

LEASE

THIS LEASE (“Lease”) made as of the 18 day of October, 2011, by and between the **FRIENDS OF NOVA CLASSICAL ACADEMY**, a Minnesota non-profit corporation (“**Landlord**”), and **NOVA CLASSICAL ACADEMY**, a Minnesota non-profit corporation (“**Tenant**” or “**School**”).

BASIC LEASE TERMS

Landlord	Friends of Nova Classical Academy
<i>Legal Entity</i>	A non-profit corporation existing under the laws of Minnesota
Tenant	Nova Classical Academy
<i>Legal Entity</i>	A Minnesota non-profit corporation
Premises	All of the property and structures as more specifically described in Article 2, below
Term	35 years Each period beginning on July 1 and ending on June 30 is defined as a “ Lease Year ”
<i>Commencement Date</i>	July 1, 2012
<i>Expiration Date</i>	June 30, 2047
<i>Option</i>	Ten (10) options of Five (5) years each
Rent	Effective on July 1, November 1 and March 1 of each Lease year, and each year of the Renewal Term, if any, the parties will adjust the Rent to an amount that is equal to the product of the number of pupils projected for the forthcoming lease year/school year on Tenant’s MARSS Average Daily Membership report filed with the Minnesota Department of Education (“ MDE ”) multiplied by the rental amount per pupil that results in Tenant’s receipt of the maximum amount of lease aid available to Tenant from MDE pursuant to applicable Minnesota law. The parties will execute a memorandum commemorating such rent adjustments. Notwithstanding the foregoing, in no event will Rent be less than the schedule attached hereto as Exhibit B.
Use	Public Charter School and related administrative and extracurricular purposes

Parking	Tenant has the exclusive right to use of all parking areas on the Premises
Landlord's Address for Notices	Friends of Nova Classical Academy Attn: Jeff Ellerd, P.E. 2055 Jefferson Ave. St. Paul, MN 55105 Fax #: 651-458-8455
Tenant's Address for Notices	Nova Classical Academy Attn: Brian Bloomfield Upper School Campus 426 Osceola Avenue South St. Paul, MN 55102 Fax: 651-253-7430
Security Deposit	None
Additional Exhibits	Exhibit A – Premises Exhibit B – Minimum Rent

This lease is subject to and complies with Minn. Stat. § 124D.10, subdivision 17a.

ARTICLE 1. Premises.

(a) Subject to and upon the terms, provisions and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Premises described herein, which Premises consist of all of the space in the school building located at 1455 Victoria Way, St. Paul, Minnesota, 55102, Minnesota (the “**Building**”), as well as all land on which the Building is located, together with all parking, open space, storm water drainage and other facilities that are either on the land or appurtenant to the land by virtue of recorded easements, as more particularly described in the attached Exhibit A (hereinafter referred to as the “**Premises**”).

(b) The Premises on the date of this Lease consists of unimproved land. Landlord shall cause the construction of the Building to be performed and substantially completed prior to the Commencement Date (“**Landlord Work**”). All plans, drawing, specifications, construction schedules, and all other decisions concerning the construction of the Building shall be approved in advance by Tenant in Tenant’s sole and absolute discretion.

ARTICLE 2. Purpose and Use.

(a) The Premises shall be used by the Tenant only for the purpose of operating a public charter school, including, without limitation, providing the usual academic, school, administrative and related services associated with a public charter school, as well as extracurricular or ancillary programming that is, in Tenant’s reasonable business judgment, related or complementary to Tenant’s operation of a school. The Premises shall be used and occupied by Tenant so as not to contravene any present or future laws in force or any other provisions hereof.

(b) Any use or storage by Tenant of hazardous substances at the Premises by Tenant or Tenant’s Parties (defined below) will be consistent with the operation of a public charter school, and will be in full compliance with applicable law, and any disposal of such waste or of pollutants or contaminants shall be in full compliance with applicable law and at Tenant’s expense.

ARTICLE 3. Lease Effect and Term.

(a) Tenant takes the Premises from Landlord, upon the terms and conditions herein contained, to have and to hold the same for the initial term of thirty-five (35) years (hereinafter referred to as “**Lease Term**”) commencing on the Commencement Date and expiring on the Expiration Date.

(b) Tenant has Ten (10) options to extend the Lease Term for Five (5) years for each extension. If Tenant exercises an extension option, the extended term will be added to the Lease Term, and the Expiration Date will be June 30 of the year that is five years after the then current Expiration Date (e.g. – 2052 for the expiration of the first extension option, 2057 for the second extension option, etc.). To exercise any extension option, Tenant shall provide notice of exercise to Landlord no less than five (5) months prior to the then applicable end of the Lease Term. For example, to exercise the first extension option, Tenant’s notice must be given no later than January 31, 2047. Tenant’s exercise of an option will not be effective if, at the time of exercise, Tenant is in default (beyond any notice or cure period) of any monetary or material non-monetary obligation under this Lease.

ARTICLE 4. Rent.

(a) Rent. Tenant shall pay to Landlord a monthly rent (“**Rent**”) as set forth in the Summary of Basic Term. Rent shall be made monthly in twelve equal payments which are due on or before the 5th day of each month.

(b) Additional Rent. Tenant is responsible for the following costs and expenses. Tenant’s obligation to pay such items is deemed “Rent” under this Lease. A default by Tenant in the payment of any of these items will be deemed a default in the payment of Rent.

(1) Operating Costs. Tenant is responsible for contracting directly for and paying all costs and expenses associated with all utilities, water, sewer, garbage removal, telecommunications, janitorial, cleaning, maintenance, repairs, replacements, landscaping, snow removal and all other costs of operating the Premises in accordance with Articles 7 and 8, below.

(2) Property Taxes. Landlord is exempt from the payment of taxes. In the event any real estate taxes or special assessments are assessed or charged by any government authority on or against the Premises or any property owned by Landlord, except in the event of Landlord losing its tax exempt status as a result of matters unrelated to this Lease or Landlord transferring, assigning or conveying the Property to an entity that is not exempt from the payment of taxes, Tenant shall pay, as additional Rent, all such real estate taxes or special assessments. Tenant shall pay annual installments of special assessments now levied or hereafter pending or levied during the term of any renewal term of this Lease. Any installment of real estate taxes and assessments as are assessed herein that are due and payable in the year of termination of this Lease shall be paid for that year in full by Tenant on or before such termination. Tenant shall have the right, in its or Landlord’s name, or both, but at its own cost and expense to contest the validity of any taxes or assessments, by appropriate proceedings timely instituted, provided Tenant shall give Landlord written notice of its intention to do so, diligently prosecute any such contest, at any time, effectively stay or prevent any official or judicial sale of the Premises under execution or otherwise satisfy any final judgment enforcing any tax or assessment so contested, and promptly procures record satisfaction thereof. Landlord shall, upon request of Tenant, cooperate fully with Tenant in any such proceedings, provided, however, Landlord shall not be liable for any expense in connection therewith and that Tenant shall indemnify Landlord against the same and all losses that may result therefrom.

ARTICLE 5. Alterations.

Tenant may, at Tenant's sole cost and expense, make alterations, improvements or additions to the Premises (“**Tenant’s Alterations**”), subject to consent of any mortgagee holding a mortgage on the Premises, with respect to any Tenant’s Alterations that involve changing any structural element of the Building. Any and all such alterations, physical additions or improvements, when made to the Premises by Tenant, shall remain the property of the Tenant so long as this Lease is in force and effect, but shall be surrendered to the Landlord upon the termination of this Lease by lapse of time or otherwise; provided, however, that this clause shall not apply to equipment, furniture, or trade fixtures installed by Tenant.

ARTICLE 6. Obligations of Landlord.

(a) Landlord shall keep the structural parts of the Building (*e.g.*, foundation, load-bearing walls, exterior walls (excluding glass and doors)), subfloor and roof in good order, safe condition and repair, and shall, if necessary, replace the boiler, chiller, heat exchanger or other major mechanical HVAC equipment. Landlord's work will be subject at all times to Tenant's approval and direction. Landlord shall also maintain insurance to cover it for loss of Rent for a period of at least 12 months.

(b) Other than as specifically set forth in subsection (a), above, Landlord shall have no obligation to perform any maintenance or repairs on any portion of the Premises. However, if Tenant fails to perform reasonably necessary maintenance on the Premises, such failure, if continued, could negatively impact the integrity of the Premises, and such failure continues for a period of thirty (30) days after written notice from Landlord, Landlord may perform such maintenance or repairs on Tenant's behalf, in which event the reasonable costs and expenses of such maintenance or repair incurred by Landlord will be immediately payable to Landlord as a part of Operating Costs.

ARTICLE 7. Obligations of Tenant.

(a) Except as required of Landlord in Article 6, above, Tenant will contract for and perform all maintenance, repair and cleaning of the Building, including, without limitation, mechanical systems such as HVAC and other non-structural repairs and replacements necessary to keep and maintain the Premises, and all systems of the Premises, in good working order and repair. Tenant shall, at Tenant's sole cost and expense, repair or replace any damage or injury to the Premises, Building or sidewalks and parking areas serving the Premises caused by any act or omission of Tenant.

(b) Tenant shall obtain all necessary permits and licensing for any Tenant Alterations, if any, pursuant to this Lease and for the operation of its school.

(c) Tenant shall provide for prompt removal and disposal of all waste. Tenant shall not permit any waste or refuse to be stored on the Premises except in dumpsters or waste removal containers for a reasonable period of time pending removal to a disposal site.

(d) Tenant shall contract for perform all landscape maintenance and shall remove snow in areas, common or otherwise, serving the Premises.

(e) Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

(f) Failure of Landlord to insist, in any one or more instances, upon strict performance of any term, covenant or condition of this Lease, or to exercise any option herein, shall not be a waiver or relinquishment of such for the future. The receipt by Landlord of rents with knowledge of Tenant's breach in any of the terms, covenants or conditions of this Lease shall not be deemed to have waived any provision of this Lease unless in writing signed by Landlord.

(g) To the extent any mortgage financing obtained by Landlord contains any commercially reasonable term or provision that requires Landlord to "cause" Tenant to comply with such term or condition, Tenant hereby agrees to be bound by such provision and agrees that Tenant's violation of

such provision would, after thirty (30) days' notice and opportunity to cure, constitute a default of this Lease. Notwithstanding the foregoing, in all cases Tenant will be authorized to use the Premises for the conduct of a public charter school.

(h) If any default in this Lease of Tenant can be cured by the expenditure of money, Landlord may, but without obligation, and without limiting any other remedies which it may have be reason of such default, cure the default after thirty (30) days written notice to Tenant, charge the cost to Tenant and Tenant shall pay the same forthwith. Any amounts paid by Landlord to cure default of Tenant shall, for purposes of Landlord's remedies, be construed as additional rent due.

(i) Tenant shall promptly pay to the Landlord, upon request, an amount equal to any reasonable cost incurred by the Landlord in repairing the Building where such repairs were made necessary by the negligence of, or misuse by, the Tenant, its agents, customers, employees or invitees and Tenant has failed to make the necessary repairs after thirty (30) days written notice from Landlord to Tenant.

ARTICLE 8. Insurance.

(a) Tenant shall maintain with insurers of licensed to do business in the State of Minnesota:

(1) Liability insurance covering acts of Tenant, its employees, agents, representatives and guests within the Building shall have a limit of at least the liability limits set forth in Minnesota Statute 466.04, and shall be adjusted as appropriate to reflect changes in the statutory limit.

(2) Property damage liability insurance covering leasehold improvements installed by Tenant, Tenant's fixtures and equipment.

(3) Business interruption and/or extra expense insurance sufficient to enable Tenant to remain in business during repair or remediation of a covered loss.

(b) Tenant will adjust the amount of liability insurance from time to time to reasonably reflect the current standards of the underwriting and insurance industry relative to Minnesota public Charter Schools.

(c) All general liability insurance maintained by Tenant shall, with respect to general liability but not with respect to property damage, name Landlord, Tenant and any Mortgagee holding a mortgage on the Premises as additional insureds, and shall include a Notice of Cancellation endorsement (to the extent the same is available from time to time from Tenant's general liability insurance carrier).

(d) Landlord will at all times maintain insurance coverage on the Building for its full replacement value.

ARTICLE 9. Subordination To Mortgages:

This Lease and all rights of Tenant are and shall be subject and subordinate to any mortgage or deed of trust constituting a lien on the Premises, or any part thereof, whether such mortgage or deed of

trust has heretofore been or may hereafter be placed upon the Premises to secure an indebtedness to any bank or other institutional lender, private or public, and to any renewal, modification, consolidation, replacement, or extension of any such mortgage or deed of trust, provided that such lender agree in writing that, so long as Tenant performs its obligations under this Lease, Tenant's tenancy hereunder will not be disturbed. Tenant agrees to execute and deliver, at any time and from time to time upon demand by Landlord such commercially reasonable documents as may be required to effectuate such subordination within twenty (20) days after receipt of written notice to do so. In the event that the mortgagee or beneficiary of any such mortgage or deed of trust elects to have this Lease be a prior lien to its mortgage or deed of trust, then, in such event, upon such mortgagee or beneficiary giving written notice to Tenant to that effect, this Lease shall be deemed prior to such mortgage or deed of trust whether this Lease is recorded prior to or subsequent to the date of such recordation of such mortgage or deed of trust.

ARTICLE 10. Property Loss.

If the Building is damaged by fire or any other cause covered by insurance, Landlord and Tenant will work together to pursue a claim for insurance benefits and use such benefits to repair and restore the Building (subject to the rights of the holder of a recorded mortgage on the Premises concerning insurance proceeds). If repair or restoration is impracticable based on the amount of available insurance benefits, or if the parties cannot agree with respect to the repair of the Building, the following will apply:

(a) If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed \$250,000.00, then Landlord may, no later than the sixtieth (60th) day following the damage, give written notice of election to terminate the Lease.

(b) If the cost of restoration as reasonably estimated by Landlord is less than \$250,000.00, or if, despite the cost, Landlord does not elect to terminate this Lease, Landlord shall, at Landlord's sole cost and expense, regardless of the receipt by Landlord of insurance proceeds, restore the Building and the Premises within 90 days of such damage or destruction, subject to delays beyond Landlord's control, and Tenant shall have no right to terminate this Lease except as herein provided. Landlord shall not be responsible for restoring or repairing leasehold improvements of the Tenant. During the period that the Premises are untenable, in whole or in part, as a result of damage to the Building, rent shall abate in whole, or, if Tenant is able to occupy a portion of the Premises without unreasonable business interruption, in part. Any partial abatement of rent shall be based upon the greater of (i) the amount of square footage occupied by Tenant, at any given time during the period of damage to the Building, as to the entire square footage of the Premises, or (ii) the actual cost to Tenant of securing temporary replacement space. The period of abatement shall be from the date of the damage to the date the entire amount of square footage occupied by Tenant becomes tenantable.

(c) In the event of the election to terminate, this Lease shall be deemed to terminate on the date of the damage and all rent shall be paid up to the date of damage. Tenant shall have no claim against Landlord for the value of any unexpired term of this lease.

(d) In the event this Lease is not terminated in accordance with paragraph (a), above, all insurance proceeds (except for Tenant's insurance covering Tenant's Leasehold improvements,

personal property and trade fixtures and business continuation coverage) shall be assigned to Landlord (subject to the rights of any holder of a mortgage on the Premises) to cover the cost of repair or to compensate Landlord for its loss.

ARTICLE 11. Eminent Domain.

If the entire Premises are taken by eminent domain, this Lease shall automatically terminate as of the date of taking. If 30% or more of the Premises is taken by eminent domain, Landlord or Tenant shall have the right to terminate this Lease as of the date of taking by giving written notice to the other within ninety (90) days after such date of taking. If neither Landlord nor Tenant elect to terminate this Lease, Landlord shall restore the Premises, exclusive of any improvements or other changes made therein by Tenant, to as near the condition which existed immediately prior to the date of taking as reasonably possible, and to the extent that the Premises are rendered untenable, the rent shall proportionately abate. All damages awarded for a taking under the power of eminent domain shall belong to and be the exclusive property of Landlord, whether such damages be awarded as compensation for diminution in value of the leasehold estate hereby created or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any separate award made to Tenant for the value and cost of removal of its personal property and fixtures or attributable to Tenant's relocation expenses.

ARTICLE 12. Signs.

Tenant shall be permitted to erect exterior signs with the name of Tenant's school or other items related to tenant's use of the Premise. The Tenant shall be solely responsible for the maintenance thereof. All signs must comply with any and all governmental regulations. Tenant may, without prior consent of Landlord, place or affix interior signs, posters, artwork and other items related to Tenant's use of the Premises as a school.

ARTICLE 13. Security.

Tenant is solely responsible for the security and safety of its faculty, students, guests and invitees. Tenant may make such alterations to the Premises as it may from time to time require for security and safety purposes, provided that Tenant is solely responsible for all costs thereof and such alterations are completed in accordance with this Lease including the receipt of Landlord's prior written consent.

ARTICLE 14. Liability/Indemnification.

(a) Tenant agrees that Landlord and its officers and employees shall not be liable to Tenant for any damage to or loss of personal property in the Premises unless such damage or loss is the result of the Landlord's breach of this Lease or the negligence or willful misconduct of Landlord or its officers.

(b) Tenant also agrees that Landlord shall not be liable to Tenant, or those claiming through or under Tenant, for any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds or areas providing access to the Premises, parking areas or surrounding grounds; and Tenant shall indemnify Landlord against, and hold Landlord harmless from liability, claims demands, damages, attorney fees, court costs and disbursements (including

attorney fees, court costs and disbursements resulting from enforcement of this indemnity) thereof, arising out of any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds, or areas providing access to the parking areas, the Premises or surrounding grounds, except to the extent caused by the breach of this Lease, gross negligence or willful misconduct of Landlord or its officers. Notwithstanding anything to the contrary, the Tenant accepts the Premises AS IS, with all faults and the failure of the Premises to currently comply with any safety, building or fire code, including, but limited to, the Americans with Disabilities Act shall not constitute negligence or willful misconduct of Landlord or its officers, agents, employees, contractors or subcontractors.

ARTICLE 15. Default.

(a) Landlord Default. If Landlord should be in default in the performance of any of its obligations under this Lease, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant specifying such default Tenant may, at its option upon written notice, (a) if the default involves a failure by Landlord to repair or maintain the Premises as required by Article 6(a) of this Lease, perform such repairs or maintenance on behalf of Landlord and deduct the reasonable cost therefore from the next installment of Rent, or (b) exercise any other remedy available to Tenant under Minnesota law. The rights and remedies of Tenant under this Lease shall be cumulative, and the exercise of any of them shall not be exclusive of any other right or remedy provided by this Lease, and the waiver by Tenant of any breach of any covenant of this Lease shall be limited to the particular instance and shall not operate or be deemed to waive any future breach of the same or any other covenant on the same or any other occasion, nor operate as a waiver of any of Tenant's rights under this Lease by such remedies as may be appropriate.

(b) Tenant Default. If default shall be made in the payment of any sum to be paid by Tenant under this Lease, and such default shall continue five (5) days after written notice from Landlord to Tenant of such default, or default shall be made in the performance of any of the other covenants or conditions which Tenant is required to observe and to perform, and such default shall continue for thirty (30) days after written notice from Landlord to Tenant of such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Tenant has not undertaken procedures to cure the default within such thirty (30) day period and has not diligently pursued such efforts to a complete cure), or if the interest of Tenant under this Lease shall be levied on under execution or other legal process, or if any petition shall be filed by or against Tenant to declare Tenant as bankrupt or to delay, reduce or modify Tenant's debts or obligations, or if any petition shall be filed or other action taken to reorganize or modify Tenant's capital structure if Tenant be a corporation or other entity, or if Tenant be declared insolvent according to law, or if any assignment of Tenant's property shall be made for the benefit of creditors, or if a receiver or trustee is appointed for Tenant or its property, or if Tenant shall abandon the Premises for 30 consecutive days during the term of this Lease or any renewals or extension thereof, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease (provided that no such levy, execution, legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within sixty (60) days from the date of its creation, service or filing), and thereupon, at Landlord's option, Landlord may have any one or more of the following described remedies in addition to any other rights and remedies provided at law or in equity:

(1) Landlord may terminate this Lease and forthwith repossess the Premises and remove all persons or property therefrom using appropriate legal process, and be entitled to recover forthwith as damages a sum of money equal to the total of (i) the cost of recovering the Premises including reasonable attorney fees, (ii) the unpaid rent owed at the time of termination, plus interest thereon from due date at the lesser of (a) the maximum rate permitted by applicable law or (b) 10%, (iii) the balance of the rent for the remainder of the term less the rent the Landlord can reasonably expect to recover by rental of the Premises for said period reduced to present value at a rate of 5%, and (iv) any other sum of money and damages owed by Tenant to Landlord; or

(2) Landlord may terminate Tenant's right of possession (but not the Lease) and may repossess the Premises using appropriate legal process and without terminating this Lease, in which event Landlord may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting Landlord is authorized to decorate or to make any reasonable repairs, changes, alterations, or addition in or to the Premises that may be reasonably necessary for purposes of reletting; and (i) if Landlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting after paying the unpaid Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the lesser of (a) the maximum rate permitted by applicable law and (b) 10%, plus the cost of recovering possession including reasonable attorney fees, and all of the costs and expenses of such decorations, repairs, changes, alterations, and additions and the expense of such reletting and of the collection provided for in this Lease to be paid; then Tenant shall pay to Landlord as damages a sum equal to the amount of the Rent reserved in this Lease for such period or periods, or if the Premises have been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums failing due under the terms of this Lease from time to time on one or more occasions without Landlord being obligated to wait until expiration of the term of this Lease. Such reletting shall not be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

ARTICLE 16. Assignment/Attornment and Novation.

(a) Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder in the Premises and the property referred to herein upon the condition that (i) in such event this Lease shall remain in full force and effect, subject to the performance by Tenant of all of the terms, covenants, and conditions on its part to be performed, (ii) that such assignee or transferee, agrees to be bound to perform all the terms, covenants, and conditions pursuant to this Lease, and (iii) that the transferee or assignee is a non-profit entity that will be exempt from the payment of real estate taxes and that has otherwise been approved by Tenant, whose approval shall not unreasonably be withheld, conditioned or delayed. Upon any such assignment, or transfer, or if the Premises comes into custody or possession of a mortgagee or any other party whether because of mortgage foreclosure, or otherwise, subject to the rights of Tenant under this Lease, Tenant shall attorn to such assignee or other party and recognize such party as Landlord hereunder. Tenant shall

execute, on demand, any reasonable attornment agreement and/or estoppels certificate (see Exhibit C for estoppels certificate) required by any such party to be executed, containing such provisions and such other provisions as such party may require to the extent the same are consistent with this Lease. If Landlord, or any subsequent owner, sells the Premises, its liability for the performance of its agreements in this Lease will end on the date of the sale of the Premises, and Tenant will look solely to the purchaser for the performance of those agreements. For the purposes of this Article, any holder of a mortgage or deed of trust that affects the Premises at any time, and any landlord in any lease to which this Lease is subordinate at any time, will be a subsequent owner of the Premises when it succeeds the interest of the Landlord or any subsequent owner of the Premises. Notwithstanding the foregoing, if Landlord sells or transfers the property to a person or entity that is not exempt from the payment of real property taxes, Tenant shall not be responsible for the payment of any portion of such real property taxes payable by such new owner.

(b) Without the prior written consent of Landlord, which shall not unreasonably be withheld, conditioned or delayed, Tenant shall not have the right to transfer, assign sublet or mortgage its leasehold interest, in whole or in part, its rights and obligations in the Premises and the property referred to herein. If Landlord does consent in writing to such a transfer, assignment or sublease, it shall be on the condition that this Lease shall remain in full force and effect, subject to the performance of all terms, covenants and conditions and upon further condition that such assignee or transferee agrees to be bound to perform all the terms, covenants and conditions pursuant to this lease. The use limitations set forth in Article 2 of this lease shall apply to any assignee subtenant or transferee as well as to Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation to pay the rent and perform all other obligations to be performed by Tenant hereunder for the term of this Lease. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver of Landlord of any provision hereof or any right hereunder. Notwithstanding the foregoing, it shall not be deemed an assignment or sublease if Tenant enters into an agreement or agreements with other persons or entities for limited use of classroom, gymnasium or other space in the Building, either free of charge or in exchange for payment or other consideration, for extracurricular or ancillary purposes that are related or complimentary to the operation of a public charter school (by way of example, but without limitation, a day care or preschool, a Boy or Girl Scout troop, an adult or community education program, a choral, musical or theater group, a science team, etc.); provided that Tenant will be responsible for any property taxes resulting from such use.

ARTICLE 17. Covenant of Quiet Enjoyment.

(a) Landlord covenants that, as of the date of the execution of this Lease, Landlord shall take all necessary steps to ensure that Tenant has and enjoys exclusive quiet enjoyment of the use and occupancy of the Premises, and that no ground lease, mortgage, lease or encumbrance affecting the Premises is in default and that no person, corporation, partnership or other entity has a right to foreclose upon or otherwise succeed to all or any part of the title of Landlord to the Premises.

(b) Landlord covenants and agrees that it has full right and power to execute and perform this Lease and to grant the estate demised herein; and that Tenant, on paying rent herein reserved and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full term of this Lease and any extension or renewal thereof, subject to the usage of Landlord as agreed herein.

(c) Landlord has marketable title to the entire Premises, has the full right to enter into this Lease and perform hereunder. Tenant acknowledges that Landlord has the continuing right to sell all or any part of the Premises; provided that any purchaser of the Premises will be subject to this Lease. Promptly upon execution of this Lease, Landlord and Tenant will execute a memorandum of this Lease which Landlord will record with the county Recorder/file with the Registrar of Titles in accordance with Minn. §Stat. 508.60.

(d) The Premises are connected to city water, sanitary sewer, gas, electricity and other utility services.

ARTICLE 18. Corporate Authority.

The person executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing corporation and is qualified to do business in the State of Minnesota and that the corporation has full right and authority to enter into this Lease and that each and every person signing on behalf of the corporation is authorized to do so.

ARTICLE 19. Notice.

All notices or requests under this Lease shall be in writing and given by certified mail. Notice to Landlord shall be addressed to the person and to the address at which rent has last been paid. Notice to Tenant shall be addressed to the address of the Premises or to any subsequent address, which Tenant may designate to Landlord from time to time in writing. Properly addressed notices or letters sent by certified mail shall be deemed given and served when they have been deposited with the US Postal Service or any common carrier services or other reasonable entity that provides a signed receipt of delivery.

ARTICLE 20. Waiver.

No waiver of a breach of any covenants in this Lease shall be construed to be a waiver of any succeeding breach of such covenant.

ARTICLE 21. Amendment Or Modifications.

No modification, release, discharge, amendment or waiver of any provisions hereof shall be of any force, effect or value, unless in writing signed by the Landlord, Tenant and Lender or their duly authorized agents or attorneys.

ARTICLE 22. Complete Agreement.

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, agreements and understandings between Landlord and Tenant with respect to the subject matter of this Lease or the Premises.

ARTICLE 23. Force Majeure.

In the event that the Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to

procure materials, restrictive government laws or regulations, riots, insurrections; the action, failure to act, or default of the other party; war or other reason beyond their control, then performance of such act shall be excused for the period of the delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay. Except as specifically provided in Article 4, this paragraph shall not apply to the non-payment of rent unless such non-payment is caused by the act, failure to act, or default of Landlord.

ARTICLE 24. Miscellaneous.

- (a) The specific remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means in regard to which they may be lawfully entitled in case of any breach or threatened breach by any of them of any provisions of this Lease.
- (b) Except as otherwise provided herein, the covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its successors and assigns.
- (c) Each covenant, agreement or stipulation by a party hereto shall be performed at such party's own cost and expense, and without cost or expense to the other party. In the event any party to this Lease commences legal action to enforce any term or provision of this Lease, the substantially prevailing party in such action shall be entitled to an award of its costs and reasonable attorneys' fees incurred therein.
- (d) 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 terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Lease shall be valid and enforced to the fullest extent permitted by law.
- (e) The heading or captions of Article or paragraphs in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease or the provisions of such Article or paragraph.
- (f) Interpretation of this Lease shall be governed by the laws of the State of Minnesota.
- (g) This Lease may be executed in any number of original counterparts, all of which evidence only one agreement, binding on all parties, even though all parties are not signatory to the same counterpart. Facsimile signatures transmitted via the internet or facsimile may be used in place of original signatures for this Lease and related documents.

ARTICLE 25. Tax Exemption.

- (a) Tenant is an organization described in Section 501(c)(3) of the Internal Revenue Code (the "**Code**"), exempt from the payment of federal income taxes under Section 501(a) of the Code, and no revenues derived from its use of any portion of the Premises does or shall constitute "unrelated business income" within the meaning of Section 513(a) of the Code.

(b) Tenant agrees that, through the Lease Term, it will maintain its existence (i) as a not-for-profit corporation under the laws of Minnesota and (ii) as an organization described in Section 501(c)(3) of the Code.

[Signatures on Following Page – The remainder of this page has been intentionally left blank.]

[Signatures to Lease]



LANDLORD: FRIENDS OF NOVA CLASSICAL ACADEMY, INC. By:  Name: <u>JEFF EUERO</u> Title: <u>PRESIDENT</u>	TENANT: NOVA CLASSICAL ACADEMY By:  Name: <u>BRIAN BREMEL</u> Title: <u>EXECUTIVE DIRECTOR</u>
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EXHIBIT A TO LEASE

Premises

The following real property situated in Ramsey County, Minnesota:

Parcel A:

Outlot B, Victoria Park

Lot 2, Block 6, Victoria Park

Lot 2, Block 7, Victoria Park

Park, Victoria Park,

together with all vacated streets accruing to such parcels.

Parcel B:

That certain parking easement over the land described as follows:

That part of Lot 2, Block 4, VICTORIA PARK, according to the recorded plat thereof, Ramsey County, Minnesota, which lies southeasterly of the northwesterly 5 feet of thereof and northwesterly of the northwesterly right of way line of the Canadian Pacific Railway.

Together with that part of the Northeast Quarter of the Northwest Quarter and that part of Government Lot 1, Section 14, Township 28, Range 23, Ramsey County, Minnesota, described as follows:

Commencing at the intersection of the centerline of Victoria Way with the south line of VICTORIA PARK, according to the recorded plat thereof, Ramsey County, Minnesota, said centerline of Victoria Way lying 30 feet southeasterly of and parallel with the southeasterly line of Block 6, said VICTORIA PARK; thence South 46 degrees 07 minutes 05 seconds West, along the southwesterly extension of said centerline of Victoria Way and along a line hereinafter referred to as Line "A", a distance of 77.66 feet; thence southwesterly and westerly 73.35 feet along a tangential curve to the right having a radius of 100.00 feet and a central angle of 42 degrees 01 minute 27 seconds; thence South 88 degrees 08 minutes 32 seconds West, tangent to said curve, a distance of 46.46 feet to the terminus of said Line "A"; thence South 1 degree 51 minutes 28 seconds East a distance of 35.00 feet to the point of beginning; thence continuing South 1 degree 51 minutes 28 seconds East a distance of 76.37 feet; thence North 88 degrees 08 minutes 32 seconds East a distance of 160.84 feet to the northwesterly right of way line of the Canadian Pacific Railway; thence northeasterly, along said northwesterly right of way line, to the south line of said VICTORIA PARK; thence westerly along said south line to a point distant 35.00 feet southeasterly of, as measured at right angles, to said Line "A" and its northeasterly extension; thence southwesterly and westerly, parallel with said Line "A" to the point of beginning.

Parcel C:

That certain open space and storm water easement over the land described as follows:

That part of the Northeast Quarter of the Northwest Quarter of Section 14, Township 28, Range 23, Ramsey County, Minnesota which lies southerly of the south line of VICTORIA PARK, according to the recorded

plat thereof, said Ramsey County, easterly of the southwesterly extension of the northwesterly line of Outlot B, said VICTORIA PARK and northerly of a line distant 30 feet northerly of and parallel with the following described line, said line hereinafter referred to as Line "A":

Beginning at the intersection of the centerline of Victoria Way with the south line of VICTORIA PARK, according to the recorded plat thereof, Ramsey County, Minnesota, said centerline of Victoria Way lying 30 feet southeasterly of and parallel with the southeasterly line of Block 6, said VICTORIA PARK; thence South 46 degrees 07 minutes 05 seconds West, along the southwesterly extension of said centerline of Victoria Way, a distance of 77.66 feet; thence southwesterly and westerly 73.35 feet along a tangential curve to the right having a radius of 100.00 feet and a central angle of 42 degrees 01 minute 27 seconds; thence South 88 degrees 08 minutes 32 seconds West, tangent to said curve, a distance of 579.22 feet; thence westerly and northwesterly 83.83 feet along a tangential curve to the right having a radius of 100.10 feet and a central angle of 47 degrees 59 minutes 08 seconds; thence North 43 degrees 52 minutes 20 seconds West, tangent to said curve, a distance of 22.16 feet to the southwesterly extension of the northwesterly line of Outlot B, said VICTORIA PARK and there said line terminates.

Excepting therefrom a strip of land 5 feet in width northerly of and adjoining the southerly line of the land above described and lying between a line drawn at a right angle to said Line "A" from a point thereon distant 77.66 feet westerly from the point of beginning to a line drawn at a right angle to said Line "A" from a point thereon distant 520.07 feet westerly from the point of beginning.

[The remainder of this page has been intentionally left blank]

EXHIBIT B TO LEASE

Schedule of Minimum Rent

<u>Date</u>	<u>Minimum Rent Payment</u>
7/5/2012	110,715.98
8/5/2012	110,715.98
9/5/2012	112,911.77
10/5/2012	112,911.77
11/5/2012	112,911.77
12/5/2012	112,911.77
1/5/2013	112,911.77
2/5/2013	112,911.77
3/5/2013	112,911.77
4/5/2013	112,911.77
5/5/2013	112,911.77
6/5/2013	112,911.77
7/5/2013	112,911.77
8/5/2013	112,911.77
9/5/2013	117,273.75
10/5/2013	117,273.75
11/5/2013	117,273.75
12/5/2013	117,273.75
1/5/2014	117,273.75
2/5/2014	117,273.75
3/5/2014	117,273.75
4/5/2014	117,273.75
5/5/2014	117,273.75
6/5/2014	117,273.75
7/5/2014	117,273.75
8/5/2014	117,273.75
9/5/2014	120,099.48
10/5/2014	120,099.48
11/5/2014	120,099.48
12/5/2014	120,099.48
1/5/2015	120,099.48
2/5/2015	120,099.48
3/5/2015	120,099.48
4/5/2015	120,099.48
5/5/2015	120,099.48
6/5/2015	120,099.48
7/5/2015	120,099.48
8/5/2015	120,099.48
9/5/2015	121,483.02
10/5/2015	121,483.02
11/5/2015	121,483.02
12/5/2015	121,483.02
1/5/2016	121,483.02
2/5/2016	121,483.02
3/5/2016	121,483.02
4/5/2016	121,483.02

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
5/5/2016	121,483.02
6/5/2016	121,483.02
7/5/2016	121,483.02
8/5/2016	121,483.02
9/5/2016	121,470.94
10/5/2016	121,470.94
11/5/2016	121,470.94
12/5/2016	121,470.94
1/5/2017	121,470.94
2/5/2017	121,470.94
3/5/2017	121,470.94
4/5/2017	121,470.94
5/5/2017	121,470.94
6/5/2017	121,470.94
7/5/2017	121,470.94
8/5/2017	121,470.94
9/5/2017	121,386.04
10/5/2017	121,386.04
11/5/2017	121,386.04
12/5/2017	121,386.04
1/5/2018	121,386.04
2/5/2018	121,386.04
3/5/2018	121,386.04
4/5/2018	121,386.04
5/5/2018	121,386.04
6/5/2018	121,386.04
7/5/2018	121,386.04
8/5/2018	121,386.04
9/5/2018	121,228.33
10/5/2018	121,228.33
11/5/2018	121,228.33
12/5/2018	121,228.33
1/5/2019	121,228.33
2/5/2019	121,228.33
3/5/2019	121,228.33
4/5/2019	121,228.33
5/5/2019	121,228.33
6/5/2019	121,228.33
7/5/2019	121,228.33
8/5/2019	121,228.33
9/5/2019	121,414.48
10/5/2019	121,414.48
11/5/2019	121,414.48
12/5/2019	121,414.48
1/5/2020	121,414.48
2/5/2020	121,414.48
3/5/2020	121,414.48

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
4/5/2020	121,414.48
5/5/2020	121,414.48
6/5/2020	121,414.48
7/5/2020	121,414.48
8/5/2020	121,414.48
9/5/2020	121,086.88
10/5/2020	121,086.88
11/5/2020	121,086.88
12/5/2020	121,086.88
1/5/2021	121,086.88
2/5/2021	121,086.88
3/5/2021	121,086.88
4/5/2021	121,086.88
5/5/2021	121,086.88
6/5/2021	121,086.88
7/5/2021	121,086.88
8/5/2021	121,086.88
9/5/2021	121,103.13
10/5/2021	121,103.13
11/5/2021	121,103.13
12/5/2021	121,103.13
1/5/2022	121,103.13
2/5/2022	121,103.13
3/5/2022	121,103.13
4/5/2022	121,103.13
5/5/2022	121,103.13
6/5/2022	121,103.13
7/5/2022	121,103.13
8/5/2022	121,103.13
9/5/2022	121,236.46
10/5/2022	121,236.46
11/5/2022	121,236.46
12/5/2022	121,236.46
1/5/2023	121,236.46
2/5/2023	121,236.46
3/5/2023	121,236.46
4/5/2023	121,236.46
5/5/2023	121,236.46
6/5/2023	121,236.46
7/5/2023	121,236.46
8/5/2023	121,236.46
9/5/2023	121,234.38
10/5/2023	121,234.38
11/5/2023	121,234.38
12/5/2023	121,234.38
1/5/2024	121,234.38
2/5/2024	121,234.38

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
3/5/2024	121,234.38
4/5/2024	121,234.38
5/5/2024	121,234.38
6/5/2024	121,234.38
7/5/2024	121,234.38
8/5/2024	121,234.38
9/5/2024	121,096.88
10/5/2024	121,096.88
11/5/2024	121,096.88
12/5/2024	121,096.88
1/5/2025	121,096.88
2/5/2025	121,096.88
3/5/2025	121,096.88
4/5/2025	121,096.88
5/5/2025	121,096.88
6/5/2025	121,096.88
7/5/2025	121,096.88
8/5/2025	121,096.88
9/5/2025	120,823.96
10/5/2025	120,823.96
11/5/2025	120,823.96
12/5/2025	120,823.96
1/5/2026	120,823.96
2/5/2026	120,823.96
3/5/2026	120,823.96
4/5/2026	120,823.96
5/5/2026	120,823.96
6/5/2026	120,823.96
7/5/2026	120,823.96
8/5/2026	120,823.96
9/5/2026	120,832.29
10/5/2026	120,832.29
11/5/2026	120,832.29
12/5/2026	120,832.29
1/5/2027	120,832.29
2/5/2027	120,832.29
3/5/2027	120,832.29
4/5/2027	120,832.29
5/5/2027	120,832.29
6/5/2027	120,832.29
7/5/2027	120,832.29
8/5/2027	120,832.29
9/5/2027	121,094.79
10/5/2027	121,094.79
11/5/2027	121,094.79
12/5/2027	121,094.79
1/5/2028	121,094.79

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
2/5/2028	121,094.79
3/5/2028	121,094.79
4/5/2028	121,094.79
5/5/2028	121,094.79
6/5/2028	121,094.79
7/5/2028	121,094.79
8/5/2028	121,094.79
9/5/2028	120,751.04
10/5/2028	120,751.04
11/5/2028	120,751.04
12/5/2028	120,751.04
1/5/2029	120,751.04
2/5/2029	120,751.04
3/5/2029	120,751.04
4/5/2029	120,751.04
5/5/2029	120,751.04
6/5/2029	120,751.04
7/5/2029	120,751.04
8/5/2029	120,751.04
9/5/2029	120,661.46
10/5/2029	120,661.46
11/5/2029	120,661.46
12/5/2029	120,661.46
1/5/2030	120,661.46
2/5/2030	120,661.46
3/5/2030	120,661.46
4/5/2030	120,661.46
5/5/2030	120,661.46
6/5/2030	120,661.46
7/5/2030	120,661.46
8/5/2030	120,661.46
9/5/2030	120,798.96
10/5/2030	120,798.96
11/5/2030	120,798.96
12/5/2030	120,798.96
1/5/2031	120,798.96
2/5/2031	120,798.96
3/5/2031	120,798.96
4/5/2031	120,798.96
5/5/2031	120,798.96
6/5/2031	120,798.96
7/5/2031	120,798.96
8/5/2031	120,798.96
9/5/2031	120,719.79
10/5/2031	120,719.79
11/5/2031	120,719.79
12/5/2031	120,719.79

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
1/5/2032	120,719.79
2/5/2032	120,719.79
3/5/2032	120,719.79
4/5/2032	120,719.79
5/5/2032	120,719.79
6/5/2032	120,719.79
7/5/2032	120,719.79
8/5/2032	120,719.79
9/5/2032	120,701.04
10/5/2032	120,701.04
11/5/2032	120,701.04
12/5/2032	120,701.04
1/5/2033	120,701.04
2/5/2033	120,701.04
3/5/2033	120,701.04
4/5/2033	120,701.04
5/5/2033	120,701.04
6/5/2033	120,701.04
7/5/2033	120,701.04
8/5/2033	120,701.04
9/5/2033	120,429.17
10/5/2033	120,429.17
11/5/2033	120,429.17
12/5/2033	120,429.17
1/5/2034	120,429.17
2/5/2034	120,429.17
3/5/2034	120,429.17
4/5/2034	120,429.17
5/5/2034	120,429.17
6/5/2034	120,429.17
7/5/2034	120,429.17
8/5/2034	120,429.17
9/5/2034	120,320.83
10/5/2034	120,320.83
11/5/2034	120,320.83
12/5/2034	120,320.83
1/5/2035	120,320.83
2/5/2035	120,320.83
3/5/2035	120,320.83
4/5/2035	120,320.83
5/5/2035	120,320.83
6/5/2035	120,320.83
7/5/2035	120,320.83
8/5/2035	120,320.83
9/5/2035	120,347.92
10/5/2035	120,347.92
11/5/2035	120,347.92

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
12/5/2035	120,347.92
1/5/2036	120,347.92
2/5/2036	120,347.92
3/5/2036	120,347.92
4/5/2036	120,347.92
5/5/2036	120,347.92
6/5/2036	120,347.92
7/5/2036	120,347.92
8/5/2036	120,347.92
9/5/2036	120,482.29
10/5/2036	120,482.29
11/5/2036	120,482.29
12/5/2036	120,482.29
1/5/2037	120,482.29
2/5/2037	120,482.29
3/5/2037	120,482.29
4/5/2037	120,482.29
5/5/2037	120,482.29
6/5/2037	120,482.29
7/5/2037	120,482.29
8/5/2037	120,482.29
9/5/2037	120,279.17
10/5/2037	120,279.17
11/5/2037	120,279.17
12/5/2037	120,279.17
1/5/2038	120,279.17
2/5/2038	120,279.17
3/5/2038	120,279.17
4/5/2038	120,279.17
5/5/2038	120,279.17
6/5/2038	120,279.17
7/5/2038	120,279.17
8/5/2038	120,279.17
9/5/2038	120,155.21
10/5/2038	120,155.21
11/5/2038	120,155.21
12/5/2038	120,155.21
1/5/2039	120,155.21
2/5/2039	120,155.21
3/5/2039	120,155.21
4/5/2039	120,155.21
5/5/2039	120,155.21
6/5/2039	120,155.21
7/5/2039	120,155.21
8/5/2039	120,155.21
9/5/2039	120,082.29
10/5/2039	120,082.29

EXHIBIT B (CONT.)

<u>Date</u>	<u>Minimum Rent Payment</u>
11/5/2039	120,082.29
12/5/2039	120,082.29
1/5/2040	120,082.29
2/5/2040	120,082.29
3/5/2040	120,082.29
4/5/2040	120,082.29
5/5/2040	120,082.29
6/5/2040	120,082.29
7/5/2040	120,082.29
8/5/2040	120,082.29
9/5/2040	120,032.29
10/5/2040	120,032.29
11/5/2040	120,032.29
12/5/2040	120,032.29
1/5/2041	120,032.29
2/5/2041	120,032.29
3/5/2041	120,032.29
4/5/2041	120,032.29
5/5/2041	120,032.29
6/5/2041	120,032.29
7/5/2041	120,032.29
8/5/2041	120,032.29
9/5/2041	112,977.08
10/5/2041	112,977.08
11/5/2041	112,977.08
12/5/2041	112,977.08
1/5/2042	112,977.08
2/5/2042	112,977.08
3/5/2042	112,977.08
4/5/2042	112,977.08
5/5/2042	112,977.08
6/5/2042	112,977.08
7/5/2042	112,977.08
8/5/2042	112,977.08
Total	43,475,613.42