed by fire or other casualty, or if the Building Improvements should be damaged so that rebuilding cannot reasonably be completed within one-hundred and eighty (180) calendar days after the date of written notification by Tenant to Landlord of the destruction, this Lease shall terminate and the rent shall be abated for the unexpired portion of the Lease, effective as of the date of the written notification.

12.2. **PARTIAL DESTRUCTION.** If the Building Improvements should be partially damaged by fire or other casualty, and rebuilding or repairs can reasonably be completed within ninety (90) working days from the date of written notification by Landlord to Tenant of the destruction, this Lease shall not terminate, and Landlord shall at its sole risk and expense proceed with reasonable diligence to rebuild or repair the Building Improvements to substantially the same condition in which they existed prior to the damage. The Rent payable under this Lease during the period for which the Acelero Premises are untenable shall be adjusted to such an extent as may be fair and reasonable under the circumstances. In the event that Landlord fails to complete the necessary repairs or rebuilding within ninety (90) working days from the date of written notification by Tenant to Landlord of the destruction, Tenant may at its

option terminate this Lease by delivering written notice of termination to Landlord, whereupon all rights and obligations under this Lease shall cease to exist.

12.3 CONDEMNATION. Should the whole or any part of the Building Improvements be condemned or taken by a competent condemning authority for any public or quasi-public purpose, Tenant and Landlord shall each be entitled to seek recovery of condemnation proceeds for their respective interests in the applicable portion of the Building Improvements, and any fixtures, equipment, or personal property that is taken by the condemning authority. For purposes of this Section, a deed granted in lieu of condemnation shall be deemed a taking. If the whole of the Building Improvements is condemned or taken, then this Lease shall terminate upon the taking of physical occupancy by the condemning authority. If a part of the Building Improvements is taken which materially interferes with Tenant's use of the Acelero Premises, Tenant shall have the option to terminate this Lease with respect to Acelero Premises by notifying Landlord of such election in writing within sixty (60) days after such taking. In no event shall a taking terminate this Lease without such notification. If such partial taking does not result in termination of this Lease in its entirety, this Lease shall continue in full force and effect.

SECTION 13-INDEMNIFICATION

13.1. TENANT INDEMNITY OBLIGATION. Tenant shall indemnify and hold harmless Landlord and its elected officials, officers, directors, employees, and agents of Landlord (collectively, the "**Landlord Indemnified Parties**") from and against all claims, losses, damages, expenses (including reasonable attorneys' fees), penalties, and charges (collectively the "**Losses**") arising from or in connection with any of the following during the Lease Term (i) any negligent act or omission of Tenant or any of its officials, officers, employees, agents, invitees, or volunteers or (ii) any default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease.. Tenant shall further indemnify and hold harmless the Landlord Parties from and against any and all Losses 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, its Board of Trustees, executive director, employees, agents, invitees, and volunteers during the Lease Term, and from and against all Losses incurred in the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding be brought against the Landlord Indemnified Parties 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 Alta Premises arising from any cause during the Lease Term and Tenant hereby waives all claims in respect thereof against any Landlord Party. 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. Tenant's obligations under this Section shall survive any termination of this Lease.

13.2. LANDLORD INDEMNITY OBLIGATIONS. The Tenant, its Board of Directors, officers, employees, agents, invitees, and volunteers (collectively, the "**Tenant Indemnified Parties**") shall not be liable for, and Landlord shall indemnify and hold the Tenant Indemnified Parties harmless from and against, any Losses arising from or in connection with (i) any negligent act or omission of Landlord or any of its elected officials, officers, employees, agents, invitees, or volunteers or (ii) any default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease. The Parties hereto understand and agree that neither this Section nor any other provision of this Lease shall constitute a waiver by Landlord of any protection it has against liabilities or damages or any limitations thereon under Chapter 41 of NRS or other protections or limitations that arise by virtue of Landlord's status as a political subdivision of the State of Nevada, and that Landlord's indemnifications hereunder are limited by and subject to Chapter 41 of NRS. If any action or proceeding be brought against any of the

Tenant Parties by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by legal counsel reasonably satisfactory to Tenant. Tenant shall have the right to select independent counsel to defend Tenant pursuant to this Section provided that such independent counsel is approved by Landlord (which approval shall not be unreasonably withheld) and that Tenant pays all costs and fees of such independent counsel. Landlord's obligations under this Section shall survive any termination of this Lease.

SECTION 14-ASSIGNMENT AND SUBLETTING

14.1. WITH RESPECT TO TENANT. Tenant shall not assign or transfer this Lease nor the leasehold estate hereby created or any interest herein, or license the use of all or any portion of the Acelero Premises, whether by assignment, mortgage, license, transfer, operation of law, without the prior express written consent of the Landlord, which consent may be granted or withheld at Landlord's sole discretion. Upon any valid assignment of this Lease, Tenant shall be relieved of all obligations accruing from the effective date of the assignment. No sublease shall affect Tenant's obligation to perform its agreements hereunder.

A. PERMITTED SUBLEASES. Tenant may not sublease any portion of the Acelero Premises to a third-party for any purposes without Landlord's prior written consent, which consent may be granted or withheld at Landlord's sole discretion. Upon approval of any sublease, Tenant shall submit a copy of the final draft of the sublease to Landlord's written consent prior to execution by Tenant and sublessee.

B. EXCEPTIONS. Notwithstanding anything to the contrary herein, Tenant may, without Landlord's consent, assign this Lease or sublease the Acelero Premises, or any portion thereof, to any entity into which or with which Tenant merges or consolidates, and to any parent, subsidiary, affiliate, or any entity with which Tenant or any affiliate of Tenant has an operating contract, or to Acelero Charitable Foundation, a not-for-profit entity, with no release from liability hereunder of the obligations of Tenant originally named in this Lease, and Tenant shall deliver to Landlord a copy of a document satisfactory to Landlord in its reasonable discretion by which such assignee or sublessee agrees to assume and perform the appropriate terms, conditions and covenants of Tenant under this Lease. Any such sublease shall be under and subject to all the terms and conditions of this Lease, which subordination must be confirmed in writing by subtenant and delivered to Landlord prior to the effective date of such sublease.

14.2. WITH RESPECT TO LANDLORD. During the term of this Lease, Landlord shall not sell, mortgage, pledge, hypothecate, encumber, or otherwise transfer, assign or dispose of all or any part of the Acelero Premises, this Lease or any interest in the Acelero Premises or this Lease, without the written approval of Tenant, which consent may be granted or withheld at Tenant's sole discretion.

SECTION 15-PROHIBITION OF LEASEHOLD ENCUMBRANCES

15.1. Tenant shall not in any way pledge or encumber any or part of its interest in this Lease without the prior written consent of Landlord which consent may be granted or withheld at Landlord's sole discretion.

SECTION 16-ESTOPPEL CERTIFICATE

16.1. Tenant shall, without charge, within ten (10) business days of any demand therefore by Landlord, execute and deliver to Landlord and/or Landlord's designee a recordable certificate stating that this Lease is in full force and effect, such defenses or offsets as are claimed by Tenant, if any, the date to which all rentals have been paid, and such other information as reasonably and customarily contained in a commercial estoppel certificate concerning this Lease, the Acelero Premises and Tenant as Landlord or said designee may request. In the event that Tenant fails to execute and/or deliver any such certificate or offset statement to Landlord within said ten (10) business days, Tenant hereby appoints Landlord and its permitted successors and assigns, as attorney-in-fact of Tenant irrevocably to execute and deliver any and all such documents for and on behalf of Tenant. Similarly, Landlord shall, without charge, within ten (10) business days of any demand therefor by Tenant, execute and deliver to Tenant and/or Tenant's designee a recordable certificate stating that this Lease is in full force and effect, such defenses or offsets as are claimed by Landlord, if any, the date to which all rentals have been paid, and such other information as reasonably and customarily contained in a commercial estoppel certificate concerning the Lease, the Acelero Premises and Landlord as Tenant and/or said designee may request. In the event that Landlord fails to execute and/or deliver any such certificate or offset statement to Tenant within said ten (10) business days, Landlord hereby appoints Tenant, its successors and assigns, as attorney-in-fact of Landlord irrevocably to execute and deliver any and all such documents for and on behalf of Landlord.

SECTION 17-DEFAULT

17.1. TENANT'S DEFAULT.

A. Each of the following events shall be deemed to be events of default by Tenant under this Lease (each, a "**Tenant Event of Default**" and collectively, "**Tenant Events of Default**"):

a. Tenant fails to pay when or before due any sum of money required to be paid by Tenant under this Lease and such failure continues for thirty (30) days after written notice thereof from Landlord;

b. Except as provided in paragraph c next below, Tenant fails to perform or comply with any other term, covenant or condition of this Lease on the part of Tenant to be kept and performed and such default continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if Tenant shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than ninety (90) days after such written notice. Said time period may be extended at Landlord's sole discretion;

c. Tenant violates the covenant and restrictions set forth in Section 6 hereof and such violation continues for more than thirty (30) days after written notice from Landlord;

d. Tenant makes a representation or warranty in this Lease, or in any certificate, demand, or request made under this Lease, that proves to be incorrect, at any time during the Lease Term, in any material respect and, to the extent the same is susceptible to being cured, such representation or warranty remains incorrect for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided that if such incorrect representation or warranty complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within such 30-day period, then such incorrect representation or warranty shall be deemed to be rectified or cured if

Tenant shall, within such 30-day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence;

e. There is filed any petition in bankruptcy by or against Tenant, which petition is not dismissed within ninety (90) days of its filing, or there is appointed a receiver or trustee to take possession of Tenant or of all or substantially all of the assets of Tenant, or there is a general assignment by Tenant for the benefit of creditors, or any action is taken by or against Tenant under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, including, without limitation, the filing of execution or attachment against Tenant and such levy continues in effect for a period of sixty (60) calendar days; and

f. If Tenant abandons or vacates the Acelero Premises for thirty (30) consecutive days or fails to operate the Acelero Premises for ninety (90) consecutive days and such condition is not caused by the Acelero Premises being damaged or condemned. Scheduled school vacations, weather related closings and summer closure shall not count towards the consecutive days described in this subsection (f).

B. LANDLORD REMEDIES FOR TENANT DEFAULT. Upon the occurrence of any Tenant Event of Default, Landlord shall, in addition to any other rights or remedies provided for herein or at law or in equity, have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

a. Terminate Tenant's right to possession of the Acelero Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Acelero Premises to Landlord, or, if permitted by Applicable Laws, Landlord shall have the right to effect a lock out of Tenant from the Acelero Premises, in which event Tenant hereby releases Landlord from any and all damages including, but not limited to, damages related to interruption of Tenant's business.

b. Pursuant to its rights of re-entry, Landlord may, but shall not be obligated to (i) remove all persons from the Acelero Premises, and (ii) enforce any rights Landlord may have against said Acelero Premises or store any personal property remaining in the Acelero Premises in any warehouse or elsewhere at the cost and for the account of Tenant. Tenant agrees to hold Landlord free and harmless of any liability whatsoever for the removal and/or storage of any such Acelero Premises, whether of Tenant or any third party whomsoever;

c. Landlord may, without being obligated and without waiving the Tenant Event of Default, cure the Tenant Event of Default, whereupon Tenant shall pay to Landlord, upon demand, all costs, expenses, and disbursements incurred by Landlord to cure the Tenant Event of Default. Landlord shall be permitted to offset said costs, expenses, and disbursements incurred by Landlord against any amounts due or becoming due by Landlord to Tenant under this Lease;

d. In addition to any other remedies it may have, in the event of a violation of Section 5 by Tenant which remains uncured after thirty (30) days of Landlord's written notice to Tenant thereof, Tenant shall be liable to Landlord for any damages Landlord incurs as a result of such violation which amounts shall be payable by Tenant to Landlord within thirty (30) days from Landlord's written demand therefor; and

e. In addition, Landlord shall have all other remedies available to Landlord.

C. TERMINATION REQUIRES SPECIFIC NOTICE. Anything contained herein to the contrary notwithstanding, Landlord shall not be deemed to have terminated this Lease or the liability of

Tenant to pay any Rent or other sum of money accruing hereunder, by any re-entry pursuant to this Sections or by any action in unlawful detainer or otherwise to obtain possession of the Acelero Premises, unless Landlord shall specifically notify Tenant in writing that it has so elected to terminate this Lease.

D. REMEDIES CUMULATIVE. The various rights, options, elections and remedies of Landlord contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law or in equity.

E. NO WAIVER. The waiver by Landlord of any breach of this Lease by Tenant shall not be a waiver of any preceding or subsequent breach of this Lease by Tenant. The subsequent acceptance of Rent or any other payment hereunder by Landlord shall not be construed to be a waiver of any preceding breach of this Lease by Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein provided shall be deemed to be other than on account of the earliest Rent due and payable hereunder.

F. LEGAL PROCEEDINGS. If any action for a Tenant Event of Default or to enforce the provisions of this Lease is commenced, the court in such action may 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.

SECTION 18-LANDLORD'S DEFAULT

18.1. LANDLORD'S DEFAULT.

A. Each of the following events shall be deemed to be events of default by Landlord under this Lease (each, a "**Landlord Event of Default**", and collectively, "Landlord Events of Default"):

a. Landlord fails to pay when or before due any sum of money required to be paid by Landlord under this Lease and such failure continues for thirty (30) days after written notice thereof from Tenant;

b. Landlord shall fail to perform or comply with any other term, covenant or condition of this Lease on the part of Landlord to be kept and performed and such failure continues for thirty (30) days after written notice thereof from Tenant to Landlord; provided, however, that if the failure complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said thirty (30) day period, then such failure shall be deemed to be rectified or cured if Landlord shall, within said thirty (30) day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than ninety (90) days after such written notice. The cure period may be extended at Tenant's sole discretion;

c. Landlord makes a representation or warranty in this Lease, or in any certificate, demand, or request made under this Lease, that proves to be incorrect, at any time during the Lease Term, in any material respect and, to the extent the same is susceptible to being cured, such representation or warranty remains incorrect for a period of thirty (30) days after written notice thereof by Tenant to Landlord; provided that if such incorrect representation or warranty complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within such 30-day period, then such incorrect representation or warranty shall be deemed to be rectified or cured if Landlord shall, within such 30-day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence but in no event later than ninety (90) days after such written notice. The cure period may be extended at Tenant's sole discretion; and

B. TENANT'S REMEDIES FOR LANDLORD DEFAULT. Upon the occurrence of any

Landlord Event of Default, Tenant shall, in addition to any other rights or remedies provided for herein or at law or in equity, have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

- a. Tenant may, at its election, terminate this Lease by providing notice thereof to Landlord; and
- b. Tenant may, without being obligated and without waiving the default, cure the default, whereupon Landlord shall pay to Tenant, upon demand, all costs, expenses, and disbursements incurred by Tenant to cure the default. Tenant shall be permitted to offset said costs, expenses, and disbursements incurred by Tenant against any amounts due or becoming due by Tenant to Landlord under this Lease.

SECTION 19-QUIET ENJOYMENT

19.1 Tenant, upon paying the rentals and other payments herein required and upon performance of all of the terms, covenants and conditions of this Lease on its part to be kept, may quietly have, hold and enjoy the Acelero Premises during the Lease Term without any disturbance from Landlord or from any other person claiming through Landlord, except as expressly provided otherwise in this Lease.

SECTION 20-REPRESENTATIONS AND WARRANTIES

20.1 **LANDLORD'S REPRESENTATIONS AND WARRANTIES.** In addition to any other representations and warranties made by Landlord herein, Landlord hereby represents and warrants to Tenant, which representations and warranties are continuing in nature and shall survive throughout the Lease Term, as follows:

- A. There are no pending or, to the best of Landlord's knowledge, threatened actions, suits, condemnation or other proceedings before or by any judicial body or any Governmental Authority against or affecting the Acelero Premises;
- B. Landlord has the full authority and power to execute this Lease. This Lease has been duly executed and delivered by Landlord and constitutes the valid and legally binding obligation of Landlord, enforceable in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.
- C. Landlord possesses good and marketable fee simple title to the Acelero Premises;
- D. Neither the execution or delivery of this Lease, nor the consummation of the transaction contemplated hereby, will: (i) violate any Applicable Laws, injunction, judgment, order, decree, ruling, charge or other restriction of any authority to which Landlord or the Acelero Premises is subject; (ii) violate any provision of Landlord's charter documents, as amended; or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, license, permit, authorization, instrument or other arrangement to which Landlord is a party or by which it is bound or which any of its assets are subject (or result in the imposition of any lien upon any of its assets).
- E. Landlord has not received any written notice nor does it have any knowledge of or intent to levy any special assessment, impose any utility connection moratorium or rezone the Acelero Premises.
- F. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or third person on the part of Landlord is required

in connection with Landlord's execution and delivery of this Lease and the performance of its obligations hereunder.

G. There are no unrecorded contracts, leases, easements, or other agreements, or claim of any third party, affecting the use, title, occupancy or development of the Acelero Premises, and no person, firm or entity has any right of first refusal, option or other right to acquire all or any part of the Acelero Premises.

20.2. **TENANT'S REPRESENTATIONS AND WARRANTIES.** In addition to any other representations and warranties made by Tenant herein, Tenant hereby represents and warrants to Landlord, which representations and warranties are continuing in nature and shall survive throughout the Lease Term, as follows:

A. Tenant is an approved Head Start provider and a for-profit corporation validly existing under the laws of the State of Nevada.

B. Tenant has the full authority and power to execute this Lease. This Lease has been duly executed and delivered by Tenant and constitutes the valid and legally binding obligation of Tenant, enforceable in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and general principles of equity.

C. Neither the execution or delivery of this Lease, nor the consummation of the transaction contemplated hereby, will: (i) violate any Applicable Laws, injunction, judgment, order, decree, ruling, charge or other restriction of any authority to which Tenant is subject; (ii) violate any provision of Tenant's articles of incorporation or bylaws, as amended; or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, license, permit, authorization, instrument or other arrangement to which Tenant is a party or by which it is bound or which any of its assets are subject (or result in the imposition or any lien upon any of its assets).

SECTION 21-MISCELLANEOUS

21.1. **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, sexual orientation, gender identity, creed, national origin, or ancestry in the leasing, subleasing, transferring, occupancy, tenure or use of the Acelero Premises or any portion thereof.

21.2. **FORCE MAJEURE.** Neither party shall be in breach of this Lease if it fails to perform as required hereunder due to labor disputes, civil commotion, war, warlike operation, terrorist acts, sabotage, governmental regulations or control, fire or other casualty, inability to obtain any materials, or other causes beyond such party's reasonable control (financial inability excepted); provided, however, that nothing contained herein shall excuse Tenant from the prompt payment of any Rent or charge required of Tenant hereunder.

21.3. **NOTICES.** All notices required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (a) upon personal delivery to the party to be notified, (b) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party, or (c) one (1) day after deposit with a nationally recognized air courier service such as FedEx. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone numbers are listed for information only.

If to Landlord: ATTN: City Manager
City of Las Vegas
495 S. Main St.
Las Vegas, NV 89101
(702) 229-6501

with copy to: ATTN: Director, Youth Development and Social Innovation
City of Las Vegas
495 South Main Street
Las Vegas, NV 89101

with copy to: ATTN: Real Estate Administrator
333 North Rancho Drive
Las Vegas, NV 89101

with copy to: ATTN: City Attorney
City of Las Vegas
495 South Main Street
Las Vegas, NV 89101

If to Tenant: ATTN: Program Director
Acelero Learning Clark County
4366 W. Cheyenne Avenue
North Las Vegas, NV 89032

with copy to: ATTN: Melissa Polaner, General Counsel
Acelero, Inc.
63 West 125th Street
New York, New York 10027

21.4. **BINDING ON PERMITTED SUCCESSORS AND ASSIGNS.** The terms, provisions, covenants and conditions contained in this Lease shall apply to, bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives and permitted successors and assigns.

21.5. **PARTIAL INVALIDITY.** If any term, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, covenants and conditions of this Lease, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

21.6. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. No supplement, modification, waiver or termination of this Lease shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Lease shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

21.7. **NO PARTNERSHIP OR JOINT VENTURE.** Nothing contained herein shall be deemed to create any partnership, joint venture, agency or other relationship between Landlord and Tenant other than the relationship of landlord and tenant.

21.8. CAPTIONS. The captions are descriptive only and for convenience in reference to this Lease and in no way whatsoever define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

21.9. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease, without giving effect to its conflict of law provisions. Each party hereto consents to, and waives any objection to, Clark County, Nevada as the proper and exclusive venue for any disputes arising out of or relating to this Lease or any alleged breach thereof. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Acelero Premises, and/or any claim of injury or damage.

21.10. RECORDATION This Lease shall not be recorded.

21.11 AUTHORIZATION. All necessary actions shall have been taken under the parties' organizational documents to authorize the individuals signing this Lease on their respective behalves to do so.

21.12 NO BROKERS. Landlord and Tenant each represent and warrant to the other that they have not entered into any written contractual arrangement with, or promised to pay any broker's fee, finder's fee, commission or other similar compensation to, or otherwise agreed to compensate, any real estate agent or broker in connection with this Lease. Landlord and Tenant each agree to indemnify, defend, save and hold the other harmless from and against all Losses incurred by reason of the breach of the foregoing representation and warranty arising from any claim for compensation founded upon or as a result of acts asserted to have been performed on their respective behalf. Such indemnification obligations shall survive any termination of the Lease.

21.13. COUNTERPARTS; ELECTRONIC DELIVERY. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Lease shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

21.14. INTERPRETATION. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s). Whenever in this Lease any words of obligations or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated. This Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of its language.

21.15. THIRD PARTIES. Nothing in this Lease, expressed or implied, is intended to confer upon any person, including, without limitation, any entity, other than the parties hereto any rights or remedies under or by reason of this Lease.

21.16. EXPENSES. Except as otherwise provided in this Lease, each party shall bear its own expenses incurred by it in connection with the negotiation, execution and delivery of this Lease, including, without limitation, the fees and expenses of each party's legal counsel.

21.17. FURTHER ASSURANCES. Each party shall, from time to time after the execution of this Lease, execute and deliver such instruments, documents and assurances and take such further acts as the other party may reasonably request to carry out the purpose and intent of this Lease without undue delay.

21.18. JURISDICTION. Each of Landlord and Tenant agree to submit to personal jurisdiction in Clark County, Nevada in any action or proceeding arising out of this Lease and, in furtherance of such agreement, each party hereby agrees and consents that, without limiting other methods of obtaining jurisdiction, personal jurisdiction over each party in any such action or proceeding may be obtained within or without the jurisdiction of any court located in Nevada and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon each party by registered or certified mail to or by personal service at the last known address of each party, whether such address be within or without the jurisdiction of any such court.

21.19 The Parties acknowledge that the other party is a governmental entity and the Agreement validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of either party's obligations under this Agreement, then the party shall have the right to terminate this Agreement at any time after written notice to the other party of the unavailability and non-appropriation of public funds. It is expressly agreed that neither party shall exercise this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure.

21.20. IN-KIND EVALUATION. Landlord acknowledges that it has agreed to the Rent payable hereunder because Tenant is a Head Start provider. In the event it is determined that the Rent payable hereunder is below fair market value, in recognition of the services Tenant provides to the community, Tenant may, in its own discretion, claim the difference between the fair market rent and the Rent as an "in-kind" contribution to the Head Start program.

21.21. NOTICE OF FEDERAL INTEREST. Landlord acknowledges that, should Tenant use federal funds to renovate or make any approved improvements to the Alta Premises, Tenant may be required to record a Notice of Federal Interest in the Alta Premises as required by 45 CFR 1303. Prior to the use of any federal funds by Tenant, Tenant shall submit to Landlord the federal requirements that are applicable to Landlord and the Landlord's property interest in the Acelero Premises. Landlord shall promptly review Tenant's use of federal funds and Landlord, in its sole discretion, may reject Tenant's use of the federal funds.

21.22 EARLY TERMINATION. In the event that Acelero is replaced as contractor for operation of the local Head Start program by another contractor or loses all or part of its funding to operate this Head Start center, Acelero may terminate this Lease prior to the end of its stated term upon thirty (30) days written notice to Landlord and be released from any further obligations hereunder.

21.23. DISCLOSURE OF PRINCIPALS. Pursuant to Resolution R-105-99 adopted by City Council effective October 1, 1999, Tenant warrants that it has disclosed, on Exhibit "C" attached hereto, all members of the Board of Directors of Tenant. Throughout the Lease Term, Tenant shall notify Landlord in writing of any material change in the above disclosure within fifteen (15) days of any such change.

[LEFT BLANK INTENTIONALLY AND SIGNATURES APPEAR ON NEXT PAGES]

LEASE AND OPERATING AGREEMENT

Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the Commencement Date.

"LANDLORD"

CITY OF LAS VEGAS

By: _____

Carolyn G. Goodman, Mayor

Attest:

By: _____

LuAnn D. Holmes, MMC, City Clerk

Approved as to Form: John S. Ridilla
Deputy City Attorney

By: John S. Ridilla 7/7/18
Deputy City Attorney Date

Date of Approval by Las Vegas City Council: _____

[LEFT BLANK INTENTIONALLY AND SIGNATURES CONTINUED ON NEXT PAGE]

LEASE AND OPERATING AGREEMENT

Signature Page (continued)

"TENANT"

ACELERO LEARNING CLARK COUNTY

By: Michael J. Mitchell

Name: Michael Thomas Mitchell

Title: Executive Director

Date: 7/12/18

LIST OF EXHIBITS

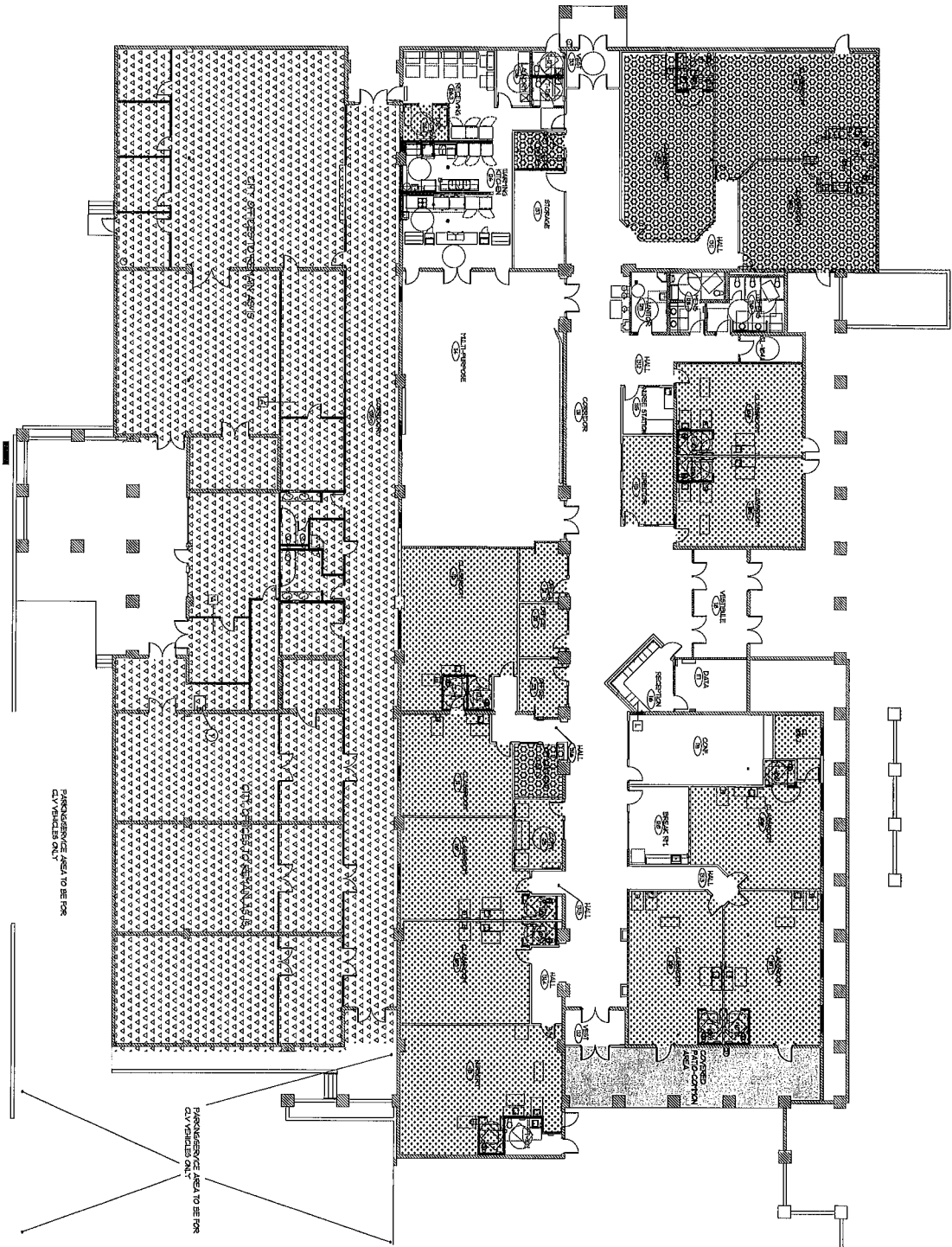
EXHIBIT "A"	DEPICTION OF THE BUILDING IMPROVEMENTS AND ACELERO PREMISES
EXHIBIT "B"	EDUCATIONAL REQUIREMENTS
EXHIBIT "C"	DISCLOSURE OF PRINCIPALS

EXHIBIT "A"

DEPICTION OF THE REAL PROPERTY,
BUILDING IMPROVEMENTS,
AND ACELERO PREMISES

[ATTACHED]

1 Lease Areas Floor Plan
Scale: 1/8" = 1'-0"



Lease Area Legend

- INDICATES AREA OF SHARED OFFICE SPACE
- INDICATES AREA OF VARIETY OCCUPIED SPACE
- INDICATES AREA OF AZULENO OCCUPIED SPACE
- INDICATES AREA OF BURNING CITY OR LAS VEGAS OCCUPIED OFFICES

DEPARTMENT OF PUBLIC WORKS		Variety Early Learning Center (Daycare) 100 Twin Lakes Drive Las Vegas, Nevada 89107 Lease Area Plan	
PROJECT NO. 154711	PROJECT NAME VARIETY EARLY LEARNING CENTER	PROJECT LOCATION 100 TWIN LAKES DRIVE, LAS VEGAS, NV	PROJECT STATUS IN PROGRESS
DRAWN BY J. L. HARRIS	CHECKED BY J. L. HARRIS	DATE 10/1/11	SCALE 1/8" = 1'-0"
APPROVED BY J. L. HARRIS			



EXHIBIT "B"

EDUCATION REQUIREMENTS

[ATTACHED]

EDUCATION REQUIREMENTS

The City seeks to increase access to high quality early childhood education and pre-kindergarten ("Pre-K") programs for children living within two hundred percent (200%) Federal poverty guideline ("FPO") and in targeted zip codes. Therefore, in addition to proposal submitted to the RFP for STRONG START ACADEMY, ACELERO agrees to the following:

1. Within the first two rating cycles after execution of the Lease, attain a minimum Silver State Stars Quality Rating & Improvement System (QRIS) rating of four stars. This must be maintained throughout the Lease Term.
2. Within two years after execution of the Lease, obtain national accreditation (e.g. NAEYC, NAC, or NECPA). This must be maintained throughout the Lease Term.
3. Ensure all infant and toddler lead teachers responsible for providing direct instruction to early childhood students from birth to age three (3), have minimum education qualifications of a childcare development associate (CDA) degree, or preferably a bachelor's degree in early childhood education, or related field with four thousand (4,000) hours of experience and meet Early Head Start lead teacher standards. This must be maintained throughout the Lease Term.
4. Ensure each early childhood education Pre-K teacher responsible for providing direct instruction to early childhood students ages three (3) to five (5) must fulfill Head Start lead teacher standards and have a bachelor's degree in early childhood education, or a related field with four thousand (4,000) hours of experience. This must be maintained throughout the Lease Term.
5. Maintain an enrollment rate of eighty percent (80%) based on licensed capacity and ensure child applicants have equal access to the same extent as other children (e.g. homeless, foster, military, and tribal) even for those lacking initial enrollment documents.
6. Maintain high quality Pre-k programs for children:
 - A. All programs must provide a minimum of five (5) hours of instruction per day or twenty-five (25) hours per week.
 - B. Programs must utilize the Nevada Pre-K Content Standards, revised and adopted by the Nevada Department of Education. Programs must implement developmentally appropriate, research-based curriculum and participate in the birth to third grade continuum alignment.
 - C. Class sizes and child/staff ratios must not exceed the following:
 - a. Classrooms will have no more than twenty (20) children with two (2) adults.
 - b. The referenced two (2) adults will be an appropriately certified teacher and an appropriately certified teaching assistant.
 - D. Programs must participate in the annual and longitudinal stateside program evaluations system. This includes using outcome indicators described in the ELDS and reporting required data to the Pre-K education evaluator and the Nevada Department of Education. Program quality will also be assessed by a valid and reliable assessor using the Early Childhood Environment Rating Scale, Third Edition (ECERS-3) and the Classroom Assessment Scoring System (CLASS).
 - E. Parental involvement must be evaluated in conjunction with the Pre-k program. Longitudinal data to determine effectiveness of parental involvement will be used for program improvement.

F. Programs must demonstrate coordination with existing community services through collaborative and cooperative efforts.

G. The percentage of eligible children with disabilities served must not be less than either the percentage of four-year old children served statewide through part B, section 619 of IDEA (8.7%), or the current national average, whichever is greater, and no more than fifty percent (50%) per classroom.

H. Data collection method information submitted from either Teaching Strategies Gold, HIGHSCOPE Online COR Advantage, Brigance, or another approved research based child assessment tool for Development and Learning assessment are due twice per year on June 5th and December 5th.

7. AUDIT OF RECORDS.

A. ACELERO agrees to maintain the financial books and records, including all supporting documentation, pertaining to the Lease according to standard accounting principles and procedures. The books and records shall be maintained for a period of three (3) years after completion of this Lease, except that books and records which are the subject of an audit finding shall be retained for three (3) years after such finding has been resolved. If ACELERO goes out of business, ACELERO shall forward the books and records to the City to be retained by the City for the period of time required herein.

B. The City, or its designated representative(s), shall have the right to inspect and audit (including the right to copy or transcribe) the books and records of ACELERO pertaining to the performance of the Lease during standard business hours. The City will provide prior written notice to ACELERO of the audit and inspection. If the books and records are not located within Clark County, ACELERO agrees to deliver them to the City, or to an address designated by the City within Clark County. In lieu of such delivery, ACELERO may elect to reimburse the City for the costs of travel to inspect and audit the books and records at ACELERO office. If the books and records provided to the City are incomplete, ACELERO agrees to remedy the deficiency after written notice thereof from the City and to reimburse the City for any additional costs associated therewith including, without limitation, having to revisit ACELERO office. ACELERO failure to remedy the deficiency shall constitute a material breach of the Lease.

8. PROGRAM REPORTS.

A. ACELERO agrees to submit a mid-year and end of the year program report to the City which shall be due on January 15th and August 15th of each year of the Lease Term.

B. The mid-year report shall include results of program measurements, deliverables and goals, total number of unduplicated students served per month, ethnicity, number of low income students served and zip codes of students and copies of teacher credentials.

C. The end-of-the-year reports shall include a cumulative report for the school year including program measurements, deliverables and goals, total number of unduplicated students served per month, ethnicity, number of low income students served and zip codes; a summary of evidence of progress being made towards achieving desired QRIS Star rating and accreditation; annual audits and program evaluations.

9. ON-SITE MONITORING.

A. The programs funded under the Lease will be subject to on-site monitoring by designated City representatives, City contracted independent auditors, or any combination thereof. The representatives will be announced, at a minimum, twenty-four (24) hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to all records pertaining to the program. The representatives may, on occasion, interview program recipients who

volunteer to be interviewed.

B. ACELERO shall allow duly authorized representatives from the City, independent auditors or any combination thereof, to conduct such reviews, audits, and on-site monitoring of the program as the reviewing entity deems appropriate in order to determine the following:

- a. whether the objectives of the program are being achieved;
- b. whether the program is being operated in an efficient and effective manner;
- c. whether proper management control systems and internal procedures have been established to meet the objectives of the program;
- d. whether the financial operations of the program are being conducted properly;
- e. Whether the periodic reports to the City contain accurate and reliable information; and
- f. whether all of the activities of the program are being conducted in compliance with applicable federal, state and local laws and regulations and the requirements of this Agreement.

EXHIBIT "C"

DISCLOSURE OF PRINCIPALS

[ATTACHED]

DISCLOSURE OF PRINCIPALS

The Board of Directors of Acelero Learning Clark County are the following:

- | | <u>FULL NAME</u> | <u>BUSINESS ADDRESS</u> | <u>BUSINESS PHONE</u> |
|-----|-----------------------|---|-----------------------|
| 1. | Brian L. Pauling | 632 Grassmeade Way Snellville, GA 30078 | 678-977-8172 |
| 2. | Tameka Henry | 715 N. Tonopah LVNV 89106 | 702-636-4152 |
| 3. | Deborah Ruiz-Harpster | 801 S. Ranch Dr #2 LVNV 89106 | 702-289-1189 |
| 4. | Andrea M. Gandara | Third Floor, 400 S. 4th St, LVNV 89101 | 702-791-0308 |
| 5. | Ruty Ezhuthachan | 2720 N. Tenaya Way, LVNV 89128 | 702-807-1225 |
| 6. | Jacquelyn Perez | 3075 N. Walnut LVNV 89115 | 702-455-8200 |
| 7. | Vivian Wright-Bolton | 1110 Fremont St, LVNV 89101 | 702-431-0889 |
| 8. | Juanita Ortiz | 3820 Cecile Ave. LVNV 89115 | 702-799-3920 |
| 9. | | | |
| 10. | | | |
| 11. | | | |
| 12. | | | |
| 13. | | | |

[SIGNATURE AND NOTARY JURAT ON NEXT PAGE]

DISCLOSURE OF PRINCIPALS

Signature Page

I hereby certify under penalty of perjury, that the foregoing list is full and complete.

ACELERO LEARNING CLARK COUNTY
A Nevada For-Profit Corporation

By: Michael James Mitchell

Printed Name: MICHAEL TOMAS MITCHELL

Title: EXECUTIVE DIRECTOR

Subscribed and sworn to before me this
12 day of July, 2018.



[Signature]
Notary Public