Thursday, January 17, 2018  
Board of Directors Meeting Agenda  

The Board reserves the right to change the order of items on the agenda, with exception of public hearings. One or more members of the Board may participate in the meeting by telephonic communications. The Board Members and members of the public may join this meeting by dialing 1-877-820-7831, code 236985#. Pursuant to A.R.S. §38-431.02(H) the Board will not discuss, consider, or decide those matters not listed on the agenda.

A. Special Session  
1. Call to Order – George Dean  
2. Pledge of Allegiance – George Dean  
3. Roll Call – Board Clerk  

B. Public Participation  
1. Call for Public Participation - George Dean  

C. Approval of Action Items  
1. Request Approval of the Board of Directors meeting minutes for November 15, 2018.  
2. Request Approval to adopt the PESD Lease Agreement by and between Phoenix Elementary School District #1 of Maricopa County, Arizona and ASU Preparatory Academy.

D. Adjournment  
1. Adjournment
## Agenda Item Details

<table>
<thead>
<tr>
<th>Meeting</th>
<th>January 17, 2019 - Board of Directors Meeting - Notice of Special Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>C. Approval of Action Items</td>
</tr>
<tr>
<td></td>
<td>1. Request Approval of the Board of Directors meeting minutes from November 15, 2018.</td>
</tr>
<tr>
<td>Access</td>
<td>Public</td>
</tr>
<tr>
<td>Type</td>
<td>Action</td>
</tr>
</tbody>
</table>

## Recommended Action

It is requested that the Board of Directors approve the meeting minutes from November 15, 2018.
Board of Directors Meeting
Regular Session Minutes
Thursday, November 15, 2018
3:00 pm

Beatriz Rendón, President/CEO, presided over the ASU Preparatory Academy Board of Directors Meeting in the Fulton Center Conference Room 2210 at 300 E. University Dr. Tempe, AZ 85281.

Board Members Present:

José Cárdenas (via telephonic)
Vice Chairperson

Beatriz Rendón
President/CEO, Ex-officio Director

Carole Greenes
Member

Sybil Francis (via telephonic)
Member

Abran Villegas (via telephonic)
Member

Board Members Present (cont’d):

Janene (Jan) Miller (via telephonic)
Member

Also Present:

Lisa Rivera
Board Clerk

Steve Benton
CFO, ASU Prep

Anna Battle
Vice President, ASU Prep

Corey Woods
Secretary, ASU Prep

Board Members Not Present:

George Dean
Chairperson

Chevy Humphrey
Member

Alice “Dinky” Snell
Member

A. Regular Session

1. Call to Order – Beatriz Rendón
   Beatriz Rendón called the meeting to order at 3:11pm

2. Pledge of Allegiance - Beatriz Rendón
   Beatriz Rendón led the meeting attendees in the Pledge of Allegiance.

3. Roll Call – Board Clerk
   Lisa Rivera took roll call and verified a quorum was present.

B. Public Participation

1. Beatriz Rendón made a call for Public Participation. There were no attendees present.
   Resumed Regular Session.

C. Approval of Action Items

1. Request Approval of the Board of Directors meeting minutes for October 10, 2018

On a motion by Carole Greenes and a second by Jose Carredas the Board approved the meeting minutes from October 10, 2018.

Discussion: No Discussion.

FINAL RESOLUTION: Motion Carries
YEA: Jose Cardenas, Beatriz Rendon, Carole Greenes, Sybil Francis, Abran Villegas, and Jan Miller.
2. Request Approval to adopt ASU Preparatory Academy Acknowledgement Resolutions to sell receivables and payments to Charter School Capital.

On a motion by Jose Cardenas and a second by Carole Greenes the Board approved ASU Preparatory Academy’s Acknowledgment Resolutions to Sell Receivables and Payments to Charter School Capital.

Discussion: Steve provided an overview to the Board of Directors regarding the Acknowledge Resolution. ASU Prep is working with Charter School Capital to provide a basic cash advance to help facilitate potential working capital needs. The transaction will consist of the sale of receivables for our Phoenix and Poly campuses based on a portion of the state equalization revenue that will be received later in the year from February through May. This funding would be received November through January if needed. The maximum amount of funding requested for board approval is $6 million dollars with initial funding estimated at $3M. This will ensure some flexibility working with Charter School Capital up to a limit of $6M. The $3M will also include the payoff of the current line of credit with Chase. We are not locked in to a specific amount of the transaction and can terminate at any time. Fees charged on the initial $3M is 2.6% for approximately $81,000 on the entire amount of $3M. We are using Charter School Capital for the first time.

FINAL RESOLUTION: Motion Carries with a majority to approve.
YEA: Jose Cardenas, Beatriz Rendon, Carole Greenes, Sybil Francis, and Jan Miller.
NAY: Abran Villegas

D. Adjournment

1. Adjournment

On a motion by Carole Greenes, and a second by Jose Cardenas, the meeting was adjourned.

FINAL RESOLUTION: Meeting adjourned at 3:35pm.
YEA: Jose Cardenas, Beatriz Rendon, Carole Greenes, Sybil Francis, Abran Villegas, and Jan Miller.

Respectfully submitted this 19th day of November, 2018.

By: [Signature]
ASU Preparatory Academy
Board of Directors Chairperson or designee
Agenda Item Details

Meeting                January 17, 2019 - Board of Directors Meeting - Notice of Special Session

Category              C. Approval of Action Items

2. Request Approval to adopt the PESD Lease Agreement by and between Phoenix Elementary School District #1 of Maricopa County, Arizona and ASU Preparatory Academy.

Access                Public

Type                  Action

Recommended Action

It is recommended that the Board of Directors approve to adopt the PESD Lease Agreement by and between Phoenix Elementary School District #1 of Maricopa County, Arizona and ASU Preparatory Academy.

The lease will allow ASU Prep to occupy the 735 E. Fillmore site for two years, starting on July 1, 2019. The lease amount is $550,000 annually with an additional commitment to provide In-Kind Services, valued at a minimum of $75,000.
LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into this ___ day of December, 2018 by and between the PHOENIX ELEMENTARY SCHOOL DISTRICT #1 of MARICOPA COUNTY, ARIZONA, a political subdivision of the State of Arizona ("Landlord"), and ASU PREPARATORY ACADEMY, an Arizona non-profit corporation ("Tenant").

RECITALS

A. Landlord is an educational institution providing elementary education to Pre-Kindergarten through Eighth Grade students and is engaged in providing comprehensive academic programs to the students it serves.

B. Tenant is an Arizona non-profit 501(c)(3) corporation established to operate a public charter school serving grades Pre-Kindergarten through Twelfth Grade. Tenant holds a Charter sponsored by Arizona State University ("ASU") authorizing it to operate as a public charter school pursuant to Arizona Revised Statutes ("A.R.S.") §15-183(C).

C. The parties are currently parties to a Lease dated May 9, 2009, as amended on March 3, 2011 and on December 11, 2014 (the "Original Lease").

D. Landlord and Tenant desire to continue their relationship and to enter into a new lease for two years upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises of the parties in this Lease, the parties agree as follows:

AGREEMENTS

1. Premises. In consideration of the rents and covenants contained herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord that certain real property located at 735 E. Fillmore Street, Phoenix, Arizona 85006 and legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"). The Premises consists of six separate buildings totaling 171,487 square feet which are situated on land totally approximately 14.81 acres.

2. Term.

   (a) Term. This Lease shall have a term of two years, commencing on the 1st day of July, 2019 (the "Commencement Date") and terminating automatically (unless terminated earlier pursuant to the terms hereof) on the 30th day of June, 2021 (the "Term"). The period of time between July 1 and June 30 of each year during the Term shall be referred to as a "Lease Year."

   (b) Appropriations. Every payment obligation of each party under this Lease is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Lease, this Lease may be terminated by either party at the end of the period for which the funds are available.
No liability shall accrue to either party in the event this provision is exercised, and neither party shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

3. **Rent.** Tenant agrees to pay Landlord as rent for the Premises during the term hereof annual rent in the amount of $550,000.00 (the "Annual Rent"), payable in three equal installments in the amount of $183,333.34 on each August 15, December 15 and April 15 of each year during the Term hereof. Subject to Section 4 of this Lease, Tenant shall pay to Landlord, in addition to and along with any and all rent otherwise payable hereunder, any excise, transaction, sales, or privilege taxes, other than income and estate taxes, now or hereinafter imposed by any government or governmental agency upon Landlord and attributable to or measured by the rent or other charges or prorations payable by Tenant hereunder. In the event of any termination pursuant to Section 2(b) of this Lease, and to the extent Tenant has paid the Annual Rent, then such Annual Rent shall be prorated for the Lease Year in which the termination has occurred and Tenant shall be refunded the Annual Rent attributable to the remaining portion of such Lease Year.

4. **Real Property Taxes.** Landlord is an exempt entity for the purposes of real property taxes. To the extent the use of the Premises by Tenant causes any taxes, whether for real property, personal property, transactional or otherwise, to be incurred, Tenant shall be solely responsible for payment of such taxes before they become delinquent.

5. **In-Kind Services.**

(a) Notwithstanding the amount of Annual Rent set forth above, prior to the commencement of a Lease Year, the parties shall determine which of the in-kind services as set forth Exhibit B will be provided by Tenant and/or ASU to Landlord and the estimated value of such services for the upcoming Lease Year (the "In-Kind Services"). "In-Kind Services" means payment in the form of goods and/or services that has value to the receiving party as measured by the reasonable market value of such goods and/or services. The categories of In-Kind Services set forth on Exhibit B are not exclusive and may be expanded or decreased based on the needs of the Landlord and the types of services that are available from Tenant and/or ASU.

(b) Prior to the commencement of each Lease Year, the parties shall mutually agree on the estimated value of the In-Kind Services to be provided to Landlord for such Lease Year, which value shall be not less than $75,000.00 per Lease Year. In determining the estimated value of the In-Kind Services the parties shall determine the hourly cost (if to be provided by employees of Tenant or ASU), and the estimated time it will take to deliver said services. The parties will thereafter keep a log of each hour or partial hour expended in the provision of such services. Other methods of valuing In-Kind Services may be utilized.

(c) Not later than the 15th each December and June during the first Lease Year and not later than the 15th of each September, December, March and June during the second Lease Year, or the next business day thereafter, Tenant shall provide Landlord with an accounting of the actual In-Kind Services received by Landlord in the previous reporting period (including to the end of the month in which the determination is made). Landlord shall have 30 days to accept or dispute Tenant's accounting of the value. If a dispute continues to exist, representatives of Landlord and Tenant shall endeavor to meet within 15 days, but in no event later than 30 days, after Landlord's response to evaluate the value of the In-Kind Services received by Landlord. Each party shall be required to provide evidence to support its position at
such meeting. If the parties are not able to resolve their dispute within 30 days thereafter, either party may submit the matter to binding arbitration, which shall be conducted in accordance with the rules and procedures set forth by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any demand for arbitration pursuant to this provision shall be filed within 45 days after Landlord’s response to Tenant’s accounting of the value. Any demand not timely filed shall be deemed waived and barred. If the dispute proceeds to arbitration, the prevailing party shall be awarded its fees and costs pursuant to Section 31 below.

6. **Utilities and Other Expenses.** Tenant agrees to pay any and all utility charges incurred in connection with the Premises during the Term of this Lease, including but not limited to:

   (a) All charges associated with electric, water, sewer, garbage collection and telephone. Landlord shall not be liable to Tenant or to any other party occupying any part of the Premises or otherwise for any failure, interruption or defect in the supply, pressure or character of water, electricity, gas, heat, telephone service or any other utility service furnished to the Premises (whether furnished by Landlord or others) by reason of any requirement, act or omission of the public utility company serving the Premises with water, electricity, gas, heat, telephone service or any other utility service, or because of necessary repairs or improvements.

   (b) Costs of insurance for the Premises as further described in Section 16 below.

   (c) Costs associated with landscape maintenance and custodial maintenance for the Premises.

   (d) Maintenance of the Premises as further described in Section 10 below.

7. **Contracted Services.** Tenant and Landlord shall separately contract for services provided by Landlord for maintenance pursuant to a separate fee schedule.

8. **Use; Quiet Enjoyment; Legal Requirements.**

   (a) **Permitted Use.** The Premises shall be used and occupied by Tenant solely for the purpose of operating a public charter school and associated activities, and for no other purpose, unless otherwise consented to by Landlord in writing, which consent may be granted or withheld in Landlord’s sole and absolute discretion. Tenant shall not cause or permit the Premises to be used in any other manner, or in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a legal nuisance or waste. Tenant shall obtain and pay for all permits required for Tenant’s occupancy of the Premises and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Premises, including without limitation the Occupational Safety and Health Act. Tenant acknowledges and agrees that Landlord retains authority to use any and all Premises space that is not needed by Tenant to conduct school operations in accordance with Section 8(c) of this Lease. Landlord agrees that Tenant may permit Short Term Facility Use in those portions of the Premises that are not used by Landlord, subject to Tenant’s procedures and policies regarding the same. Tenant may charge a fee for such Short Term Facility Use. Any use of the
Premises by a third party other than a Short Term Facility Use must be approved in writing by both parties prior to such use. “Short Term Facility Use” means the use by a third party in the community (not by ASU Prep) of the Facility either before or after school hours, on weekends, or during school hours for a period not to exceed seventy-two (72) consecutive hours.

(b) Reserved.

(c) **Landlord Use of Premises.** Landlord agrees that Tenant will have priority to use the Premises for school operations and that the parties will meet on an annual basis prior to Tenant’s academic year to determine Tenant’s expected Premises’ use needs. If Landlord desires to use any portion of the Premises on a regular basis, Tenant will make every reasonable effort to accommodate the request provided that the space is not needed by Tenant to conduct school operations. However, Landlord may not enter into a third party lease agreement for any portion of the Premises without the express written permission of Tenant. The parties intend for Landlord to have reasonable use, at no facility rental cost to Landlord, of appropriate portions of the Premises for community or Landlord events planned by Landlord provided that these activities do not interfere with Tenant’s instructional program, which includes but is not limited to, periodic use of the Premises’ auditorium, cafeteria, gymnasium, playground and fields (collectively, “Landlord Events”). In connection with any Landlord Events, Landlord shall be responsible for (i) maintaining insurance similar to the provisions of Section 16 of this Lease (as may be applicable to Landlord and Landlord Events) to cover any and all matters relating to Landlord Events, and (ii) providing, or being financially responsible for, any security, maintenance, janitorial and other related work and/or costs associated with such Landlord Events.

(d) **Quiet Enjoyment.** Landlord covenants that in consideration of Tenant’s payment of rent hereunder and keeping and performing all of the terms, covenants and conditions of this Lease, Landlord will do nothing which will prevent Tenant from peaceably and quietly enjoying, holding and occupying the Premises during the Term, so long as Tenant complies with any and all provisions and terms of this Lease. Notwithstanding the foregoing, Tenant agrees that Landlord may enter the Premises to show the Premises to prospective tenants or purchasers at any time with 24 hours’ verbal notice to Tenant and as set forth in Section 10(f) below.

(e) **Legal Requirements.** Tenant shall be obligated (and shall be responsible) to comply with any Legal Requirements which pertain to Tenant’s use and occupancy of the Premises, whether such Legal Requirements are structural or nonstructural in nature; provided, however, the foregoing requirement shall not relieve Landlord of any of its duties to comply with Legal Requirements pertaining to the Premises or its obligations as set forth in Section 10(c) of this Lease. The term “Legal Requirements” means all applicable current or future statutes, ordinances, orders, rules, regulations, judgments and requirements of public authorities with jurisdiction over the Premises, including without limitation all City of Phoenix ordinances applicable to the Premises and the applicable provisions of the Arizona Revised Statutes, and all other matters of record affecting the Premises from time to time. Tenant shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein which is not consistent with the Permitted Use of the Premises or which shall in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause a cancellation of any insurance policy covering said Premises or any part thereof or any of its contents. Tenant agrees to comply with all applicable restrictions imposed by the issuance of Landlord’s bonds, by state and federal law, or as controlled by non-profit 501(c)(3) regulations with respect to any future use agreements for the Premises.
(f) **Hazardous Materials.** As used in this Lease, the term "Hazardous Substance" shall mean any element, chemical compound, product, waste, or other substance which are contained in the lists of hazardous substances or wastes now or hereafter adopted by the United States Environmental Protection Agency (the "EPA") or the lists of toxic pollutants designated now or hereafter by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious or radioactive by CERCLA or any Superfund law or any Superlien law or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, including without limitation mold and asbestos. Tenant shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sublessees or invitees without the prior written consent of Landlord. Landlord and Tenant acknowledge and agree that Tenant shall not have any responsibility for Hazardous Substances which existed on the Premises prior to the Commencement Date. Landlord shall be entitled to take into account such other factors or facts Landlord may reasonably determine to be relevant in determining whether to grant or withhold consent to Tenant's proposed activity with respect to Hazardous Materials. In no event, however, shall Landlord be required to consent to the installation or use of any storage tanks on the Premises. Notwithstanding the foregoing to the contrary, Tenant shall be permitted the use of Hazardous Substances that are consistent with Pre-Kindergarten through Twelfth Grade educational science or similar labs, and any reasonable cleaning supplies and materials in connection with maintaining the Premises.

9. **Trade Fixtures and Personal Property.** Except for (i) personal property and trade fixtures of Landlord that were in existence on the Premises at the Commencement Date of the Original Lease, and (ii) the trade fixtures, signs and other personal property set forth on **Schedule 9** attached hereto (collectively, "**Tenant's Personal Property**") any trade fixtures, signs and other personal property of Tenant not permanently affixed to the Premises shall remain the property of Tenant, and Landlord agrees that Tenant shall have the right, provided Tenant be not in default under the terms of the Lease, at any time, and from time to time, to remove any and all of its trade fixtures, signs and other personal property which it may have stored or installed in the Premises, including but not limiting the same to counters, shelving, showcases, mirrors and other movable personal property. Tenant at its expense shall immediately repair any damage occasioned to the Premises by reason of the removal of any such trade fixtures, signs and other personal property. Tenant agrees to pay when due any and all personal property taxes and any other taxes, charges or assessments of every kind and character which may be levied, charges or assessed against any personal property of Tenant placed upon the Premises during the term hereof.

10. **Condition of Premises; Maintenance; Repairs and Alterations.**

   (a) **Existing Conditions.** Tenant acknowledges that it has had an opportunity to inspect and satisfy itself as to the condition of the Premises, and that it is leasing the Premises from Landlord "**AS-IS,**" and that Landlord has made no representation or warranty of any kind as to the condition of the Premises or its fitness for Tenant's intended use.

   (b) **Tenant's Obligations.** Subject to the provisions of Section 10(c), Tenant agrees at all times, from and after delivery of possession of the Premises to Tenant, and at its sole cost and expense, to repair and maintain in good and tenantable condition the Premises
and every part thereof, including without limitation all landscaping maintenance and replacement, irrigation equipment, Tenant’s signs, locks and closing devices, all fixtures and equipment used by Tenant, whether installed by Tenant or Landlord, such as kitchen equipment, and all window sash, casement or frames, doors and door frames, and all such items of repair, maintenance and improvement or reconstruction as may at any time or from time to time be required to comply with all environmental, remedial and other laws, ordinances, rules, directions, regulations, requirements, guidelines and orders of governmental and public bodies and agencies now or hereafter in effect from time to time which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises, including but not limited to the Americans with Disabilities Act, except as otherwise set forth in this Lease. Tenant shall not be responsible to repair damage to, or for maintenance of, the exterior walls and structural parts of the Premises, electrical, plumbing, septic, and structural floor (floor covering, including carpeting, terrazzo tile or other flooring to be maintained and replaced by Tenant as necessary) unless caused by Tenant’s negligence (in which event Landlord shall make or cause to be made such repairs but Tenant shall promptly upon demand therefor reimburse Landlord for the cost and expense of all such repairs). As used in this Section 10(b), the term “exterior walls” shall not be deemed to include plate glass, window cases, window frames, doors or door frames. All glass, both interior and exterior, is at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of the same kind, size and quality.

(c) **Landlord’s Obligations.** Subject to the provisions of Section 10(b), Landlord shall keep and maintain in good and tenantable condition and repair, the roof and roof membrane, exterior walls, parking and structural elements of the Premises, foundations, and structural floor, structural supports, lighting and electrical, plumbing, septic, heating, ventilation and air conditioning equipment (except as set forth in Section 10(d) below), wells and well equipment, and any damage caused by Landlord or its agents, employees or contractors, or any third party in connection with a Landlord Event; provided, however, that Landlord shall not be required to make repairs necessitated by reason of the negligence of Tenant or anyone claiming under Tenant, or by reason of the failure of Tenant to perform or observe any conditions or agreement contained in this Lease, or caused by alterations, additions or improvements made by Tenant or anyone claiming under Tenant. Anything to the contrary herein notwithstanding, Landlord shall not in any way be liable to Tenant for failure to make repairs as herein specifically required of it unless Tenant has previously notified Landlord of the need for such repairs and Landlord has failed to commence and complete said repairs within a reasonable period of time following receipt of Tenant’s notification. Landlord shall be under no obligation to make any repairs, alterations, renewals, replacements or improvements to and upon the Premises at any time except as in this Lease expressly provided. Notwithstanding the foregoing, the parties acknowledge that all repairs costing $100,000 or more are subject to Landlord’s Governing Board Approval.

(d) **HVAC.** Landlord shall have the obligation for providing routine maintenance of all heating, ventilation and air conditioning equipment ("HVAC Equipment") to the standards necessary to comply with the manufacturer’s warranty requirements, at Tenant’s sole cost and expense. With regard to the repair or replacement of the HVAC Equipment that is not included in routine maintenance, the parties acknowledge that Landlord replaced the HVAC Equipment at its sole cost and expense in 2016-2017. For any repair or replacement of the HVAC equipment that is not included in routine maintenance and to the extent it is not covered by any existing warranty, the parties shall equally split such costs.
(e) **Failure to Maintain.** If Tenant refuses or neglects to make repairs and/or maintain the Premises as required of Tenant pursuant to this Lease, or any part thereof, in a manner reasonably satisfactory to Landlord then, in addition to any and all other rights and remedies Landlord may have whether hereunder or at law or in equity, Landlord reserves the right, upon giving Tenant reasonable notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant; provided, however, no reservation of such right by Landlord shall be deemed to (a) impose any obligation on Landlord to make such repairs or perform such maintenance, or (b) render Landlord liable to Tenant or any third party for the failure to do so, or (c) relieve Tenant from any obligation to indemnify Landlord as otherwise provided elsewhere in this Lease. In such event, Tenant shall pay to Landlord the actual cost of such work, as evidenced by copies of invoices provided by Landlord, upon receipt of a bill therefor, accompanied by invoices showing the actual cost of the work, plus 10% of the actual cost as an administrative fee to Landlord for making the repairs on behalf of Tenant.

(f) **Right to Inspect and Right of Access.** Tenant agrees to permit Landlord and its authorized representatives to enter the Premises at all reasonable times. Landlord may inspect and conduct tests to monitor Tenant's compliance with the terms of this Lease and all applicable environmental laws and all laws governing the presence and use of Hazardous Materials, or for any other purpose Landlord reasonably deems necessary, including but not limited to making repairs and improvements to the Premises, whether or not required by this Lease. Landlord shall give Tenant prior notice of such entry, except in the case of emergency or following the occurrence of an event of default hereunder. Tenant further covenants and agrees that Landlord may go upon the Premises from time to time and make any necessary repairs to the Premises and perform any work therein which may be necessary to comply with any laws, ordinances, rules or regulations now or hereafter in effect of any public authority or of the appropriate Fire Rating Bureau or of any similar body or that Landlord may deem necessary to prevent waste or deterioration in connection with the Premises if Tenant does not make or cause such repairs to be made or performed or cause such work to be performed promptly after demand therefor from Landlord, but only to the extent such repairs or work would otherwise be required of Tenant under this Lease. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provision of this Lease Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to do the same. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of rent; provided, however, Landlord shall use commercially reasonable efforts to exercise such rights in a manner that shall not impair Tenant's ability to utilize the Premises for its Permitted Use. In the event Landlord makes or causes any such repairs to be made or performed on behalf of Tenant, as provided for herein, Tenant shall pay to Landlord the actual cost of such work, as evidenced by copies of invoices provided by Landlord, upon receipt of a bill therefor, accompanied by invoices showing the actual cost of the work, plus 10% of the actual cost as an administrative fee to Landlord.

(g) **Alterations, Additions and Improvements.** Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole, absolute and unfettered discretion; provided, however, that Tenant may repaint the interior of the Premises, so long as Tenant restores the interior of the Premises to its original color upon termination of this Lease. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 10(g) upon Landlord's written request. All alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with
all applicable laws and regulations, and by a contractor reasonably approved by Landlord. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials. Tenant shall pay when due all claims for labor and material furnished to the Premises by or on behalf of Tenant. Tenant shall give Landlord at least 20 days' prior written notice of the commencement of any work on the Premises, regardless of whether Landlord's consent to such work is required.

(h) **Condition upon Termination.** Upon the termination of the Lease, Tenant shall surrender the Premises to Landlord in good repair and broom clean, except for (i) ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease, or (ii) damage due to condemnation, casualty or fire. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (other than those made with Landlord's consent) prior to the expiration of the Lease and to restore the Premises to its condition at the commencement of the Term, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

(i) **Liens.** In no event shall any material or equipment, which is subject to any lien, encumbrance or security interest, be incorporated in or permanently affixed to the Premises. Notice is hereby given that Landlord shall not be liable for any work or materials furnished to Tenant on credit and that no mechanic's or other lien for any such work or materials shall attach to or affect Landlord's interest in the Premises based on any work or material supplied to Tenant or anybody claiming through Tenant. Tenant shall not permit any lien to be filed against the Premises or any portion of the Premises for labor, services or materials claimed to have been performed for or furnished to Tenant, its contractors and subcontractors. If such a lien is filed, Tenant shall discharge the lien within 20 days after notice thereof; provided, however, that such 20-day period shall be extended for a reasonable period if Tenant reasonably elects to seek, or must seek, a court order to discharge the lien to the extent such court proceeding takes longer than 20 days, and is diligently pursued (as may be extended, the "Lien Cure Period"). Tenant hereby acknowledges its failure to discharge or "bond over" such a lien will cause Landlord to incur expenses not contemplated by this Lease, the exact amount of which is difficult to ascertain. Should Tenant fail to pay or "bond over" any liens within the Lien Cure Period, Landlord may (but shall not be obligated to) "bond over" such lien or pay the lien claimant and obtain a release of the lien without inquiring into the validity thereof and without liability to Tenant for any such payment, and Tenant shall, upon demand and as additional rent, reimburse Landlord for the amount so paid together with all reasonable attorneys' fees incurred by Landlord and interest thereon at the lesser of 18% per annum or the highest rate allowed by law. Nothing in this Lease shall be construed as a consent or request by Landlord, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor at or the furnishing of any materials to the Premises.

11. **Damage or Destruction.** If the Premises are damaged or destroyed by any casualty, the Lease shall continue in full force, and Landlord shall repair such damage as soon as reasonably possible, as provided below. Notwithstanding the preceding sentence, if (i) the damage equals 25% or more of the replacement value of the Premises; (ii) the insurance proceeds are not sufficient to repair the damage; or (iii) the damage or casualty is not covered by Landlord's insurance policy, then Landlord may, at its option, either elect to repair the
damage as soon as reasonably possible, in which event this Lease shall continue in full force, or, terminate this Lease by giving Tenant written notice of Landlord's election to do so within 60 days after the date of the occurrence of the damage. If Landlord elects to terminate, this Lease will terminate 60 days after Landlord's notice. In no event shall Landlord be required to repair or replace any leasehold improvements, fixtures or other personal property of Tenant; such items being the sole responsibility of Tenant. Pending restoration, a just proportion of the rent due under this Lease shall abate, according to the nature and extent of the impairment to Tenant's ability to access and utilize the Premises, from the date of the destruction until the date upon which the Premises are again available for Tenant's occupancy.

12. **Condemnation.** If any of the Premises is appropriated by any public or quasi-public authority under the power of eminent domain (or similar law authorizing the involuntary taking of private property, which shall include a sale to a public body) rendering Tenant's use of the Premises to be impracticable, either party hereto shall have the right, at its option, to terminate this Lease effective as of the date possession is taken by the authority, and Landlord shall be entitled to all income, rent, awards, and any interest thereon, which may be paid or made in connection with the public or quasi-public use or purpose.

13. **General Indemnity.**

(a) To the maximum extent permitted by law, Tenant agrees to indemnify, protect, defend and hold Landlord and Landlord's Governing Board members, officers, employees and agents (collectively, the "**Landlord Parties**") harmless from and against any and all claims, damages, liabilities, judgments, costs (including reasonable attorney's fees), liens, expenses and penalties, whether now known or unknown, fixed or contingent, liquidated or unliquidated, arising out of or in any way connected (collectively, "**Claims**") to (i) Tenant's and Tenant's officers, directors, agents, servants, employees, students, visitors, licensees, concessionaires and invitees use and occupancy of the Premises or (ii) any accident or other occurrence, causing or alleged to have caused injury or death to persons or damage to property by reason of condition, maintenance or construction of the Premises or any improvement (whether constructed by Landlord or Tenant) to the Premises. The foregoing shall not apply to any Claims resulting from (i) the negligence or willful misconduct of any of the Landlord Parties, (ii) any condition, maintenance or construction of the Premises or any improvement to which Landlord is responsible pursuant to this Lease, or (iii) a Landlord Event.

(b) To the maximum extent permitted by law, Landlord agrees to indemnify, protect, defend and hold Tenant, Tenant's governing board members, officers, employees and agents (collectively, the "**Tenant Parties**") harmless from and against any and all claims, damages, liabilities, judgments, costs (including reasonable attorney's fees), liens, expenses and penalties, whether now known or unknown, fixed or contingent, liquidated or unliquidated, arising out of or in any way connected (collectively, "**Claims**") to (i) the negligence or willful misconduct of any of the Landlord Parties, (ii) any condition, maintenance or construction of the Premises or any improvement to which Landlord is responsible pursuant to this Lease, or (iii) a Landlord Event. The foregoing shall not apply to any Claims resulting from (i) the negligence or willful misconduct of any of the Tenant Parties, (ii) any condition, maintenance or construction of the Premises or any improvement to which Tenant is responsible pursuant to this Lease.

(c) This Section 13 shall survive the expiration or termination of this Lease.
14. **Environmental Indemnity.** Tenant agrees to indemnify, protect, defend and hold the Landlord Parties harmless from and against any and all claims, damages, liabilities, judgments, costs (including reasonable attorney's fees), liens, expenses and penalties, whether now known or unknown, fixed or contingent, liquidated or unliquidated, arising out of or in any way connected to any violation or alleged violation of any Environmental Law occurring during the Lease term; provided, however, that the foregoing shall not apply to any violation or alleged violation of Environmental Law arising out of conditions that pre-existed the Commencement Date of the Original Lease. This Section 14 shall survive the expiration of termination of this Lease.

15. **Reserved.**

16. **Insurance.** Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Lease, the following non-contributing primary insurance policies, all of which shall name Landlord as an additional insured:

   (a) **Liability Insurance.** Tenant will maintain commercial general liability insurance for bodily injury, death, and property damage occurring at the Property, with minimum limits of $2,000,000 each occurrence and $2,000,000 general aggregate (which may include umbrella coverages). Tenant’s liability insurance will (a) name Landlord as additional insured, (b) be primary to any other insurance maintained by the Landlord Parties, and (c) be placed and maintained with companies rated at least “A/VII” by A.M. Best Insurance Service. Tenant may maintain such insurance in whole or in part under blanket policies. Upon Landlord’s request, Tenant will deliver a certificate of such insurance to Landlord.

   (b) **Worker’s compensation insurance** covering all persons employed by Tenant in connection with any work done on or about the Premises with respect to which claims for death or bodily injury could be asserted against Landlord or the Premises in the statutorily required limits.

   (c) **Employer’s Liability insurance** of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

   (d) **Fire, Extended Coverage, and Vandalism and Malicious Mischief perils** as to Tenant’s personal property and fixtures in an amount not less than 90% of the full replacement cost of such property. Tenant’s personal property is located at the Premises at Tenant’s sole risk, and Landlord is not liable for any damage to or loss or destruction of Tenant’s personal property. Tenant agrees that any casualty insurance policy carried by Tenant insuring Tenant’s property located at or upon the Premises shall contain a provision whereby the insurance carrier waives any right of subrogation against Landlord.

17. **Payment of Annual Rent and Other Amounts.**

   (a) **Late Charges.** Tenant’s failure to pay amounts payable by Tenant hereunder within 15 days after such payment is due may cause Landlord to incur unanticipated costs. The exact amount of such costs is impractical or extremely difficult to ascertain. Therefore, if Landlord does not receive a payment of annual rent, or any other amount payable hereunder by Tenant, within 15 days after Landlord provides an invoice for any such payment to Tenant, Tenant shall pay to Landlord a late charge equal to 5% of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.
(b) **Interest on Past Due Obligations.** Any amount owed by Tenant to Landlord which is not paid within 15 days after Landlord provides an invoice for any such payment to Tenant shall bear interest at the rate of 12% per annum from the date such amount was due; provided, that interest shall not be payable on late charges to be paid by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

18. **Events of Default.** Tenant shall be in default if:

(a) Tenant fails to pay rent or any other payments in full within 15 days after Landlord provides an invoice for any such payment to Tenant.

(b) Tenant fails to provide In-Kind Services with a value of at least $75,000.00 in any Lease Year, as such value is determined pursuant to Section 5(c) above. Tenant may cure such default by paying to Landlord within 15 calendar days of such determination, the full amount of In-Kind Services due for the applicable Lease Year (not to exceed $75,000), less the value of In-Kind Services that have been received and that are not in dispute.

(d) Tenant fails to perform or observe any of Tenant’s other material obligations under this Lease and does not cure the failure within 30 days after written notice from Landlord stating the failure involved; provided, however, Tenant shall have an additional reasonable period of time (but in any event not to exceed the earlier of an additional 90 days or the expiration of the Term) to cure such failure if (a) such failure cannot be reasonably cured within such thirty (30) day period; and (b) Tenant at all times is diligently undertaking to cure such failure.

(d) Any bankruptcy action is filed, either voluntarily or involuntarily, applicable to Tenant, or there exists any other circumstance which indicates Tenant’s inability to pay its debts as they mature.

(e) Tenant’s leasehold interest passes to any other party by operation of Law in violation of this Lease.

(f) Tenant fails to fully and properly maintain the Premises as described herein or uses the Premises for any use not specifically permitted herein and does not cure the failure within 30 days after written notice from Landlord stating the failure involved; provided, however, Tenant shall have an additional reasonable period of time (but in any event not to exceed the earlier of an additional 90 days or the expiration of the Term) to cure such failure if (a) such failure cannot be reasonably cured within such thirty (30) day period; and (b) Tenant at all times is diligently undertaking to cure such failure.

19. **Remedies.** Upon the occurrence of any Event of Default by Tenant, Landlord, at its option, may take any one of the following actions, concurrently or separately, without prior notice or demand:

(a) Landlord may take reasonable actions necessary in Landlord’s sole discretion, to cure any Event of Default by Tenant. Tenant shall be liable for all of Landlord’s expenses incurred, with interest at the rate of 12% per annum until paid, as additional rent,
payable on the first of the next succeeding month after demand for payment by Landlord to Tenant.

(b) Landlord may require specific performance of Tenant of any act or payment applicable to any Event of Default, and Landlord shall be entitled to affirmative or negative temporary restraining orders or injunctions to obtain the same.

(c) Landlord, without terminating the Lease, may take possession of the Premises. Landlord may, but need not, remove any persons or property from the Premises. Landlord shall make a reasonable effort to relet the Premises, in whole or in part, on the Tenant’s behalf, for whatever rent and term and on whatever conditions Landlord may see fit. Tenant shall be liable to Landlord for any deficiency between any rent procured by Landlord (after deduction of all costs of reletting) and the unpaid rent under this Lease. Tenant shall pay to Landlord such deficiency upon demand.

(d) Landlord may terminate this Lease, with the same effect as if the term had expired whether or not Landlord has previously taken possession of the Premises without terminating this Lease. In such event, Tenant shall be liable to Landlord for the amount of all unpaid rent to the date of the termination.

(e) Landlord may hold (either on the Premises or elsewhere), and may, but need not, foreclose against any property of Tenant upon the Premises, under a landlord’s lien to secure to Landlord Tenant’s payment of rent and performance of this Lease.

(f) Landlord may exercise any other remedy Landlord may have at law or in equity.

Landlord may exercise any remedy without court action, or by one or more court actions, and in exercising any remedy shall not be deemed to have waived its right to any other remedy.

20. Assignment and Subletting. Except for Short Term Facility Use Agreements, Tenant may not assign or sublet, in whole or in part, this Lease or any portion of the Premises without the express written consent of Landlord, which consent may be granted or withheld in Landlord’s sole and absolute discretion.

21. Liens. Tenant shall at all times keep the Premises and Tenant’s leasehold interest free from liens of any kind, except as otherwise provided in this Lease.

22. Notice and Demands. Any notice or demands which shall be required or permitted by Law or by any of the provisions of this Lease shall be in writing. Any such notice or demand shall be deemed effective when deposited in the United States Mail, hand delivered or sent by overnight courier, and addressed as follows:

If to Landlord:
Phoenix Elementary School District No. 1
1817 N. 7th Street
Phoenix, AZ 85006
Attention: Assistant Superintendent for Business Services
With a copy to:

Jennifer MacLennan, Esq.
Gust Rosenfeld PLC
1 East Washington
Suite 1600
Phoenix, AZ 85004

If to Tenant:

ASU Preparatory Academy
PO Box 876705
Tempe, AZ 85287-6705
Attention: Ms. Beatriz Rendon and Dr. Anna Battle

With a copy to:

Samuel S. Chang, Esq.
Lewis Roca Rothgerber Christie LLP
201 East Washington, Suite 1200
Phoenix, AZ 85004

23. **Holding Over.** If after expiration of the Term, Tenant remains in possession of the Premises, Landlord may, at its option, serve notice upon Tenant that such hold-over constitutes either: (a) a month-to-month tenancy upon all the provisions of this Lease (except as to Term and Rent); (b) a tenancy at sufferance; or (c) a trespass. If Landlord does not give said notice, Tenant’s hold-over shall create a tenancy at sufferance, subjecting Tenant to all the covenants and obligations of this Lease. In any event, Annual Rent shall be pro-rated into one month increments and increased to 150% of one-twelfth of the Annual Rent in effect at the expiration of the Term. If a month-to-month tenancy is created, either party may terminate such tenancy by giving the other party at least 30 days advance notice of the date of termination. In the case of a month-to-month tenancy or tenancy at sufferance, if Tenant shall hold over without the consent of Landlord after Landlord has given Tenant 30 days prior written notice of termination, then Tenant shall also protect, defend, indemnify and hold Landlord harmless from all claims, losses, costs and expenses resulting from retention of possession by Tenant, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost rents and profits to Landlord resulting therefrom. After sending a 30 day advance notice of termination, the provisions of this Section 23 shall not constitute a waiver by Landlord of any right of re-entry as otherwise available to Landlord, nor shall receipt of any rent or any other act appearing to affirm the tenancy operate as a waiver of the right to terminate this Lease for a breach by Tenant hereof. In addition to the foregoing rights and remedies, if Landlord determines that Tenant’s possession of the Premises constitutes a trespass, Landlord shall have the right to seek ejectment of Tenant from the Premises.

24. **Brokerage.** Landlord and Tenant represent to each other that no real estate broker, agent or finder is in connection with this transaction, other than Berry Realty & Associates (Virgil Berry) who represents the Landlord (the “Broker”). Landlord and Tenant shall each indemnify, defend and hold the other harmless for, from and against any loss, cost or expense, including reasonable attorneys’ fees, resulting from any claim for a fee or commission by any
other broker, agent or finder claiming by or through the indemnifying party. This indemnity shall survive the termination or earlier expiration of this Lease. Landlord will pay compensation to Broker in connection with this Lease pursuant to a separate agreement between Landlord and Broker.

25. **Authority.** Each of Tenant and Landlord represents and warrants to the other party that the individual executing this Lease on behalf of such party is authorized to do so.

26. **Waiver.** Any waiver by Landlord of any default, breach or failure by Tenant shall not constitute a waiver of any other default, breach or failure by Tenant hereunder. The subsequent acceptance of rent or any other payment or charge hereunder by Landlord shall not be deemed to be a waiver of any preceding default or breach by Tenant of this Lease, other than failure of Tenant to pay the particular rent or other payment or charge so accepted. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is set forth in writing.

27. **Time of the Essence.** Time is of the essence in the performance of the obligations of each party hereunder.

28. **Captions.** The captions contained in this Lease are for convenience only, and in no way limit or define the meaning of the provision hereof.

29. **Entire Agreement.** This Lease constitutes the entire agreement between the parties and supersedes any and all prior offers, agreements and negotiations of the parties.

30. **Benefit.** This Lease shall inure to the benefits of and be binding upon the parties hereto and their respective successors and permitted assigns.

31. **Litigation and Attorneys' Fees.** In the event either Landlord or Tenant shall bring any action or proceeding for damages for any alleged breach of any provision of this Lease, to recover rents or any other sums due hereunder, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as part of, or incident to, such action or proceeding, all attorneys' fees, expert witness fees and other costs and expenses incurred in the preparation and processing of such action or proceeding. This provision shall apply to any arbitration proceeding brought pursuant to Section 5 above.

32. **Construction, Governing Law and Venue.** This Lease shall be governed by, enforced and construed in accordance with the internal laws of the State of Arizona, without regard to conflicts of law principles, and will be construed as a whole and in accordance with its fair meaning and without regard to, or taking into account, any presumption or other rule of law requiring construction against the party preparing this Lease or any part hereof. Any dispute or controversy relating to this Lease, including the breach and enforcement thereof, will take place in the Superior Court of Maricopa, Arizona.

33. **Further Assurances and Documentation.** Each party agrees in good faith to take such further actions and execute such further documents as may be necessary or appropriate to fully carry out the intent and purpose of this Lease.
34. Dates of Performance. If the time for the performance of any obligation under this Lease expires on a Saturday, Sunday or legal holiday, the time for performance will be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

35. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute one and the same instrument.

36. No Third Party Beneficiaries. No third party shall be entitled to rely upon, benefit from or enforce the terms of this Lease. No provision in this Lease is intended to nor shall it in any way inure to the benefit of any third party so as to constitute a third party beneficiary under this Lease.

37. Enforceability. If any provision of this Lease is held to be illegal, invalid or unenforceable, such provision shall be fully severable. This Lease shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof.

38. Right of Cancellation. All parties hereto acknowledge that this Lease is subject to cancellation by Landlord pursuant to the provisions of A.R.S. § 38-511.

39. No Israel Boycott. The parties agree that they are not currently engaged in, and agree that for the duration of this Lease they will not engage in, a boycott of Israel, as that term is defined in A.R.S. Section 35-393. Notwithstanding the foregoing to the contrary, unless and until the District Court's injunction in Jordahl v. Brnovich et al., Case No. 3:17-cv-08283 (D. Ariz.) is stayed or lifted, the Anti-Israel Boycott Provision (A.R.S. 35-393.01 (A)) is unenforceable and the Landlord will take no action to enforce it.

40. E-Verify Requirements. To the extent applicable under Arizona Revised Statute Section 41-4401, Tenant warrants compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. Section 23-214(A). Tenant's failure to comply with such warranty shall be deemed a material breach of this Lease and may result in the termination of this Lease by the Landlord.

[SIGNATURES ON THE FOLLOWING PAGE]
In witness whereof, the parties have executed and delivered this Lease as of the date first set forth above.

PHOENIX ELEMENTARY SCHOOL
DISTRICT NO. 1 OF MARICOPA COUNTY,
a political subdivision of the State of Arizona

By ____________________________

Its ____________________________

[Landlord]

ATTEST:

______________________________
Governing Board President

ASU PREPARATORY ACADEMY, an
Arizona non-profit corporation

By ____________________________
Print Name: ____________________________
Title: ____________________________

[Tenant]
EXHIBIT A

(Legal Description of Premises)

PARCEL NO. 1:
Lots 1 through 9, BANDY SUBDIVISION, a subdivision recorded in Book 7 of Maps, Page 26, records of Maricopa County, Arizona.

PARCEL NO. 2:
Lot 1; Lot 2; the South 150 feet of Lot 3; and all of Lots 9 and 10, all in Block 6, DENNIS’ ADDITION, a subdivision recorded in Book 1 of Maps, Page 8, records of Maricopa County, Arizona.

PARCEL NO. 3:
Lots 1 through 17, MONTE VISTA PLACE, a subdivision recorded in Book 3 of Maps, Page 14, records of Maricopa County, Arizona.

PARCEL NO. 4:
That portion of Canal Street, as shown on the plat of DENNIS’ ADDITION, a subdivision recorded in Book 1 of Maps, Page 8, and on the plat of MONTE VISTA PLACE, a subdivision recorded in Book 3 of Maps, Page 14, records of Maricopa County, Arizona, lying between the East line of the West 60 feet of the Southwest quarter of Section 4, Township 1 North, Range 3 East of the Gila and Salt River Base and Meridian and the Southerly prolongation of the East line of Block 6 of said DENNIS’ ADDITION, as abandoned by Resolution No. 12350, recorded in Docket 6145, Page 415.

EXCEPT any portion of the foregoing described property lying within the above Parcels 1 through 4, as set forth in Final Order of Condemnation Cause No. C600101, recorded November 9, 1988 in 88-585267, Official Records, described as follows:

That part of the South 150 feet of Lot 3, Block 6, DENNIS ADDITION, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 1 of Maps, at Page 8 thereof, described as follows:

BEGINNING at the Northwest corner of said South 150 feet of Lot 3; thence Easterly along the North line of said South 150 feet a distance of 15 feet; thence Southwesterly to a point on the West line of said Lot 3 which is 15 feet South of the POINT OF BEGINNING;

TOGETHER WITH that part of Lots 1 and 2 in said Block 6 described as follows:

BEGINNING at the Northwest corner of said Lot 2; thence Southerly along the West line of said Lots 1 and 2 to the Southwest corner of said Lot 1; thence Easterly along the South line of said Lot 1 to the East line of the West 60 feet of the Southwest quarter of Section 4, Township 1 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; thence Northerly along said East line to the South line of the North 40 feet of said Lot 2; thence
Westerly along last said South line to the East line of the West 44 feet of said Southwest quarter; thence Northwesterly to the POINT OF BEGINNING; and

TOGETHER WITH that part of Lot 17, MONTE VISTA PLACE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 3 of Maps, at Page 14 thereof, lying West of the East line of the West 60 feet of said Southwest quarter; and

TOGETHER WITH that part of said Lot 17 described as follows:

BEGINNING at the intersection of the South line of said Lot 17 with the East line of said West 60 feet; thence Easterly along said South line to the East line of the West 70 feet of said Southwest quarter; thence Northwesterly along a line which extends to the intersection of the East line of said West 60 feet with the North line of the South 10 feet of said Lot 17 to the East line of the West 64.5 feet of said Southwest quarter; thence northerly along last said East line a distance of 24 feet to an orthogonal line; thence Westerly along said orthogonal line to the East line of said West 60 feet; thence Southerly along last said East line to the POINT OF BEGINNING.
EXHIBIT B

POTENTIAL IN-KIND SERVICES TO BE OFFERED TO LANDLORD BY TENANT
AND/OR ASU

<table>
<thead>
<tr>
<th>Student Success</th>
<th>In-Kind Services</th>
<th>Responsible PESD Contact</th>
<th>Responsible ASU Prep Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provide access to ASU Prep Digital courses, for example, Algebra I at the Arizona Partnership pricing.</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
</tr>
<tr>
<td></td>
<td>Provide collaborative meetings to enhance Signature School programs across the district: Collaborative support for the leadership, share possible staffing models, collaboration with departments that support the Signature School. Signature Schools could include STEAM, Dual-Language, Sustainability.</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
</tr>
<tr>
<td></td>
<td>Collaborate with Phoenix Elementary School Gifted Teachers to develop ILPs for our gifted students, facilitate student-led conferences.</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th>In-Kind Service</th>
<th>Responsible PESD Contact</th>
<th>Responsible ASU Prep Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provide access to ASU</td>
<td>Chief Operations Officer</td>
<td>Chief Operations Officer</td>
</tr>
<tr>
<td>In-Kind Service</td>
<td>Responsible PESD Contact</td>
<td>Responsible ASU Prep Contact</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Connect PESD staff with MLFTC to access teacher interns for the district.</td>
<td>Director of Human Resources</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Offer opportunities for Phoenix Elementary teams to participate in Approved PD held at Phoenix campus.</td>
<td>Cabinet</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Service Description</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>--------------------------</td>
<td></td>
</tr>
<tr>
<td>Dual-Language support for Herrera Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Development Collaboration with PESD Assistant Superintendents</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>IT departments to collaborate on Dashboard</td>
<td>Chief Operations Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Accelerated (Immersion) HS Math courses available to middle school students at ASU Prep Phoenix</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Access to job posting system for before and after school staffing</td>
<td>Director of Human Resources</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Connect Leadership with MLFTC to inquire about a Teacher Education Cohort for Educational Leadership</td>
<td>Director of Human Resources</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>Restorative Justice: Make connections with Dr. Hermanns</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
<tr>
<td>PD on Culturally Responsive Instruction: ASU Professor: Make connections with Dr. Hermanns</td>
<td>Chief Academic Officer</td>
<td>Chief Operations Officer</td>
<td></td>
</tr>
</tbody>
</table>
Schedule 9
(Tenant's Personal Property)
[See Attached]