Appendix J

The parents/guardians of students Rilke Schule are responsible for providing timely transportation for their child to and from school. Nonetheless, ASD Policy 333.99 regarding transportation dictates:

On a space available basis, charter school students may access school bus transportation on those regular school bus routes that run within the attendance area where—the charter school is located. Transportation access is subject to the following:

- a. Charter school students may only access those school bus routes that are appropriate to their school level, i.e., elementary school, middle school or high
- b. Charter school students who reside within a mile and a half of the charter school are not eligible for transportation unless they must cross a designated hazardous road area.

Rilke Schule is a K – 8 school that runs on a middle school schedule with an abbreviated Friday schedule. These factors need to be considered when requesting transportation services.

LEASE AGREEMENT FOR COMMERCIAL REAL PROPERTY

This Lease Agreement for Commercial Real Property ("Lease") is made and entered into by and between Kiska CS, LLC, an Alaska limited liability company whose address is 425 G Street, Suite 210 Anchorage, Alaska 99501 ("Owner"), and the RILKE SCHULE GERMAN SCHOOL OF ARTS AND SCIENCES, a charter school organized pursuant to AS 14.03.250 et.seq., whose address is 2511 Sentry Dr. Suite 100 Anchorage, Alaska 99507("Lessee").

Owner and Lessee Agree as follows:

ARTICLE I. LEASED PREMISES

Owner, for and in consideration of the rents, terms and conditions of this Lease, does hereby lease to Lessee and Lessee hereby leases from Owner, subject to the terms and conditions of this Lease, and conditioned upon the completion of the Building, as defined below, the real property and newly constructed commercial building located in Anchorage, Alaska, further described as follows:

This property is legally defined as W1/2, NW ¼, SW ¼, NE ¼, Sec 5, T12N, R3W, Seward Meridian, in the Anchorage Recording District, Third Judicial District, state of Alaska and an approximately 39,500 gross square foot building constructed in accordance with the RIM Architect's 65% construction drawings dated 4/4/2014; civil drawings dated 9/05/2014; electrical drawings dated 1/30/2015; and mechanical drawings dated 1/30/2015; and attached hereto as Exhibit "A" (the "Building") and finalized pursuant to Section 8.1 of this Lease. The property is depicted on Exhibit B.

The property and Building shall be referred to herein as the "Leased Premises."

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

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ARTICLE II. TERM

- 2.1 <u>Initial Lease Term</u>. The initial term of this Lease shall commence September 1, 2015 or the later date by which the Leased Premises is delivered to Lessee for occupancy pursuant to Section 2.2 ("Commencement Date") and shall continue to August 31, 2025 ("Initial Lease Term"), unless sooner terminated as provided in this Lease and unless extended pursuant to any written modification of this Lease between the parties or pursuant to the terms of this Lease.
- 2.1.1 Lessee covenants that it shall promptly, upon execution of this Lease, apply for and diligently pursue a renewal or extension of the term of its charter, for approval by the Anchorage School Board and the Alaska Department of Education and Early Development, to be effective September 1, 2015. Lessee further covenants that during the Initial Lease Term it shall not seek or apply to relocate its school to an alternate location.
- 2.1.2 Lessee is leasing the Leased Premises for operations as the Rilke Schule German School of Arts and Sciences, a public charter school. Owner agrees that notwithstanding any provision in this Lease to the contrary, Lessee shall have the right to terminate this Lease without further financial or other obligation of the Lessee, the Rilke Schule German School of Arts and Sciences Academic Policy Committee, its members and former members, or the Anchorage School District, in the event of a lack of appropriation/funding for the Lessee or in the event of expiration or termination of the Lessee's authorization to operate as a charter school. No financial obligation on the part of the Lessee beyond a current fiscal year (July 1 - June 30) shall exist under this Lease unless and until an appropriation and allocation of funds to be expended on this Lease for the following fiscal year is made. Owner understands and agrees that it is not an intended beneficiary of the contract between the Lessee and the Anchorage School Board under which the Lessee is authorized to operate as a charter school. Owner acknowledges that the Lessee operates under an annual program budget determined in accordance with AS 14.03.255(a), AS 14.03.260, and AS 14.17.250 and that the Anchorage School District has no obligation to provide funds for the Lessee's operations in excess of such annual program budget. Therefore, Owner and Lessee agree in no event shall the Anchorage School District be liable to Owner or Lessee, directly or indirectly, for any obligation or liability in connection with this Lease and the property, as an alleged third party beneficiary

Rilke Schule Lease (10708-093-00239494;7) 78092225.5 0081538-00004 of the contract between the Lessee and the Anchorage School Board or otherwise, in excess of the annual program budget provided to the Lessee pursuant to and in accordance with AS 14.03.255(a), AS 14.03.260, and AS 14.17.250, notwithstanding any provision in this Lease to the contrary. For the avoidance of doubt, Owner and Lessee agree they will not look to the Anchorage School District for any funding in excess of the Lessee's annual program budget for this Lease, the property furnished in connection with this Lease, or to remedy any default under this Lease.

- Non-completion of Building. If Owner determines the Leased Premises will not be completed and delivered to Lessee for occupancy by September 1, 2015, at Owner's option, Owner may give notice of its intent to extend the commencement date to October 1, 2015 by giving written notice to Lessee on or before July 1, 2015. Should the Leased Premises not be delivered for occupancy by Lessee by October 1, 2015, then Owner shall provide Lessee suitable classroom space at an alternative location at Owner's cost and one time moving expenses to or from such space. In addition, Owner shall provide Lessee suitable storage for any personal property Lessee elects not to relocate to such temporary classroom space. In the event the Leased Premises are not delivered to Lessee by September 1, 2015, Owner and Lessee shall execute a written amendment to this Lease setting forth the commencement date.
- 2.3 Provided that the Lessee is not, at the time of Extension Options. exercising each of the options granted herein, in default under this Lease, Lessee shall have the following options to extend the term of this Lease. Lessee shall have one (1) ten (10) year option to extend and subsequently four (4) five (5) year options to extend. For each option, Lessee must notify Owner in writing of Lessee's decision to exercise an extension option at least one hundred twenty (120) days prior to the end of the then-existing term. For the first ten (10) year extension term, the rent shall be as set per paragraph 3.2. For the subsequent extension terms, the rent shall be equal to the fair market value rent for the Leased Premises, including repairs made by Lessee as required by this Lease, but excluding the value of any alterations, improvements, additions or fixtures added by the Lessee at Lessee's expense. Owner shall, within twenty (20) days after receipt of Lessee's notice for a five-year extension term, propose a fair market value rent payment for such five (5) year term by written notice to Lessee. Any alterations, improvements, additions or fixtures added by the Lessee, at Lessee's expense, shall not be included in the fair market value rent.

If Lessee elects to either accept the proposed rent or to negotiate that amount, Lessee shall so notify the Owner within forty-five (45) days after receipt of Owner's notice. If Lessee does not respond within that time, the rent for the extension term shall be the amount stated in Lessor's notice. If Owner and Lessee are unable to agree upon the fair market value rent for the extension term within 50 days prior to the commencement of the extended term, the fair market rental value shall be determined by an MAI appraiser acceptable to both Owner and Lessee not later than the commencement of the extended term. If no such appraiser is mutually acceptable to Owner and Lessee, such appraiser shall be appointed by an MAI appraiser acceptable to Owner and an MAI appraiser acceptable to Lessee. The cost of such appraisal shall be borne by the party whose proposed fair market rental value is furthest from the fair market rental value submitted by the appointed MAI appraiser. The determination of the MAI appraiser shall be binding upon the parties.

- 2.5 <u>Contingencies</u>. The obligations of Owner and Lessee under this Lease shall be contingent upon the timely occurrence of each of the following conditions precedent:
 - 2.5.1 Intentionally Deleted.
- 2.5.2 The Owner's receipt of a commitment for financing, satisfactory to the Owner in its sole discretion on or before March 1, 2015, in an amount necessary to construct the Building and achieve the lease rate detailed herein.
- 2.5.3 Approval by Owner and Owner's lender of an appraisal, ordered by Owner's lender, which meets the requirements of the loan commitment.
- 2.6 <u>Termination for Failure of a Contingency</u>. Either party may give notice to the other party of termination of this Lease if, despite good faith efforts, there has been a failure of one or more of the conditions precedent in Section 2.5 to be timely satisfied—unless the time has been extended by agreement of the parties. In the event of termination for the failure of any of the conditions precedent set forth in Section 2.5, the Lessee's Contribution, made pursuant to Section 3.4 of this Lease. Other than the return of the Lessee's Contribution, no party shall have any further obligations to the other for termination for failure of a condition precedent set forth in Section 2.5.

ARTICLE III. RENT

- 3.1 Monthly Rent. Lessee shall pay rent for the use and occupancy of the Leased Premises in the amount of SIXTY-ONE THOUSAND and FIVE HUNDRED and no/100 DOLLARS (\$61,500) per month, without demand or any right of set-off (the "Rent"); provided that, the Rent shall be reduced if Owner and Lessee reduce the construction and development cost below \$12,500,000 or if Lessee contributes additional funds to reduce the Rent beyond those specified in Section 3.4. All Rent shall be paid to Owner at the address set forth in the notice clause or as changed from time to time in writing. In the event of any such reduction in the Rent, Owner and Lessee shall execute a written amendment to this Lease setting forth the Rent for the Initial Lease Term.
- 3.2 <u>Increases to Rent.</u> On the ten year anniversary of the Commencement Date (September 1, 2025 unless otherwise extended pursuant to Section 2.2), and each calendar year anniversary thereafter, monthly Rent shall be increased by 2% over the monthly Rent in effect during the preceding year. This escalation shall apply to establish the Rent for the first ten year option to extend the Lease term, if exercised. Thereafter, Rent for any subsequent extension terms shall be determined as provided in Section 2.3.
- 3.3 <u>Initial Rent.</u> The first Rent payment shall be due on the Commencement Date and future payments shall be due in monthly installments payable in advance on or before the first of the month.
- Lessee Contribution. Lessee shall make cash contributions to the Owner to 3.4 be used by the Owner for construction of the Building and improvement of the Leased Premises. First, within seven (7) days of the execution of this Lease, Lessee shall make a one-time payment to Owner in the amount of TWO MILLION SIX HUNDRED THOUSAND and no/100 DOLLARS ("Lessee's First Contribution") into an interest bearing trust account established by Owner's construction lender. Lessee shall make an additional payment to Owner in the total amount of SIX HUNDRED THOUSAND and no/100 DOLLARS ("Lessee's Second Contribution") into an interest bearing trust account established by Lessee's Second Contribution shall be paid within Owner's construction lender. seven (7) days of the Commencement Date of this Lease. Lessee's First Contribution and Lessee's Second Contribution are referred to in this Lease as "Lessee's Contribution," Owner understands and agrees that a portion of Lessee's Contribution is funded by Rilke Schule, Inc. in exchange for Owner granting Rilke Schule, Inc. an option to purchase the Leased Premises upon terms set forth in a separate agreement between Owner and Rilke Schule, Inc. On the closing date of

the Owner's construction loan, Lessee's Contribution shall be used by the construction lender to fund construction loan draw requests made by Owner BUT ONLY AFTER the construction lender has first exhausted the use of any Owner's equity contribution as may be required by the construction loan agreement. Thereafter, the balance of the construction draws shall be funded by the construction loan proceeds or in the absence of said loan proceeds by additional equity contributions of the Owner. Should the construction loan closing not occur by April 30, 2015, or should this Lease terminate pursuant to Section 2.6 Lessee's Contribution shall be returned to Lessee inclusive of any interest earned.

3.5 Return of Lessee's Contribution Upon Owner's Default. If this Lease terminates as a result of Owner's default at any time prior to the twentieth (20th) anniversary of the Commencement Date, Owner shall pay to Lessee an amount equal to that number which is the amount of Lessee's Contribution multiplied by the ratio of ((the number of months between the date of such termination and the twentieth (20th) anniversary of the Commencement Date)/240).

ARTICLE IV. COMMITMENT TO SEEK APPROPRIATIONS

4.1 Owner and Lessee acknowledge that payment of Rent during the term of this Lease, including any extension terms, and other monetary obligations under this Lease are subject to the appropriation by the State of Alaska, Municipality of Anchorage, and the Anchorage School District. In consideration for this Lease, Lessee agrees as an element of good faith and fair dealing to timely submit requests for such appropriations, to take steps to support and recommend passage of said appropriations, and to avoid taking such actions as would impair, obstruct or discourage passage of said appropriations.

ARTICLE V. REPRESENTATION AND WARRANTIES

5.1 Owner's Representations.

5.1.1 Owner represents and warrants that Owner is a duly organized, validly existing, legal entity in good standing and qualified to do business in Alaska, with no proceedings pending or contemplated for its dissolution or reorganization, voluntary or involuntary.

5.1.2 Owner represents and warrants that there is no hazardous substance in, under or about the Leased Premises or the Building which requires response, removal or remediation under any applicable law and that there exist no violations of any laws, or rules or regulations with respect thereto. The Building shall not contain asbestos containing materials. Owner shall supply to Lessee any documentation required, and to allow any inspections required, if any, to permit compliance with the Asbestos Hazard Emergency Response Act (AHERA), 15 U.S.C. §2641 et. seq., and the Alaska Asbestos Health Hazard Abatement Program, AS 18.31.010 et. seq.

5.2 <u>Lessee's Representations.</u>

- 5.2.1 Lessee represents and warrants that Lessee is a charter school duly organized under the laws of the state of Alaska, AS 14.03.250 et. seq. with no proceedings pending or contemplated for its dissolution or reorganization, voluntary or involuntary, and has taken all steps necessary to authorize and enter into this Lease.
- 5.2.2 This Lease is binding and enforceable against the Lessee in accordance with its terms.

ARTICLE VI. USE

- 6.1 Permitted Uses. The Leased Premises shall be occupied only by Lessee (unless otherwise permitted under Article XIII) and used for operation of a public charter school, including but not limited to general office purposes, administrative and educational activities, athletic and community activities, conferences, public meetings, training sessions, fundraising, child care and educational camps and student activities. No act shall be done in or about the Leased Premises that is unlawful.
- 6.2 <u>Compliance with Laws.</u> Lessee shall not use or permit the use of the Leased Premises in any manner that will tend to create waste or a nuisance. Lessee shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any municipal, state, federal or other governmental law, ordinance, rule or regulation. Lessee will cooperate with Owner reasonably to address and resolve any complaints by or alleged disturbance of neighbors.

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- 6.3 Hazardous and Toxic Substances. Lessee agrees that so long as this Lease shall remain in effect, the Leased Premises shall NOT be used in or for the generation, manufacture, treatment, disposal, release or threatened release of any hazardous or toxic substances, as those terms are defined in the comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. (1980), and as those terms are defined in any applicable state or local laws, or regulations including AS 46.08. To the extent allowed by law, Lessee agrees to fully defend, indemnify, and hold harmless Owner against any and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify shall survive the payment of all rents and the termination of this Lease. Lessee may store and use hazardous or toxic substances in reasonable quantities solely for its own operations as long as such storage and use is done in a safe manner in accordance with all local, state and federal regulations.
- 6.4 <u>Inspection</u>. Lessee has the option to conduct an environmental assessment of the Leased Premises on or before taking occupancy. If hazardous or toxic substances are found to be present before or during construction, the Owner shall mitigate the property such that it conforms to all Anchorage School District, Municipality of Anchorage, state and federal requirements for occupancy as a school.

ARTICLE VIII. MAINTENANCE, REPAIRS AND ALTERATIONS

Lessee's acceptance of the Leased Premises. Prior to occupancy, upon notice of substantial completion, and invitation for a punch list inspection by Owner as set forth in Section 8.2, Lessee will inspect the Leased Premises, including the Building, to determine that it is in compliance with the plan drawings approved by Lessee and meets Anchorage School District requirements for Lessee's use as a public school. Any punch list items will be noted and cured by Owner and its contractor within thirty (30) business days, or if weather dependent, then as soon as reasonably possible. If, notwithstanding completion of the punch list items, Lessee maintains the Leased Premises are not compliant with the drawings and do not meet Anchorage School District requirements for use as a public school, then Lessee shall notify Owner in writing of deficiencies for remediation by Owner at Owner's expense. Owner shall promptly correct or remediate such deficiencies. Failure to remediate deficiencies in a reasonable time shall be considered default by Owner under this Lease. The later to occur of (i) Lessee's inspection and acceptance; (ii) Owner's completion of punchlist items; or

- (iii) correction or remediation by Owner of any deficiencies identified by Lessee shall be the "Completion Date".
- 7.2 Owner's Obligations for Repair after Occupancy. For a period of one (1) year from the date of substantial completion as evidenced by the date of the conditional certificate of occupancy issued by the Municipality of Anchorage, Owner, through its contractor, will provide warranty repairs of all defective work and of all the systems through-out the Building consistent with the contractor's and manufacturer's warranties, which warranties shall include, at minimum, a warranty from Owner's contractor against defects in materials and workmanship for one (1) year from the date of substantial completion. After the end of the warranty period, Owner shall keep the foundation, roof, outer walls, the structural components of the Building and all plumbing, pipes, conduit and all other utility facilities, and removal of snow from roof when Owner determines loading is exceeded, located outside the Building but serving the Building, and located on the Leased Premises, in good repair and condition for continued use as a public school. The term "walls" as used herein shall not include windows, glass or plate glass, doors, special store fronts or office entries. Without limitation, Owner will be responsible for repair and replacement of the plumbing, sewer line, elevator, electrical systems, the HVAC system, and fire and safety systems, within the Building, if repairs are not due to neglect or lack of regular scheduled maintenance on the part of the Lessee. Repair of paved surfaces due to subsidence or settling shall be Owner's responsibility, unless such settling or subsidence is due to the failure of Tenant to properly repair and maintain the paved surfaces. Lessee shall promptly give Owner written notice of any defect or need for repairs, after which Owner shall have a reasonable opportunity and time to repair same or cure such defect.
- 7.3 Lessee's Repair and Maintenance Obligations. Lessee shall be solely responsible for the replacement, repair, and maintenance of all improvements not allocated to Owner under Section 7.2 above. Lessee shall, at is sole expense, maintain and keep in good order and repair the Leased Premises including snow and ice removal (roof excepted) and landscaping, windows, glass and plate glass, doors, any special office entry, interior walls and finish work, floor covering, plumbing work and trade fixtures, regular removal of trash and debris, and keeping the premises in a clean and sanitary condition. Without limitation, Lessee will be responsible for regular scheduled maintenance contracts of the elevator, the HVAC system, and fire and safety systems, within the Building. Lessee shall maintain a log of all repairs and maintenance. Lessee shall maintain in good condition and, when necessary, shall repair or replace damage to the common areas,

alleys, driveway, landscaping, parking areas and paving, excepting normal wear and tear or damage caused by defects in the construction of the Building. Lessee shall undertake normal and customary preventative maintenance, e.g., sealing cracked pavement, surface coating paved surfaces,

- Lessee's Obligations. Except as limited under Section 5.1.2, Section 7.1, Section 7.2 and Section 8.1, Lessee, at Lessee's expense, shall comply promptly with all applicable laws, ordinances and regulations governing the use of the Leased Premises. Lessee's obligation to repair any damage caused by fire, tornado, or other casualty shall be governed by the insurance obligations set forth herein, except that Lessee shall be obligated to repair all wind damage to glass except with respect to tornado or hurricane damage. Lessee shall not damage any demising wall or disturb the integrity and support provided by any demising wall and shall, at its sole cost and expense, promptly repair any damage or injury to any demising wall caused by Lessee or its employees, agents, licensees or invitees (reasonable wear and tear excepted).
- 7.5 Owner's Rights. If Lessee fails to perform Lessee's obligations under Section 7.3 or 7.4 hereof, upon written notice by Owner setting forth the deficiencies, the Lessee shall cure such deficiencies within thirty (30) days, or if the deficiency cannot be cured within thirty (30) days shall commence such cure within thirty (30) days and shall work diligently to complete the cure, and provide confirmation to the Owner of such correction. If the Lessee fails to correct the deficiency in accordance with the preceding sentence, the Owner, at its option, may, after giving ten (10) days' written notice, enter the Leased Premises and undertake such repairs as necessary to cure the deficiencies. Lessee shall pay the reasonable cost of Owner's repair within fifteen (15) days of receipt of an invoice from Owner and such charge shall be deemed as an installment of additional rent due under this Lease.

In the event of emergencies, where in Owner's judgment there exists a present or imminent danger of loss or damage to the Leased Premises such as, but not limited to fire, flood, acts of God, or loss of heat, Owner may immediately enter upon the Leased Premises to stop or prevent waste, damage or loss to the Leased Premises.

7.6 <u>Alterations and Additions</u>. Lessee shall not, without the prior written consent of Owner, make any alterations, improvements, additions, utility installations (including power panels) in, on or about the Leased Premises. Any such alterations, additions and improvements consented to by Owner shall be

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made at Lessee's expense. All work performed is to be completed in a good workmanlike manner and in conformance with all applicable government regulations. Lessee shall secure all required permits, approvals, inspections and final acceptance required in connection with such work, and shall hold Owner harmless from all liability and liens resulting therefrom. Notwithstanding the foregoing, Owner's consent is not required for non-structural alterations costing less than Twenty Five Thousand Dollars (\$25,000) provided such alterations are in compliance with the above-stated stipulations.

- 7.6.1 Once Owner provides consent to an alteration, improvement, addition, or utility installation paid for by the Lessee, the alteration, improvement, addition or utility installation becomes a permanent change to the Leased Premises and Lessee shall not be required to remove the alteration, improvement, addition or utility installation and restore the Leased Premises to its original configuration upon the expiration or termination of this Lease.
- 7.6.2 Unless Owner requires their removal, all alterations, improvements, additions or fixtures, other than Lessee's trade fixtures such as white boards, cork boards, projectors, and other instructional aids, shall become the property of Owner and be surrendered with the Leased Premises upon the expiration or termination of this Lease.
- 7.6.3 Any alterations, improvements, additions, utility installations, or fixtures added by the Lessee to the Lessed Premises, at Lessee's own expense, shall not add to the net rentable building space for purposes of determining Rent.
- Notice of Little Davis Bacon. The parties recognize that construction, renovations and the like to the Leased Premises, totaling more than Twenty Five Thousand Dollars (\$25,000) and paid for with public funds, are subject to the provisions of Title 36. A.S. 36.95.010(s) "public construction or 'public works' means the on-site field surveying, erection, rehabilitation, alteration, extension or repair, including painting or redecorating of buildings, highways, or other improvements to real property under contract for the state, a political subdivision of the state, or a regional school board with respect to an education facility under AS 14.08.161."

ARTICLE VIII.
IMPROVEMENTS BY OWNER.

- 8.1 Construction Documents. The Building shall be constructed in accordance with plans and submittals ("Construction Documents") approved by Lessee, and in accordance with all applicable laws, regulations, and codes. The building shall be ADA-compliant and will meet any other specific standards for public schools. Owner shall, at its sole cost and expense, using RIM Architects ("Architect"), develop plans and submittals of the Building which shall include green school and energy efficient standards. Owner shall apply for all building permits and approvals required by any governmental authorities having jurisdiction over the Leased Premises. The approved architectural layout shall be initialed by the parties and is attached as Exhibit A. The final plans will be initialed and added by amendment to this Lease when 100% completed and approved for construction; the final plans will materially comply with the 65% plans attached hereto as Exhibit A except for matters required by code compliance, agreement of the parties, or to correct design errors.
- 8.2 <u>Inspections.</u> Lessee shall be allowed entry onto the Leased Premises in order to inspect the Leased Premises in order to insure proper installation and use thereof. Lessee acknowledges that prior to completion the premises will be a construction site. Any entry into the construction site will need to be coordinated with the on-site superintendent and any person entering the site will be required to adhere to the construction safety requirements established for the site. Upon notice of the proposed occupancy date, Lessee, along with the Architect, and Owner shall undertake a punch list inspection of the Leased Premises. Lessee shall deliver its punch list for correction to Owner no later than seven (7) business days from notice by the Owner that the Premises are ready for occupancy and Owner shall arrange for its correction within thirty (30) business days of delivery of the punch list. Owner shall prior to delivery of the Leased Premises to Lessee, perform the construction of the Building in accordance with the construction documents and in good and workmanlike manner.
- 8.3 Ten Year Improvements. On the tenth anniversary of the Commencement Date, the Owner and Lessee shall provide a repair or replacement of systems or finishes as shall be mutually agreed to by both Owner and Lessee, the cost of said improvements shall be paid for by Owner, unless agreed to otherwise, and the Owner shall be entitled to a commensurate adjustment of rent, in addition to any other adjustments provided for herein, to fund such improvements. Any rent adjustment shall be based on the Owner's actual cost to finance such improvements by a lender plus, if needed, no more than an 8% annual rate of return on any cash obligations of the Owner to effect said financing.

8.4 Ownership. From and after the Effective Date, the Owner is and shall be deemed to be the owner of the Building, the Leased Premises and any improvements thereon from time to time, except as otherwise agreed by Owner and Lessee in writing.

ARTICLE IX. INSURANCE: INDEMNITY

Each party shall, at times, during the term of this Lease, and at each party's respective expense, maintain and keep insurance coverage as provided below.

9.1 General Liability Insurance.

- 9.1.1 Lessee shall maintain in effect throughout the term of this Lease, commercial general liability insurance covering the activities, functions, and operations activities of the Lessee on the Leased Premises, which are the subject matter of this Lease. Such insurance shall be in a coverage amount of not less than Two Million Dollars (\$2,000,000) general aggregate and Two Million Dollars (\$2,000,000) each occurrence for bodily injury and property damage. It is specifically agreed that such insurance shall specifically name the Owner, in addition to the Lessee, as named insured on the policy of insurance.
- 9.1.2 Owner shall maintain, in effect throughout the term of this Lease, commercial general liability insurance covering the activities, functions, and operational activities of the Owner of the Leased Premises, which are the subject matter of this Lease. Such insurance shall be in a coverage amount of not less than Two Million Dollars (\$2,000,000) general aggregate and One Million Dollars (\$1,000,000) each occurrence for bodily injury and property damage. It is specifically agreed that such insurance shall specifically name the Lessee, in addition to the Owner, as named insured on the policy of insurance; however, Lessee's policy shall be primary in the event any demand is made upon the policies. Owner's insurance shall be at the sole expense of the Owner.
- 9.2 <u>Indemnification</u>. The Owner and Lessee agree to reciprocal indemnification as follows:
- 9.2.1 <u>Lessee's Indemnification of Owner (Lessee's Fault or combined Fault of both Lessee and Owner).</u> Owner shall not be liable for any loss, injury, death, or damage to persons or property which at any time, after Lessee takes possession of the Leased Premises, may be suffered or sustained by any property

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which, or person who, may at any time be using or occupying or visiting in, on, or about the Leased Premises in relation to the activities of the Lessee. Lessee's liability and Owner's non-liability, under this paragraph, includes such loss, injury, death or damage as shall be caused by or in any way result from or arise out of any act, omission, or negligence of the Lessee or negligence of occupant, visitor, or user of any portion of the Leased Premises who has come to the Leased Premises by reason of the activities of the Lessee, and including the event of the combined negligent acts and omissions of both Owner and Lessee. To the extent allowed by law, Lessee shall defend, indemnify and hold Owner harmless against any and all claims, liability, loss or damage on account of any and all such loss, injury, death or damage as set forth above.

9.2.2 Owner's Indemnification of Lessee (Owner's Fault). Prior to the date Lessee takes possession of the Leased Premises, Lessee shall not be liable for any loss, injury death, or damage to persons or property which at any time may be suffered or sustain by any property which, or person who, may at any time be using or occupying or visiting in, on, or about the Leased Premises in relation to the activities of the Owner during construction. Owner's liability and Lessee's non-liability, under this paragraph includes such loss, injury, death or damage as shall be caused by or in any way result from or arise out of any act, omission, or negligence of the Owner or any occupant, visitor, or user of any portion of the premises who has come to the premises by reason of the activities of the activities of the Owner and including the event of the combined negligent acts and omissions of both Owner and Lessee during construction. Owner shall defend, indemnify and hold Lessee harmless against any and all claims, liability, loss or damage on account of any and all such loss, injury, death or damage as set forth above.

9.3 <u>Casualty Loss (Fire) Insurance with Reciprocal and Mutual Waiver of Subrogation.</u>

9.3.1 Lessee's Casualty (Fire) Insurance. Beginning on the Commencement Date, the Lessee agrees to maintain extended all risk, including the hazards of earthquake and flood, casualty loss insurance on the Building, the contents of the building and Lessee's personal property, improvements, and equipment located in, on, or about the Leased Premises, and the improvements to the property for the full insurable replacement value of the Leased Premises, together with insurance against vandalism and malicious mischief. The policy shall name Owner and Lessee as loss payees and shall be paid into an account administered and controlled by Owner who, subject to Section 10.1, shall use the

funds to repair or rebuild the Building considering the requirements to restore its use as a school, and to replace any of Lessee's tenant improvements and personal property. The casualty policy will have a twelve month rental and business interruption endorsement as well to cover the rent obligations under this Lease during any period of repair. The policy may not have a deductible in excess of \$50,000 except for the earthquake and flood endorsement, which shall bear a minimum 5% loss deductible.

- 9.3.2 Owner's Casualty Insurance. Prior to the Commencement Date, the Owner agrees to maintain "All-risk" builder's risk insurance for the full insurable value of the work (including all stored material and equipment). This insurance shall include the interests of Owner and Lessee (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in the work and shall insure against physical loss or damage including, without duplication of coverage, theft, vandalism and malicious mischief. If any materials or equipment will be stored offsite or will be in transit to the job site and are not covered under said "all-risk" builder's risk insurance, then Owner shall effect and maintain similar property insurance on such materials and equipment.
- 9.3.3 Lessee's Waiver of Subrogation. The Lessee releases and relieves the Owner and waives the right of recovery against the Owner for loss or damage to Lessee's property which loss or damage is covered and/or included in the Lessee's casualty insurance, whether due to the negligence of the Owner, its agents, or employees.
- 9.3.4 Owner's Waiver of Subrogation. The Owner releases and relieves the Lessee and waives the right of recovery against the Lessee and waives the right of recovery against the Lessee for loss or damage to Owner's property which loss or damage is covered and/or included in the Owner's casualty insurance, or builder's risk insurance, whether due to the negligence of the Lessee, his agents, or employees.

9.4 Loss Adjustments/Certificates of Insurance

9.4.1 Loss adjustment, under the general liability, property and builder's risk insurance policies referred to above, shall be undertaken by Lessee or Owner in coordination with and participation of the other party, to the extent of each other's interest. Certificates of Insurance showing the applicable coverage as required pursuant to the terms of this Lease shall be provided to each party annually and upon renewal and each party shall be entitled to a minimum 20 day

notice of cancellation. The cost of any and all insurance required of either party by the terms of this Lease shall be carried and paid by that party. Any insurance proceeds recovered by reason of damage to or destruction of the Leased Premises or improvements on the Leased Premises shall be used to repair, restore or replace improvements so damaged or destroyed and/or to construct additional improvements.

- 9.4.2 Discharge of Liens by Lessee. If at any time during the tenancy, any liens under any claim or right or statute, or any chattel mortgages, conditional bills of sale, or other consensual liens shall be filed against the liens shall be filed against the Leased Premises or any part of the Leased Premises based on acts or omissions of the Lessee or its agents, the Lessee shall, at its own cost and expense, immediately obtain the discharge of those liens by payment, bond or otherwise, as provided by law. Nothing herein contained shall in any way prejudice the rights of the Lessee to contest any lien, final judgment or decree. The Lessee shall also defend the Owner, at the Lessee's sole cost and expense, any action, suit or proceeding which may be brought on or for the enforcement of any such lien, chattel mortgage or conditional bill of sale, and shall pay any damages, satisfy and discharge any judgment entered in such an action, suit or proceeding and otherwise save and hold harmless the Owner from any liability, claim or damage resulting therefrom.
- 9.4.3 If the Lessee defaults in its obligations as set forth above in regard to obtaining the discharge of any such lien, chattel mortgage or conditional bill of sale, the Owner without further notice, may procure and discharge that lien by bond, payment, or otherwise and all costs and expenses which the Owner may incur in obtaining the discharge of that lien or judgment shall be paid by the Lessee to the Owner as additional rent in accordance with the provisions of this Lease.

ARTICLE X. DAMAGE OR DESTRUCTION - REPAIR AND RESTORATION

10.1 <u>Destruction</u>. If through an act of God or fire, or the elements, or other casualty, the Leased Premises are totally destroyed, or are rendered unsuitable for the Lessee's school operations, at Owner's or Lessee's written election, provided within thirty days after such event, the Building shall be rebuilt pursuant to the insurance provisions of this Lease or this Lease or shall terminate automatically as of the date of such election. Lessee shall assign all insurance proceeds to Owner upon its election to terminate, even such proceeds attributable to Lessee's personal

property, until 110% of the outstanding balance of the mortgage obtained to construct or improve the Leased Premises is paid. Thereafter, if the Lease terminates under this Section prior to the twentieth (20th) anniversary of the Commencement Date, insurance proceeds shall be paid to Lessee in an amount equal to Lessee's Contribution multiplied by the ration of ((the number of months between the date of destruction and the twentieth (20th) anniversary of the Commencement Date)/240). Thereafter, or if the Lease terminates under this Section after the twentieth (20th) anniversary of the Commencement Date, the proceeds shall be paid in accordance with each party's interest in the insurance proceeds. Lessee, however, shall remain liable for all sums owed as of the date of termination including Rent which shall accrue until termination.

10.2 Damage. If through an act of God or fire, or the elements or other casualty, the Leased Premises are damaged but rendered un-tenantable in part only such that Lessee is able to continue to use the Leased Premises to operate a public school, and the Leased Premises can be restored within ninety days of the date of the damage, Owner shall within a reasonable period of time not to exceed ninety days without written consent of Lessee cause the damage to be repaired, however, rent shall not abate during such repair period. Lessee shall assign all insurance proceeds to Owner as required to undertake the repair. If Owner does not cause the damage to be repaired within a reasonable time not to exceed ninety days without written consent of Lessee, then Lessee may elect to undertake such repairs and to file a lien against the Leased Premises until such costs are repaid by Owner or remitted from the insurance proceeds. In addition, Rent shall be abated, in proportion to the amount of the Leased Premises rendered un-tenantable, during the period from the date of damage to the date the portion of the Leased Premises is rendered tenantable.

10.3 <u>Vandalism</u>. Lessee shall be responsible for repairing internal and external damage to the Leased Premises resulting from vandalism, including graffiti.

ARTICLE XI TAXES

11.1 Payment by Lessee. Lessee will pay to the appropriate governmental body all actual real property taxes and assessments for the Leased Premises. In the event taxes are assessed for periods when Lessee did not occupy the Leased Premises or have full use of the Leased Premises per Article X, Lessee will pay a pro-rata portion of the taxes and assessments, if any, relating to occupancy of the

Rilke Schule Lease (10708-093-00239494;7) 78092225;5:0081538-00004 premises. Lessee shall be liable for one hundred percent (100%) of any property tax increases during its occupancy of Leased Premises.

11.2 <u>Personal Property Taxes.</u> Lessee shall pay any personal property taxes when due; however, the parties anticipate that Lessee shall be exempt from such obligation and Owner shall work with Lessee to secure such tax exempt status.

ARTICLE XII. UTLITIES

12.1 During the terms of this Lease, Lessee shall pay all charges and deposits for gas, electricity, water, sewer, refuse, janitorial and snow and ice removal from all areas not including roof or structural components. Lessee shall pay all charges and deposits for telephone, data, and any other utilities or services supplied to the Leased Premises. If any such utilities or services are not separately metered to Lessee, Lessee shall pay its pro-rate share as mutually agreed by both parties. Lessee agrees to transfer all utilities to Lessee's name on the day of occupancy.

ARTICLE XIII ASSIGNMENT AND SUBLETTING

- 13.1 Owner's Consent Required. Lessee shall not voluntarily or by operation of law assign, sublet, or otherwise transfer or encumber any part of Lessee's interest in this Lease or in the Leased Premises without Owner's prior written consent, such consent, not to be unreasonably withheld. Any attempted assignment, transfer, encumbrance or subletting without such consent shall be void. Consent is hereby provided for short-term or after hours subletting to school and community organizations and for activities consistent with Paragraph 6.1.
- 13.2 No Release of Lessee. Lessee shall remain primarily responsible to pay the rent and to perform all the Lessee's other obligations under this Lease. Consent to one assignment or subletting shall not be deemed consent to any release or any subsequent assignment or subletting.

ARTICLE XIV TERMINATION

14.1 The Lessee, upon the expiration or termination of this Lease shall peaceably and quietly deliver up to the Owner, its successors or assigns, the Leased Premises described in this lease in clean and as good condition as when possession was tendered, normal wear and tear excepted. Lessee shall return all keys to Owner on termination.

ARTICLE XV. DEFAULTS, REMEDIES

- 15.1 <u>Defaults</u>. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:
- 15.1.1 Abandonment of the Leased Premises which abandonment continues for at least thirty (30) days after written notice thereof to Lessee.
- 15.1.2 Failure by Lessee to make any payment as required and when due and such failure continues for a period of ten (10) days after written notice from Owner.
- 15.1.3 Failure by Lessee to observe or perform any of the covenants, conditions or provision of the Lease, other than making of any payment, where such failure shall continue for a period of thirty (30) days after written notice from Owner; provided that, if the nature of Lessee's obligation is such that more than thirty (30) days are required for performance, Lessee shall not be in default if Lessee commences performance within thirty (30) days of Owner's written notice and thereafter completes Lessee's performance within a reasonable time. The Lessee will provide a written estimate of the anticipated time at the time of notice.
- 15.1.4 The making by Lessee of any general assignment or general agreement for the benefit of creditors.
- 15.1.5 The filing by or against Lessee of a petition in bankruptcy, including reorganization or arrangement, unless, in the case of a petition file against Lessee, the same is dismissed within thirty (30) days after filing.
- 15.1.6 The appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this lease.
- 15.2 <u>Remedies</u>. In the event of any such material default or breach, Owner, 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:
- 15.2.1 May obtain an order of eviction through the proper legal authority.

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- 15.2.2 Rent the Leased Premises or any part thereof for the account of Lessee upon such terms and conditions and for such period as Owner may consider advisable, either with or without any equipment or fixtures that may be situated in or on the Leased Premises. Owner shall apply the rents received from re-renting first to the expenses of re-renting, including any necessary renovation and alteration, reasonable attorney's fees and any real estate commission actually paid. Owner shall apply any remaining rent toward payment of all sums due or become due to Owner hereunder. Owner shall retain any remaining portion of the rent.
- 15.2.3 Owner's re-entry shall not terminate this Lease unless Owner gives written notice of an intention to terminate.
- 15.2.4 Upon termination within the current Lease, the Lessee shall remain liable for the money rent due until the Owner releases the Lessee, together with the reasonable expenses incurred by the Owner in releasing the Leased Premises and the difference, if any, between the rent the Owner would have collected from Lessee through the end of the initial Term and the amounts collected by Owner from the new Lessee(s).
- 15.2.5 Enforce by legal proceedings or otherwise any covenant or condition or term of this Lease and collect all damages.
- 15.2.6 In the event of termination for reasons not already addressed above, Lessee shall surrender possession of said Leased Premises immediately and shall pay Owner all damages Owner may incur by reason of Lessee's default, including the cost of recovering possession of the Leased Premises.
- 15.2.7 Subject to the provisions of Section 2.1 of this Lease each remedy provided in this Lease is distinct and cumulative to all other rights or remedies under this Lease or afforded by law or equity, and may be exercised concurrently, independently or successively, in any order whatsoever.
- 15.3 <u>Default by Owner.</u> Owner shall not be in default unless Owner fails to perform its obligations within thirty (30) days after written notice by Lessee specifying wherein Owner has failed to perform. If the nature of Owner's obligation however is such that more than thirty (30) days are required for performance, Owner shall not be in default if Owner commences performance within thirty (30) days of Lessee's written notice and thereafter completes

Owner's performance within a reasonable time. The Owner will provide a written estimate of the anticipated time at the time of notice.

ARTICLE XVI. CONDEMNATION

16.1 If all of the Leased Premises are taken, or if any part of the Leased Premises is taken and the taking of that part renders the Leased Premises unsuitable for the operation of the Leased Premises as a public school, this Lease shall terminate on the date of the vesting of title in the taking authority or thirty days after the last day of the school year preceding the anticipated date of the vesting of title in the taking authority, at Lessee's election ("Vesting Date") and the rent due shall be paid up to the Vesting Date. If such partial taking is not extensive enough to render the Premises unsuitable for the operation of the Leased Premises, as a public school, as mutually determined by Owner and Lessee, then this Lease shall continue in effect except that the Rent and any other amounts due hereunder shall be proportionately reduced. All proceeds received as a result of condemnation or eminent domain authority attributable to the Lease, and the Leased Premises shall belong to the Owner and Lessee assigns all of its rights in the same to Owner, except that, if this Lease terminates under this Section prior to the twentieth (20th) anniversary of the Commencement Date, proceeds received as a result of the condemnation or eminent domain authority shall be paid to Lessee in an amount equal to Lessee's Contribution multiplied by the ratio of ((the number of months between the date of destruction and the twentieth (20th) anniversary of the Commencement Date)/240). Lessee shall at all times have the right, to the extent that Owner's award is not reduced or prejudiced, to claim from the condemning authority (but not from Owner) such compensation as may be recoverable by Lessee in its own right for relocation expenses and damage to Lessee's property.

ARTICLE XVII. HOLDOVER

17.1 In the event that Lessee shall occupy and remain in possession of the Leased Premises after the expiration of the term of this Lease without having executed a new lease or an extension or renewal of this Lease, Lessee, at the option of Owner, shall be deemed in occupancy and possession of the Leased Premises as a tenant from month to month only, at a monthly rental equal to the Rent payable during the last month of the Lease Term. In all other respects, such tenancy shall be subject to all other agreements, covenants, terms, condition,

Rilke Schule Lease (10708-093-00239494;7) 78092225:5 0081538-00004 provisions, and obligations of this Lease, insofar as the same are applicable to a month-to-month tenancy.

17.2 In the event that there occurs such a holdover as aforesaid, and if either party thereafter desires to terminate said occupancy at the end of any month after the expiration of the term of this Lease, then the party so desiring to terminate the same shall give the other party at least thirty (30) days' written notice to that effect.

ARTICLE XVIII. GENERAL PROVISIONS

18.1 Estoppel Certificates and Financial Statements. Within ten (10) days after a written request by Owner, Lessee shall execute, acknowledge and deliver to Owner invoices and other bills showing the utility and other direct costs attributed solely to the Lease Premises and a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, (ii) acknowledging the Leased Premises have been delivered to Lessee in compliance with the terms of the Lease and (iii) either acknowledging that Lessee is not aware of any defaults on the part of Owner hereunder, or specifying such defaults if any are claimed.

Lessee's failure to provide these statements shall be presumptive evidence (i) that this Lease is in full force and effect, without modification except as may be represented by Owner, (ii) the Leased Premises are fully compliant with the requirements of the Lease and (iii) that no defaults in Owner's performance exist to Lessee's knowledge.

18.2 Owner's Liability. Owner may assign this lease at any time without permission of Lessee. However, prior to completion of construction of the Building, Owner shall not assign this Lease or Owner's obligation without Lessee's consent, except to a business entity in which Owner owns a majority interest. A written notice of an assignment will be provided to the Lessee prior to any assignment. Such assignment (along with the assignment of any security deposit to the new assignee) shall release Owner from any further obligations under this lease that arise on or after the effective date of such assignment provided that the assignment requires the assignee to be responsible for all provisions of the Lease applicable to the Owner effective as of the assignment

date. Notwithstanding the foregoing, neither Owner nor any of its assignees shall interfere with Lessee's quiet enjoyment, occupancy or holding of the Leased Premises during the Lease.

- 18.3 <u>Interest on Past-Due Obligations</u>. Any amount not paid by Lessee when due shall bear interest at the rate of eight and one-half percent (8.5%) per annum.
- 18.4 <u>Prior Agreements: Amendments.</u> This lease contains the entire agreement of the parties with respect to any matter mentioned and supercedes all prior or contemporaneous understandings, agreements, or representations whether express or implied. This lease may be modified only by a writing signed by the parties in interest at the time of the modification.
- 18.5 <u>Recording.</u> At the request of Owner or Lessee, the parties shall execute, acknowledge and deliver a Memorandum of Lease that Owner or Lessee at its option may record.
- 18.6 <u>Binding Effect.</u> Subject to any provisions restricting assignment or subletting, this Lease shall bind the parties, successors and assigns.
- Mortgage and Subordination. The Owner, may at any time mortgage or encumber the property and Building without Lessee's consent, subject to its obligations under this Section. This lease, at Owner's option, shall be subordinate to any ground lease, mortgage, deed of trust, or other security arrangement now or later placed upon the real property of which the Leased Premises are part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions Notwithstanding such subordination, Lessee's right to quiet possession of the Leased Premises shall not be disturbed if Lessee is not in default. Lessee agrees to execute legal documents reasonably required to effectuate such subordination. Owner shall utilize its commercially reasonable efforts to obtain a non-disturbance agreement from any mortgage of the Leased Premises whereby such mortgagee will agree that, so long as the Lessee is not in default in the payment of Rent or in the performance of any of the terms, conditions, obligations, covenants, agreements or provisions of this Lease, Lessee's possession of the Leased Premises and its rights under this Lease shall not be diminished or interfered with by the mortgagee.
- 18.8 Owner's Access. Owner shall have the right to enter the Leased Premises at reasonable times upon reasonable prior written notice (which in no event shall be

less than twenty four (24) hours prior notice) for the purpose of inspecting. showing to prospective purchasers, or lenders, or making such alteration, repairs, improvements or additions, to the Leased Premises as Owner may deem necessary or desirable; provided, however, that Owner shall use reasonable efforts to avoid interfering with Lessee's use of the Leased Premises and shall coordinate such access with Lessee to ensure student safety. Owner may at any time place on or about the Leased Premises "For Sale" signs and may during the last ninety (90) days of the term place on or about the Leased Premises "For Lease" signs. Notwithstanding the foregoing. Owner further agrees that Owner shall not permit any employee or agent of Owner, or Owner's contractors or sub-contractors upon the Leased Premises who has been convicted of a sex offense under federal law or the law of any state and who is required to register as a sex offender under Alaska law or by court order, or who has been convicted of child kidnapping under federal law or the law of any state and who is required under Alaska law or court order to register on the Alaska Department of Public Safety Sex Offender/Child Kidnapper Central Registry.

18.9 <u>Late Charge.</u> Lessee acknowledges that late payment by Lessee to Owner of rent due hereunder will cause Owner to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impractical to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Owner by the terms of any mortgage or trust deed covering the Leased Premises; therefore, in the event Lessee should fail to pay any installment of rent hereunder within ten (10) days after such amount is due, Lessee shall pay to Owner as additional rent a late charge equal to two hundred and fifty dollars (\$250.00) per day retroactive to the 5th day of the month with a maximum late charge equal to two percent (2%) of the rent due.

18.10 <u>Signs</u>. Lessee shall have the right to erect or install signage on the exterior or interior of the Leased Premises provided such signage shall comply with all applicable municipal and state codes.

18.11 Addresses: Notices. The initial addresses of the parties are:

Owner:

Kiska CS, LLC,

425 G Street, Suite 210 Anchorage, Alaska 99501

Lessee:

Rilke Schule German School of Arts and Sciences

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Academic Policy Committee 2511 Sentry Drive Suite 100 Anchorage, Alaska 99507

Each party will notify the other promptly of any change in address. The Lessee's address will change to the new facility address as of the Commencement Date. Any notice required or permitted shall be in writing and may be served personally or by certified mail addressed to the most recent address of the party being served. Any such notice shall be deemed to have been given on the date of receipted delivery or refusal to accept delivery.

In addition, a copy of any notice by Owner under Article XV of this Lease shall be delivered in accordance with the foregoing provisions to:

Anchorage School District Attn: Chief Financial Officer 5530 E. Northern Lights Blvd. Anchorage, AK 99504-3135

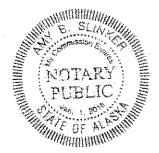
- 18.12 Consultation with Attorney. The parties to this Lease acknowledge that they have had the right to review this Lease and all other documents, if any, relating to this Lease with their own attorney. Each party electing to have this Lease reviewed by an attorney shall bear the costs and expenses so incurred. Interpretation of any provision of this Lease shall not be construed against the drafter.
- 18.13 <u>Costs and Attorney's Fees: Venue.</u> If, by reason of any default or breach of any term or condition of this Lease, a civil action is filed, the losing party agrees to pay the actual reasonable attorney's fees and costs incurred by the prevailing party.
- 18.14 <u>Authority of Signers.</u> The persons signing this Lease on behalf of Owner and Lessee agree and warrant that they have full authority to execute this Lease on behalf of the respective parties.
- 18.15 <u>Waiver</u>. One or more waivers of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent to or approval of any act by the other party of a nature requiring consent or approval shall not be deemed to waive consent to or approval of any subsequent or similar act.

Rilke Schule Lease (10708-093-00239494;7) 78092225.5 0081538-00004

- 18.16 Severability. If any clause or term of this Lease shall be deemed invalid by any court of law, the enforceability of the remaining clauses and terms of the Lease shall be unaffected.
- 18.17 <u>Applicable Law.</u> This Lease shall be governed by the laws of the State of Alaska. Venue for any legal action shall be in the State of Alaska, Third Judicial District at Anchorage, Alaska.
- 18.18 No Ownership. Nothing in this lease agreement should be construed as giving Lessee any ownership interest in the Leased Premises.

[Signature page follows]

foregoing instrument, and he acknowledges to me that he signed the same on behalf of said entity, free and voluntarily for the uses and purposes therein set forth.



WITNESS my hand and Notarial seal on the day and year in this certificate first above written.

NOTARY PUBLIC in and for Alaska My Commission Expires: 1/1/15



Criterion Commi, Inc. **M**

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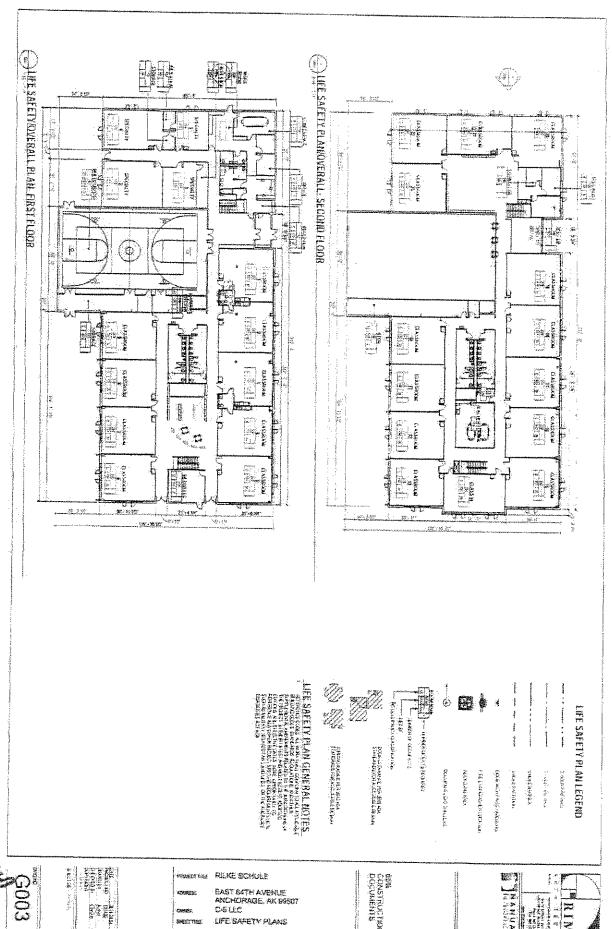
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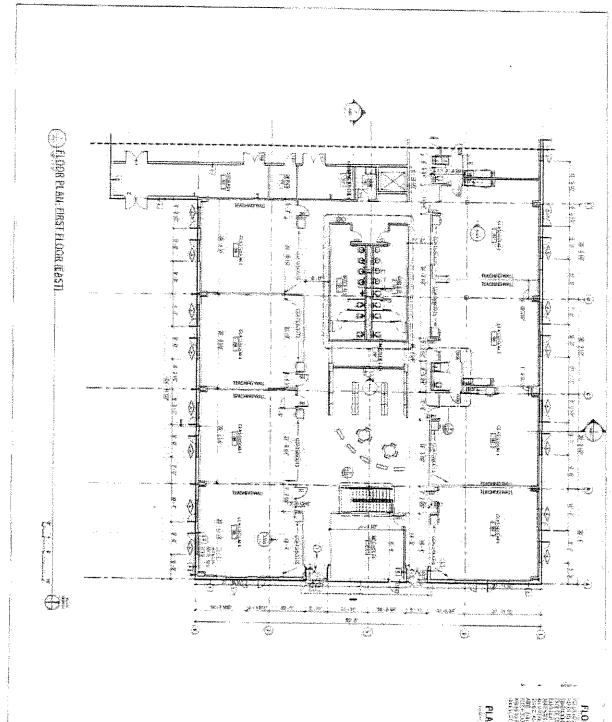




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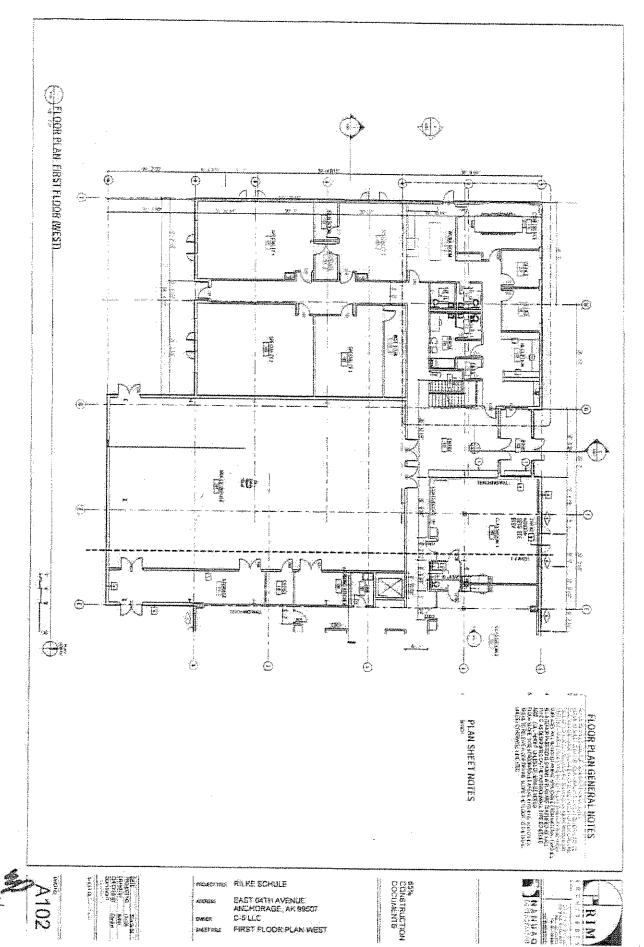


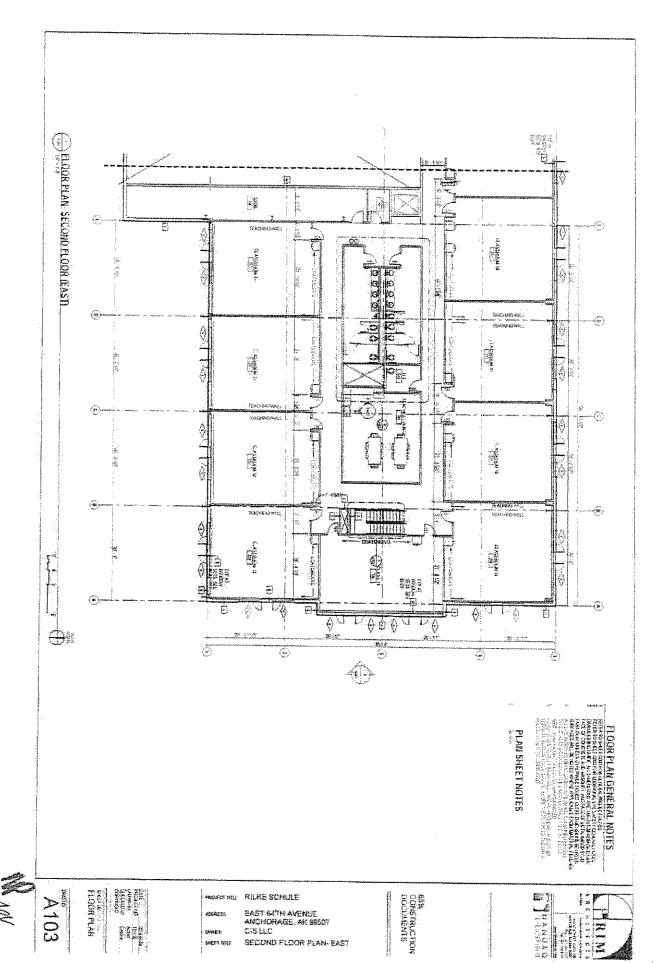
MODELLINE PALKE SCHULE

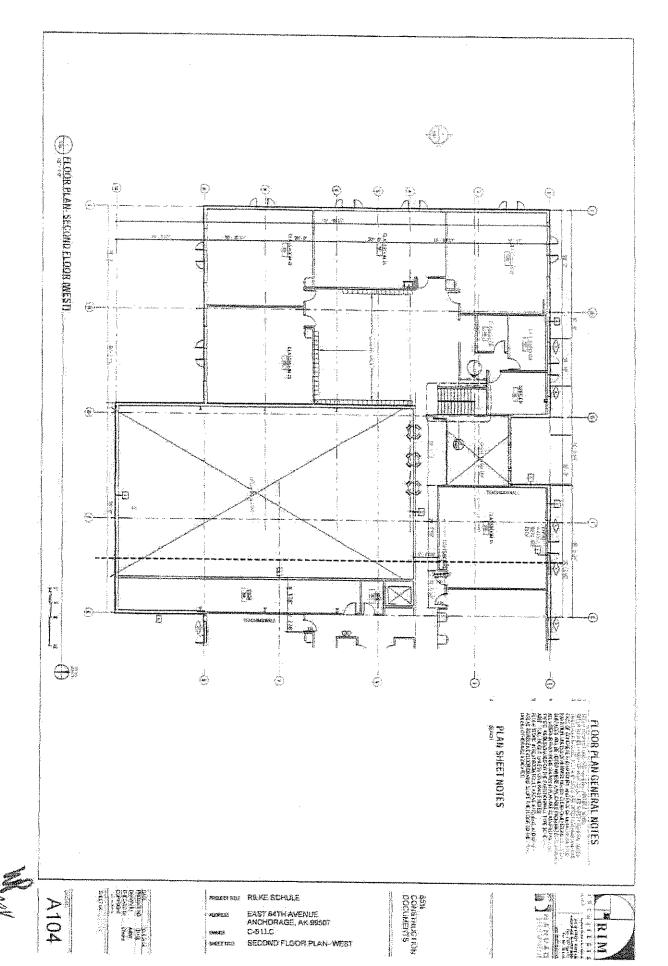
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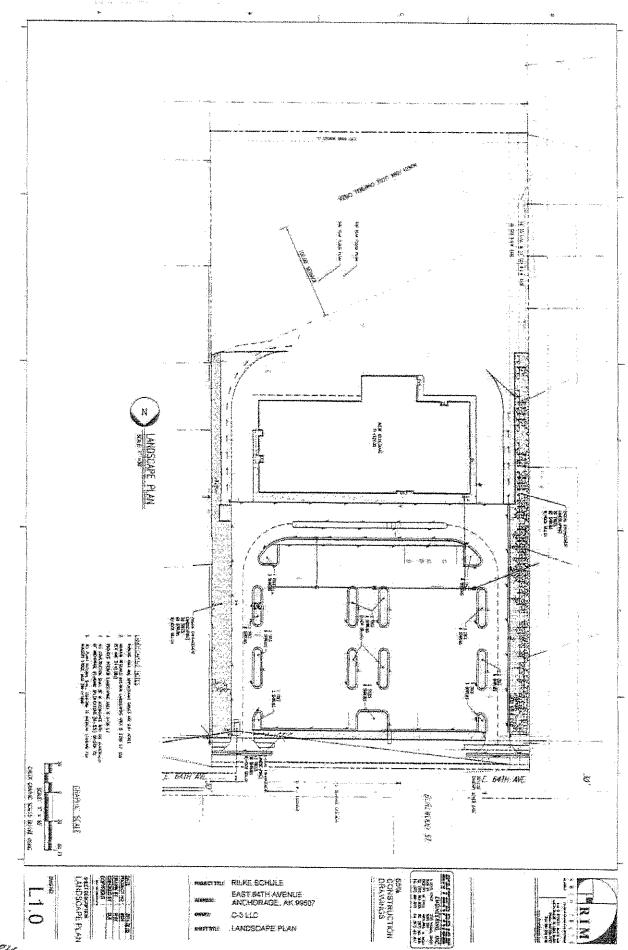
BS% CONSTRUCTION COCCUMENTS







18.3



RILKE SCHULE APPENDIX L

Rilke Schule Dress Code Approved 22 July, 2010

Rilke Schule expressly does not have a school uniform intended to make all students look the same. We have a dress code that aims to promote a sense of belonging and pride in our school, respect for our educational environment, and to reduce any sense of inequality of personal dress. Faculty and staff need not abide by this dress code, but are expected to dress in a business professional manner.

Basic Dress Code

Students shall wear solid colored clothing without contrasting logos. This includes any color shirt, blouse, or dress with a collar and sleeves; and pants, shorts, skirts, skorts or jumpers that are black, brown, grey, olive, navy blue, or khaki.

Exceptions

- Students may wear any solid color clothing with a Rilke Schule logo of any kind on any day.
- Students in grades 6,7, and 8 may wear collared shirts with stripes and plaids.
- Traditional appropriate Dirndls, Lederhosen and Kniebundhosen may be worn on any day.
- Dress Code rules are suspended on monthly Theme Days.
- Students and staff may wear blue jeans one designated Friday a month.
- * One Friday a month is Dressy Friday.
- Boy Scout and Girl Scout uniforms are allowed on meeting days.

Theme Days, Blue Jean Fridays, and Dressy Fridays

The student council will define monthly theme days with the Principal's approval. The dates for Theme Days, Blue Jean Fridays, and Dressy Fridays will be posted with at least two weeks notice. On Theme Days, students may dress in either standard dress code clothing or according to the theme chosen for the day. On Blue Jean Fridays students may dress in either standard Rilke Schule dress code bottoms or wear blue jeans. On Dressy Fridays students may dress in either standard Rilke Schule dress code clothing or more formal attire including dresses, skirts and suits with patterns or designs. For all exception days, ASD dress guidelines of modest, non-offensive apparel and proper appearance still apply.

Field Trip Days

Students are encouraged to wear tops with Rilke Schule logos when their class participates in a field trip outside the school.

Clarifications

- Clothing must be clean and, if torn, well-mended.
- All clothing must be appropriately sized, not more than one size larger or smaller than the student actually measures.
- Hats or other headgear (hoods, caps, visors, and bandanas) must be removed from the head upon entering the building and may not be carried during the school day. Hooded clothing is allowed as long as the hood is down inside the building.
- Clothes that drag on the floor, posing a tripping hazard are not allowed.
- Extra wide/long/baggy/saggy clothing is not allowed.

- Mesh, fishnet, spandex, sheer, see-through, shiny, or noisy fabrics are not allowed.
- Clothing that exposes the back, chest, shoulders, or midriff is not allowed.
- Display of undergarments is not allowed.
- Skirts, skorts, shorts, jumpers, over-alls, and dresses cannot be shorter than four finger-widths above the knee.

Shirts and Tops

- Shirts, blouses, and dresses must be a solid color with sleeves and a collar, unless they are any Rilke Schule t-shirts.
- Shirt hems that extend past the bottom of the back pants pockets must be tucked in.
- Shirts should be buttoned above the chest line.
- Solid colored, long and short-sleeved t-shirts can be worn underneath collared shirts.
- Solid colored over shirts with no contrasting logos are allowed. This includes sweaters, vests, cardigans, and sweatshirts with or without a hood.
- Solid colored turtlenecks are allowed.

Bottoms

- Bottoms include pants, skirts, shorts, skorts, and jumpers.
- Bottoms must be worn at the waist and completely zipped or fastened.
- All bottoms must be black, brown, grey, olive, navy blue, or khaki.
- Capris and cargo pants (with side pockets) are allowed as long as they are fitted, not baggy.
- No jeans (denim), track, or sweat pants are allowed during the regular school day.
- Leggings may not be worn as pants.

Footwear

- Children are expected to have weather-appropriate footwear securely attached to their feet.
- Shoes must be fied or appropriately fastened for safety reasons.
- Shoes must have hard soles and be sturdy enough to withstand an evacuation drill.
- Blinking sneakers are not allowed in the classroom but are acceptable as athletic shoes for Phys Ed.
- Heeleys are not allowed.
- Excessively high or spiked heels that are unsafe are not allowed.

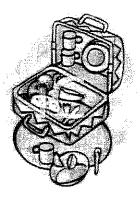
Accessories

- Medical alert bracelets or necklaces are allowed.
- Light, solid colored nail polish is allowed. Bright, vibrant, or dark nail polish and nail art is not allowed.
- Light make-up is a privilege reserved for students in grades 6, 7, and 8.
- Tights or socks of any color, design, or pattern should be worn at all times.
- Leggings of any color, design, or pattern can be worn underneath skirts, skorts, dresses, and jumpers.
- Ties of any color, design, or pattern may be worn.
- Accessories must not be a safety hazard or distracting.
- Chains, dog collars, or bracelets and necklaces with spikes are not allowed.
- Tattoos and facial jewelry are not allowed.
- Sunglasses or contact lenses which obscure the eyes are not allowed indoors.

Hair

- Hair dye or bleach is not allowed.
- Hair styles or excessive hair decorations that are obvious distractions are not allowed.
- Hair should be neat and clean and not covering the eyes.

More healthy lunch suggestions...



- + Ants on a log (celery stick with peanut butter and raisins)
- Plain pasta (better: whole wheat pasta) with olive oil and parmeson cheese
- Wrap sandwiches soft whole wheat tortills with, for example, chicken, shredded carrot, spinach leaves, shredded cheese and ranch dressing
- + Cheerios (plain or multigrain) and raisins possibly to mix with

yogurt or just eat from a bag, or other healthy dry cereals and some types of granoia

- Whole grain bread with lunchmeat and/or cheese, or peanut butter and "spreadable fruit" jelly (this kind has no sugar added)
- Mini bagels—they, too, come in whole wheat—topped with cheese
- Whole grain bread, whole wheat tortillas, whole wheat English muffins
- Waffles, pita bread (whole wheat/whole grain are available in stores)
- Granola or cereal bars sometimes these are loaded with sugar, so check ingredients carefully.
- Crackers—Triscuits, wheat thins, whole grain crackers, addfish

Need more ideas? Check out: http://www.sraf

Check out our Nutrition page on our school website at www.rilkeschule.org for other helpful ideas. Send in your ideas for healthy lunches to info@rilkeschule.org and we will add them to the

school website! Frepared by Antje Carlson, Ann Weese, and Liz Crafford



Rilke Schule German School of Arts & Sciences

Eat smart! Be healthy!

Guidelines & Ideas for Preparing Nutritious & Healthy School Lunches



Healthy

Living

The basics

for



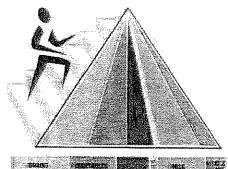
Rilke Schule Nutrition Policy

Students bring their own lunches and eat in either their classrooms or a multi-purpose room at the school Rilke Schule advocates and promotes a healthy food policy. No

candy, cookies, cake, puddings, other sugary food or fried chips are allowed in lunches or snacks. Milk, 100% fruit juice, and water are acceptable drinks; no soda pop is permitted.



FOOD PYRAMID'S NEW DIMERSIONS



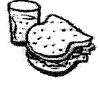


t Rilke Schule we believe in healthy living through eating nutritious food and engaging in regular exercise.

We have created this pamphlet to help our arents prepare healthy snacks and lunches for their children. The goal of our nutrition policy is to help parents develop lifelong healthy eating habits with their children.

Teach your children about healthy foods—whole grains, vegetables, fruits and milk as the foundation of their diet for healthy living. Important things to avoid are foods high in corn syrup, sugar, sodium, fat and other processed ingredients. There are many great resources out there to help you learn about food labeling and healthy food. Be sure to check out and other resources on the school web site for more information.

If children bring inappropriate food for lunch to school, teachers will ask children to return it to their lunch boxes and save it for the afternoon after they have left Rilke Schule.





What should I pack in a Rilke lunch? Here are some suggestions you can try!

- Fresh fruit (apples, melons, grapes, orange slices, bananas, strawberries...)
- Canned fruit look for the kind packed in natural juices instead of syrup
- Dried fruit such as apricots, raisins, figs, plums...
- Applesauce look for the kind without added sugar or corn syrup
- Apple slices or chunks with cinnamon to hide any browning.
- · Cheese sticks, cubes, slices, or shredded
- · Tuna, or other delicious fish, like smoked salmon
- * Cottage cheese
- Sliced lunchmeat (ham, turkey, roast beef, chicken), in a sandwich or just rolled up by itself, or rolled around a cheese stick.
- Chopped chicken, ham, turkey, or slices of pepperoni or salami
- Feanut butter (on whole grain bread, or as a dip or spread for apples or crackers)
- Hard-boiled eggs
- Yogurt look for all natural or organic kinds, they have less sugar and sometimes no corn syrup.
- Cream cheese spread for bread or crackers (herbed or plain)
- Mini-carnots; braccoli, celeny, cauliflower, etc.
 with ranch dressing)
- · Olives, whole or sliced



Anchorage School District

Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • www.asdk12.org

June 3, 2015

Mike Hanley Commissioner of Education Department of Education and Early Development 801 West 10th Street, Suite 200 P.O. Box 110500 Juneau, AK 99811-0500

Dear Commissioner Hanley:

The Anchorage School District is requesting a waiver, as required by Alaska Statutes 14.03.030 and 14.03.040, for one of our charter schools. The Rilke Schule German School of Arts & Sciences (K-8) would like to request that the instructional time on Friday be shortened and the students be dismissed at 1:45 instead of 2:45. Regular instruction time Monday to Thursday will be increased by 15 minutes from the standard A.S.D. day (8:15 - 2:45) and will run from 8:15 - 3:00. Friday's hours would be 8:15 - 1:45. Therefore, one hour is banked over a four-day period in order to release an equivalent one-hour early on Friday. Student clubs will be available at the school from 1:45 pm to 3:00 pm on Fridays for parents who wish to avail themselves of this service. This would release partner teachers for cohesive planning of lessons to ensure coverage of grade level expectations. All Rilke Schule students in kindergarten - 8th grade will receive more than the 900 hours of instruction required by the state for 4th - 12th graders.

Subsequent to the approval of this waiver, attached is the requested early release schedule for the 2015-2016 school year.

This school is served by parent-driven vehicles. There is no student transportation provided by the Anchorage School District. This allows the school to determine the best schedule for its parent population. The Rilke Schule Academic Policy Committee (the school's governing body) and teaching staff at the school are supportive of this request.

Rilke Schule German School of Arts & Sciences is a language immersion program where students are educated for half of their academic day in German. As a language immersion school, it is essential that the teachers from the German side of the program be able to work intensively for longer periods of time with the teachers on the English side of the program. Fortune and Jorstad, 1996, concluded that immersion programs require on-going in-service training and frequent intensive collaboration between the target language teacher and his/her partner teacher in English in order to ensure a successful program in both languages. Because the focus of planning for elementary level foreign language instruction is the thematic unit, which includes the theme, targeted national and state standards, broad unit outcomes and a culminating performance assessment across both the target language and English classes, it is essential that the teachers work as a team to plan and carry out such instruction (Curtain and Dahlberg, 2004).

With the school's emphasis on science and the arts, students will be doing many hands-on activities, carrying out research projects, and taking appropriate field trips. These activities require additional planning between members of each grade level instructional team. Planning time, which frees teachers up while the students

Educating All Students for Success in Life



are pulled out for art, P.E., or music, does not allow for team planning, because it is impossible to free up both teachers at the same time. Thus, the Friday collaboration is essential.

The focus for what we will do during early release days is based on: gathering of student data, data analysis, curriculum analysis, and staff strengths and areas of growth. We strive to meet the needs of all students as well as provide challenges.

Our primary focus for the 2015-16 school year will be:

- School-wide Positive Behavior Plan
 - Respect
 - o integrity
 - o Leadership
 - Kindness
 - Excellence
- Curriculum
 - Clarify which GLE's will be taught during the English part of the day, during the German part
 of the day, and which will be covered in both
- Assessment Analysis
 - New student information
 - o Alaska Measures of Progress Results
 - o SBA Student Data Summary Discussion
 - SBA Proficiency Level Descriptors / GLE's
 - Target Instructional Focus
 - Reflective Discussion
 - e R.T.I. Discussion (AIMSweb)

Allowing Rilke Schule to restructure its calendar will best support continued growth in academic achievement for their students.

Sincerely,

Glen Nielsen

Executive Director of Elementary Education

Cc: Ed Graff, Superintendent
Mike Graham, Chief Academic Officer
Dean Ball, Principal, Rilke Schule German School of Arts & Sciences