

SUBLEASE AGREEMENT

BETWEEN

CHARTER SCHOOL INCUBATOR INITIATIVE (GRANTOR)

and

LEE MONTESSORI PUBLIC CHARTER SCHOOL (GRANTEE)

Dated: March 1, 2019

SUBLEASE AGREEMENT

This Sublease Agreement (the "Agreement") is entered into as of March 1, 2019 and effective as of February 28, 2019 by and between Charter School Incubator Initiative d/b/a Building Pathways, a District of Columbia nonprofit corporation, with offices at 910 17th Street, N.W., Suite 1030, Washington, DC 20006, Attn: Ana Harvey, Facsimile Number 202/457-1980 (hereinafter "Grantor"), and Lee Montessori Public Charter School d/b/a Lee Montessori Public Charter Schools, a District of Columbia nonprofit corporation, with offices at 3025 4th St NE, Washington, DC 20017, Attn: Chris Pencikowski, Electronic Mail Chris@LeeMontessori.org (hereinafter "Grantee").

INTRODUCTORY STATEMENTS

- A. In accordance with the Public Charter School Incubator Lease (the "Prime Lease") dated September 1, 2011 by and between the District of Columbia, a municipal corporation, as "Prime Landlord" ("Prime Landlord"), by and through the District of Columbia Public Schools, and Grantor, a copy of which is attached to and made a part of this Agreement as Exhibit A, Prime Landlord leased to Grantor that certain building containing approximately 86,800 square feet located at 2501 Martin Luther King, Jr. Avenue, S.E., Washington DC 20020 ("Premises")
- B. Grantor has agreed to grant the portions of space of the Premises as set forth below in this Agreement to Grantee for its occupancy and use (the "Sublease Premises") and Grantee has agreed to accept the occupancy and use of the Sublease Premises from Grantor, on the terms and conditions contained herein.
- C. The parties desire to enter into this Agreement defining their respective rights, duties and liabilities relating to the Sublease Premises.

WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. RECITALS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Sublease to the same extent as if set forth herein in full and are made a part hereof. All exhibits annexed hereto are incorporated herein and made a part hereof.

2. SUBLEASE PREMISES

2.1. Grantor hereby subleases to Grantee, and Grantee hereby subleases from Grantor, a portion of the Property consisting of approximately 13,350 square feet of space on the ground floors of the Building as depicted on Exhibit B, excluding mechanical space, attached hereto and made a part hereof (the "Sublease Premises"), subject to all of the terms and provisions of this Sublease.

2.2. Grantee shall also have non-exclusive access to the elevators in the Building.

- 2.3. Grantee shall also have non-exclusive access to the play area on the grounds of the Premises.
- 2.4. Grantee shall have the right to twenty-five (25) reserved parking spaces in the parking lot adjacent to Property.
- 2.5. Grantee agrees to accept the Sublease Premises on the Effective Date in its then “as-is” condition.

3. AGREEMENT

Grantor, for and in consideration of the Grantee's payment of the Sublease Rent (defined in Section 7 below) and performance of the covenants contained in this Agreement, does hereby grant to Grantee the right to use the Sublease Premises, subject to the Space Use Plan attached hereto and made a part hereof as Exhibit B (as further provided for in Section 10 below) over and during the Term (as defined and set forth in Section 6 below). Grantor shall deliver the Sublease Premises to Grantee after having made the appropriate and necessary modifications and/or improvements thereto that are set forth in Exhibit C attached hereto and made a part hereof entitled “Grantor Modifications and Improvements”, in order to accommodate the co-tenancy of Grantee with another public school, which school will be occupying a separate portion of the Premises. Grantor and Grantee shall inspect the Sublease Premises prior to occupancy to identify any damage or items in need of repair. Grantee shall use the Sublease Premises only for the conduct of charter school operations and programs therein and related general office and other related administrative purposes related to operating a public charter school.

4. SECURITY DEPOSIT

Upon execution of this Agreement, Grantee shall deliver to Grantor the sum of Five Thousand Dollars (\$5,000.00) as a security deposit hereunder (“Security Deposit”). The Security Deposit shall be placed in an interest-bearing account for the benefit of Grantee. Upon expiration of this Agreement at Term or earlier termination of this Agreement, the Security Deposit together with any interest earned thereon shall be returned to Grantee; provided, however, that if any Event Default (as defined in Section 9 below) exists, the Security Deposit will be applied towards the cure of any such Event of Default, and any excess proceeds thereafter remaining from the Security Deposit will be returned to the Grantee; provided, further, that in the event that this Agreement is terminated by the Grantee during the Term for reason other than a default by Grantor, or due to the actions of the Grantee prior to commencement of the Term, the entire Security Deposit will be forfeited to the Grantor. Absent the occurrence of an Event of Default under this Agreement, any unused portion of the Security Deposit shall be returned to Grantee upon expiration of this Agreement, together with all interest earned thereon.

5. PRIME LEASE

This Agreement shall be subject and subordinate to all of the terms and conditions contained in the Prime Lease as said terms and conditions affect the Premises, and all of the terms and conditions of the Prime Lease, except as otherwise set forth herein, are hereby incorporated into this Agreement and shall be binding upon Grantee (and Grantor, to the extent applicable) with respect to the Sublease Premises to the same extent as if Grantee were named as tenant and Grantor as landlord under the Prime Lease. If a term or

provision of this Agreement is inconsistent or in conflict with a term or provision of the Prime Lease, the term or provision of this Agreement shall control but only as between Grantor and Grantee (including, by way of example, that Grantee shall have no obligation to pay Sublease Rent or operating expenses except as explicitly provided herein). For purposes of this Agreement, references in the Prime Lease to the premises, demised premises, or similar references in the Prime Lease shall mean the Sublease Premises. Each party agrees that it shall not do or omit to do anything which would result in a default under the Prime Lease, and each party agrees to indemnify and hold the other harmless from and against all claims, demands or liabilities resulting from such party's breach, violation or nonperformance of any of its obligations under the Prime Lease, as incorporated herein. Subject to the exceptions set forth herein, Grantee shall be entitled to all of the rights and privileges of Grantor as tenant under the terms of the Prime Lease with respect to the Premises. In addition, this Agreement shall be subject and subordinate to all mortgages, deeds of trust and other rights or encumbrances to which the Prime Lease is now or hereafter may be subject or subordinate

5.1. **Prime Landlord.** Grantor shall have no liability whatsoever to Grantee if the Prime Landlord fails to perform or fails to properly perform any services, maintenance, repairs, or other matters, obligations or actions to be performed by the Prime Landlord under the terms of the Prime Lease; provided, however, Grantor will take all actions necessary or appropriate to enforce the Grantor's rights as tenant under the Prime Lease for the benefit of both Grantor under the Prime Lease and Grantee with respect to the Sublease Premises and this Agreement. All terms and conditions of the Prime Lease binding on and enforceable against Grantor under the Prime Lease with respect to the Premises shall also be binding upon and enforceable against Grantor as applicable to the lease, use and occupancy of the Sublease Premises hereunder.

6. **TERM**

- 6.1. The period between the Effective Date and the Expiration Date shall be referred to as the "**Term**").
- 6.2. The term of this Agreement shall commence on the Effective Date July 1, 2019 and shall continue for a period of one (1) year thereafter ending on the Expiration Date June 30, 2020.
- 6.3. If the term of the Prime Lease is terminated for any reason prior to the Expiration Date, this Sublease shall thereupon be terminated immediately. Except as otherwise expressly provided in this Sublease with respect to those obligations of Grantee and Grantor which by their nature or under the circumstances can only be, or under the provisions of this Sublease may be, performed after the termination of this Sublease, the Term and estate granted hereby shall end at midnight on the date of termination of this Sublease as if such date were the Expiration Date, and neither Party shall have any further obligation or liability to the other after such termination except with respect to any liabilities which expressly survive termination of this Sublease. Notwithstanding the foregoing, any liability of Grantee to make any payment of Rent or any other amount, or any liability of Grantor or Grantee to perform any obligation, under this Sublease

which shall have accrued prior to the expiration or earlier termination of this Sublease (or arises after the expiration or earlier termination of this Sublease in the event of a holdover by Grantee) shall survive the expiration or earlier termination of this Sublease for a period of one (1) year thereafter.

- 6.4. This Sublease and all of Grantee's rights hereunder are and shall remain in all respects subject and subordinate to all of the terms and provisions of the Prime Lease.
- 6.5. Upon the Expiration Date, Grantee shall immediately: (a) vacate the Sublease Premises; (b) return the Sublease Premises to Grantor in broom-clean condition and in good order, ordinary wear and tear excepted, and (c) remove all personal property of Grantee and Grantee's employees' agents and invitees from the Sublease Premises (the "Surrender Conditions"). If Grantee fails to timely satisfy the Surrender Conditions, Grantor shall be entitled to exercise all remedies available at law or in equity.

7. SUBLEASE RENT; SECURITY

- 7.1. Grantee promises and agrees to pay Grantor a total full-service sublease usage fee ("Usage Fee") ("Sublease Rent") in the amount of 100% of the funded per pupil facilities allotment amount for eighty-eight (88) students or the Grantee's audited enrollment, whichever is greater for year one of the sublease for July 1, 2019 through June 30, 2020.
- 7.2. Grantee promises and agrees to pay Grantor, without prior notice or demand and without offset, deduction or counterclaim whatsoever, a usage fee in an amount equal to (i) eighty-eight (88) students or the Grantee's audited enrollment, whichever is greater for year one of the sublease for July 1, 2019 through June 30, 2020, multiplied by (ii) the per pupil facilities allowance received by Grantee from the District of Columbia (the "**Facilities Allowance**") for each such pupil, including any "true up" that may occur during the Term. The total annual Usage Fee for each twelve month period throughout the term commencing on July 1, 2019 (each such twelve month period, a "Usage Year"), shall be within 30 days of the Grantee's receipt of the funds from the District of Columbia or Grantor submitting an invoice for the relevant amount, whichever is later. The Usage Fee for each Usage Year shall be based upon enrollment as of the census date for such Usage Year (i.e., the October 2015 census date for the first Usage Year, the October 2019 census date for the second Usage Year, etc.). The parties acknowledge and agree that Tenant's obligation to pay the Usage Fee shall not be reduced for any reason.
- 7.3. To secure payment of any and all amounts due by Grantee to Grantor under or in connection with this Agreement, including, without limitation, payment of the Sublease Rent (collectively, the "Secured Obligations"), Grantee hereby grants to Grantor a first priority lien on, and security interest in, to the extent legally permissible, all of Grantee's rights, title and interest in, to, and under, any and all subsidy payments, operating funds, financial assistance, benefits, grants, awards and other payments and funds now or at any time hereafter provided by any federal, state or local governmental or quasi-governmental authority, entity, agency or instrumentality, which fund, in whole or in part, any or all of the

operating costs of the Grantee's operations at the Premises (collectively, the "Governmental Payments"), which lien and security interest may be enforced in equity or at law, and Grantor shall be entitled as a matter of right to have a receiver appointed for the Grantee in order to receive or take possession of the Governmental Payments under order of court. Grantee agrees that Grantor shall have in respect thereof all of the rights and remedies of a secured party under the Uniform Commercial Code of the District of Columbia. The Grantee will defend the title to the Governmental Payments (or any part thereof) and will promptly upon request of the Grantor execute, acknowledge, deliver or obtain any financing statement, continuation statement, security agreement, assignment, instruments, acknowledgments, bailee and other third party waivers, filings or other documents as may be necessary or desirable, in the opinion of the Grantor, to create, perfect (by control or otherwise), preserve, provide notice of, maintain, continue, realize upon, protect and/or extend the assignment, lien or security interest granted to the Grantor under this Agreement and its priority. In particular, Grantee hereby authorizes and empowers Grantor to file any financing statement, continuation statement or amendment in furtherance of the foregoing.

8. ASSIGNMENT AND SUBLEASING

Except for an assignment or sublet by Grantee to another charter school authorized to operate a public charter school in the District of Columbia, with the exclusive approval or consent of Grantor, Grantee shall not have the right to assign this Agreement or sublet the Premises, in whole or in part.

9. DEFAULT

- 9.1. If Grantee defaults in the performance of any of the covenants, conditions or agreements contained in this Agreement or causes Grantor to default in the performance of any of the covenants, conditions or agreements contained in the Prime Lease and fails to cure the same within twenty (20) days after receipt of written notice from Grantor for monetary defaults and within thirty (30) days after receipt of written notice from Grantor for non-monetary defaults, regardless of any longer cure periods set forth in the Prime Lease (unless (i) such non-monetary default is a default or causes a default under the Prime Lease for which no cure period is provided in the Prime Lease, in which case there shall be no cure period under this Agreement, and (ii) such non-monetary default is incapable of being cured within thirty (30) days, in which event Grantee shall have an additional reasonable period of time to cure the default if it diligently commences and proceeds to cure the same but not to exceed an additional ninety (90) days), Grantor shall be entitled to invoke against Grantee the remedies which are available to Prime Landlord under the Prime Lease and any other remedy available at law or equity in the District of Columbia.
- 9.2. Notwithstanding the foregoing subparagraph, Grantee acknowledges and agrees that pursuant to the provisions of Section 8.1(a) and 13.1.5 of the Prime Lease, in the event that Grantee's charter to operate a public charter school is revoked, or voluntarily relinquished by Grantee, it shall be an automatic event of default under this Agreement without notice to the Grantee and shall result in the

automatic termination of this Agreement without further notice to Grantee, except as may otherwise be agreed upon by the parties in writing.

9.3. In the event either party hereto brings or commences legal proceedings to enforce any of the terms of this Agreement, the successful party in such action shall then be entitled to receive and shall receive from the other of said parties, in every such action commenced, a reasonable sum as attorney's fees and costs, as may be determined by the court in the same action.

9.4. Grantee Default

9.4.1. It shall be a default of Grantee ("Grantee Default") hereunder if Grantee fails to: (i) pay Rent, and all other amounts due to Grantor under this Sublease, on the date due and such failure shall remain uncured for a period of 10 Business Days after Grantor notifies Grantee in writing of such failure; (ii) perform or observe any non-monetary obligation of Grantee under this Sublease not described in (iii) or (iv) below within the period provided for such performance, and if no express period for performance is provided, then within thirty (30) days from the date Grantee receives written notice thereof from Grantor which written notice shall set forth in reasonable detail the nature and extent of the failure and identifying the applicable Sublease provision requiring such obligation to be performed; provided, however, that Grantee shall not have committed a Grantee Default if such failure is of a type and nature that cannot reasonably be cured within such 30-day period, so long as Grantee promptly commences the curing of such failure within such 30-day period and thereafter diligently pursue the curing of such failure but no later than 90 days from the date of the notice; (iii) any sublease or assignment not permitted by Section 10 shall occur; or (iv) Grantee abandons the Sublease Premises. It is specifically understood and agreed that any failure to take any action that might be deemed to violate the Anti-Deficiency Acts or any failure to obtain a certification of the availability of appropriated funds in accordance with Section 27.1 shall not constitute a Grantee Default. Upon the occurrence of a Grantee Default, Grantor, in its sole discretion may seek: (i) in the case of any other Grantee Default, all remedies available at law or equity. (ii) in accordance with Section 27.1, any deficiency in Rent or other financial obligation of Grantee shall not exceed the amount of appropriated funds actually available at the time of the occurrence of the Grantee Default.

9.4.2. If Grantor shall institute proceedings against Grantee and a compromise or settlement thereof shall be made, then the same shall not constitute a waiver of the same or of any other covenant, condition or agreement set forth herein, nor of any of Grantor's rights hereunder unless expressly agreed by Grantor and Grantee. Neither the payment by Grantee of a lesser amount than the monthly installment of Rent due hereunder (or any other financial obligation), nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Grantor may accept the same without prejudice to Grantor's right to recover the balance of

such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Grantee, Grantor may apply any payment received from Grantee to any payment then due under this Sublease.

9.5. Grantor Default.

9.5.1. It shall be a Grantor default (“Grantor Default”) hereunder if Grantor fails to perform or observe any of its obligations under this Sublease within the period provided for such performance (including any notice and cure period, if applicable), and if no express period for notice and cure is provided, then after a period of 30 days from the date Grantor receives written notice thereof from Grantee setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Sublease provision requiring such obligation to be performed; provided, however, that Grantor shall not have committed a Grantor Default if such failure is of a type and nature that cannot reasonably be cured within such 30-day period, so long as Grantor promptly commences the curing of such failure within such 30-day period and thereafter diligently pursue the curing of such failure but no later than 90 days from the date of the notice.

9.5.2. Upon the occurrence of a Grantor Default, Grantee may pursue any remedies available to it at law or equity. Upon the occurrence of a Grantor Default, upon five (5) Business Days following the delivery of written notice by Grantee to Grantor, Grantee may, but shall not have the obligation to, implement such reasonable steps as may be required in order to cure such Grantor Default at Grantor’s sole cost and expense. Grantor shall reimburse Grantee within thirty (30) days following written demand by Grantee thereof (such demand to include copies of invoices and a certification that such costs were actually incurred by Grantee), of any reasonable third-party costs incurred by Grantee in curing such Grantor Default. Grantor shall be deemed to have consented to Grantee performing any alterations, replacements or work that is/are reasonably necessary in order to eliminate such Grantor Default, provided that Grantee shall notify Grantor thereof in writing and reasonably cooperate with Grantor to reasonably include Grantor in planning and implementing such alterations, replacements or work.

10. SHARED AREAS AND EXCLUSIVE USE AREAS

10.1. Grantee shall have access to and use of certain specified areas within the Premises for future exclusive usage and also for shared usage in common areas (the “Shared Area”) with another public school, attached hereto and made a part hereof. The specific details of and agreed-upon policies for the shared and exclusive use arrangements for the Shared Area and exclusive use areas, including scheduled dates and times and terms for usage are set forth on Exhibit B entitled “Lee Space Use Plan” attached hereto and made a part hereof.

10.2. Grantee may occupy and use the Sublease Premises solely for the operation of a District of Columbia Public Charter School and related administrative uses in support of such Public School (the “Permitted Use”). Grantee shall use the Sublease Premises in accordance with any and all laws, statutes, ordinances,

orders, regulations and requirements of all federal, state and local governmental, public or quasi-public authorities, whether now or hereafter in effect, which may be applicable to or in any way affect the Sublease Premises or any part thereof (collectively, "Laws"). Grantee shall operate substantially the entire Sublease Premises for the Permitted Use continuously and uninterruptedly during the Term, subject to periods of closure due to force majeure, remodeling, emergencies and other repairs, renovations and replacements and such other periods of closure and hours of operation as may be consistent with Grantee's standard operating calendar.

- 10.3. Grantee shall not, without the prior consent of Grantor, not to be unreasonably withheld, delayed, conditioned or charge made therefor, knowingly do or permit anything to be done in a violation of the terms of this Sublease or the Prime Lease or which shall make Grantor or liable for any damages, claims, fines, penalties, costs or expenses under the Prime Lease, except as may be caused by or result from the Grantor's own gross negligence.

11. SERVICES

- 11.1. Grantor shall provide the following services to and for the Sublease Premises, at its sole cost and expense (i.e., such costs are included in the Rent, and Grantee shall not be required to pay any additional amount for such services): trash removal, building engineering and maintenance, one (1) daytime custodial service porters, nightly cleaning, landscaping, snow and ice removal, pest control, base-building security including security system monitoring and maintenance and key or key card Fobs for doorway access points. The Rent shall also include the cost of providing the following utilities serving the Sublease Premises: natural gas, electricity, water and sewer. Grantee shall be solely responsible for any additional utilities or services used at the Sublease Premises, and any such utility accounts shall be in Grantee's name; provided, however, Grantor shall cooperate with Grantee in order for Grantee to obtain, at Grantee's election and expense, any other utility hookups and submeters therefor, if necessary.
- 11.2. Grantee acknowledges that Grantor has no obligation to provide to Grantee or the Sublease Premises security guards or other security services or security equipment that is additional to what is provided in Section 11.1, food service or warming oven, computer and related hardware or software, furniture, sports or playground equipment, internet or telephone service, all of which shall be provided by Grantee at Grantee's sole option and expense. No audio, visual, or biometric security systems or data is provided in base-building security.
- 11.3. Signs. Grantee shall not affix, exhibit, attach or allow any signs, signboards, writing or printed matter ("Signs") on the Sublease Premises, or that are visible from the Sublease Premises or any portion of the surrounding area, without the prior, written consent of Grantor, which consent shall not be unreasonably withheld, conditioned, delayed or charge made therefor. In the event that any Signs are installed on the Sublease Premises, the same shall be in compliance with all Laws. With respect to any Signs requiring Grantor's prior, written approval, Grantee shall submit to Grantor reasonably detailed drawings of all proposed Signs in connection with Grantor's review. Grantor has previously installed Signs at the Property which

direct visitors to the entrance of the Sublease Premises, which Signs shall remain in place during the Term. Any additional Signs desired by Grantee that are approved by Grantor hereunder shall be obtained, installed and maintained by Grantee at its expense.

- 11.4. Grantor shall maintain the Property, including the Sublease Premises, in accordance with the Prime Lease, the maintenance standards set forth in Exhibit E and in full compliance with all Laws (including, but not limited to, codes for electrical, mechanical, plumbing, fire and fire safety). The Building's standard operating hours for zoned heating, ventilation and air conditioning shall be Monday through Friday during the hours of 7:00 a.m. through 7:00 p.m. (excluding legal holidays) ("Building Hours").
- 11.5. At Grantee's request by 5:00 p.m. on the preceding Business Day, Landlord shall provide HVAC services to the Sublease Premises, other than during Building Hours, to the Sublease Premises at the rate of \$66.00 per hour without mark-ups, additional fees, engineer fees, or any other additional costs (the "Overtime HVAC Rate"). The Overtime HVAC Rate shall be payable by Grantee each month in the same manner and timing as Annual Rental, including in arrears.

12. MAINTENANCE AND REPAIRS

- 12.1. Grantor, at its sole cost and expense (meaning that such costs and expenses are already included in Rent), shall promptly make all repairs, perform all maintenance, and make all replacements in and to the Building and the remainder of the Property, including, without limitation, any and all elevators, hallways, stairways, bathrooms and HVAC systems within or serving the Sublease Premises or the Building), as are necessary or desirable to keep the same: (a) clean and in good condition and, promptly after becoming aware of any item needing repair, Grantor shall make repairs thereto. Grantor warrants and covenants that the Property, the Sublease Premises and the Building, including without limitation any and all elevators, hallways, stairways, bathrooms and HVAC systems within or serving the Sublease Premises or the Building) shall be maintained in accordance with all applicable Laws and as is necessary or desirable to keep the same: (a) in good condition and repair, and (b) otherwise in accordance with the requirements of this Sublease. Grantee shall suffer no waste or injury to any part of the Sublease Premises, and shall, at the expiration or earlier termination of the Term, surrender the Sublease Premises substantially in a condition equal to its condition on the Effective Date, subject to ordinary wear and tear, Grantor's repair and maintenance obligations and any improvements made by Grantee permitted hereunder, including the Grantee Improvements (as defined below).
- 12.2. Notwithstanding any provision to the contrary set forth in this Sublease, Grantee shall be responsible for all injury, breakage and damage to the Sublease Premises and to any other part of the Building or Property to the extent caused by the gross negligence of Grantee, or its employees, agents or invitees (which invitees shall include for all purposes of this Sublease, any guests, visitors, employees, students, parents of students, prospective students and parents of prospective students of Grantee), as determined by the judgment of a court of competent jurisdiction in the event Grantee disputes such gross negligence or that such gross negligence

resulted in such injury, breakage or damage (“Grantee Negligence”). Grantor shall be liable for all injury, breakage and damage to the Sublease Premises resulting from a breach of Grantor’s obligations hereunder or from the gross negligence of Grantor, or its employees, agents or invitees (which invitees shall include for all purposes of this Sublease, any guests, visitors, employees, students, parents of students, prospective students and parents of prospective students of Grantor). Grantee shall give Grantor prompt verbal or written notice of any known defects or damage to the structure of, or equipment or fixtures in, the Sublease Premises or any part thereof.

- 12.3. Grantee shall permit Grantor and its designees reasonable entry into the Sublease Premises to inspect the same and make any repairs or alterations thereto that Grantor deems necessary in order to comply with Section 10.1. Grantor shall perform such inspections and work to the extent commercially reasonable after regular school hours and on weekend, but in any event (a) with at least 24 hours’ advance notice to Grantee of the need to enter the Sublease Premises, and (b) so as not to materially adversely affect Grantee’s use of the Sublease Premises or disrupt Grantee’s property therein; provided, however, that in the event of an emergency that poses the risk of imminent harm or damage to life or property, Grantor may enter the Sublease Premises immediately at any time, and make such inspection and repairs as Grantor deems reasonably necessary, without regard to the effect on Grantee’s use of the Sublease Premises. Notwithstanding anything in this Sublease to the contrary, the Parties hereby agree that Grantor’s entry into the Sublease Premises shall be subject to Grantee’s security requirements.

13. ALTERATIONS

- 13.1. Grantee shall not make any improvements, alterations or installations (collectively, “Alterations”) to the Sublease Premises without Grantor’s prior written consent, not to be unreasonably withheld, delayed conditioned or charge made therefor.
- 13.2. Any Alterations consented to by Grantor shall be performed by Grantee, at its sole cost and expense, and in compliance with the terms of the Prime Lease. All Alterations that constitute fixtures which would cause material damage to the Sublease Premises upon their removal (i.e., not movable personal property), shall, at Grantor’s discretion, immediately become the property of Grantor and shall remain upon and be surrendered with the Sublease Premises (as a part thereof) upon the expiration of the Term. Grantee shall be responsible to promptly remove or discharge any mechanic’s or other liens filed against the Property in connection with any Alterations performed by or on behalf of Grantee.

14. COMPLIANCE WITH LAWS

In addition to any obligations under the Prime Lease, Grantee, at its sole expense, shall promptly comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and municipal governments and of any and all their Departments and Bureaus (“Applicable Laws”) applicable to the use and occupancy of the Sublease Premises by Grantee and within the reasonable control of Grantee. Notwithstanding the foregoing, Grantee shall not be responsible for the compliance of the Premises (except

the Sublease Premises) or the Property with any Applicable Laws, as to which either or both of the Prime Landlord or Grantor shall be solely or jointly responsible. While this is a full service lease as to which Grantor shall have primary responsibility of all maintenance, repair and replacement of capital and other items in, on and around the Premises and Sublease Premises, Grantee shall nevertheless seek at all times to maintain or cause the Sublease Premises to be maintained in good, clean condition throughout the Term. Notwithstanding the foregoing, nothing contained in this Section shall be deemed to modify or in any way diminish or affect Grantor's obligations under this Agreement or under District of Columbia law and regulations with respect to the Premises and Sublease Premises.

15. INSURANCE

- 15.1. Grantor acknowledges that Grantee does not maintain any insurance policy insuring against liability or loss, damage or injury to property, relevant to this Sublease.
- 15.2. Grantor shall carry and maintain such insurance as required by the Prime Lease.
- 15.3. Grantor warrants that, in the case of any incident where Grantor files an insurance claim for damage to the Premises, where Grantee is not believed to be negligent, Grantor shall treat any property that (i) existed on the premises prior to the Term, (ii) is in consistent usage by Grantee and (iii) where the replacement would be of significant cost to Grantee as property belonging to Grantor and, to extent possible and reasonable, seek replacement as part of any insurance claim.

16. NOTICES

- 16.1. Whenever any demand, request, approval, consent or notice (a "Notice") shall, or may, be given by one Party to the other under this Sublease, such Notice shall be in writing and addressed to the applicable Party at its respective address as set forth below and sent to such Party by: (a) hand delivery, (b) a nationally recognized overnight express carrier, or (c) email so long as such email delivery is followed by such Notice being sent by the next business day by a method set forth in the foregoing (a) or (b). The date the Notice is received shall be deemed to be: (i) the date of hand delivery (with receipt therefor) in the case of hand delivery, (ii) the next business day after the Notice was sent in the case delivery by overnight carrier, or (iii) the date of email delivery so long as the subsequent Notice delivery requirement set forth in the foregoing clause (c) is satisfied. If delivery of a Notice is refused, the Parties agree that such Notice shall be deemed to be successfully delivered on the date of such refusal. Either Party may, at any time, change its Notice mailing or email address by giving the other Party Notice in accordance with the requirements above, stating the change and setting forth the new mailing or email address or representative. Any Notice shall be addressed to each respective Party as follows (or to such other mailing or email address as shall be subsequently indicated in writing by one Party giving Notice to the other, as described above):

If to Grantee:

Lee Montessori Public Charter School

3025 4th St NE, Washington, DC 20017
Attn: Chris Pencikowski
e-mail address: Chris@LeeMontessori.org

with a copy to:

Damon Smith
Jenner & Block LLP
1099 New York Avenue, NW
Suite 900
Washington, DC 20001-4412
e-mail address: DSmith@jenner.com

If to Grantor:

Charter School Incubator Initiative, d/b/a Building Pathways
910 17th Street NW, Suite 1030
Washington, DC 20006
Attention: Ana Harvey
e-mail address: aharvey@bpathways.org

with a copy to:

Charter School Incubator Initiative, d/b/a Building Pathways
910 17th Street NW, Suite 1030
Washington, DC 20006
Attention: Anne Robinson, Esq.
e-mail address: arobinson@bpathways.org

17. BROKERS

Grantor and Grantee each warrants to the other that in connection with this Agreement it has not employed or dealt with any broker, agent or finder. Each party shall indemnify and hold the other party harmless from and against any claim for brokerage or other commissions applicable to each such party that is or may be asserted by any broker, agent or finder.

18. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same instrument.

19. GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the District of Columbia (without reference to choice of laws principles thereof).

20. NO RECORDING

Grantor and Grantee agree not to record this Agreement or any memorandum of this Agreement.

21. PUBLIC CHARTER SCHOOL ASSURANCE

Grantee represents and warrants to Grantor that it is a “public charter school” as defined in the Office of Public Charter School Financing and Support Credit Enhancement for Charter Schools Facilities Federal Grant Program Assurances Statement, as attached as Exhibit E hereto, and meets all of the requirements as set forth therein.

22. SUBORDINATION AND ATTORNMENT; ESTOPPEL

This Agreement shall be subject and subordinate in all respects to the lien and terms of any mortgage or deed of trust which encumbers the Grantor’s interest in the Prime Lease (each, as amended, restated, supplemented or otherwise modified, a “Superior Instrument”); provided that this subordination will be subject to any holder of such Superior Instrument (together with its or their successors and assigns, a “Lender”) agreeing not to disturb the Grantee’s possession under this Agreement if Grantee attorns to such Lender in all of Grantee’s obligations under this Agreement. So long as (i) the Grantee pays all amounts as may be specified in this Agreement as and when specified by this Agreement and is not otherwise in breach of any of its obligations and covenants pursuant to this Agreement, (ii) the Term of this Agreement has commenced and Grantee is in possession of the Sublease Premises, (iii) this Agreement shall be in full force and effect and shall not have been otherwise modified or supplemented in any way without Lender’s prior written consent, not to be unreasonably withheld, delayed, conditioned or charge made therefor, (iv) Grantee attorns to Lender in accordance with this Section 22 and (v) neither Lender nor any person acquiring title to the Grantor’s interest in the Sublease Premises through a foreclosure or a deed in lieu of foreclosure (each an “Acquiring Party”) shall be liable under any actual or implied warranty of construction, any Lender agrees for itself and its successors and assigns and for any Acquiring Party, (i) to recognize Grantee’s rights under this Agreement and (ii) Grantee’s possession of the Sublease Premises pursuant to the terms of this Agreement and will not be disturbed during the term of this Agreement by reason of foreclosure. Grantee agrees to attorn to, accept and recognize any Acquiring Party pursuant to the provisions expressly set forth herein for the then remaining balance of the Term. Grantee agrees to execute and deliver, at any time and from time to time, upon request of a Lender or an Acquiring Party, a new agreement with Lender or Acquiring Party upon the same terms and conditions of this Agreement and any reasonable instrument which may be necessary or appropriate to evidence such attornment.

23. FINANCIAL STATEMENTS

Grantee shall furnish annual financial statements, including balance sheets and income statements within 30 days of the date of submission required by the District of Columbia Public Charter School Board or a request by Grantor, whichever is later. In addition, Grantee shall furnish interim financial statements as Grantor may from time to time request. To the extent reasonable and practical, all financial statements of Grantee must be in the form and detail acceptable to Grantor and be certified as to accuracy by the chief financial officer (or equivalent thereof). Annual financial statements must be audited by an independent certified public accountants reasonably satisfactory to Grantor.

24. COVENANT OF QUIET ENJOYMENT

Grantor covenants that, if and for so long as Grantee shall pay all of the Sublease Rent and additional sums due hereunder and shall observe and perform in all material respects all of the terms, agreements, covenants, provisions and conditions of this Agreement on Grantee's part to be observed and performed, Grantee may peaceably and quietly enjoy the Sublease Premises and to the extent provided for herein, the Premises, subject nevertheless at all times to the terms and conditions of this Agreement.

25. LIABILITY OF GRANTOR AND GRANTEE.

- 25.1. Grantor hereby indemnifies and agrees to defend and hold Grantee harmless from claims for personal injury, death or property damage caused by the gross negligence or willful misconduct of Grantor, or its employees, agents or invitees (which invitees shall include for all purposes of this Sublease, any guests, visitors, employees, students, parents of students, prospective students and parents of prospective students of Grantor's subtenants).
- 25.2. Except as otherwise expressly provided in this Sublease, Grantor shall not be liable to Grantee or its employees or agents for any damage, injury, loss or claim based on or arising out of this Sublease (including, but not limited to, any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty, or the actions of any other person or entity), unless such liability arises from a breach of Grantor's obligations hereunder or the gross negligence of Grantor, or its employees, agents or invitees (which invitees shall include for all purposes of this Sublease, any guests, visitors, employees, students, parents of students, prospective students and parents of prospective students of Grantor's subtenants).
- 25.3. Notwithstanding any provision in this Sublease to the contrary, Grantee shall not be liable to Grantor for any damage, injury, loss or claim based on or arising out of any cause whatsoever to the extent such damage, injury, loss or claim is (i) covered by Grantor's insurance or would be covered by Grantor's insurance to the extent required under this Sublease or the Prime Lease, or (ii) due to the gross negligence of Grantor, or its employees, agents or invitees (which invitees shall include for all purposes of this Sublease, any guests, visitors, employees, students, parents of students, prospective students and parents of prospective students of Grantor's subtenants). Under no circumstance shall Grantee or Grantor be liable to the other for any exemplary, punitive, consequential or indirect damages in connection with, arising under or relating to this Sublease, provided, however, that this limitation shall not apply with regard to any claim arising under the False Claims Act (as defined below).
- 25.4. Grantor's liability arising under this Sublease shall be limited to Grantor's interest in the Property. In no event shall Grantee's officers, directors, employees or staff members have or assume any personal liability whatsoever for the obligations, covenants, terms and conditions of this Sublease, it being the intention of the parties that this Lease and the terms hereof shall be strictly nonrecourse in nature such that the liability of Grantee hereunder shall be limited to the net income and assets of Grantee as a corporate entity.

26. GENERAL PROVISIONS

- 26.1. **Waiver of Jury Trial.** GRANTOR, GRANTEE AND ALL REPRESENTATIVES EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS SUBLEASE, THE RELATIONSHIP OF GRANTOR AND GRANTEE HEREUNDER, GRANTEE’S USE OR OCCUPANCY OF THE SUBLEASE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. GRANTOR, GRANTEE AND ANY REPRESENTATIVE OF GRANTOR EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.
- 26.2. **Severability.** Each provision of this Sublease shall be valid and enforceable to the fullest extent permitted by Laws. If any provision of this Sublease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Sublease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Sublease shall be construed as permitting Grantor to charge or receive interest in excess of the maximum rate allowed by Laws.
- 26.3. **Pronouns.** Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.
- 26.4. **Headings.** Headings are used for convenience only and shall not be considered when construing this Sublease.
- 26.5. **Successors.** The provisions of this Sublease shall be binding upon and inure to the benefit of the Parties and each of their respective successors and permitted assigns.
- 26.6. **Integration.** The Parties confirm that this Sublease contains and embodies the entire agreement of the Parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the Parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Sublease shall be of no force or effect. Reference is made to that certain License Agreement, dated as of July 16, 2018, by and between Grantor, as licensor, and Grantee, as Grantee (the “License Agreement”). The Parties acknowledge and agree that the License Agreement expired effective as of the Effective Date.
- 26.7. **Governing Law.** This Sublease shall be governed by the laws of the District of Columbia, without regard to the application of choice of law principles. There shall be no presumption that this Sublease be construed more strictly against the Party who itself or through its agent prepared it (it being agreed that all Parties

hereto have participated in the preparation of this Sublease and that each Party had the opportunity to consult legal counsel before the execution of this Sublease). No custom or practice that may evolve between the Parties in the administration of the terms of this Sublease shall be construed to waive either Party's right to insist on the other Party's strict performance of the terms of this Sublease.

- 26.8. **Amendments.** This Sublease may be modified or changed in any manner only by a written instrument signed by both Parties and approved for legal sufficiency for Grantee.
- 26.9. **Time is of the Essence.** Time is of the essence with respect to each of Grantee's and Grantor's obligations hereunder.
- 26.10. **Counterparts.** This Sublease may be executed in multiple counterparts and by facsimile signature (and may be delivered by e-mail in the form of a .pdf file or similar), each of which counterpart shall be deemed an original and all of which together shall constitute one and the same instrument.
- 26.11. **No Recordation.** Neither this Sublease nor a memorandum hereof shall be recorded.
- 26.12. **Federally Prohibited Persons.** Neither Grantor nor any person owning any interest in Grantor has engaged in any dealings or transactions (i) in contravention of any money laundering laws, regulations or conventions of the United States or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time (the "Anti-Terrorism Order") or any published terrorist or watch list that may exist from time to time. Grantor represents and warrants that neither Grantor nor any person owning any interest in Grantor: (a) is or will be conducting any business or engaging in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control list located at 31 C.F.R., Chapter V, Appendix A, as may be amended or supplemented from time to time, or (b) is a person described in Section 1 of the Anti-Terrorism Order.
- 26.13. **Survival.** Subject to applicable Laws and the Anti-Deficiency Acts, and unless otherwise set forth herein (including with respect to any holdover by Grantee), the unaccrued obligations of Grantee shall not survive the expiration or early termination of this Sublease, and only any liabilities of Grantee which have accrued prior to the expiration or earlier termination of this Sublease shall survive such expiration or earlier termination for a period of one (1) year thereafter. Unless otherwise set forth herein, the unaccrued obligations of Grantor shall not survive the expiration or early termination of this Sublease, and only any liabilities of Grantor which have accrued prior to such the expiration or earlier termination of this Sublease shall survive such expiration or earlier termination for a period of one (1) year thereafter; provided, however, the foregoing limitation shall not apply to any claim arising under the False Claims Act.
- 26.14. **Force Majeure.** Unless specifically provided otherwise, if Grantor or Grantee is in any way delayed or prevented from performing any of its obligations under this Sublease (other than payment obligations) due to a Force Majeure Event (as

defined below), then the time for performance of such obligation shall be excused for the period of such delay or prevention, and extended for a period equal to the period of such delay, interruption or prevention; provided however, that the foregoing shall not serve to excuse Grantee's payment of Rent (or any other amounts payable to Grantor under this Agreement) when due under this Sublease unless any financial or payment related systems are affected by such Force Majeure Event. For the purposes of this Sublease, the term "Force Majeure Event" means (a) an act of God, fire, earthquake, flood, explosion, war, invasion, insurrection, riot, mob violence, or sabotage; (b) the inability to procure, or a general shortage of labor, equipment, facilities, materials or supplies in the open market, or the failure or unavailability of transportation; (c) a strike, lockout, or actions of labor unions; (d) a taking by eminent domain, requisition, laws or orders of government or of civil, military, or naval authorities (but only such orders pertaining to the Sublease Premises); or (e) any other cause, whether similar or dissimilar to the foregoing that is not within the reasonable control of Grantor or Grantee, as the case may be; provided, however, that Grantee shall not be so excused from Grantee's obligations to pay Rent and other amounts payable by Grantee to Grantor hereunder, unless financial or payment related systems are affected by such Force Majeure Event.

- 26.15. **Review; District's Approval and Consent.** A Party's review, approval and consent powers (including the right to review design plans or construction drawings), if any, are for such Party's benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety, or any other matter. Grantee's approval and consent rights hereunder may be exercised on behalf of Grantee only by the Director of the District of Columbia's Department of General Services or any person to whom the Director has delegated his or her authority to exercise such rights pursuant to a written delegation.
- 26.16. **Delivery of Keys Upon Termination.** At the expiration or earlier termination of the Term, Grantee shall deliver to Grantor all keys and key cards to the Building and the Sublease Premises, whether such keys were furnished by Grantor or otherwise procured by Grantee; provided, however, that if the Term is terminated due to the termination of the Prime Lease, Grantee shall return all such keys and cards to the Landlord.
- 26.17. **No Partnership; No Third Party Beneficiaries.** Nothing contained in this Sublease shall be deemed or construed to create a partnership or joint venture of or between Grantor and Grantee, or to create any other relationship between the Parties hereto other than that of Grantor and Grantee. Nothing contained in this Sublease shall be deemed or construed to create any third party beneficiaries. The only entities that the Parties intend to be benefitted by this Sublease are Grantor and Grantee.
- 26.18. **Not a Contract for Goods or Services.** This Sublease is not intended to be, nor shall it be deemed or construed to be a contract for goods or services. Nothing contained in this Sublease, and no future action or inaction by Grantee under this Sublease, shall be deemed or construed to mean that Grantee has contracted with

Grantor to perform any activity at the Sublease Premises or the Property that is not ancillary to the conveyance of an interest in real property.

- 26.19. **No Waiver.** Neither Grantor nor Grantee shall be deemed to have waived any (a) provision of this Sublease, or the breach of any such provision, or (b) any right, claim, or demand related thereto (each, a “Right” and collectively, “Rights”), unless specifically waived by Grantor or Grantee, respectively, in a writing executed by an authorized person of the party that could assert such Right. No waiver of any Right in one instance shall be deemed to be a subsequent waiver of the same Right in a different instance, unless expressly stated in such waiver. No waiver of a breach of any provision of this Sublease shall be deemed to be a waiver of any subsequent breach of the same provision, or a waiver of the provision itself, or of any other provision of this Sublease.

27. **ADDITIONAL TERMS**

- 27.1. **Remainder of the Property.** The Parties acknowledge that the Sublease Premises does not constitute all of the Property and Grantor may, during the Term, subject to the Prime Lease, grant access, through a sublease, use agreement or any other agreement, to a third party (each, an “Other User”) with respect to any part of the Property that is not part of the Sublease Premises (the “Remainder of the Property”). In no event shall any such agreement with an Other User limit the rights of Grantee under this Sublease. Grantee shall reasonably cooperate and comply with Grantor’s reasonable requests in connection with the use by any Other User of the Remainder of the Property

27.2. **Hazardous Materials.**

- 27.2.1. Except for (i) office supplies typically used in the ordinary course of business, such as copier toner, liquid paper, glue, ink, and common household cleaning materials, and (ii) products which are necessary and customary in the conduct of the Permitted Use, all of which shall be stored, used and disposed of in accordance with all Hazardous Material Laws (hereafter defined) and other applicable Laws, Grantee shall not cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of, on, in, under or about the Sublease Premises or the Remainder of the Property, by Grantee or Grantee’s employees or agents, or their invitees (“Grantee’s Agents”). Grantee shall not discharge or permit the discharge of Hazardous Materials or wastes into or through any sanitary sewer serving the Sublease Premises or the Remainder of the Property.

- 27.2.2. In the event Hazardous Materials not excepted pursuant to Section 27.2.3 are discovered at, on, in, under or about the Sublease Premises or the Property at any time due to any act or omission of Grantee or Grantee’s Agents or Grantee Negligence, Grantee shall promptly commence to perform, and diligently prosecute to completion, all work necessary or required to remove, treat, dispose of, and clean up the Hazardous Materials in compliance with all Hazardous Materials Laws.

- 27.2.3. The term “Hazardous Materials” shall mean each and every element, compound, material, mixture, substance, waste, hazardous substance,

- hazardous waste, hazardous material, toxic substance, pollutant or contaminant (i) as those terms are defined in any of the Hazardous Material Laws (hereafter defined), (ii) as they may be commonly understood, or (iii) the presence of which may cause liability at law or under common law.
- 27.2.4. The term “Hazardous Material Laws” shall mean any present or future Law relating to the protection of the environment, or of human health, safety or welfare.
- 27.2.5. The term “Release” shall mean the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Materials, regardless of whether such event is the result of an intentional or unintentional act or omission.
- 27.2.6. The term “Grantee Release” shall mean the Release of Hazardous Materials to the extent caused by Grantee or Grantee’s Agents or as a result of Grantee Negligence at, on, in, under or about the Sublease Premises or the Remainder of the Property.
- 27.3. **Holdover.** Subject to the rights and remedies of Grantor as set forth in Section 14 hereof, and in addition thereto, in case of holding over by Grantee after expiration or termination of this Sublease or any extensions thereof, Grantee will pay monthly, as rent, an amount equal to 200% of the Rent in effect as of the expiration of the Term. The holdover rent shall in all cases be prorated on a per diem basis for any partial month of holdover. No holding over by Grantee after the Term, either with or without the consent and/or acquiescence of Grantor, shall operate to extend this Sublease for a longer period than one (1) month unless this Sublease is extended pursuant to an amendment executed by the Parties; this provision shall not be deemed to be a waiver of Grantor’s right of re-entry or any other right hereunder or at law or in equity.
- 27.4. **Compliance with Prime Lease.**
- 27.4.1. Grantee hereby acknowledges that it has read the P Lease and agrees that in no event shall Grantor be deemed to have assumed the responsibilities of the Landlord under the Prime Lease (if any), nor shall Grantor be responsible for the compliance of the Landlord with the provisions of the Prime Lease.
- 27.4.2. Grantor and Grantee each covenants that it shall take no action or permit any act or omission under this Sublease which would constitute a default under, or cause a termination of, the Prime Lease; provided that (i) Grantor shall be entitled to terminate the Prime Lease in connection with the exercise of its rights subject to and in accordance with the terms of the Prime Lease, (ii) Landlord, in its capacity as landlord under the Prime Lease, shall be entitled to terminate the Prime Lease in connection with the exercise of its rights subject to and in accordance with the terms of the Prime Lease (so long as such right to terminate does not arise from an event of Grantee Gross Negligence or a Grantee Default hereunder), and (iii) in the event of a termination of the Prime Lease, this Sublease shall automatically terminate.

- 27.4.3. Whenever Grantee desires to take any action that would require the consent of Landlord under the Prime Lease, Grantee shall not take such action unless the consent of both Landlord and Grantor to such action is obtained, such consent not to be unreasonably withheld, conditioned, delayed or charge made therefor. In addition to, and not in lieu of, the preceding sentence, Grantee shall not have the right to assign this Sublease or sublet the Sublease Premises, in whole or in part, without the prior written consent of Grantor, which consent may not be unreasonably withheld, delayed, conditioned or charge made therefor.
- 27.4.4. Notwithstanding anything to the contrary herein, Grantor agrees to continuously operate the Sublease Premises as required by the Prime Lease following the surrender of, or Grantor's recovery of, possession of the Sublease Premises.
- 27.5. **Subordination.** This Sublease shall be subject and subordinate to all present and future deeds of trust, mortgages, or other security instruments (collectively, "Superior Instruments") which may from time to time during the term of this Sublease cover the interest of Grantor in the Property, the Building, or the Sublease Premises, or any interest of Grantor therein, and to any advances made on the security thereof, and to any refinancings, increases, renewals, modifications, consolidations, replacements, and extensions of any such Superior Instruments. This Section 27.5 shall be self-operative and no further instrument shall be required to effect such subordination of this Sublease. If a lender requests, Grantee shall, at no cost or expense to Grantee, execute, acknowledge, and deliver to Grantor any further instruments and certificates evidencing such subordination as Grantor or the holder of any Superior Instrument may reasonably request (in the Grantee's reasonable determination). At any time, upon written notice to Grantee, before or after the institution of any proceedings for the foreclosure of any Superior Instrument, and/or sale of the Sublease Premises under any Superior Instrument, Grantee shall attorn to such purchaser upon any such sale or the grantee under any deed in lieu of such foreclosure, as the case may be, and shall recognize each such purchaser or grantee, as the case may be, as Grantor under this Sublease; provided that such purchaser or grantee agrees not to disturb Grantee's quiet enjoyment, possession or use of the Sublease Premises and the Property, as applicable under the Sublease, so long as no default by Grantee has occurred and is continuing, which default under the terms of the Sublease would give Grantor (or purchaser or grantee as successor in interest to Grantor) the right to terminate the Sublease.

[Signature Pages and Exhibits Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be properly executed by each of their duly authorized officers as of the day and year first above written.

GRANTOR:

CHARTER SCHOOL INCUBATOR INITIATIVE

By: 

Name: ANA HARVEY
PRESIDENT

Title:

GRANTEE:

LEE MONTESSORI PUBLIC CHARTER SCHOOL, a District of Columbia nonprofit corporation

By: 

Name: Chris Pencikowski
Title: Executive Director

EXHIBIT A

Copy of Prime Lease

EXHIBIT B

LEE SPACE USE PLAN

EXHIBIT C

GRANTOR MODIFICATIONS AND IMPROVEMENTS

Below is a tentative plan and summary for Grantee requests for modifications. Upon plans approved by Grantor and Grantee modifications to the space will be made subject to financing, the Prime Lease, and other controlling leases in the building.

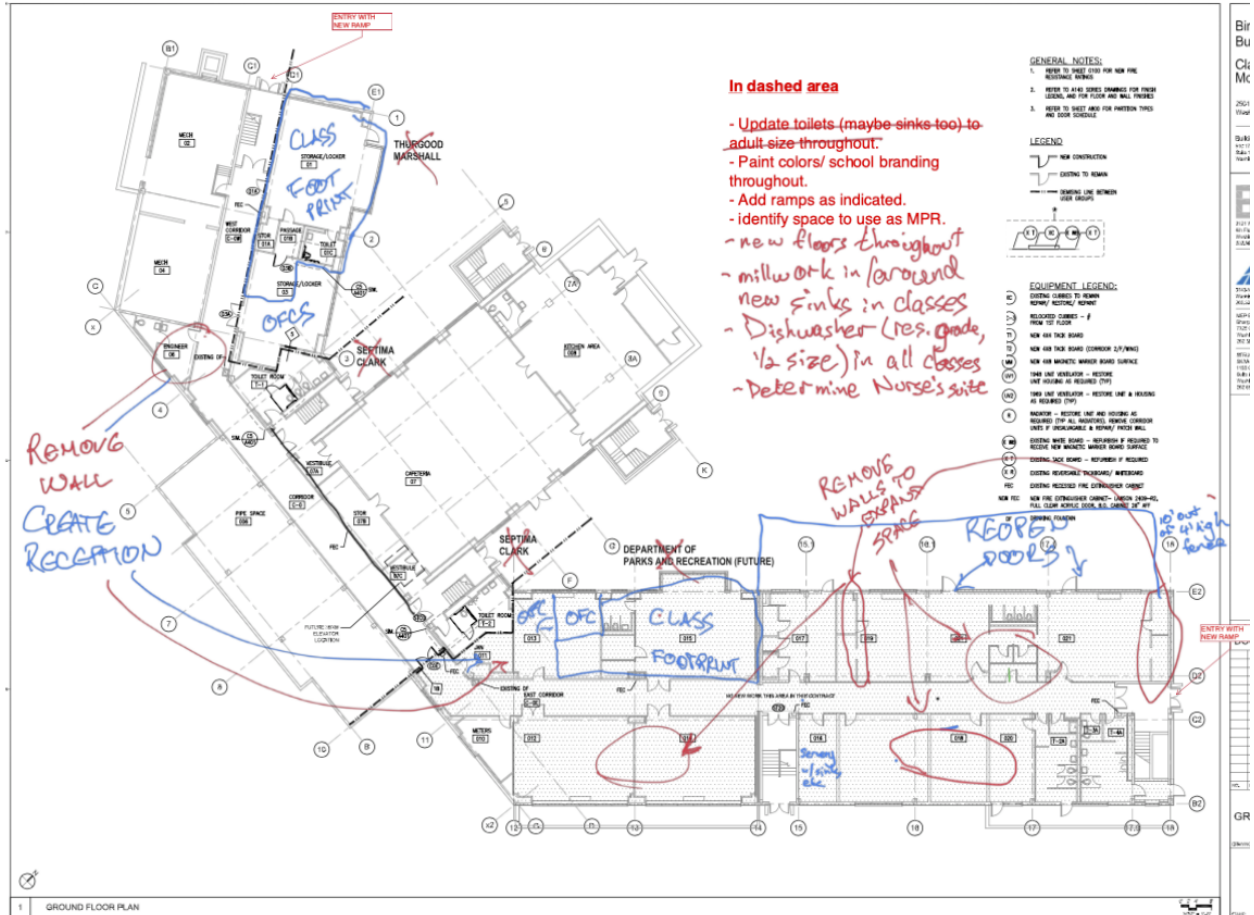


EXHIBIT D

FORM OF ESTOPPEL CERTIFICATE

EXHIBIT E

MAINTENANCE STANDARDS AND PROVISION OF

Charter School Incubator Initiative – Birney Campus Maintenance Standards

Facilities Maintenance

Currently facility maintenance is provided by outsource facility maintenance contractor who provides the services of an allocated DC 3rd class licensed engineer and two dedicated on site facility staff members, one a facility building engineer and the other, a facility porter/helper. Collectively, they provide the following:

- Facility building engineer works from 7:00AM to 3:30PM daily, Monday through Friday
- Facility porter/helper works from 9:30AM to 6:00PM daily, Monday through Friday
- Operate building MEP systems on a daily basis
- Monitor major building equipment via the BAS
- Respond to all daily service requests issued through the CMMS i.e. to include but not be limited to the following:
 - HVAC temperature requests
 - Lamp and ballast replacements
 - Minor electrical requests
 - Minor plumbing requests
 - Safety requests
 - Doors, Locks, and Hardware repairs
 - All other maintenance/repair requests
- Perform preventive maintenance as scheduled via the CMMS for all MEP systems and the physical structure i.e. to include but not be limited to the following
 - HVAC Filter and belt replacement
 - HVAC coil cleaning
 - Pump maintenance
 - Boiler maintenance
 - Sump pump maintenance
 - Kitchen equipment maintenance
 - Life safety inspections and testing
 - Emergency and exit light maintenance
 - Elevator maintenance testing and inspection
- Perform repairs as required by daily service requests or preventive maintenance when feasible to be performed by in house staff
- Contact service support vendors for repairs that are not feasible to be performed by in house staff
- Manage performance of recurring contracted services and/or repair service vendors i.e. grounds & landscaping, trash removal and recycling, elevator, parking lot snow removal, HVAC etc.
- Perform snow removal for sidewalks as needed

Janitorial Maintenance

Currently janitorial maintenance is provided by the same outsource facility maintenance provider who provides the services of an allocated area janitorial manager, evening cleaning crew of five cleaners working under the direction of an on site evening supervisor, and two full time day porters. Collectively, they provide the following:

- Two day porters provide service; one from 7:00 AM to 3:30PM and the other from 8:00AM to 4:00PM daily, Monday through Friday when school is in session
- Evening cleaning crew provides service from 5:00PM to 9:00PM, daily Monday through Friday when school is in session
- Day porters attend to daily cleaning needs i.e. to include but not be limited to:
 - Restroom touch up cleaning
 - Paper product re-stocking
 - Trash removal
 - Mopping high traffic areas
 - Main entrance door glass cleaning
 - Spill and accident clean up
- Evening cleaning crew provide the daily cleaning of all classrooms, offices, common areas and restrooms i.e. to include but not be limited to the following:
 - Trash removal and recycling
 - Sweeping
 - Mopping
 - Vacuuming
 - Buffing Common Area floors
 -
- When school is not in session, the collective crew of cleaners provides periodic janitorial procedures i.e. to include but not be limited to the following:
 - Annual complete stripping and waxing of all hard surface floors
 - Semi-annual scrub and recoat all hard surface floors
 - Restroom deep cleaning
 - High dusting
 - Carpet extraction
 - Wall and vinyl base scuff removal
 - Touch point sanitization
- Current provider is GS 42 certified and performs all services to that standard to maintain a healthy environment

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EXHIBIT F

Assurances – Grantee will operate as a charter school that:

- A. Operates in accordance with the District of Columbia School Reform Act of 1995," effective April 26, 1996 (Pub. L. No. 104-134; 110 Stat 1321-107; D.C. Official Code 38-188.01 et seq., is exempt from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;
- B. Is created by as a public school, or is adapted from an existing public school, and is operated under public supervision and direction;
- C. Operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;
- D. Provides a program of elementary or secondary education, or both;
- E. Is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;
- F. Does not charge tuition;
- G. Complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;
- H. Is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;
- I. Agrees to comply with the same Federal and State audit requirements as do other elementary schools and secondary schools in the State, unless such requirements are specifically waived for the purposed of this program;
- J. Meets all applicable Federal, State, and local health and safety requirements;
- K. Operates in accordance with State law; and
- L. Has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.