

OFFICE LEASE

This OFFICE LEASE (Lease) is made effective the 9th day of August 2005 between WEST BENSON, LLC (Lessor), and Family Partnership Charter School, Inc. (Lessee).

Lessor has a two story office building located at 401 East Fireweed Lane, Anchorage, Alaska 99503 (more specifically described as: Lot 3A, Lounsbury Subdivision, according to the official plat thereof, Plat 79-24, filed in the Anchorage Recording District, Third Judicial District, State of Alaska), and Lessee desires to lease a part or portion of such office building from Lessor under the terms and conditions herein contained.

NOW, THEREFORE IT IS AGREED:

1. LEASED SPACE

1.1 Description of Leased Space

(a) Lessor hereby leases to Lessee, and Lessee leases from Lessor, that certain portion (herein called Leased Space or Premises) of the office building located at 401 East Fireweed Lane, Anchorage, Alaska. The Leased Space is comprised of Suites 100 and 103, stipulated by the parties to contain 3,794 rentable square feet and is more particularly described as set forth or outlined on the attached floor plan marked Exhibit "A."

(b) Use and occupancy by Lessee of the Leased Space shall include the free and uninterrupted right of access to the Leased Space by means of doorways, passages, stairways, and entrances to the building which affords access to the Leased Space.

(c) Nothing herein contained shall be construed as a grant or rental by Lessor to Lessee of the roof or exterior walls of the building of which the Leased Space forms a part or any of the walks or other common areas beyond the Leased Space including but not limited to the vehicular parking areas in or about such office building.

1.2 Condition of Premises

Lessee has leased the Leased Space after an examination of the same, and except as herein expressly otherwise provided, without any representations on the part of Lessor.

1.3 Services Furnished By Lessor

Lessor will furnish to and for the benefit of Lessee without additional charge the following services: landscaping, electric (including furnishing and replacing as required all lighting tubes, bulbs, ballasts or like items), water, common and demised area janitorial three business days per week, exterior grounds maintenance (including sweeping, garbage and snow removal) provided, however, any high power electrical usage or other heavy electrical demand by Lessee will be charged to and borne by Lessee. Additionally, Lessor will furnish without charge to Lessee on Monday through Friday (five days) of each week appropriate heating and air

conditioning during the hours of 7:00 am to 7:00 pm (12 hours). Landlord will pay for carpet cleaning up to one time per year if requested by Lessee.

1.4 Utility Charges

Lessee shall initiate, contract for, and obtain in its own name such communication [e.g. cable, internet, DSL, satellite, etc.], security, telephone services and any other utilities or services (except those to be provided by Lessor) desired by Lessee, and Lessee shall pay all charges for these services as they become due. Note: Lessee shall keep all telecommunications equipment and services within in their own delineated lease area.

1.5 Quiet Enjoyment

Lessee upon paying the rents, and performing all of the terms and covenants on its part to be performed, shall peaceably and quietly enjoy the Leased Space subject, nevertheless to the terms of this Lease, and to any deed of trust or mortgage to which its Lease is subordinated, or otherwise subject to.

1.6 Control of Common Areas

All common areas and other facilities in or about the Leased Space and the building in which it is situated shall be subject to the exclusive control and management of Lessor. Subject to Lessee's parking rights set forth in Section 1.7, Lessor shall have the right to construct, maintain and operate lighting and other improvements on all said areas; to police the same; to change/reconfigure the area, level location, arrangement for other facilities, lease to anyone, for their exclusive use, one or more of the parking spaces adjoining the building, to restrict parking by Lessee, its officers, agents and employees; and to discourage non-Lessee parking. Lessor shall operate and maintain the common areas and facilities in such manner as Lessor in its sole discretion shall determine, and Lessor shall have full right and authority to employ and discharge all personnel with respect thereto.

1.7 License to Common Areas

No parking spaces are reserved to Lessee, but Lessee may use up to thirteen common parking spaces not otherwise marked as "Reserved." All parking spaces along the front of the building are reserved for customer parking and may not be used by the Lessee, nor Lessee's employees or representatives, but may be used by the Lessee's customers as long as no more than a total of thirteen parking spaces are used by any combination of Lessee's employee's or customers.

Subject to Lessee's parking rights set forth in this Section, all common areas, parking spaces and facilities which Lessee may be permitted to use and occupy are to be used and occupied under a revocable license; and if any such license be revoked or if the amount of such areas is changed or diminished, Lessor shall not be subject to any liability nor shall Lessee be entitled to any compensation or diminution or abatement of rent, nor shall revocation or diminution of such areas be deemed constructive or actual eviction.

1.8 Lessor's Right of Entry

Lessee, at any time during the term of this Lease, shall permit reasonable inspection of the Leased Space during business hours by the Lessor, or Lessor's agents or representatives, or by or

on behalf of prospective purchasers, and during the six (6) months immediately preceding the expiration of this Lease, shall permit inspection thereof by or on behalf of prospective lessees, provided the inspection does not unreasonably interfere with Lessee's business.

2. LEASE TERM

2.1 Length of Term

The term of this Lease shall be for 81 months unless earlier terminated as provided herein. Lessee shall have access to the Premises as soon as the Lessee improvements are completed, but no later than September 1, 2005. There shall be no rent due until September 1, 2005.

Lessee shall have the option to extend the lease, for two (2) additional, three (3) year periods upon ninety (90) days prior written notice. Rental rates for each option period shall be negotiated to "fair market" value. Lessee's exercise of this option shall only be valid if Lessee is not in default of its obligations under this Lease when it exercises its option to extend and when the extended term is scheduled to begin.

No financial obligation on the part of Lessee beyond a current fiscal year, (the Lessee's fiscal year is July 1 through June 30 of each year) shall exist under this Lease unless and until an appropriation of funds to be expended on this contract for the following fiscal year is made by the Anchorage School Board. In the event that the School Board does not appropriate funds, or appropriates insufficient funds to lease the demised premises for the following fiscal year, the Lessee shall notify the Landlord no later than 1st day of May prior to the expiration of the then current fiscal year that the School Board has not appropriated funds or has appropriated insufficient funds for the leasing of the demised premises and this Lease agreement shall terminate on the last day of the then existing fiscal year, or on the date when appropriated funds for this contract are exhausted.

Notwithstanding any other provision in this Lease to the contrary, Lessor and Lessee agree that this lease will terminate in the event that the contract between the Lessee and the Anchorage School Board, which authorizes the Lessee to operate as a charter school, is terminated for any reason. The date of the termination of this lease in such event shall be the last day of the Lease year (June 30 of the subject year) in which the Lessee's charter with the Anchorage School Board is terminated. All of the financial obligations of the Lessee shall be paid in full as of the last date of the subject year and the lease will terminate. Lessee shall not be obligated to pay any additional rents beyond the termination date, or any other obligation under this lease for any period after such date of termination, except as expressly provided with regard to Leasehold improvements or back rents. Lessee agrees to notify Lessor promptly in writing, if Lessee receives any notice from the Anchorage School District that the Anchorage School Board has terminated the Lessee's charter or has commenced procedures to terminate Lessee's charter. Landlord understands and agrees that it is not an intended beneficiary under any contract or charter between the Anchorage School Board or Anchorage School District and the Lessee, and that neither the Anchorage School Board nor Anchorage School District is a party to this Lease and shall not be liable in any way under this lease.

In addition to any back rents due, upon any termination of the Lease occurring prior to June 30, 2012, Lessee shall pay Lessor an amount equal to Lessor's unamortized expenditures for Leasehold improvements made to the Leased Space [as set forth in Exhibit B]. This amount shall be determined by dividing the number of months remaining until June 30, 2012 by 81. That figure shall be multiplied by the amount of Lessor's expenditures for leasehold improvements to the Leased Space, which shall be the amount due Lessor.

2.2 Commencement of Term

The term of this Lease shall commence on September 1, 2005 and terminate on June 30, 2012, unless earlier terminated as provided herein.

In the event the application of the foregoing commencement provision results in a commencement date other than the first day of a calendar month, the rent shall be immediately paid for such initial fractional month prorated on the basis of a thirty (30) day month and the term of the Lease shall commence on the first day of the calendar month next succeeding. Lessee shall, upon request by Lessor, execute and deliver to Lessor a written declaration in recordable form expressing the commencement and termination dates hereof and certifying the Lease is in full force and effect and there are no defenses or offsets thereto, or stating those claimed by Lessee.

2.3 Holdover

If the Lessee shall hold over after the expiration of the lease term, such tenancy shall be from month to month and subject to all the terms, covenants and conditions of this Lease except that the rent for each holdover month or part thereof will be one hundred and fifty percent (150%) of the monthly rental provided herein for the last month of the term of this Office Lease.

2.4 Surrender of Possession

On the last day of the term, or on the sooner termination thereof, Lessee shall peaceably and quietly leave, surrender and yield up unto Lessor all and singular the Leased Space, broom clean, in good order and repair, ordinary wear and tear excepted, together with all alterations, additions and improvements which may have been made upon the Premises, except movable furniture or movable trade fixtures put in at the expense of Lessee. If Lessee caused the Leased Space to be improved with other than building standard ceiling suspension system, acoustical tile ceiling, fluorescent light fixtures, millwork detail, doors and door frames, hardware or carpet and base, or any corridor adjacent to the core of the building to be other than building standard width and construction, Lessee shall pay Lessor at Lessor's option an amount equal to the cost to replace all such non-standard items with building standard items and the cost to replace such non-standard public corridor with one of building standard width and construction. Lessee shall further be obligated to pay for the cost of the repair of all screw holes, nail holes and/or other damage caused or left by the removal of any fixtures, decorations or alterations made by Lessee, whether or not such items are removed by Lessee. If the last day of the term of this Lease falls on Sunday, this Lease shall expire on the business day immediately preceding it. Lessee, on or before said date, shall remove all property from the Leased Space, and all property not so

removed shall be deemed abandoned by Lessee. If said Leased Space is not surrendered at the end of the term, Lessee shall indemnify Lessor against loss or liability resulting from the delay by Lessee in so surrendering the Leased Space, including without limitations any claims made by any succeeding Lessee founded on such delay.

2.5 Possession

If Lessor is unable to give possession of the Leased Space on the date herein fixed for the commencement of the demised term, by reason of the holding over of a Lessee in possession thereof, or for any other cause beyond the Lessor's control, unless the Lessor elects to terminate this Lease, as hereinafter provided, this Lease and all its provisions, including the date herein fixed for expiration of the leased term, shall nevertheless continue in full force and effect, except that in said event: (a) Lessor shall take such steps as may be necessary to recover possession of the Leased Space from such holdover Lessee, and shall give to the Lessee prompt written notice as soon as the Leased Space is ready for the Lessee's occupancy or possession of said Leased Space has been recovered by Lessor; and (b) the Lessee's obligation to pay the rent herein reserved shall not become effective until the fifteenth (15th) day next ensuing after the giving by the Lessor to the Lessee written notice provided for in the preceding clause. If the Lessor is unable to give possession of the Leased Space on the date herein fixed for the commencement of the leased term for any of the aforesaid reasons the Lessee reserves the right, by written notice given to the Lessor, to terminate this Lease. If this Lease is terminated by the Lessee pursuant to these provisions, the Lessor shall refund to the Lessee any rent prepaid or security deposited by the Lessee with the Lessor, and thereupon this Lease and all rights and obligations hereunder shall cease and come to an end, in the same manner and with the same force and effect as if this Lease had not been entered into.

2.6 Possession Prior To Term of Lease

Permission is given by the Lessor to the Lessee to enter into possession of the Leased Space prior to the date herein fixed for the commencement of the Lease term, and such occupancy by the Lessee shall be deemed to be that of a Lessee under the terms, covenants and conditions of this Lease, except as to the covenant to pay rent.

3. RENT

3.1 Covenant to Pay Base Rent

Lessee covenants to and shall pay to Lessor at P.O. Box 232614, Anchorage, Alaska 99523, or at such other place as Lessor may designate, in advance, on the first day of each calendar month during the term hereof as follows:

- September 1, 2005 through June 30, 2006 - \$6,449.80 per month
- July 1, 2006 through June 30, 2007 - \$6,639.50 per month
- July 1, 2007 through June 30, 2008 - \$6,829.20 per month
- July 1, 2008 through June 30, 2009 - \$7,018.90 per month
- July 1, 2009 through June 30, 2010 - \$7,208.60 per month
- July 1, 2010 through June 30, 2011 - \$7,398.30 per month
- July 1, 2011 through June 30, 2012 - \$7,588.00 per month

- (e) The first month's rent shall be due and payable September 1, 2005.

3.2 Additional Rent

In addition to the foregoing rent provided for in Sections 3.1 above, all other payments to be made by Lessee to Lessor shall be deemed to be and shall become additional rent hereunder, whether or not the same be designated as such; and shall be due and payable on demand or together with the next succeeding installment of rent, whichever shall first occur, together with interest thereon; and Lessor shall have the same remedies for failure to pay the same as for a nonpayment of rent. Lessor, at its election, shall have the right to pay or do any act which requires the expenditure of any sums of money by reason of the failure or neglect of Lessee to perform any of the provisions of this Lease, and in the event Lessor shall at its election pay such sums or do such acts requiring the expenditure of moneys, Lessee agrees to pay Lessor, upon demand, all such sums, and the sums so paid by Lessor, together with interest thereon, shall be deemed additional rent and be payable as such.

3.3 Interest on Unpaid Rent, Late Charge

(a) Rent(s) not paid when due by Lessee shall bear interest at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is less.

(b) In addition, Lessor may, as liquidated damages for the additional expense of handling a delinquent rent payment, declare due and payable a late charge, not to exceed four cents (\$.04) per one dollar (\$1.00) due, for any periodic rent(s) not received at the designated place of payment within fifteen (15) days of its due date.

4. USE OF PREMISES

4.1 Use of Premises

Lessee shall use the Leased Space solely for the purpose of conducting the business of school administration offices. Lessee shall not use, permit or suffer the use of the Leased Space for any other business or purpose.

4.2 Compliance with Laws

(a) Lessee shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the Leased Space, whether or not any such laws, ordinances or regulations which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same. Lessee further agrees it will not permit any unlawful occupations, business or trade to be conducted on said Premises or any use to be made thereof contrary to any law, ordinance or regulation.

(b) Americans with Disabilities Act. During the term of this Lease, it is the sole responsibility of the Lessee to manage and operate the Leased Space in compliance with all applicable Americans with Disabilities Act requirements. Lessor is specifically, and in all ways, to be indemnified, defended, and held harmless by Lessee in regard to any ADA non-compliance

claims, issues, building modifications or mitigation required in the Leased Space as the result of the Americans with Disabilities Act.

(c) Environmental Laws. In furtherance and not in limitation of the foregoing paragraphs, Lessee must, at its own expense, comply with all laws, ordinances, regulations and administrative agency or court orders relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. In the event any discharge, leakage, spillage, emission or pollution of any type, or other release of hazardous materials occurs upon or from the Property during the Lease term or any holdover thereafter which is deemed attributable or related to Lessee's use and occupancy of the Premises (but which shall not include discharge, leakage, spillage, emission, or pollution of any type or other release of hazardous material from unknown sources or sources unrelated to Lessee's use and occupancy of the Premises, such as from adjacent parcels of land), Lessee shall immediately notify Lessor, and Lessee shall, at Lessee's own expense, clean and restore the impacted property to the satisfaction of Lessor and any governmental body or court having jurisdiction of the matter.

(d) Hazardous Materials on Premises. Lessee shall not cause or permit any hazardous materials to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees without the prior written consent of Lessor, and then only in compliance with all applicable laws and regulations. Lessor shall not unreasonably withhold consent as long as Lessee demonstrates to the reasonable satisfaction of Lessor that such hazardous material is necessary or useful to Lessee's business and will be used, kept and stored in a manner that complies with all laws regulating any such hazardous materials so brought upon or used or kept in or about the Premises.

(e) Environmental Indemnity. Lessee agrees to indemnify, hold harmless, and defend Lessor against all liability, cost and expense, including without limitation, any fines, penalties, diminution in value of any asset, assessment and clean-up costs, judgments, litigation costs and attorney's fees incurred by or levied against Lessor as a result of Lessee's breach of these environmental provisions or as a result of any discharge, leakage, spillage, emission or pollution on or discharged as a result of Lessee's use and occupancy of the Property, during this Lease term, without regard to whether such liability, cost or expense arises during or after the Lease term. Provided, however, that Lessee shall not be required to indemnify Lessor under this paragraph if the parties agree or a court of competent jurisdiction determines that such liability, cost or expense is caused directly and solely by the negligence of Lessor; or acts or omissions of other users or occupiers of the Premises or land and building which occurred prior or subsequent to the term of this Lease. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

(f) Hazardous Material. For purposes of this Lease, the term "hazardous material" means any hazardous or toxic substances, material, or waste, including but not limited to those substances, materials, and wastes listed or defined as such in federal, state, or local law, regulation or ordinance, including but not limited to, in the following: U.S. Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101); regulations of the U.S.

Environmental Protection Agency (including 40 C.F.R. Part 302); the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and its implementing regulations; the Solid Waste Disposal Act of 1984; 18 Alaska Administrative Code § 2601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; and as a petroleum product or oil as defined in 33 U.S.C. § 1321.

4.3 Floor Loads

The floors of the building have a live load capacity of 100 pounds per square foot. If Lessee without the proper written consent of Lessor subjects the floor(s) within the Leased Space to loads heavier than the limit set out in the immediately preceding sentence, Lessee will be fully responsible for any and all structural damage(s) caused to the building, injury to property of the Lessor and others, plus any and all harm to natural persons.

4.4 Rules and Regulations of Building

As a condition to use of the Premises, Lessee shall comply with all reasonable uses and regulations promulgated by Lessor from time to time for all lessees in the building. Lessee shall not be permitted to have any pets or animals in the building without the prior written approval of the landlord.

5. MAINTENANCE, REPAIR, ALTERATIONS

5.1 Covenant to Maintain and Repair

(a) Lessee shall during the term of this Lease and any renewal or extension thereof, at its sole expense, keep the interior of the Leased Space in as good order and repair as it is at the date of the commencement of this Lease, reasonable wear and tear excepted. This covenant includes the Lessee's obligations to: keep the Premises clean, safe and orderly; provide all equipment needed for the operation of its business conducted on the Premises; conduct activities upon and generally maintain the Premises in such a manner and with such care that injury to persons and damage to property cannot reasonably be expected to result; not use the Premises in such manner that will increase the rate of fire and extended coverage insurance or which will cause cancellation of the insurance or will make coverage unavailable; not use the Premises in such manner that will increase the costs of utilities and services provided by Lessor [e.g. Lessee will turn off the lights when its personnel are not physically present at the Leased Space]; not damage the Premises or the building while moving equipment to and from the Premises; not use any plumbing facilities in the building except for their intended purposes; and not cause or permit any waste, damage or injury to the Premises. The Lessee shall be responsible for all repairs and maintenance to interior windows and the interior of the Premises not specifically delegated to the Lessor. Lessee does not have responsibility to clean exterior windows.

(b) Lessor during the term of this Lease and any renewal or extension thereof shall keep the structural supports, exterior walls, roof and common areas of the Premises in good order and repair. Lessor shall maintain and repair all plumbing, lines, and other equipment installed for the general supply of hot and cold water, heat, ventilation and electricity, except that Lessee shall be responsible for any and all repairs attributable to obstructions or objects deliberately or

inadvertently introduced or placed in the fixtures or lines leading thereto, by Lessee, its employees, servants, agents, licensees or invitees. The Lessee shall not be responsible for any repairs or maintenance to the plumbing inside of the leased Premises or used by the Lessee which shall be the responsibility of the Lessor, unless a repair is required because of the actions or inactions of the Lessee.

5.2 Alterations, Additions, Signs, Lettering, Trade Marks

(a) Lessee agrees to accept the Leased Space in its current condition and configuration except as modified by Exhibit B regarding Lessee improvements. All improvements, alterations, and additions that Lessee shall choose to make to the Leased Space shall be reviewed and subject to the approval by the Lessor prior to the commencement of any work. Any such approval shall be in Lessor's sole discretion. All improvements, alterations, and additions that Lessee shall choose to make to the Leased Space shall be additionally subject to the following conditions:

- (1) Lessee shall not cut or drill or otherwise deface or injure the building.
- (2) Lessee shall not obstruct or permit the obstruction of, any light or skylight in or upon the building, or the adjoining sidewalk or street, or the entrance, of any other part of the building to the exclusive use of which Lessee is not entitled.
- (3) Lessee shall comply with all reasonable regulations of Lessor designed to promote the safety or good order of the building, as to the placing of office machines, or other heavy items, or otherwise.
- (4) Except with the Lessor's prior written consent first obtained in each instance, Lessee shall not: (i) make alterations or additions to the electric wiring, plumbing, heating or ventilating equipment, appliances, or systems; (ii) tap any mains or pipes to supply water for refrigeration or ventilating apparatus, or (iii) make alterations or additions to any other equipment, machinery apparatus, or installations in or about the Leased Space or the building.
- (5) No change, alteration, improvement or renovation shall be undertaken until Lessee shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments.
- (6) All work done in connection with any change, alteration, improvement or renovation shall be done in a good and workmanlike manner and in compliance with the building and zoning laws, and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. Lessee shall procure certificates of occupancy and other certificates as required by law.
- (7) At all times when any change, alteration, improvement or renovation is in progress, there shall be maintained, at Lessee's expense, worker's compensation insurance in accordance with law covering all persons employed in connection with the change or

alteration, and general liability insurance for the mutual benefit of Lessee and Lessor, expressly covering the additional hazards due to the change or alteration.

- (8) All workmanship involved and material used shall be of a quality consistent with the construction of the Premises at the start of the Lease term. All contractors involved in such alterations shall be approved by Lessor prior to commencing work.

(b) All alterations, additions or improvements made to the Leased Space by Lessee or Lessor, including, but not limited to partitions, wallpaper, paneling and shelving, unless Lessor shall otherwise elect in writing, shall, at the end of the term hereof, become the property of the Lessor and be surrendered as part of the Leased Space, except to the extent of shelving, cabinets, and other items which were directly paid for by Lessee. Lessee shall repair any damage to the Premises from such removal.

(c) Lessee shall not, without Lessor's prior written approval, place or permit any signs, advertisement(s), trademark(s) or logo(s) on Lessee's: (i) stairwell doors; (ii) entrance glass or entrance panel(s); (iii) entryway(s) or exit(s) doors, panels or glass; or (iv) exterior monument sign. Lessee shall pay the cost of sign design, fabrication and installation.

5.3 Liens

The Lessee shall keep the land, building and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any such lien be recorded or should a lien be recorded by reason of a claim against Lessee, for acts or omissions of Lessee, Lessee shall forthwith, and within ten (10) days of learning of such recording, cause the same to be cancelled and discharged of record. Alternatively, Lessee shall provide Lessor with written proof of the existence of an appropriate surety bond in accordance with AS 34.35.072 written by a corporate surety qualified to do business in the State of Alaska, in an amount equal to not less than 150% of the amount of the claim of lien. Such surety bond shall be in favor of Lessor or the lien claimant. Lessee shall take all steps necessary to have such lien released or judgment resulting therefrom satisfied at Lessee's own expense.

5.4 Notice of Non-Responsibility

Notice is hereby given that Lessor shall not be liable for any labor or materials furnished or to be furnished to the Lessee upon credit, and that no lien of any nature or type shall attach to or affect the interest or estate of the Lessor in and to the Premises herein demised. At least (20) days before commencing any work that is or may be the subject of a lien for work done or materials furnished to the Leased Space, Lessee shall notify Lessor in writing thereof, to allow Lessor, if it desires, to post and record notices of non-responsibility to take any other steps the Lessor deems appropriate to protect its interest. The provisions in this Section do not eliminate the requirement for written consent(s) of the Lessor as contemplated in Section 5.2 (a) above.

6. ASSIGNMENT AND SUBLETTING

6.1 Assignment and Subletting

(a) Lessee shall not assign, mortgage or encumber this Lease, in whole or in part, or sublet all or any part of the Leased Space without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Permissible reasons for Lessor withholding consent include, but are not limited to, lack of credit worthiness and incompatibility with the existing tenant mix and building use [e.g. the new proposed tenant contemplates using the Premises for purposes other than professional office space]. The consent by Lessor to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. This prohibition against any assignment or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law.

If Lessee requests Lessor's consent to a sublease [or subleases] totaling more than 30% of the Leased Space or if Lessee requests Lessor's consent to an outright assignment of the Lease, then Lessor shall have the option of terminating Lessee's occupancy and obligations to pay rent for periods accruing after the termination date. Lessor must exercise this option within 15 days of the request for consent made by Lessee. The Lessee's occupancy will then terminate on the last day of the second calendar month after Lessor's exercise of the option.

(b) If Lessee is not an individual, then any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership of or power to vote of more than 50 percent of Lessee's outstanding voting stock or ownership interests, shall constitute an assignment for the purposes of this Section 6.1. An assignment forbidden within the meaning of this Section includes without limitation one or more sales or transfers, by operation of law or otherwise, or creation of new stock or ownership interests, by which an aggregate of more than 50 percent of Lessee's stock or ownership interests will be vested in a party or parties who are not stockholders or ownership interest holders as of the date hereof. This Section shall not apply if Lessee's stock is listed on a recognized security exchange or if at least 80 percent of its stock is owned by a corporation whose stock is listed on a recognized security exchange.

(c) If this Lease is assigned as contemplated herein or if the Leased Space or any part thereof is occupied by anybody other than Lessee, Lessor may collect rent from the assignee or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this provision or the acceptance of the assignee, subLessee or occupant as Lessee, or as a release of Lessee from the further performance of the provisions on its part to be observed or performed herein. Notwithstanding any assignment or sublease, Lessee shall remain fully liable and not be released from performing any of the terms of this Lease. Any assignment, hypothecation or sublease of the Leased Space, or any part thereof, whether by operation of law or otherwise without the written consent of Lessor shall be voidable at the option of Lessor.

7. LESSOR LIABILITY; INSURANCE

7.1 Indemnity; Lessor Liability

(a) Lessee shall store its property in and shall occupy the Leased Space at its own risk, and releases Lessor, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury or property damage unless caused by or due to the gross negligence of Landlord, its agents, servants, or employees.

(b) Lessor shall not be responsible or liable at any time for any loss or damages to Lessee's equipment, fixtures or other personal property of Lessee or to Lessee's business.

(c) Lessor shall not be responsible or liable to Lessee or to those claiming by, through or under Lessee for any loss or damages to either the person or property of Lessee that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting or adjoining premises.

(d) Lessor shall not be responsible or liable for any defect, latent or otherwise, in the building in which the Leased Space is situated, or any of the equipment, machinery, improvements, utilities, appliances or apparatus therein, except to the extent of Lessor's obligation, if any, under Section 5.1(b) of this lease. Lessor shall also not be responsible or liable for any injury, loss or damage to any person or to any property of Lessee or other person caused by or resulting from bursting, breakage or by or from leakage, steam or snow or ice, running or the overflow of water or sewage in any part of said Premises or for any injury or damage caused by or resulting from acts of God or the elements, or for any injury or damage caused by or resulting from any defect in the occupancy, construction, operation or use of any of said Premises, building, machinery, apparatus or equipment by any person or by or from the acts or negligence of any occupant of the premises, unless caused by or due to the gross negligence of Landlord, its agents, servants, or employees.

(f) Lessee shall give prompt notice to Lessor in case of fire, accidents, or defects in the Leased Space or in the building of which the Leased Space area is part, or in any fixtures or equipment.

7.2 Insurance

The Lessee shall, during the entire term hereof, at the Lessee's sole expense, keep in full force and effect:

(a) **Fire And Extended Coverage** in an amount adequate to cover the cost of replacement of all decoration, improvements, fixtures, equipment, inventory and contents including Lessee's personal property [both tangible and intangible] in the Leased Space in the event of fire, vandalism, malicious mischief, or other casualty generally included in extended coverage policies. Lessor and Lessee further agree that Lessee shall be responsible for any and

all loss to the property of Lessee. All risk of loss as to such personal property shall be borne by the Lessee and it is Lessee's responsibility to properly insure against such loss.

(b) **Public Liability and Property Damage Insurance**, on an occurrence basis, with respect to the premises, its appurtenances and the business operated by Lessee on the premises with minimum limits in an amount of not less than Two Million Dollars (\$2,000,000) for bodily and personal injury or death to any one person; with minimum limits of not less than Three Million Dollars (\$3,000,000) for bodily and personal injury or death to more than one person; and with limits of not less than Five Hundred Thousand Dollars (\$500,000) with respect to damage to property. If Lessee does not maintain or procure this required insurance, Lessor may procure and obtain such insurance. The cost of any such insurance obtained by Lessor shall be additional rent which will be due and payable upon demand.

7.3 Insurance Cancellation, Waiver of Subrogation, Notice

Lessor has provided Lessee a copy of its current Fire, Liability and Casualty insurance coverage and agrees to maintain similar coverage on the premises for the duration of the lease.

Lessee may request to review the then current coverage limits at any time during the lease term as long as the policies remain in the Lessor's office, and said permission will not be unreasonably withheld.

Public liability and property damage insurance procured by Lessee as herein required shall be issued in the name of the Lessee by a company licensed to do business in Alaska. Lessor, any person or entity designated by Lessor, and Lessee shall be named as "additional insured." All public liability and property damage policies shall contain an endorsement that Lessor, although named as an insured, shall nonetheless be entitled to recover under said policies for any loss or damage occasioned to it, its servants, agents, and/or employees by reason of the negligence of Lessee or Lessee's employees, agents, invitees, or concessionaires. Said insurance shall be subject to the following requirements.

(a) Such insurance may not be canceled or amended with respect to Lessor without twenty days written notice to Lessor from the insurance company.

(b) Lessee shall be solely responsible for payment of premiums.

(c) All insurance carried by Lessee [e.g. Worker's Compensation] shall contain an express waiver of any right of subrogation by the insurance company against the Lessor.

(d) A copy of the policy and a certificate of insurance shall be delivered to Lessor prior to the Lessee's occupancy and each time such policy is renewed. Lessor shall have the right to inspect the originals during regular business hours. The minimum limits of any insurance coverage required herein shall not limit Lessee's liability under Section 7.1.

As long as their respective insurers so permit, Lessor and Lessee hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties.

8. CASUALTIES, DESTRUCTION

8.1 Restoration, Abatement

If all or any part of the Leased Space or the building in which such Leased Space is situated is damaged or destroyed by fire or other casualty insured under a standard fire insurance policy with an extended coverage endorsement applicable to such property, the Lessor, unless it otherwise elects as herein provided, shall repair the same with reasonable dispatch out of the insurance proceeds received by it from the insurer. If the Leased Space or any part thereof is damaged by fire or other casualties to such an extent as to be rendered untenable in whole or in part, then the rent shall be abated to an extent corresponding with the part untenable, and for a period corresponding with the period during which such untenable condition exists because of Lessor's repairs. If, however, Lessee fails to adjust its own insurance claim within a reasonable time, and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rent during the period of such resulting delay. If the fire or damage to said Premises or building is caused by carelessness, negligence or improper conduct of Lessee, then notwithstanding such damage or destruction, Lessee shall be liable for the rent during the unexpired period of the Lease term, without abatement.

8.2 Termination of Lease upon Damage or Casualty

(a) If the Lessor, in its sole discretion, shall decide with ninety (90) days after the occurrence of any fire or other casualty [even though the Premises herein leased may not have been affected by such fire or other casualty] to demolish, rebuild or otherwise replace or alter the building containing the Leased Space, then upon written notice given by Lessor to Lessee, this Lease shall terminate on a date specified in such notice, but no sooner than thirty (30) days from the date of such notice, as if that date had been originally fixed as the expiration date of the term herein leased.

(b) In the event of damage to or destruction of or to the Leased Space, unless the Lessor shall have repaired such damage within ninety (90) days, or have commenced repairing within ninety (90) days and is proceeding with diligence and continuity, Lessee may, by written notice, terminate this Lease on the date specified in such notice, as if that date had been originally fixed as the expiration date of the term herein leased, provided such early termination date be not later than one hundred fifty (150) days after the event of damage or destruction contemplated herein. Also, unless Lessor restores the Premises to its previous condition [except for restoration which may be the responsibility of the Lessee] and a Certificate of Occupancy is issued within six (6) months of the Premises being destroyed or rendered untenable, Lessee and Lessor shall each have the right to terminate the Lease.

9. EMINENT DOMAIN

9.1 General

If the whole or a part of the Leased Space shall be taken by any public or quasi-public use, under any statute, or by right of eminent domain, or private purchase in lieu thereof by a public body vested with the power of eminent domain, then, when possession shall be taken thereunder of the Leased Space, or any part thereof, the following provisions described in Sections 9.2 through 9.5 shall be operative.

9.2 Taking of All of Premises

If all of the Leased Space is taken, all rights of the Lessee hereunder shall immediately cease and terminate and the rent shall be adjusted as of the time of such termination so that Lessee shall have paid rent up to the time of taking only.

9.3 Taking of Substantial Part of Premises

If the taking substantially reduces the area of the Leased Space and materially affects the use being made by the Lessee of the Leased Space, Lessee shall have the right by written notice to Lessor given no later than thirty (30) days after possession is taken to elect to terminate this Lease. And if the taking substantially reduces the area of the Leased Space, Lessor shall have the right by written notice to Lessee, given not later than thirty (30) days after possession is taken, to elect to terminate this Lease.

(a) If the election to terminate is made by either the Lessee or Lessor, the provisions for the taking of the whole shall govern, or

(b) If the election is not be made, the Lease shall continue, the Lessor shall be entitled to the full condemnation proceeds and the rent shall be reduced in the same proportion that the floor area of the Leased Space taken bears to the original floor area leased and Lessor shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the building in which the Leased Space is located so as to constitute the portion of the building not taken as a complete architectural unit, but such work shall not exceed the scope of the work to be done in originally constructing said building, nor shall Lessor in any event be required to spend for such work an amount in excess of the amount received by Lessor as damages for the part of the Premises so taken. "Amount received by Lessor" shall mean that part of the award in condemnation which is free and clear to Lessor of any collection by mortgagees for the value of demised security.

9.4 Taking of Insubstantial Part

If the taking does not substantially reduce the Leased Space the provisions of Section 9.3(b) above (where election not made) shall govern.

9.5 Award

Lessee shall not be entitled to and expressly waives and assigns to Lessor all claim to any condemnation award for any taking, whether whole or partial. Lessor reserves all rights to all compensation for any taking of eminent domain. Lessee hereby assigns to Lessor any rights Lessee may have to such compensation. Lessee shall make no claim against Lessor for damages for termination of the Lease or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority, compensation for any loss to which Lessee may incur for Lessee's moving expenses and for the interruption of or damage to Lessee's business.

10. SPECIFIC IMPROVEMENTS FOR LEASED SPACE

Specific improvements for the Leased Space negotiated by the parties will be accomplished pursuant to the provisions of Exhibit B attached hereto. The cost and expense of such Lessee improvements will be borne by Lessor and Lessee as set forth in Exhibit B.

11. DEFAULT AND REMEDIES

11.1 Default of Lessee

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee.

- (a) Abandonment of the Premises without payment of rent.
- (b) Failure by Lessee to make payment of Base Rent for a period of five (5) days after written notice from Lessor that such Base Rent is due.
- (c) Failure by Lessee to make any payment other than rent payments as and when due where such failure shall continue for a period of ten (10) days after written notice from Lessor.
- (d) Failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease, other than making of any payment, where such failure shall continue for a period of ten (10) days after written notice from Lessor (or if such failure cannot be reasonably cured within said 10-day period or does not thereafter in good faith diligently prosecute such curative efforts to completion within a reasonable period, depending on the nature of the default).
- (e) Failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease, other than making of any payment, where such failure is: substantially the same act or omission that constituted a prior default of which notice was given; and such failure recurs within six months of the prior notice.
- (f) (i) The making by Lessee of any general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition in bankruptcy, including reorganization or arrangement, unless, in the case of a petition filed against Lessee, the same is dismissed within

sixty (60) days; or (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in the Lease.

11.2 Remedies of Lessor

Upon occurrence of a default or breach, Lessor, at any time with or without notice or demand, without waiving or limiting any other right or remedy, may choose, at its sole discretion, any one or more of the following remedies:

(a) Immediately re-enter and remove all persons and personal property from the Premises, in accordance with and subject to applicable law and the provisions of this Lease. At Lessor's option, Lessor may arrange for storage of the property at Lessee's expense and without liability to the Lessor, subject to the provisions of this Lease.

(b) Rent the Premises or any part thereof for the account of Lessee upon such terms and conditions and for such period as Lessor may consider advisable, either with or without any equipment that may be situated on the Premises. Lessor shall apply the rents received from re-renting first to the reasonable expenses of re-renting, including any necessary renovation and alteration, reasonable attorney's fees, and any real estate commission actually paid. Lessor shall apply any remaining rent toward payment of all sums due or to become due to Lessor hereunder.

(c) Lessor's re-entry shall not terminate this Lease unless Lessor gives written notice of an intention to terminate to Lessee. Notwithstanding any such re-entry by Lessor, the liability of Lessee for the rent provided for herein, including any unrecovered rent, shall not be extinguished for the balance of the term of the Lease.

(d) Collect by legal proceedings rent or other sums as they become due.

(e) Enforce by legal proceedings or otherwise any covenant or condition or term of this Lease.

(f) Terminate this Lease. In the event of termination, Lessee shall surrender possession of said Premises immediately and shall pay Lessor all damages Lessor may reasonably incur by reason of Lessee's default, including the cost of recovering possession of the Premises and the excess, if any, of the amount of rent and charges due under this Lease for the remainder of the term.

(g) Exercise any other remedy permissible by law or equity, including the right of distraint.

Re-entry or re-letting of part or all of the Premises as herein provided is not to be deemed a termination of this Lease unless declared to be so by Lessor. However, if this Lease is deemed terminated, the Lessee's and Guarantors' liability shall survive, and Lessee and the Guarantors shall be liable for damages for the remainder of the term existing at the said termination date. The enumeration of the Lessor's remedies herein is not intended to imply they are mutually exclusive nor that they are in lieu of any or all other statutory common law or other rights.

12. PERSONAL PROPERTY TAXES; SALES TAXES

The Lessee shall pay prior to delinquency, all personal property taxes payable with respect to all property of Lessee located in the Premises or the building and shall provide promptly, upon request of Lessor, written proof of such payment.

If a sales tax or other similar tax is imposed on the rent paid by Lessee and/or received by Lessor, Lessee shall upon demand reimburse Lessor for the amount of such tax required to be paid and/or remitted to the taxing authority by Lessor.

13. BUSINESS EXPENSES

The Lessee shall pay any and all expenses associated with the operation of its activities and business including, without limitation, employee salaries and all taxes and contributions associated therewith, equipment payments, worker's compensation insurance as required by law for all employees, inventory purchases, the public liability and property damage and fire insurance required by this Lease.

14. GOVERNMENTAL FEES, TAXES, ASSESSMENTS AND OTHER EXPENSES

All governmental fees and taxes due the Anchorage Municipality, State of Alaska or other governmental agencies on account of inspections made upon said leased Premises by any officer thereof as a result of the operation by the Lessee or any other similar taxes, fees or assessment, shall be paid, when and as due, by the Lessee

15. ADVERTISING

The Lessee shall not inscribe or post, place, or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises or the building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Lessor's written consent thereto. Any such consent by Lessor shall be upon the understanding and condition that Lessee will comply with all municipal ordinances and will remove the same at the expiration or sooner termination of this Lease and repair any damage to the Premises or the building caused thereby and such other conditions as the Lessor may reasonably impose.

Lessor hereby consents to the installation of signage outside of the Lessee's Premises that conforms with existing signage of other Lessees in the building. The signage shall be located on the directory located on the ground floor inside the front doors to the building, a sign on the lower 1/3 of the window of the main door into the Lessee's office suite, and one panel on each side of the monument sign located on Fireweed Lane. The sign(s) will be prepared and installed at the Lessee's expense. The appearance of the sign shall be subject to final approval by the Lessor once the Lessee has designed the same.

16. LESSOR AND LESSEE NOT PARTNERS

Neither this Lease nor any one or more other agreements set forth herein is intended, nor shall the same ever be construed so as to create a partnership by and between the Lessor and the Lessee, nor so as to make them joint venturers, nor so as to make either party in any way responsible for the debts and/or losses of the other party.

17. GENERAL PROVISIONS

17.1 Waiver of Breach

No failure by either Lessor or Lessee to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedies consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

17.2 Subordination

Lessee accepts this Lease subject and subordinate to all the underlying leases, leasehold mortgages, security agreements, deeds of trust, or other mortgages which are now or hereafter a lien upon or affecting the land and building of which the Leased Space is a part, and to any and all advances made or to be made thereunder, interest thereon, and all renewals, replacements or extensions thereof. The Lessee shall, at any time hereafter, on demand, execute any instruments, releases, or other documents that may be required by any beneficiary, mortgagee or mortgagor, or other similar entity for the purpose of subjecting and subordinating this Lease to the lien of any such deed of trust, security agreement, mortgage or mortgages, or underlying lease. The failure of Lessee to execute any such instruments, releases, or documents, shall constitute a default hereunder.

In the case of the failure of Lessee to execute said papers on demand, Lessor is hereby authorized, as the attorney-in-fact and agent of Lessee, to execute such releases, instruments, or other documents, and in such event Lessee hereby confirms and ratifies any such instruments so executed by virtue of this power of attorney.

17.3 Entire Agreement - Changes, Waivers

All prior negotiations, representations and understandings are merged into this Lease and related documents which contain the entire agreement between the parties. Any agreement hereafter made shall be ineffective to change, modify or discharge the Lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought.

The submission of any unexecuted copy of this Lease shall not constitute an offer to be legally bound by any provision of the document submitted either currently or in the future; and no party shall be bound by this Lease until it is fully executed and delivered by both parties.

17.4 Construction of Lease; Headings

Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires. Wherever used herein, the words "Lessor" and "Lessee" shall be deemed to include the heirs, personal representatives, legal representatives, successors, sublessees and assigns of said parties, unless the context excludes such construction.

It is understood and agreed that the headings are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

17.5 Notices

Any notice or demand which under the terms of this Lease or any statute may or must be given or made by the parties hereto, shall be in writing and given or made by personal delivery or by mailing the same by certified mail, addressed to the other party as follows:

Lessor: WEST BENSON, LLC
P.O. Box 232614
Anchorage, Alaska 99523
Telephone: (907) 279-4000

Lessee: FAMILY PARTNERSHIP CHARTER SCHOOL, INC.

Telephone: _____

Either party may, however, designate in writing such new or other address to which such notice or demand shall thereafter be so given, made or mailed. Any notice given hereunder by mail shall be deemed delivered when delivered or when received by or delivery attempted by certified mail addressed as hereinbefore provided.

17.6 Estoppel Certificates

Lessee shall, at any time and from time to time not less than seven (7) days' prior request by Lessor, execute, acknowledge and deliver to Lessor a certificate executed in recordable form stating: (i) whether or not this Lease is in full force and effect, (ii) whether or not any rights to renew the term of this Lease have been exercised and the date on which this Lease will terminate, (iii) whether or not this Lease has been modified or amended in any way and attaching a copy of such modification or amendment, (iv) whether or not there are any existing defaults under this Lease to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any, (v) the status of rent payments, and (vi) any other facts regarding the operation of the Lease which the requesting party may reasonably request. The failure of Lessee to execute any such certificate, shall constitute a default hereunder.

17.7 Excuses for Non-Performance

Except for Lessee's obligation to pay rent, either party hereto shall be excused from performing any or all of its obligations hereunder with respect to any repair and construction work required under the terms of this Lease for such times the performance of any such obligation is prevented or delayed by an act of God, floods, explosion, the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action by labor unions, or laws or order of governmental agencies, or any other cause whether similar or dissimilar to the foregoing which is not within the reasonable control of such party.

17.8 Broker

Lessee represents it has not had any dealings with any realtor, broker, agent or finder, in connection with the negotiation of this Lease, excepting Ron Pollock of Prudential Jack White Real Estate who is acting in a capacity by which he solely represents the interests of Lessee. Lessor agrees to pay a commission equal to 3% percent of the total gross Lease amount to Prudential Jack White Real Estate.

17.9 Binding Effect

Subject to the provisions of Section 6.1, the covenants and agreements of this Lease shall be binding upon the legal representatives, successors, and assigns of the parties.

17.10 Construction

Each party acknowledges that it has relied upon its own examination of this Lease and the provisions hereof, as well as the representations of its own counsel. The parties acknowledge that this Lease has been prepared by a joint effort of both parties and therefore, there shall be no presumption in favor of either the Lessor or Lessee, and this Lease shall not be construed against either party.

17.11 Time is of the Essence

Time shall be of the essence for the performance of the obligations of this Lease by Lessee.

17.12 Partial Invalidity

If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

17.13 Consent

No consent by Lessor to an act or omission by Lessee shall constitute consent to any other act or omission or to a like act or omission on a future occasion.

17.14 Recording

The Lessee shall not record this Lease without the written consent of the Lessor. Upon request of either Lessor or Lessee, a Memorandum of Lease will be signed and recorded.

17.15 Applicable Law; Venue

This Lease shall be governed by the laws of the State of Alaska. Venue shall be in the Third Judicial District at Anchorage.

17.16 Remedies

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative.

17.17 Attorney's Fees

In the event that either party requires the services of any attorney in connection with enforcing the terms of this Lease or in the event suit is brought for the recovery of any rent due under this Lease or for the breach of any covenant or condition of this Lease or for the restitution of said Premises to Lessor and/or eviction of the Lessee during said term or after the expiration thereof, the prevailing party will be entitled to actual reasonable attorney's fees, witness fees, and court costs.

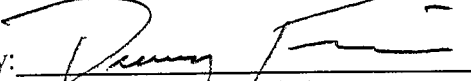
17.12 Exhibits

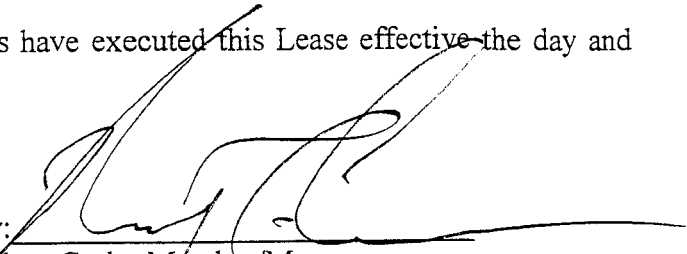
The following exhibits attached hereto constitute an integral part of this Lease:

- Exhibit A - Floor Plans
- Exhibit B - Lessee Improvements

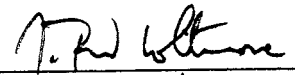
IN WITNESS WHEREOF, the parties have executed this Lease effective the day and year first above written.

LESSOR: West Benson, LLC

By: 
Devery Prince, Member/Manager

By: 
Robert Carle, Member/Manager

LESSEE: FAMILY PARTNERSHIP CHARTER SCHOOL, INC.

By: 
Its: Jody Reed Whitmore
FPCS Principal

The Academic Policy Committee for Family Partnership Charter School, Inc. has agreed to the terms and authorizes this lease.

By: 
Annette Lopez
Academic Policy Committee President

Exhibit A - Floor Plans

Exhibit B – Lessee Improvements

Landlord is not aware of any known or unknown, latent or otherwise, defect in the building or the Lessees lease space.

At a cost of \$2000 or less, Landlord agrees to install a water supply, plumbing, drain system and electrical needed for a coffee/kitchen area to include a sink and area for a refrigerator, and to install a glass window into the area designated as "W" on the attached Exhibit "A" or Floor Plan. Location of coffee kitchen area and window to be mutually agreed to by Landlord and Lessee. Any costs in excess of \$2,000 shall be paid by Lessee within 30 days of completion of work and submission of valid receipts.

Landlord shall provide the following before occupancy:

- a. New carpet and paint for the entire space. Color selection to be mutually approved.
- b. Open up the reception room by removing the counters and adding an opening (no glass) to be used as a window to the east side of the reception area and move the existing door on the east wall as far to the south as possible on the same wall. Exact location of these items to be determined by Lessee. (See B on Exhibit A)
- c. Provide completed finish work, ceiling tiles, etc. for any area currently not finished, including any matching baseboard or cove base.
- d. Install a locking door on the east office that currently has just a sheet rocked door opening. (See D on Exhibit A)
- e. Install a locking door between the 2 spaces across the hall in the NW corner of the building. (See E on Exhibit A)

