



February 24, 2016

**VIA ELECTRONIC MAIL AND
FIRST CLASS MAIL**

Academia Antonia Alonso
1200 N. French Street
Wilmington, DE 19801
Attention: Ms. Luz Garcilazo, President, Board of Directors

Re: Proposed Lease of Building 26 of Barley Mill Plaza Campus (hereinafter "the Property")
from Odyssey Charter School to Academia Antonia Alonso

Dear Ms. Garcilazo:

The purpose of this letter is to set forth the basic terms and provisions pursuant to which the Odyssey Charter School ("OCS" or "Landlord") is prepared to lease the Property referenced above to Academia Antonia Alonso ("AAA" or "Tenant"). This letter does not constitute a formal offer or a binding contract, but, rather, is intended to convey the basic business terms of a proposal that, if acceptable to you, we would then convert into a proposed formal lease.

1. The Property. For the initial one (1) year term (the "Initial Term"), approximately 40,000 square feet of space in Building 26 of Barley Mill Plaza, consisting of the entire first floor of said Building 26 and approximately 10,000 square feet of space on the second floor of said Building 26. If the Lease is extended beyond the Initial Term, it is anticipated that Tenant will lease approximately 60,000 square feet of space, consisting of all of Building 26.

2. Term; Base Rent. The Initial Term shall be one (1) year, commencing on August 1, 2016, and ending on July 31, 2018. Annual base rent shall be \$10.00 per square foot, or \$400,000.00, payable in twelve (12) equal monthly installments of \$33,333.33. If Tenant's charter with the Delaware Department of Education ("DDOE") is renewed for the 2017-2018 school year, Landlord and Tenant shall negotiate in good faith on a five (5) year extension of the Lease beyond the expiration Initial Term, such extension to be executed within thirty (30) days of charter renewal.



3. Triple Net Lease; Additional Rent. Landlord and Tenant agree to work in good faith on an expedited basis to prepare a mutually-acceptable triple net lease for the Property, whereby Tenant shall be responsible for all expenses relating to the Property, including, without limitation, utilities; maintenance and repairs; insurance; and property taxes. In addition, Landlord shall invoice Tenant monthly for Tenant's proportionate share of common area expenses, including, without limitation, the maintenance of common access and parking shared by Tenant and Landlord; grounds maintenance; snow removal; and common outdoor lighting. The exact percentage of such proportionate share shall be determined in the Lease.

4. Earnest Money Deposit. Landlord has agreed to waive the requirement of an Earnest Money Deposit.

5. Use. Tenant shall be permitted to use the Property for the operation of a dual-language charter school. No other use shall be permitted without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

6. Tenant Fit Out. The Property shall be delivered to Tenant in its current condition. Tenant shall bear all responsibility, economic and otherwise, for the fit out of the Property for its use; provided, however, that Landlord shall contribute approximately \$100,000.00 to mutually acceptable construction expenses to be more specifically documented in the Lease, which shall include boiler and other capital improvements specified by Landlord in the draft plans for the fit out, as well as certain tenant improvements. Tenant shall not make any alterations to the Property without Landlord's prior written consent.

7. Tenant Fit Out Rebate. If Tenant's charter with the DDOE is not renewed for the 2017-2018 academic year, Landlord shall compensate Tenant or Tenant's guarantor, Innovative Schools ("Guarantor"), for up to \$250,000.00 of improvements made on the Property at Tenant's expense. Such compensation shall be paid in installments according to a schedule mutually agreed upon by Landlord, Tenant, and Guarantor, and incorporated into the formal Lease.

8. Contingencies. Tenant has made a commitment to occupy the Property and to execute an acceptable Lease. However, Landlord acknowledges that Tenant's ability to occupy the Property is contingent upon Tenant's ability to secure necessary approvals and permits from the State of Delaware and New Castle County.

9. Brokerage/Commissions. No brokerage fees or leasing commissions shall be payable to any broker or brokers in connection with this transaction.

The foregoing constitutes the basic terms and provisions pursuant to which we would be willing to pursue a transaction with you for the lease of the Property. This letter does not constitute a valid or binding offer or agreement; however, if these basic terms and provisions are acceptable to you, **please**



Odyssey Charter School

Nurturing a Lifelong Love of Learning

Dr. Nick T. Manolakos *Headmaster*

execute this letter and return it to us and we will then proceed with preparing a draft lease incorporating these terms and provisions and then we can proceed towards a formal, binding lease.

~~If you do not sign and return this letter to us by 5:00 p.m. on Friday, February 26, 2016, it will be automatically rescinded by us.~~

Thank you for your consideration and time.

Very truly yours,

George J. Chambers
President of the Odyssey Charter
School Board of Directors

GJC/SLM

cc: Odyssey Charter School Board Members (via electronic mail)

2nd The foregoing terms and conditions of this letter are hereby accepted and approved this day of February, 2016.

March

ACADEMIA ANTONIA ALONSO

By:
Name:
Title: