

# LEARNING COMMUNITY OF DOUGLAS AND SARPY COUNTIES

## LEARNING COMMUNITY COORDINATING COUNCIL

### AGENDA

June 21, 2018 – 6:00 p.m.

Learning Community Center of North Omaha, 1612 N. 24<sup>th</sup> Street  
Omaha, NE

1. Call Meeting to Order/Pledge of Allegiance
2. Public Notice and Compliance with Open Meetings Act
3. Roll Call
4. Approval of Council Minutes – May 17, 2018
5. Reports
  - a) Chair
    - i. Proposed 2019 LCCC/Executive Committee Calendar
  - b) Treasurer
    - i. **Action Item:** Accept Treasurer's Report dated May 31, 2018
    - ii. **Action Item:** Accept Third Quarter Budget to Actual for FY 2017/2018
  - c) Chief Executive Officer
  - d) Council Member / Achievement Subcouncil Reports
  - e) Legal Counsel
6. Public Comments
7. Superintendents' Plan for Early Childhood Education Update
8. Learning Community Center of South Omaha Update – Renee Franklin
  - a) Upon recommendation of the Executive Committee, motion for CEO to negotiate a three-year lease, with option to renew, with El Mero Mero, Inc. for property at 2312 & 2314 M Street, not to exceed an annual cost of \$85,000.00 the first year, and \$70,000.00 the subsequent two years, pending recommendation from Subcouncil 5. If Subcouncil 5 is not able to meet or come to consensus prior to June 21<sup>st</sup>, this motion shall serve as a recommendation to the full Council.

9. Learning Community Center of North Omaha Update – Renee Franklin /Jamalia Parker

10. Subcommittee Reports

- a) Elementary Learning and Diversity Subcommittee
- b) Budget, Finance & Audit Subcommittee
- c) Legislative Subcommittee

11. New Business

- a) CEO 2018 Discretionary Performance Bonus and Contract Renewal
  - i. Upon recommendation by the Executive Committee, motion to approve payment to David Patton of a discretionary performance bonus of \$4,141.00 (3% of his 2017-2018 base salary) per Section 4(b) of his Employment Agreement based upon his successful completion of CEO Goals for 2017-2018 through the normal payroll process.
  - ii. Upon recommendation of the Executive Committee, motion to recommend approval of the Second Amendment to David Patton's Employment Agreement as presented to the Learning Community of Douglas and Sarpy Counties' Coordinating Council, to include a three year annual renewal, a base salary for 2018-2019 of \$142,161.00 and a discretionary performance bonus of up to 3% of his base salary based upon CEO's accomplishment of 2018/19 goals to be approved by the Learning Community Coordinating Council, such Second Amendment to be effective July 1, 2018.

12. Unfinished Business

13. Next Council Meeting –

- August 9, 2018, Learning Community Center of North Omaha, 1612 N. 24<sup>th</sup> Street, Omaha, NE

14. Adjournment

UPCOMING LEARNING COMMUNITY EVENTS:

Advisory Committee	To Be Determined
LC Coordinating Council	August 9, 2018, 6:00 p.m. Learning Community Center of North Omaha, 1612 N. 24 <sup>th</sup> Street, Omaha, NE
Subcouncil #1	To Be Determined
Subcouncil #2	To Be Determined
Subcouncil #3	To Be Determined
Subcouncil #4	To Be Determined
Subcouncil #5	To Be Determined
Subcouncil #6	To Be Determined

## HANDOUTS TO ACCOMPANY THIS AGENDA ARE AS FOLLOWS:

- Council Minutes dated May 17, 2018
- 2019 LCCC/Executive Committee Calendar
- Treasurer's Report dated May 31, 2018
- Third Quarter Budget to Actual for FY 2017/2018
- El Mero Mero Lease and Recommendation
- CEO Contract Term Sheet, Second Amendment to Employment Agreement and Recommendations

## LEARNING COMMUNITY OF DOUGLAS AND SARPY COUNTIES

### LEARNING COMMUNITY COORDINATING COUNCIL

May 17, 2018

A meeting of the Coordinating Council of the Learning Community of Douglas and Sarpy Counties was held on, May 17, 2018, at the Learning Community Center of North Omaha, 1612 N. 24<sup>th</sup> Street, Omaha, Nebraska 68110. Notice of the meeting, containing the date, time, place and agenda, was given in advance thereof by publication in the Daily Record on May 9, 2018. The proofs of publication have been received and will be made a permanent part of the record of the meeting. Notice of the agenda was given to all members of the Council on May 10, 2018.

1. **Call Meeting to Order.** The meeting was convened and called to order by Chair Chang at 6:00 p.m. and began with the recitation of the Pledge of Allegiance.
2. **Public Notice & Compliance with Open Meetings Act.** Chair Chang announced that the Nebraska Open Meetings Act was posted at the room entrance and that copies of materials being reviewed by the Council were available to the public.

3. **Roll Call.**

Voting Members Present: Anderson, Avery, Hager, Hahn, Harnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang

Voting Members Excused:

Voting Members Absent: Ward

Staff Present: Moon, Franklin, Parker, Benzel, Patton

Also Present: Margaret Hershiser, Koley Jessen P.C.; Kim Bodensteiner, BECI; Nikole Schubauer, Belleaire Elementary; Mark Avery, Auditor; Martha Bruckner, MOEC; Mark Feldhausen

It is noted for the record that Ms. Ward arrived at 6:05 p.m.

4. **Approval of Minutes.** Chair Chang presented the Council minutes from the April 19, 2018 public meeting of the Council. Motion by Mr. Hartnett, seconded by Dr. Williams, to approve the minutes of the Council meeting held on April 19, 2018. Discussion took place. Yeas: Avery, Hahn, Hartnett, Heidel, Jacobson, Kelley, Williams, Chang. Abstain: Anderson, Hager, Woodward. Nays: Ward. **Motion carried.**

5. **Reports**

- a) Chair - Chair Chang discussed the CEO evaluation process. She addressed Ms. Ward's potential agenda items.
- b) Treasurer
  - i. Motion by Ms. Hahn, seconded by Ms. Kelley, to accept Treasurer's Report dated April 30, 2018. Discussion took place. Yeas: Anderson, Avery, Hager, Hahn, Hartnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang. Abstain: None. Nays: Ward. **Motion carried.**
  - ii. 2016/2017 Auditor's Report - Comments/Questions – Mark Avery, Audit Manager, provided an audit review.

1. Upon recommendation of the Budget, Audit and Finance Subcommittee, motion by Mr. Hager, seconded by Ms. Anderson, to accept the 2016/2017 Auditor's Report as presented. Discussion took place. Yeas: Anderson, Avery, Hager, Hahn, Hartnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang. Abstain: None. Nays: Ward. **Motion carried.**

c) Chief Executive Officer – Mr. Patton reviewed the Strategic Plan. Discussion took place.

d) Council Member / Achievement Subcouncil Reports – Ms. Ward provided a report.

e) Legal Counsel – No Report

6. Public Comments – No Report

7. GOALS - Motion by Mr. Hager, seconded by Mr. Hartnett, to approve the contract with Greater Omaha Attendance Learning Services (GOALS) Center to provide \$95,000.00 in FY 2018/2019 and \$95,000.00 in FY 2019/2020 to allow GOALS Center to provide data collection and research information focused on student and families outcome(s) who are involved with service coordination through the GOALS Center and appropriate funds from the Elementary Learning Centers Budget for FY 2018/2019 and FY 2019/2020. Approval is contingent upon Council approval of the fiscal year budgets for each of the above fiscal years. Yeas: Anderson, Avery, Hager, Hartnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang. Abstain: Hahn. Nays: Ward. **Motion carried.**

8. Community Achievement Plan (CAP) – Mark Feldhausen and Martha Bruckner provided reports. Discussion took place. Two handouts were provided.

9. Superintendents' Plan for Early Childhood Education Update – Kim Bodensteiner and Nikole Schubauer provided a presentation on Belleaire Elementary School. Discussion took place.

10. Learning Community Center of South Omaha Update – Ms. Franklin provided a report.

11. Learning Community Center of North Omaha Update- Ms. Franklin and Ms. Parker provided a report.

12. Subcommittee Reports

a) Elementary Learning and Diversity Subcommittee

i. Elementary Learning and Diversity Subcommittee Contracts and Contract Amendments

1. Evaluation Services Agreement – Upon recommendation from the Elementary Learning and Diversity Subcommittee, motion by Ms. Kelley, seconded by Mr. Hartnett, to renew contract with University of Nebraska Medical Center to have the Munroe Meyer Institute provide evaluative and consultative services for elementary learning center programs, as set forth in the document entitled Program Evaluation Agreement, and appropriate up to \$409,006.00 from the Elementary Learning Center Fund Budget for FY 2018/2019. Approval is contingent upon Council approval of the 2018/19 fiscal year budget for the Learning Community. Yeas: Anderson, Avery, Hager, Hahn, Hartnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang. Abstain: None. Nays: Ward. **Motion carried.**

b) Budget, Finance & Audit Subcommittee – No Report

c) Legislative Subcommittee – No Report

13. New Business

- a) Pilot Programming Contracts - Upon recommendation of Achievement Subcouncils 1, 3, 4 and 6 and the Executive Committee, motion by Mr. Hager, seconded by Ms. Jacobson, to authorize the CEO to enter into ELC pilot programming agreements with school districts and community organizations to fund extended learning, kindergarten jumpstart and instructional coaching programs as described in the Summary Sheet (attached) for the 2018/2019 fiscal year totaling \$1,068,239.82 from elementary levy funds. Approval is contingent on Council approval of authorization of the elementary levy and the 2018/2019 fiscal year budget for the Learning Community. Yeas: Anderson, Avery, Hager, Hahn, Hartnett, Heidel, Jacobson, Kelley, Williams, Woodward, Chang. Abstain: None. Nays: Ward. **Motion carried.**

14. Unfinished Business – No Report

15. Next Council Meeting –

- June 21, 2018, Learning Community Center of North Omaha, 1612 N. 24<sup>th</sup> Street, Omaha, NE

16. Adjournment – Meeting was adjourned with unanimous approval at 7:58 p.m.

**Documents provided were as follows, copies of which will be made a permanent part of the record of the meeting:**

- LCCC Minutes dated April 19, 2018
- Treasurer's Report dated April 30, 2018
- Audit Report
- GOALS Contract
- CAP Progress Report
- UNMC Recommendation and Contract
- ELC Program Summary
- ELC Programming Agreement Summary of Terms (Completely Kids)
- ELC Programming Agreement Summary of Terms (Millard Public Schools)
- ELC Programming Agreements Summary of Terms (1 and 2 Years) (Bellevue Public Schools, Omaha Public Schools, Douglas County West Community Schools, Elkhorn Public Schools, Papillion La Vista Community Schools, Ralston Public Schools, Springfield Platteview Community Schools and Westside Public Schools)
- Strategic Plan

## **EXECUTIVE COMMITTEE AND LEARNING COMMUNITY COORDINATING COUNCIL 2019 MEETING DATES**

**Note:** Meetings will be held at the Learning Community Center of North Omaha (LCCNO), 1612 North 24<sup>th</sup> Street. Executive Committee meetings are held on Fridays at 8:30 a.m. Coordinating Council meetings are held on Thursdays at 6:00 p.m.

<b>EXECUTIVE COMMITTEE</b>	<b>COORDINATING COUNCIL</b>
January 4	January 3 and 17
February 1	February 13
March 1	March 21
April 5	April 18
May 3	May 16
June 7	June 20
July 5	July 18
August 2 <i>(applies to both LCCC meetings in August)</i>	August 8 and August 22
September 6	September 19
October 4	October 17
November 8	November 21
December 6	December 19

# LEARNING COMM OF DOUGLAS SARPY COUNTY

## Treasurer's Report

May 31, 2018

Trans Description	Credit Amt	Date	Reference
Lund Company	\$ 47,728.03	5/1/2018	1121
HELP Foundation of Omaha	\$ 10,559.26	5/1/2018	1122
Buffett Early Childhood Instit	\$ 31,166.66	5/8/2018	3523
UNMC	\$ 32,076.75	5/8/2018	3524
Buffett Early Childhood Instit	\$ 112,513.50	5/8/2018	3023
Lutheran Family Services	\$ 33,790.82	5/8/2018	3024
One World Community Health Cen	\$ 93,256.16	5/8/2018	3025
Paychex deduction for payroll taxes	\$ 18,339.66	5/15/2018	04/2018 Payroll
Paychex deduction for direct deposits	\$ 46,444.23	5/15/2018	04/2018 Payroll
PAYCHEX	\$ 236.09	5/15/2018	DC
Carroll Communications	\$ 9,060.25	5/17/2018	3027
Elman Printing	\$ 2,726.00	5/17/2018	3028
Feldhausen, Mark	\$ 2,914.21	5/17/2018	3029
InfiNet Solutions, Inc.	\$ 2,880.00	5/17/2018	3030
Jensen Rogert Associates, Inc.	\$ 2,291.67	5/17/2018	3031
Koley Jessen	\$ 7,193.00	5/17/2018	3032
Lion's Gate Security Solutions	\$ 2,723.04	5/17/2018	3033
Omaha Public Schools (OPS)	\$ 35,620.23	5/17/2018	3034
Omaha World Herald	\$ 2,750.00	5/17/2018	3035
One World Community Health Cen	\$ 3,386.62	5/17/2018	3036
Surreal Media Lab, LLC	\$ 2,650.00	5/17/2018	3037
TAPS	\$ 2,660.00	5/17/2018	3038
Base	\$ 37.50	5/17/2018	3039
C & A Industries - Celebrity S	\$ 990.00	5/17/2018	3040
City of Omaha False Alarm Redu	\$ 100.00	5/17/2018	3041
Occupational Health Centers of	\$ 118.00	5/17/2018	3042
Control Yours	\$ 175.00	5/17/2018	3043
Culligan of Omaha	\$ 62.50	5/17/2018	3044
The Daily Record	\$ 34.60	5/17/2018	3045
EDUCATIONAL SERVICE UNIT #3	\$ 810.00	5/17/2018	3046
Fast Signs	\$ 150.25	5/17/2018	3047
Graphic Technologies	\$ 65.50	5/17/2018	3048
Greater Omaha Chamber of Comme	\$ 360.00	5/17/2018	3049
Happy Cab	\$ 485.15	5/17/2018	3050
HyVee	\$ 1,733.44	5/17/2018	3051
Konica Minolta Business Soluti	\$ 394.82	5/17/2018	3052
Konica Minolta Business Soluti	\$ 413.65	5/17/2018	3053
NE Council of School Administr	\$ 335.00	5/17/2018	3054
The Prevention Group	\$ 350.00	5/17/2018	3055
One Source The Background Chec	\$ 63.00	5/17/2018	3057
Philadelphia Insurance Compani	\$ 446.33	5/17/2018	3058
Regal Awards & Advertising Spe	\$ 13.50	5/17/2018	3059
The Prevention Group	\$ 350.00	5/17/2018	3060
Voices for Children in Nebrask	\$ 1,000.00	5/17/2018	3061
Williams Counseling & Consulti	\$ 1,949.00	5/17/2018	3062
Microsoft Corporation	\$ 12.00	5/17/2018	DC
Get N Go	\$ 300.00	5/23/2018	DC
Shields, Philice Catering	\$ 600.00	5/23/2018	DC
Get N Go	\$ 300.00	5/24/2018	DC
Blue Cross Blue Shield of Nebr	\$ 11,233.31	5/25/2018	3063
Colonial Life	\$ 924.45	5/25/2018	3064
Envisage Creative Group	\$ 24.95	5/25/2018	3065
Happy Cab	\$ 390.42	5/25/2018	3066
HyVee	\$ 1,376.48	5/25/2018	3067
Lion's Gate Security Solutions	\$ 90.08	5/25/2018	3068
Madison National Life	\$ 490.49	5/25/2018	3069
PeaPod Face Painting & Balloon	\$ 195.00	5/25/2018	3070
Rooted Rhythm Syndicate LLC	\$ 200.00	5/25/2018	3071



# LEARNING COMM OF DOUGLAS SARPY COUNTY

## Treasurer's Report

May 31, 2018

<b>Trans Description</b>	<b>Credit Amt</b>	<b>Date</b>	<b>Reference</b>
TAPS	\$ 691.60	5/25/2018	3072
Pay-LESS Office Products, Inc.	\$ 1,243.34	5/25/2018	3073
Nourias African Cuisine Cateri	\$ 480.00	5/25/2018	DC
HELP Foundation of Omaha	\$ 10,400.84	5/25/2018	1123
Lund Company	\$ 47,728.03	5/25/2018	1124
EDUCATIONAL SERVICE UNIT #3	\$ 2,610.00	5/31/2018	3074
Omaha Public Library	\$ 3,042.46	5/31/2018	3075
Seim, Johnson, Sestek & Quist,	\$ 5,947.00	5/31/2018	3076
City of Omaha False Alarm Redu	\$ 25.00	5/31/2018	3077
C & A Industries - Celebrity S	\$ 959.00	5/31/2018	3078
Scantron Corporation	\$ 200.00	5/31/2018	3079
Get N Go	\$ 300.00	5/31/2018	DC
<b>Total April Expenditures</b>	<b>\$ 603,167.87</b>		

**Learning Community of Douglas and Sarpy Counties**  
**FY 2017-2018 Budget to Actual - General Administration**

For Period Ending: 5/31/2018% of time Elapsed: 75%

	<b>Current FY Budget</b>	<b>Actual Spent</b>	<b>% of Budget</b>	<b>Remaining Budget</b>
	<b>General</b>	<b>General</b>	<b>General</b>	<b>General</b>
<b>Beginning General Fund Cash Reserves</b>	\$ 315,482	\$ 315,482		
Appropriation	\$ 500,000	\$ 500,000	100%	\$ -
Interest	\$ 750	\$ 285	38%	\$ 465
<b>Total Revenues</b>	<b>\$ 500,750</b>	<b>\$ 500,285</b>	<b>100%</b>	<b>\$ 465</b>
<b>General Expenses</b>				
<b>Coordinating Council</b>				
Training/Orientation	\$ 500	\$ -	0%	\$ 500
Conference Expenses	\$ 7,500	\$ 3,134	42%	\$ 4,366
Occupancy	\$ 1,500	\$ -	0%	\$ 1,500
Published Notice	\$ 3,500	\$ 355	10%	\$ 3,145
Election Commission	\$ 10,000	\$ -	0%	\$ 10,000
Reimbursed Expenses	\$ 2,060	\$ 144	7%	\$ 1,916
Technology/Equipment	\$ 3,090	\$ 16	1%	\$ 3,074
Other Misc	\$ 5,000	\$ 512	10%	\$ 4,488
<b>Coordinating Council - Subtotal</b>	<b>\$ 33,150</b>	<b>\$ 4,161</b>	<b>13%</b>	<b>\$ 28,989</b>
<b>Administration</b>				
CEO Salary	\$ 138,000	\$ 103,927	75%	\$ 34,073
Other Salaries and Wages	\$ 170,100	\$ 128,540	76%	\$ 41,560
Payroll Taxes	\$ 23,190	\$ 16,933	73%	\$ 6,257
Benefit Expense	\$ 54,700	\$ 45,701	84%	\$ 8,999
Dues and Memberships	\$ 6,500	\$ 5,403	83%	\$ 1,097
Conference/Professional Devel. Exp.	\$ 10,000	\$ 9,052	91%	\$ 948
Public Accountant	\$ 10,000	\$ 5,947	59%	\$ 4,053
State Audit	\$ 11,000	\$ -	0%	\$ 11,000
Telecommunications/Website	\$ 5,150	\$ 5,492	107%	\$ (342)
Supplies	\$ 5,150	\$ 2,369	46%	\$ 2,781
Furniture	\$ 5,150	\$ -	0%	\$ 5,150
Printing and Postage	\$ 16,480	\$ 7,162	43%	\$ 9,318
Technology/Equipment	\$ 17,730	\$ 11,846	67%	\$ 5,884
Reimbursed Expenses	\$ 5,150	\$ 1,423	28%	\$ 3,727
Other Misc	\$ 15,000	\$ 22,012	147%	\$ (7,012)
<b>Subtotal Administration</b>	<b>\$ 493,300</b>	<b>\$ 365,808</b>	<b>74%</b>	<b>\$ 127,492</b>
<b>Total Expenses</b>	<b>\$ 526,450</b>	<b>\$ 369,969</b>	<b>70%</b>	<b>\$ 156,481</b>
<b>Difference of Revenues &amp; Expenses</b>	<b>\$ (25,700)</b>	<b>\$ 130,317</b>		
<b>Ending General Fund Cash Reserves</b>	<b>\$ 289,782</b>	<b>\$ 445,798</b>		

**Learning Community of Douglas and Sarpy Counties**  
**FY 2017-2018 Budget to Actual - ELC Operations**

For Period Ending: 5/31/2018% of time Elapsed: 75%

	<b>Current FY Budget</b>	<b>Actual Spent</b>	<b>% of Budget</b>	<b>Remaining Budget</b>
	<b>ELC Operating</b>	<b>ELC Operating</b>	<b>ELC Operating</b>	<b>ELC Operating</b>
<b>Beginning ELC Fund Cash Reserves</b>	\$ 3,895,407	\$ 3,895,407		
ELC Operating Levy	\$ 8,382,735	\$ 5,416,018	65%	\$ 2,966,717
Interest	\$ 1,500	\$ 1,334	89%	\$ 166
<b>Total Revenues</b>	<b>\$ 8,384,235</b>	<b>\$ 5,417,352</b>	<b>65%</b>	<b>\$ 2,966,883</b>
<b>Pilot Programming</b>				
Subcouncil 1 ELC Programming	\$ 182,473	\$ 181,035	99%	\$ 1,438
Subcouncil 2 ELC Programming	\$ -	\$ 9,075	100%	\$ (9,075)
Subcouncil 3 ELC Programming	\$ 329,839	\$ 289,975	88%	\$ 39,864
Subcouncil 4 ELC Programming	\$ 127,442	\$ 116,386	91%	\$ 11,057
Subcouncil 5 ELC Programming	\$ 597,742	\$ 568,637	95%	\$ 29,106
Subcouncil 6 ELC Programming	\$ 114,740	\$ 112,057	98%	\$ 2,683
<b>Programming - Subtotal</b>	<b>\$ 1,352,237</b>	<b>\$ 1,277,165</b>	<b>94%</b>	<b>\$ 75,072</b>
<b>North Omaha Center</b>				
Early Childhood Partnership	\$ 942,667	\$ 681,151	72%	\$ 261,516
Subcouncil 2 Family Support Liaisons	\$ 228,375	\$ 143,371	63%	\$ 85,004
Childcare Director Training	\$ 191,720	\$ 238,262	124%	\$ (46,542)
Parent University	\$ 721,400	\$ 561,628	78%	\$ 159,772
Center Operations	\$ 88,750	\$ 62,711	71%	\$ 26,039
<b>North Omaha Center - Subtotal</b>	<b>\$ 2,172,912</b>	<b>\$ 1,687,123</b>	<b>78%</b>	<b>\$ 485,789</b>
<b>South Omaha Center</b>				
South Omaha Center	\$ 1,119,074	\$ 839,305	75%	\$ 279,769
Subcouncil 5 Family Support Liaisons	\$ 170,405	\$ 41,596	24%	\$ 128,809
<b>South Omaha Center - Subtotal</b>	<b>\$ 1,289,479</b>	<b>\$ 880,901</b>	<b>68%</b>	<b>\$ 408,578</b>
<b>Superintendent's Early Childhood Plan</b>				
Superintendent's Early Childhood Plan	\$ 2,600,000	\$ 2,214,003	85%	\$ 385,997
<b>Superintendent's Plan - Subtotal</b>	<b>\$ 2,600,000</b>	<b>\$ 2,214,003</b>	<b>85%</b>	<b>\$ 385,997</b>
<b>General Expenses</b>				
Admin-Community Relations	\$ 125,000	\$ 80,182	64%	\$ 44,818
Admin-Legal	\$ 30,000	\$ 20,913	70%	\$ 9,087
Admin-Insurance/Bonding	\$ 66,950	\$ 57,581	86%	\$ 9,369
Admin-Lobbying	\$ 30,000	\$ 20,806	69%	\$ 9,194
Admin-Contracted Services	\$ 5,150	\$ 2,914	57%	\$ 2,236
Salaries and Wages	\$ 112,000	\$ 83,507	75%	\$ 28,493
Payroll Taxes	\$ 8,400	\$ 6,354	76%	\$ 2,046
Benefit Expense	\$ 9,700	\$ 11,424	118%	\$ (1,724)
Contracted Services	\$ -	\$ 360	100%	\$ (360)
Other Misc. Expenses	\$ 12,300	\$ 965	8%	\$ 11,335
<b>General Expenses - Subtotal</b>	<b>\$ 399,500</b>	<b>\$ 285,006</b>	<b>71%</b>	<b>\$ 114,494</b>
<b>Total Expenses</b>	<b>\$ 7,814,128</b>	<b>\$ 6,344,197</b>	<b>81%</b>	<b>\$ 1,469,931</b>
<b>Difference of Revenues &amp; Expenses</b>	<b>\$ 570,107</b>	<b>\$ (926,845)</b>		
<b>Ending ELC Fund Cash Reserves</b>	<b>\$ 4,465,513</b>	<b>\$ 2,968,561</b>		

**Learning Community of Douglas and Sarpy Counties**  
**FY 2017-2018 Budget to Actual - Capital Projects**

For Period Ending: 5/31/2018% of time Elapsed: 75%

	<b>Current FY Budget</b>	<b>Actual Spent</b>	<b>% of Budget</b>	<b>Remaining Budget</b>
	<b>Capital Projects</b>	<b>Capital Projects</b>	<b>Capital Projects</b>	<b>Capital Projects</b>
<b>Beg. Cap. Proj. Fund Cash Reserves</b>	\$ 746,141	\$ 746,141		
Capital Projects Levy Proceeds	\$ 698,561	\$ 537,898	77%	\$ 160,663
Interest	\$ 750	\$ 238	32%	\$ 512
<b>Total Revenues</b>	<b>\$ 699,311</b>	<b>\$ 538,136</b>	<b>77%</b>	<b>\$ 161,175</b>
<b>Learning Centers</b>				
North Omaha Center - Renovations	\$ -	\$ -	100%	\$ -
North Omaha Center - Lease Payments	\$ 585,000	\$ 398,672	68%	\$ 186,328
South Omaha Center - Lease Payments	\$ 128,900	\$ 84,800	66%	\$ 44,100
<b>Total Expenses</b>	<b>\$ 713,900</b>	<b>\$ 483,472</b>	<b>68%</b>	<b>\$ 230,428</b>
<b>Difference of Revenues &amp; Expenses</b>	<b>\$ (14,589)</b>	<b>\$ 54,664</b>		
<b>End. Cap. Proj. Fund Cash Reserves</b>	<b>\$ 731,552</b>	<b>\$ 800,805</b>		

**Learning Community of Douglas and Sarpy Counties**  
**FY 2017-2018 Budget to Actual - Research & Evaluation**

For Period Ending: 5/31/2018% of time Elapsed: 75%

	<b>Current FY Budget</b>	<b>Actual Spent</b>	<b>% of Budget</b>	<b>Remaining Budget</b>
	Research & Evaluation	Research & Evaluation	Research & Evaluation	Research & Evaluation
<b>Beg. Res. &amp; Eval. Fund Cash Reserves</b>	\$ 441,182	\$ 441,182		
ESU Core Svcs (Res & Eval)	\$ 741,934	\$ 667,741	90%	\$ 74,193
<b>Total Revenues</b>	<b>\$ 741,934</b>	<b>\$ 667,741</b>	<b>90%</b>	<b>\$ 74,193</b>
<b>Research &amp; Evaluation</b>				
Diversity Plan Evaluation	\$ 5,000	\$ -	0%	\$ 5,000
Program Evaluation & Research	\$ 384,921	\$ 288,961	75%	\$ 95,960
Truancy Initiative Evaluation	\$ 95,000	\$ 95,000	100%	\$ -
Superintendent's Plan Evaluation	\$ 374,000	\$ 280,500	75%	\$ 93,500
<b>Total Expenses</b>	<b>\$ 858,921</b>	<b>\$ 664,461</b>	<b>77%</b>	<b>\$ 194,460</b>
<b>Difference of Revenues &amp; Expenses</b>	<b>\$ (116,987)</b>	<b>\$ 3,280</b>		
<b>End. Res. &amp; Eval. Fund Cash Reserves</b>	<b>\$ 324,195</b>	<b>\$ 444,462</b>		

This Fund is restricted to research and evaluation related disbursements only

# MEMORANDUM

**To:** Members of the Learning Community Coordinating Council

**From:** Renee Franklin, Executive Director—Elementary Learning Centers

**Date:** June 2018

**RE:** Leased Space for Family Learning Program in South Omaha

Requested Action: Approve new lease  
 Type of Contract: Lease  
 Terms: September 2018-August 2019 (\$85,000)  
 September 2019-August 2020 (\$70,000)  
 September 2020-August 2021 (\$70,000)  
 Partner: El Mero Mero, Inc.

## Overview

The Learning Community has long been committed to demonstrating and replicating innovative family learning programs in the Learning Community Center of South Omaha to meet the critical needs of children and families in poverty. The program is modeled after research based programs such as Even Start and the National Center for Families Learning and is customized specifically for the needs of parents in South Omaha. The program has been replicated in a public school setting. It has also been nationally recognized by the White House as a Bright Spots in Hispanic Education and the ASCEND Network at the Aspen Institute.

## Supporting Detail

Learning Community has carefully reflected on specific feedback from the third party evaluation as well as parental and staff input in order to ensure continuous program improvement. Based on this input, additional space is recommended to provide three primary opportunities. First, navigators, coordinators and partners will benefit from residing in a central location, making collaboration and case management stronger. Second, more families will be able to participate in classes which are currently constrained by the space available for child supervision. Finally, families will have access to private meeting spaces with navigators as well as a wider variety of parenting classes. All of these changes will impact more than 200 individuals.

## Current Results

Five consecutive years of rigorous evaluations confirm parents showed marked increases in their levels of feeling comfortable engaging their children with reading and math as well as communicating with their child's teacher and the school. Many parents are reaching the advanced ESL levels where they can function independently to meet their family's needs and to navigate routine social and work situations. Parents demonstrated clinically significant improvement through the program in proactive parenting, setting limits and supporting good behavior.

Students attended 95% of the days school was in session compared to the statewide attendance rate of 94.59%. For the past three years, students of the parents who participated in the family learning programming had a higher proficiency rate than the district average and are nearing the state average.

### **Budget & Recommendation**

The proposed lease is for the premises of 2312 and 2314 M Street which consists of approximately 5,734 square feet. The lease term is three years with the ability to extend the term of the lease for up to four (4) additional terms of (3) years each. The lease cost is \$38,400 annually. This equates to \$7.68 per sq. ft. for the year which is considerably less than comparable market averages ranging from \$12.00 to \$15.00 per sq. ft. When factoring in maintenance and utilities, the total cost per sq. ft. is \$13.92. In addition to the lease, the Learning Community would contribute \$15,000 in leaseholder improvements in exchange for leasing the first two months at no charge.

**LEASE SUMMARY  
FOR  
2312 AND 2314 M STREET FACILITY**

1. Landlord: El Mero Mero, Inc.
2. Tenant: Learning Community of Douglas and Sarpy Counties.
3. Premises: 2312 and 2314 M Street (entire property), which consists of a Building consisting of (i) approximately 2,736 square feet on the first floor, and (ii) approximately 2,736 square feet in the basement.
4. Lease Term: September 1, 2018 through August 31, 2021, and Tenant has the ability to extend the term of the Lease for up to four (4) additional terms of three (3) years each.
5. Proposed Use: Tenant shall use and occupy the first floor for offices and support facilities for the Learning Community Center of South Omaha.
6. Rent: Tenant is scheduled to pay \$3,200 per month as base rent, as well as up to \$1,900 per month for cleaning and maintenance (Tenant will pay the lesser of actual costs or \$1,900 for certain services).
7. Utilities: Tenant shall pay for all utilities.
8. Tenant's Work: Tenant shall perform certain work on the first floor of the Building as outlined on Exhibit "A" of the Lease prior to occupying the premises. As consideration for Tenant's Work, Landlord shall provide two (2) months of free rent.



## COMMERCIAL LEASE AGREEMENT

1. **Parties.** This Commercial Lease Agreement (“Lease”) is entered into between the Learning Community of Douglas and Sarpy Counties, a Nebraska political subdivision (“Lessee”), and El Mero Mero, Inc., a Nebraska corporation (“Lessor”), as of the last date set forth on the signature page hereto.

2. **Premises.** Lessor rents to Lessee, and Lessee rents from Lessor, the real estate (“Land”) and improvements (“Building”) located at 2312 & 2314 M Street (whole property), in the City of Omaha, County of Douglas, State of Nebraska (the “premises” or “Premises”), of which Lessor is the owner, subject to the terms and conditions in this Agreement.

3. **Term.** The term of this Lease (“Term”) will begin on September 1, 2018 (“Commencement Date”) and end on August 31, 2021, unless sooner terminated as herein set forth or unless extended in accordance with the provisions hereof. Lessee shall have the right to extend the Term for up to four (4) additional terms of three (3) years each (each an “Extended Term,” and any reference to the “Term” of this Lease shall hereinafter refer to the initial Term or any Extended Term, as applicable), by providing Lessor with written notice of Lessee’s desire to extend the Term or Extended Term, as applicable, at least 120 days prior to expiration of the then-current Term.

Notwithstanding the foregoing provisions of this Section 3 above, Lessor acknowledges that the Term of this Lease may be terminated earlier by Lessee without penalty in the event that (i) the Nebraska Legislature dissolves the Lessee and/or the Lessee’s current mission of supporting Learning Community Centers, or (ii) the Nebraska Legislature, Douglas County and/or Sarpy County, as applicable, reduce their tax levy for the Lessee in a manner which does not allow Lessee to continue budgeting for its obligations under the terms of this Lease. In the event of any such changes as noted above, the Lessee shall provide written notice to Lessor as soon as practicable, with a termination of the Lease to occur no later than the date on which the Nebraska Legislature, Douglas County and/or Sarpy County, as applicable, make the changes effective.

4. **Definitions.**

a. **Adjacent Facilities.** All sidewalks, grounds, areas, vaults, chutes, sidewalk hoists, railings, gutters, water and sewer connections, streets, alleys and curbs, parking areas, malls or passageways in front of, adjacent to or appurtenant to the Premises.

b. **Requirements.** All present and future laws, statutes, rules, orders, ordinances, regulations or other requirements (including without limitation Environmental Laws) of any governmental, public or quasi-public authority now existing or hereafter created, and of any and all of their departments and bureaus, and of any applicable fire rating bureau or other body exercising similar functions, and all covenants or restrictions applicable to or affecting the Premises or any Adjacent Facilities.

The words “herein,” “hereof,” “hereunder,” and words of similar import refer to this Lease as a whole and not to any particular Section or Subsection thereof unless the context shall otherwise require.

5. **Use.** Lessee shall use and occupy the premises for the purpose of: Offices and support facilities for Lessee's adjoining Learning Community Center; subleasing portions of the Premises to organizations supportive of the Learning Community Center (such as, but not limited to, OneWorld Community Health Centers); and any other commercial business as allowed under the applicable municipal or state laws. Lessee shall have the right at its own expense to contest, by appropriate proceedings diligently conducted in good faith, any allegation by public authorities that Lessee or the Premises are in violation of any Requirements or any certificate of occupancy affecting the Premises, but only so long as:

a. Neither the Premises nor any part thereof would by reason of such contest be, in Lessor's reasonable judgment, in danger of being forfeited or lost;

b. Lessor shall not in its reasonable judgment be in danger of being subject to criminal liability or penalty by reason of such contest; and

c. Lessee shall be responsible for any fines, penalties or other charges that may or might be assessed against or become a charge on the Premises if such contest is unsuccessful; provided, however, in no event shall Lessee be responsible for any Requirements which are unrelated to Lessee's specific use of the Premises and/or improvements made by Lessee to the Premises.

d. Notwithstanding the foregoing, Lessor acknowledges that it shall be solely responsible for any structural Requirements related to the Premises and any other Requirements which are not a result of Lessee's specific use of the Premises.

e. Lessee shall pay all costs and expenses (including, but not limited to, Lessor's attorneys' fees) incurred by Lessor in connection with Lessee's contest(s), except to the extent that Lessor is involved with contesting any Requirements related to the condition of the Premises which was unrelated to Lessee's specific use of the Premises.

f. Lessee shall not suffer or permit the Premises or any portion thereof to be used in any manner as might tend to impair Lessor's title to the Building or Land or any portion thereof, or in such manner as might make possible a claim or claims of adverse usage or adverse possession or of implied dedication of the Building or Land or any portion thereof for public use. Additionally, Lessee shall not use the premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

6. **Base Rent; Additional Rent.** Lessor and Lessee agree (a) beginning November 1, 2018, that Lessee shall pay base rent for the premises ("Base Rent") in the amount of \$3,200.00 per month during the initial Term of the lease, and the Base Rent shall increase by five percent (5%) for each subsequent three-year Extended Term (i.e., \$3,360.00 during the first Extended Term, \$3,528.00 during the second Extended Term, etc.), and (b) that the Base Rent and all payments to be made to Lessor hereunder are to be net to Lessor, without deductions or offsets of any kind or nature whatsoever. In no event shall there be any abatement or reduction in the Base Rent except as may be otherwise specifically provided in this Lease. By entering into this Lease, Lessor acknowledges that, except as otherwise specifically set forth herein, the Base Rent shall be

inclusive of any costs and expenses incurred by Lessor for maintaining the Premises, paying real estate taxes, assessments, and insurance, and no additional rent shall be required from Lessee under the terms of this Lease except as otherwise specifically set forth herein.

In addition to Base Rent as set forth above, Lessee agrees that, beginning November 1, 2018, Lessee shall reimburse Lessor for the lesser of (i) Lessor's actual expenses for the following items, or (ii) the amount set forth below for each of the following items ("Additional Rent"):

- a. Utility expenses for OPPD and MUD (no cap amount);
- b. Cleaning expenses, but not to exceed \$1,400.00 per month, whereby Lessee may direct Lessor to decrease (or increase) such detailed cleaning matters as desired by Tenant by providing thirty (30) days' prior written notice to Lessor;
- c. Monthly inside maintenance and repairs made by Lessor or its agents (not to exceed an annual average of \$150 per month); and
- d. Monthly outside maintenance and repairs made by Lessor or its agents (not to exceed an annual average of \$250 per month).

Collectively, the Base Rent and Additional Rent as set forth above are sometimes hereinafter referred to individually or collectively as the "Rent."

7. **Payment of Rent.** Lessee will pay Rent to Lessor in equal installments in advance of the first day of each month, the first such payment to occur on November 1, 2018, and subsequent monthly payments on the first (1st) day of each succeeding month during the Term, except when that day falls on a weekend or a legal holiday, in which case rent is due on the next business day. Payment shall be made to the person and at the address the Lessor shall designate in writing. Rental is to be paid in cash, money order, cashier's check and/or certified check, or, at the option of the Lessor, in any other fashion.

8. **Late Charges.** Any installment of Rent or any part thereof which is not made by the 10<sup>th</sup> day of any month shall bear interest at the rate of Prime plus three percent (3%) per annum from the date when the same is due hereunder until the same shall be paid ("Late Charge"). In the event of non-payment of any Late Charge, Lessor shall have, in addition to all other rights and remedies, all rights and remedies provided for in this Lease and by law in the case of non-payment of Rent. No failure by Lessor to insist upon strict performance by Lessee of its obligations to pay Late Charges shall constitute a waiver by Lessor of its rights to enforce the provisions of this Section in any instance thereafter, nor shall acceptance of Late Charges be deemed to extend the time for payment of Rent or any part thereof under this Lease. The provisions for Late Charges stated herein shall not limit or affect Lessor's other remedies against Lessee under this Lease or under law, including, but not limited to, Lessor's right to charge Lessee for all costs and expenses (including, but not limited to, Lessor's attorneys' fees) incurred in connection with the collection of Rent and Late Charges from Lessee.

9. **Utilities.** Landlord represents and warrants that all utilities as described below are available and hooked up to the Building. All applications for necessary utility services on the demised premises shall be made in the name of Lessor (for OPPD and MUD), and Lessee shall

reimburse Lessor for such utility charges as they become due, all as set forth in Section 6 above. To the extent that Lessee desires to obtain telephone services or other internet services, Lessee shall be solely liable for making applications for the same and paying such charges directly to the service provider.

10. **Default.** Each of the following shall be an “Event of Default”:

a. If Lessee shall fail to pay rent when due, the Lessor, at his option, may terminate all rights of the Lessee herein after not less than five (5) days’ written notice of such default given in the manner set forth in this Lease unless Lessee rectifies or cures the default within the said time.

b. If Lessee shall fail to pay any other payment of money, costs or expenses to be paid by Lessee under this Lease, when due, and the continuance of such failure for a period of ten (10) days after written notice from Lessor specifying such failure;

c. In the event of a default made by Lessee in any of the other covenants or conditions to be kept, observed and performed by Lessee, Lessee shall have thirty (30) days after receipt of written notice thereof to cure such default. In the event that the Lessee shall fail to cure any default within the time allowed under this paragraph, Lessor may declare the term of this Lease ended and terminated by giving Lessee written notice of such intention, and if possession of the premises is not surrendered, Lessor may reenter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

d. The filing or execution or occurrence of any of the following will be considered a Default on the part of Lessee: (a) A petition in bankruptcy by or against Lessee; (b) A petition against or answer by Lessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of any bankruptcy laws; (c) Adjudication of Lessee as a bankrupt or insolvent; (d) An assignment by Lessee for the benefit of creditors; (e) A petition against or proceeding by Lessee for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Lessee with respect to the Premises or with respect to all or substantially all of Lessee’s property; or (f) A petition against or proceeding by or against Lessee for its dissolution or liquidation or the taking of possession of Lessee’s property by any governmental authority in connection with dissolution or liquidation. Where in the case of a petition filed against Lessee under (a), (b), (e) or (f) above, such petition is not dismissed within ninety (90) days after the filing thereof; (g) Entry of an order, judgment or decree by any court of competent jurisdiction granting any prayer or demand contained in any petition under (a), (b), (e) or (f) above, which order, judgment or decree is not reversed or vacated within ninety (90) days after it is entered; (h) Taking by any person of Lessee’s interest in this Lease upon execution, attachment or other process of law or equity. In the event of Default on the part of Lessee, Lessor, at its option, without further notice or demand to Lessee, may, in addition to all other rights and remedies provided in this Lease, at law or in equity: (a) terminate this Lease and Lessee’s right of possession of the Premises, and recover all damages to which Lessor is entitled at law, specifically including,

without limitation, the excess of the aggregate Rent that would have accrued for the balance of the Term over the then current fair market rental value of the Premises for the balance of the Term, together with Lessor's expenses of re-leasing (i.e., repairs and brokerage commissions) or (b) terminate Lessee's right of possession of the Premises without terminating this Lease. In all events, Lessor may re-lease the Premises, or any part thereof for the account of Lessee, for such rent and term and upon such terms and conditions as are reasonably acceptable to Lessor based on the current fair market rental value of the Premises. If Lessor shall have elected to pursue its right to terminate Lessee's right of possession of the Premises without terminating the Lease, then Lessor shall have the further right and remedy to subsequently rescind such election and terminate the Lease. For purposes of any such re-leasing, Lessor is authorized to repair any damage caused by Lessee, all at Lessee's expense. If Lessor fails to re-lease the Premises, or if the Premises are re-leased and a sufficient sum is not realized there from after payment of Lessor's expenses of re-leasing (i.e., repairs and brokerage commissions) to satisfy the payment, when due, of Rent reserved under this Lease for any monthly period, then Lessee shall pay Lessor a sum equal to the amount of Rent due under this Lease for each such monthly period, or if the Premises have been re-leased, Lessee shall pay any such deficiency on the rent day applicable to such month. Lessee agrees that Lessor may file suit to recover any sums due to Lessor hereunder at any time or from time to time and that such suit or recovery of any amount due Lessor hereunder shall not be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Lessor. In the event Lessor elects to terminate Lessee's right of possession only, without terminating this Lease, Lessor may, at Lessor's option, enter into the Premises, remove Lessee's signs, Lessee's property, and other evidences of tenancy, and take and hold possession thereof; provided, however, that such entry and possession shall not terminate this Lease or release Lessee, in whole or in part, from Lessee's obligation to pay the Rent reserved hereunder for the full Term or from any other obligation of Lessee under this Lease. Any and all property which may be removed from the Premises by the Lessor pursuant to the authority of the Lease or of law, to which the Lessee is or may be entitled, may be handled, removed or stored by the Lessor at the risk, cost and expense of the Lessee, and the Lessor shall in no event be responsible for the value, preservation or safekeeping thereof. Lessee shall pay to the Lessor, upon demand, any and all reasonable expenses incurred in such removal and all storage charges against such property so long as the same shall be in the Lessor's possession or under the Lessor's control.

In the event Lessor exercises any remedy provided under this Section, all deposits theretofore made by Lessee with utility companies or under this Lease, all unearned insurance premiums and all rights of Lessee under all insurance policies required under this Lease, any pending insurance claims or condemnation awards, and all fuel and supplies on the Premises shall be deemed to be and are hereby assigned to and transferred to Lessor, to be applied in payment of Lessee's liability under this Lease. No waiver of any default of Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

11. **Lessee's Work; Lessor's Failure to Deliver Possession.** As partial consideration for Lessor entering into this Lease, Lessee or its Allowed User shall perform the work outlined on Exhibit "A" attached hereto (the "Lessee's Work"). Lessor acknowledges that Lessee's performance of the Lessee's Work and installation of the items described on Exhibit "A" will increase the value of the Premises, and therefore Lessor shall waive the payment of Rent during the months of September and October 2018 as partial consideration for Lessee entering into this Lease. If Lessor is unable to deliver possession of the Premises to Lessee by September 1, 2018, then the two (2) months of abated Rent shall begin whenever Lessor delivers the Premises to Lessee (i.e., by way of example, if the Premises is delivered on September 15, 2018, then Rent would not begin until November 15, 2018). If Lessor is unable to deliver possession of the premises to Lessee by October 1, 2018, for any reason not within Lessor's control, including, but not limited to, partial or complete destruction of the premises, Lessee will have the right to terminate this Agreement by providing written notice to Lessor. In such event, Lessor's liability to Lessee will be limited to the return of all sums previously paid by Lessee to Lessor. Lessee agrees to hold Lessor and Lessor's agents harmless for loss or damage for any reason not within Lessor's control. In any case, Lessor's liability to Lessee will be limited to the return of all sums previously paid by Lessee to Lessor.

12. **Condemnation.** If any legally, constituted authority condemns the premises or such part thereof which shall make the premises unsuitable for Lessee's purposes, this Lease shall cease when the public authority takes possession, and Lessor and Lessee shall account for rental as of that date. In such an event any award, compensation or damages paid as a consequence of any legal proceedings ("Award") shall be paid to and be the sole property of Lessor whether such Award shall be made as compensation for diminution of the value of the leasehold or the fee of the Building or Land or otherwise and Lessee hereby assigns to Lessor all of Lessee's right, title and interest in and to any such Award; provided, however, Lessor acknowledges that Lessee shall have the right to any Award allowed under the law for Lessee's moving costs or loss of use of the Premises.

13. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the Building affecting Lessee's use of the premises, shall be taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking. The Rent shall be apportioned as of the termination date, and any Rent paid for and period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the Award for such taking or any payment in lieu thereof except as allowed by law.

14. **Assignment or Subletting.** Lessee will not sublet any part of the premises or assign this Agreement without the prior written consent of Lessor, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this Lease. No assignment or transfer of this Lease by Lessee consented to by Lessor shall be effective, unless the assignee or transferee shall, at the time of such assignment or transfer, assume all the terms, covenants and conditions of this Lease thereafter to be performed by Lessee and shall agree to be bound thereby. Notwithstanding such assignment or transfer or the acceptance by Lessor from such assignee of any rent or other monies or other performance of the obligations of Lessee hereunder, Lessee shall remain liable and obligated as a principal (and not as a surety or guarantor) to perform all the terms, conditions and covenants, including the payment of rental and other monies, herein provided to be performed by Lessee.

Notwithstanding the foregoing provisions, Lessor acknowledges and agrees that Lessee may sublet or assign any part of the Premises to another agency that works with Lessee in its mission of providing a learning center or related services consistent with Lessee's use in the adjoining building (each an "Allowed User"). In the event that Lessee assigns or sublets any portion of the Premises to an Allowed User, Lessee shall be solely responsible for any collection of rents from such Allowed User, and such Allowed User shall be responsible for complying with the terms of this Lease.

15. **Violation of Laws.** Lessee, guests and invitees of either Lessee or guests will not use the premises in such a manner that violates any law, ordinance, statutes or requirement of any municipal, state or federal authority now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee. Lessor shall comply with all laws, orders, ordinances, statutes or requirements now or hereafter affecting the premises.

16. **Insurance.** Lessee, at its sole cost and expense, shall maintain at all times during the term of this Lease policies of insurance as follows:

a. Comprehensive general public liability insurance against claims for bodily injury, death, and property damage occurring in or about the Premises or Adjacent Facilities, to afford protection in such limits as shall be reasonably requested by Lessor from time to time, but if any event not less than One Hundred Thousand Dollars (\$100,000) in respect to each person, and not less than One Hundred Thousand Dollars (\$100,000) in respect to any one occurrence causing injury or death, and not less than One Hundred Thousand Dollars (\$100,000) in respect to property damage.

b. Worker's compensation and employer's liability insurance to the extent of the minimum required statutory limits.

c. All liability policies of insurance shall be written by companies reasonably satisfactory to Lessor and any mortgagee of Lessor and licensed to do business in the State of Nebraska, and shall name as an additional insured Lessor and such other persons or entities as Lessor may designate, as their interests may appear, and shall provide that losses shall be paid to such insureds as their interests may appear. Each policy of insurance shall bear an endorsement that such policy shall not be cancelled or modified without at least thirty (30) days prior written notice to Lessor and mortgagee, if any. Certificates evidencing renewals of each policy of insurance shall be delivered to Lessor at least ten (10) days prior to the expiration dates of the respective policies.

17. **Property Damage And Destruction.** If the Premises or any part thereof are damaged or destroyed by any casualty or any other cause of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, insured or uninsured, Lessee shall give Lessor immediate notice thereof, and Lessor shall promptly repair, restore or rehabilitate the Premises at Lessor's own expense, to an extent that, upon the completion of such repairs, restoration or rehabilitation, the value and rental value of the premises shall be substantially equal to the value and rental value of the premises immediately prior to the happening of such casualty; provided, however, that if Lessor has met its obligations to maintain insurance as required herein and such insurance proceeds are made available by any mortgagee of Lessor for such repair, restoration or rehabilitation, then

Lessor shall provide such funds for such repair, restoration or rehabilitation. Rent shall abate during any period of such repair, restoration or rehabilitation if the premises are unusable by Lessee because of such damage or destruction. In the event that the Premises will be unusable for more than sixty (60) days, Lessee shall have the option to terminate this Lease by providing written notice of such termination to Lessor.

Lessee shall not sign any petition, consent or other instrument in writing whereby any party shall hereafter directly or indirectly acquire the right to use or occupy any portion of any street, driveway or alley that abuts the premises, or the space above or under the surface thereof, without Lessor joining in such instrument or consenting in writing to the execution thereof, which consent may be withheld in Lessor's sole discretion.

18. **Hazardous Material.** Lessee hereby indemnifies and holds Lessor and Lessor's officers, directors, shareholders, managers, members, agents and employees harmless from and against, and shall reimburse Lessor and Lessor's officers, directors, shareholders, managers, members, agents and employees for, any and all "Losses" (as hereinafter defined) arising from, out of or as a consequence, directly or indirectly, of the release or presence of any Hazardous Materials on the Premises which first occurs during the Term of this Lease, whether foreseeable or unforeseeable, and caused by Lessee, it being understood and agreed that the foregoing indemnity includes, but is not limited to, all costs of removal, remediation of any kind, detoxification, clean up and disposal of such Hazardous Materials and the preparation of any closure or other required plans, all costs of determining whether the Premises is in compliance and causing the Premises to be in compliance with all applicable Environmental Laws, all costs and fees associated with claims for damages to persons, property, or natural resources, and Lessor's reasonable attorneys' fees and consultants' fees and court costs in respect thereto whether or not litigation or administrative proceedings shall occur, including all costs and expenses incurred or suffered by Lessor by reason of any violation of any applicable Environmental Law which occurs, or has occurred, upon the Premises during the Term of this Lease, or by reason of the imposition of any governmental lien for the recovery of environmental clean-up costs expended by reason of such violation. "Losses" shall mean any and all loss, claim, liability, damages, injuries to person, property or natural resources, cost, expense, action or cause of action arising from the actions of Lessee, its employees or invitees. Lessee hereby covenants and agrees that all obligations of Lessee under this Section shall survive any termination of the Lease, it being further understood and agreed that the rights of Lessor under this Section shall be in addition to any other rights and remedies under this Lease or at law or in equity. Any amount due to Lessor under this Section not paid by Lessee within thirty (30) days after written demand therefore from Lessor shall bear interest at Prime plus three percent (3%) per annum. Lessee shall comply with all Environmental Laws throughout the Term.

Lessor hereby indemnifies and holds Lessee and Lessee's employees, agents and invitees harmless from and against any and all Losses arising from causes which are not covered by Lessee's indemnity above, including, but not limited to, any Hazardous Materials on the Premises prior to the Term of this Lease and any Hazardous Materials which may in the future be caused by Lessor or other third parties.

19. **Alterations and Repairs by Lessee.** Lessee shall not replace, alter or repair the Premises or any part thereof or any equipment or appurtenance thereto if the cost thereof exceeds



in the aggregate Fifty Thousand and No/100 Dollars (\$50,000.00) (any such action being hereinafter referred to as a “Capital Improvement”), unless Lessee shall comply with the following requirements, which shall be applicable to all Capital Improvements:

a. Lessee shall, before the commencement of the work, obtain Lessor’s prior consent to the proposed Capital Improvement and shall at least ten (10) days prior to the commencement of the work furnish the Lessor with the following: (1) Complete plans and specifications for the work prepared by a licensed architect approved by Lessor, which plans and specifications shall also meet with Lessor’s approval, together with the approval thereof by any governmental board, bureau or body then exercising jurisdiction over the Premises, which plans and specifications shall be and become Lessor’s sole and absolute property in the event that this Lease shall be terminated for any reason; (2) A fixed-sum contract in assignable form made with a reputable and responsible contractor satisfactory to Lessor, providing for the erection, completion and terms of payment for all work, labor and materials necessary to perform the work within the fixed price provided for in such contract; (3) An assignment to Lessor of such contract, duly executed and acknowledged by Lessee, to be effective upon any termination of this Lease or upon Lessor’s re-entry upon the Premises following an Event of Default prior to complete performance of such contract, such assignment also to include the benefits of all payments made on account of such contract, including payments made prior to the effective date of such assignment; and (4) A surety company completion bond, in form and from an insurer satisfactory to Lessor, issued by an insurer licensed to do business in the State in which the Premises are located, guaranteeing the full completion of the work and payment therefore within a reasonable time, free and clear of all mechanics’ or similar liens, encumbrances, chattel mortgages, conditional bills of sale and other charges, in accordance with the plans and specifications approved by Lessor, or other security satisfactory to Lessor, in Lessor’s sole discretion.

b. Lessee shall (1) at its expense carry or cause to be carried the necessary worker’s compensation insurance and cause the insurance policies required under the Section entitled Insurance to be endorsed to cover the additional risk during the course of the work, and (2) procure all necessary permits from all governmental agencies and departments having jurisdiction in connection with such work. Lessee shall deliver evidence of compliance with the foregoing requirements to Lessor prior to the commencement of the work. Whenever requested by Lessor during the period of work, Lessee shall cause the architect in charge of the work (or if there is no architect in charge, the general contractor performing the work) to report in writing to Lessor as to whether the work is being done promptly and in a good and workmanlike manner, and in substantial compliance with the plans and specifications for the work. Lessee shall also deliver to Lessor copies of any and all interim or progress certificates or other reports submitted by Lessee’s architect, engineer or contractor.

c. The Capital Improvements shall be made promptly, in a first class and workmanlike manner, in compliance with all Requirements and shall not lessen the value of the Premises.

Title to any Building, Improvements, fixtures, (other than Trade Fixtures), additions, alterations, restorations, repairs and replacements constructed, made or installed by Lessee,

whether or not resulting from any Capital Improvement and including, but not limited to, any repairs, restoration and other work required to be done pursuant to the provisions of other Sections of this Lease, shall be and become Lessor's sole property at the end of the Term without the necessity of Lessee's execution and delivery of any instrument transferring title thereto. Notwithstanding the foregoing, Lessee covenants and agrees upon Lessor's request to execute, acknowledge and deliver to Lessor any instrument reasonably requested by Lessor to confirm such title, and if Lessee shall fail or refuse to execute, and deliver any such instrument, Lessor is hereby irrevocably appointed Lessee's attorney-in-fact to execute, acknowledge and deliver such instrument in Lessee's name.

20. **Alterations, Maintenance and Repairs by Lessor**. Except as specifically set forth above, and in consideration of this Lease and the payments of Rent as set forth herein, Lessor shall be responsible for all maintenance, repairs or replacements relating to the Premises during the Term, excluding any matters related to Lessee's negligence or intentional acts as set forth below. Lessor shall keep the Premises in good condition and repair and make sure modifications or replacement thereto are made as may be necessary or required by law or ordinance. Lessor reserves and at all times shall have, upon reasonable notice, the right to enter the Premises to inspect and repair the Premises as may be reasonably required without abatement of Rent, provided such activity does not materially interfere with the use of the Premises by Lessee and provided further, that in the case of emergency, Lessor may enter the Premises without prior notice to Lessee. Notwithstanding the foregoing, in the event that the Premises are damaged by the negligence or intentional misconduct of Lessee or any of Lessee's employees, agents or invitees, Lessee shall be responsible for payment to Lessor on demand of all costs to repair such damage, and such costs shall not be considered part of the Lessor's costs.

Lessor's maintenance of the premises shall include the following services and obligations to be provided and paid for by Lessor:

- a. Lawn maintenance, snow removal and grounds clean up;
- b. Trash dumpster with at least weekly pick up;
- c. Janitorial (five (5) times per week);
- d. Pest control as needed, but no less than quarterly; and
- e. The other services as set forth on Exhibit B attached hereto on the approximate schedule as set forth on Exhibit C attached hereto.

21. **Lessor's Right to Access**. In the event of an emergency, to make repairs or improvements or to show the premises to prospective buyers or Lessees or for purposes of inspection to determine Lessee's compliance with this Lease or to conduct an annual inspection or to address a safety or maintenance problem, for the purposes of inspecting the same, Lessor or Lessor's agents may enter the premises at reasonable hours, provided Lessor shall not thereby unreasonably interfere with Lessee's business on the premises. Except in cases of emergency, Lessee's abandonment of the premises, court order or where it is impractical to do so, Lessor shall give Lessee at least 48 hours' notice before entering and meet with Lessee on site when entering.

If Lessee shall at any time fail to make any payment or perform any act to be made or performed by Lessee under this Lease beyond any applicable notice and cure periods, Lessor may at its option (but shall not be required to) make any payment or perform any such act, and for such purpose. Lessor may enter upon the Premises and take all such action thereon as may be necessary therefore and any amounts paid by Lessor in connection therewith shall be deemed Additional Rent due on the next rent day after such payment together with interest thereon at Prime plus three percent (3%) per annum from the date of payment thereof.

22. **Lessee's Maintenance**. Lessee shall, at its sole expense, keep the Premises in a clean condition and fully comply at all times with all Requirements (to the extent such Requirements relate to Lessee's specific use of the Premises), and shall keep the Premises safe and secure. Lessee shall keep Lessor harmless and indemnified at all times against any loss, damage, cost or expense by reason of the failure so to do in any respect or by reason of any accident, loss or damage resulting to persons or property from any use which may be made of such Premises or by reason of or growing out of any act or thing done or omitted to be done upon such Premises; and Lessee agrees that it shall save, hold and keep Lessor and the Premises free and clear of and from any and all claims, demands, penalties, liabilities, judgments, costs and expenses (including, but not limited to, attorneys' fees), arising out of any loss or damage which may be sustained by adjoining property or adjoining owners or other persons or property in connection with Lessee's negligence or intentional acts, except to the extent occasioned by the acts of Lessor, its agents, employees or contractors. Lessee shall not commit or suffer, and shall use all reasonable precautions to prevent, waste, damage or injury to all of the foregoing. Notwithstanding anything contained herein to the contrary, Lessor shall keep in good order and repair the roof, foundation and structural walls of the Premises and Lessee shall have no repair or maintenance obligations with respect to the foregoing except to the extent occasioned by the acts of Lessee, its agents, employees or contractors. Lessee shall also at its own cost and expense keep the Premises adequately furnished and equipped throughout the Term with all equipment, fixtures and articles of personal property necessary for the operation of the Premises for the purposes herein permitted.

23. **Liens**. Lessee shall not do any act which shall in any way encumber the title of Lessor in and to the Premises, nor shall Lessee create or permit to be created, and shall promptly discharge, any such lien (including, but not limited to, any mechanic's, contractor's, subcontractor's or material man's lien or any lien, encumbrance or charge arising out of any Imposition, conditional sale, title retention agreement, chattel mortgage, security agreement, financing statement or otherwise) upon the Premises or any part thereof or the income there from or any personal property used in connection with the operation of the Premises, and Lessee shall not suffer any other matter or thing whereby the estate, rights and interest of Lessor in the Premises or any part thereof might be impaired.

If Lessee shall fail to cause any such lien to be discharged of record, then Lessor, after thirty (30) days' notice of its intention to do so, shall have the right, but not the obligation, in addition to any other right or remedy, to discharge such lien either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or bonding proceedings, and in any such event Lessor shall be entitled if it so elects to compel the prosecution of an action for foreclosure of such lien by the lien or and to pay the amount of judgment in favor of the lien owner with interest, costs and allowances. Any amount so paid by Lessor and all costs and expenses (including reasonable attorneys' fees) incurred by Lessor in connection therewith shall constitute Additional Rent

payable by Lessee under this Lease, due from Lessee to Lessor at the next rent day after any such payment, with interest thereon at Prime plus three percent (3%) per annum from the date of payment thereof.

This Lease shall constitute notice that Lessor shall not be liable for any work performed or to be performed, or any materials furnished or to be furnished, at the Premises for Lessee upon credit, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Lessor in and to the Premises, unless specifically ordered by Lessor in writing. Lessee shall have no power to do any act or make any contract that may create or be the foundation for any lien, mortgage or other encumbrance upon the estate of Lessor, or any other interest of Lessor in the Premises, the Building or the other improvements or any part thereof.

24. **Surrender of Possession.** Lessee shall on the last day of the Term, or upon any sooner termination thereof, whether by lapse of time or by reason of Lessee's Default or otherwise, surrender and deliver to Lessor the Premises and all improvements in broom-clean condition and in good repair, ordinary wear and tear excepted, and if Lessee shall thereafter remain in possession thereof, it shall be deemed guilty of forcible detainer of the Premises and shall be subject to all the conditions and provisions contained herein and to ejection and removal, forcibly and otherwise, with or without process of law. Upon the termination of this Lease by lapse of time, Lessee may remove furniture, trade fixtures and other personal property belonging to Lessee that are incident to the business of Lessee (as distinguished from personal property used in the operation of the Premises; such furniture, trade fixtures and other personal property belonging to Lessee and incident to the business of Lessee are hereinafter referred to as "Trade Fixtures." Lessee shall repair any injury or damage to the Premises that may result from such removal. If Lessee does not remove such Trade Fixtures from the Premises prior to the end of the Term, however ended, Lessor may, at its option, remove the same and deliver the same to any other place of business of Lessee or warehouse the same, and Lessee shall pay the cost of such removal (i.e., the repair of any injury or damage to the Premises resulting from such removal), delivery and warehousing to Lessor on demand, or Lessor may treat such Trade Fixtures as having been conveyed to Lessor with this Lease as a bill of sale, without further payment or credit by Lessor or Lessee. Any holding over by Lessee of the Premises after the expiration of this Lease shall operate and be construed to be a tenancy from month to month only, at one hundred twenty-five percent (125%) of the monthly installments of Rent. Nothing contained in this Section shall be construed to give Lessee the right to hold over after the expiration of this Lease, and Lessor may exercise any and all remedies at law or in equity to recover possession of the Premises and may seek damages in the event of such a hold over tenancy.

25. **Signs.** During the Term of this Lease, Lessee shall have the right to place signs upon the Premises to indicate that it is utilizing the Premises for its purposes. At the end of the Term, Tenant shall be responsible for removal of any signs and for repairing any damage caused by such removal.

Unless expressly waived in writing, Lessor shall have the right, exercisable without notice, without any liability to Lessee for damage or injury to person, property or business, without being deemed an eviction or disturbance in any manner of Lessee's use or possession of the Premises and without relieving Lessee from its obligation to pay Rent when due or from any other obligation under this

Lease, during the last three (3) months of the Term to install, affix and maintain “For Rent” or “For Sale” signs on the exterior of the Premises.

26. **Subordination.** This Lease shall be subject and subordinate at all times to the lien of all mortgages and trust deeds in any amount or amounts whatsoever now or hereafter placed on or against the Building or the Premises or on or against Lessor’s interest or estate therein, all without the necessity of having further instruments executed on the part of Lessee to effectuate such subordination; provided that in the event of a foreclosure of any such mortgage or trust deed or any other action or proceeding for the enforcement thereof, or of any sale there under, this Lease will not be barred, terminated, cut off or foreclosed nor will the rights and possession of Lessee hereunder be disturbed if there shall exist no Event of Default with respect to the payment of Rent or any other Event of Default hereunder. Lessee shall attorn to the purchaser at any such foreclosure, sale or other action or proceeding or, if requested, enter into a new lease for the balance of the Term then remaining upon the same terms and provisions as are in this Lease contained. Lessee agrees to execute and deliver upon demand such further instruments evidencing such subordination of this Lease to the lien of any such mortgages or trust deeds as may be required by Lessor. Notwithstanding the foregoing, Lessee shall from time to time on request from Lessor execute and deliver any documents or instruments that may be required by any lender to effectuate such subordination. If Lessee fails to execute and deliver any documents or instruments, Lessee irrevocably constitutes and appoints Lessor as Lessee’s attorney in fact to execute and deliver such documents or instruments.

27. **Agents and Authority to Receive Legal Papers.** Any notice, which either party may or is required to give, may be given by mailing the same, by certified mail, to Lessee at 1612 North 24<sup>th</sup> Street, Omaha, NE 68110. The Lessor, any person managing the premises and anyone designated by the Lessor as agent are authorized to accept service of process and receive other notices and demands, which may be delivered to Lessor at: El Mero Mero, Inc., 2312 M Street, Omaha, Nebraska.

28. **Brokerage Fees, Commissions.** Lessee represents that Lessee was not shown the premises by any real estate broker or agent and that Lessee has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder’s fee or other similar charge, in connection with this Lease.

29. **Estoppel Certificate.** At any time and from time to time but on not less than ten (10) days prior written request by either party hereto, the other party shall execute, acknowledge and deliver to the requesting party, promptly upon request, a certificate in a form provided by the requesting party certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification), (b) the date, if any, to which Rent has been paid, (c) that no notice has been received by such party of any Default which has not been cured, except as to Defaults specified in the certificate, and (d) such other matters as may be reasonably requested by the requesting party. Any such certificate may be relied upon by any prospective purchaser, mortgagee or beneficiary under any trust deed of the Premises or any part thereof and by any collateral assignee of this Lease.

30. **Indemnification of Lessor.** To the fullest extent permitted by Law, Lessee agrees to indemnify and save Lessor and its respective agents and employees harmless from and against all liabilities, claims, suits, fines, penalties, damages, losses, fees, costs and expenses (including, but not limited to, Lessor's attorneys' fees) that may be imposed upon, incurred by or asserted against Lessor by reason of: (a) Any work or thing done in, on or about the Premises or any part thereof by Lessee; (b) Any use, occupation, condition, operation of the Premises or any part thereof in violation of Law (except to the extent otherwise set forth in this Lease); (c) Any negligent or intentional action on the part of Lessee or any Allowed User or any of its or their agents, contractors, servants, employees, licensees or invitees; (d) Any accident, injury (including death) or damage, regardless of the cause thereof, to any person or property occurring in, on or about the Premises or any part thereof; and/or (e) Any failure on Lessee's part to perform or comply with any of the covenants, agreements, terms or conditions in this Lease or in any sublease, license, concession or other agreement entered into by Lessee.

The provisions of this Section shall survive the expiration or earlier termination of this Lease. Lessee agrees to pay, and to indemnify Lessor against, all costs and expenses (including, but not limited to, Lessor's reasonable attorneys' fees) incurred by or imposed upon Lessor by or in connection with any litigation to which Lessor becomes or is made a party without fault in its part, whether commenced by or against Lessee, or that may be incurred by Lessor in enforcing any of the covenants and agreements of this Lease (with or without the institution of any action or proceeding relating to the Premises or this Lease) or in obtaining possession of the Premises after an Event of Default or upon expiration or earlier termination of this Lease. Lessor may, but shall not be obligated to, cure any Default by Lessee hereunder. All sums expended and all costs and expenses (including, but not limited to, reasonable attorneys' fees) incurred by Lessor pursuant to the provisions of this Lease or on account of any Default by Lessee under this Lease shall bear interest thereon from the respective dates when expended or incurred by Lessor at Prime plus three per cent (3%) per annum until repaid by Lessee to Lessor, and all such sums together with such interest shall become additional rent under this Lease, payable by Lessee to Lessor on the next rent date after such expenditure. All Rent and other amounts payable by Lessee under this Lease shall be and are hereby declared to be a valid and first lien upon Lessee's interest in the Premises and upon the rents, issues and profits in any manner arising or growing out of the same, and upon Lessee's interest in this Lease. In the event of any breach or threatened breach by Lessee of any of the covenants, agreements, terms or conditions contained in this Lease, Lessor shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings and other remedies were not provided for in this Lease. No receipt of monies by Lessor from Lessee after termination of this Lease or after the giving of any notice of termination of this Lease shall reinstate, continue or extend the Term or affect any notice theretofore given to Lessee, or operate as a waiver of Lessor's right to enforce the payment of Rent and any other payments or charges herein reserved and agreed to be paid by Lessee then or thereafter falling due, or operate as a waiver of Lessor's right to recover possession of the Premises, it being agreed that after the service of notice to terminate this Lease or the commencement of suit or summary proceedings, or after final order or judgment for the possession of the Premises, Lessor may demand, receive and collect any monies due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such monies collected being deemed payments on account of the use and occupation of the Premises or at Lessor's election on account of Lessee's liability hereunder. Lessor's granting of any consent under this Lease, or Lessor's failure to object to any

action taken by Lessee without Lessor's consent required under this Lease, shall not be deemed a waiver by Lessor of its rights to require such consent for any further similar act by Lessee. No waiver by Lessor of any other breach of the covenants of this Lease shall be construed, taken or held to be a waiver of any other breach or to be a waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. None of Lessee's covenants under this Lease, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Lessor. No remedy conferred upon or reserved to Lessor under this Lease or under law shall be considered exclusive of any other remedy, but such remedies shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and every power and remedy given by this Lease to Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, without precluding Lessor's simultaneous or later exercise of any or all other rights or remedies. No delay or omission of Lessor to exercise any right or power arising from any Default or Event of Default shall impair any such right to power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein.

31. **Indemnification of Lessee**. To the fullest extent permitted by Law, Lessor agrees to indemnify and save Lessee and its respective agents and employees harmless from and against all liabilities, claims, suits, fines, penalties, damages, losses, fees, costs, and expenses (including, but not limited to, Lessee's attorney's fees) that may be imposed upon, incurred by, or asserted against Lessee by reason of: (a) the Premises not being in compliance with Requirements (except to the extent that Lessee's specific use of the Premises or any remodeling of the Premises caused the Requirements to be violated); (b) any accident, injury (including death) or damage, regardless of the cause thereof, to any person or property occurring in, on, or about the Premises or any part thereof due, in whole or in part, to Lessor, its employees or agents; or (c) any failure on Lessor's part to perform or comply with any of the covenants, agreements, terms or conditions in this Lease. The provisions of this Section shall survive the expiration or early termination of this Lease.

32. **Peaceable Enjoyment**. Lessor covenants that if and so long as Lessee shall faithfully perform the covenants and agreements of this Lease, Lessee shall and may (subject to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the Term free of any interference by Lessor or anyone claiming through or by Lessor except those to which this Lease is expressly made subject and subordinate.

33. **Paragraph Headings**. The headings of particular paragraphs and subparagraphs are inserted only for convenience and are not part of this Lease and are not to act as a limitation on the scope of the particular paragraph to which the heading refers.

34. **Court Costs and Attorney's Fees**. In any action or legal proceeding to enforce any part of this Lease, the prevailing party shall recover reasonable attorneys' fees and court costs. Lessee agrees that, in the event Lessee shall have any claim against Lessor under this Lease arising out of the subject matter of this Lease, Lessee's sole recourse shall be against Lessor's interest in the Premises, for the satisfaction of any claim, judgment or decree requiring the payment of money by Lessor as a result of a breach hereof or otherwise in connection with this Lease, and no other property or assets of Lessor, its successor or assigns, shall be subject to the levy, execution or other enforcement procedure for the satisfaction of any such claim, judgment, injunction or decree.

35. **Prevailing Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Nebraska.

36. **Binding on Successors.** All covenants, agreements, conditions and undertakings contained in this Lease shall extend and inure to and be binding upon Lessor's successors and assigns and Lessee's permitted successors and assigns as if such successors and assigns were in each case specifically named, and shall be construed as covenants running with the land. Wherever reference is made in this Lease to either party, it shall be held to include and apply to such successors and assigns. The provisions of this Section shall not be construed to grant or to confer any greater rights of assignment upon Lessee than are provided in the Section entitled "Assignment or Subletting" above.

37. **Time is of the Essence.** Time is of the essence with respect to every provision of this Lease.

38. **Entire Agreement.** This document and any exhibits attached hereto constitute the entire Lease between the parties, and no promises or representations, other than those contained here and those implied by law, have been made by Lessor or Lessee. Any modifications to this Lease must be in writing and signed by Lessor and Lessee.

39. **Severability.** The provisions of this Lease are severable and in the event any provision, clause, sentence, section or part thereof is held to be invalid, illegal, unconstitutional, inapplicable or unenforceable to any person or circumstances, such invalidity, illegality, unconstitutionality, inapplicability or unenforceability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, parts of the lease or their application to Lessee or other persons or circumstances. It is understood and agreed that the terms, conditions and covenants of this Lease would have been made by both parties if such invalid, illegal, unconstitutional, inapplicable or unenforceable provision, sentence, clause, section or part had not been included therein. To the extent that any portion of this Lease found to be invalid, illegal, unconstitutional, inapplicable or unenforceable may be valid by striking of certain words or phrases, such words or phrases shall be deemed to be stricken and the remainder of the provisions and the remainder of the other portions of this Lease shall remain in full force and effect. It is further agreed that this Lease may be executed in counterparts, each of which when considered together shall constitute the original contract.

**[The remainder of this page intentionally left blank; signature page follows.]**

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the dates set forth below.

Lessor:

EL MERO MERO, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: June \_\_\_\_, 2018



Address: 2312 M Street  
P.O. Box 7350  
Omaha, NE 68107

Phone: (402) 734-3240

Lessee:

LEARNING COMMUNITY OF DOUGLAS AND SARPY COUNTIES

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: June \_\_\_\_, 2018

Address: 1612 North 24<sup>th</sup> Street  
Omaha, NE 68110

Phone: (402) 964-2405

## **EXHIBIT "A"**

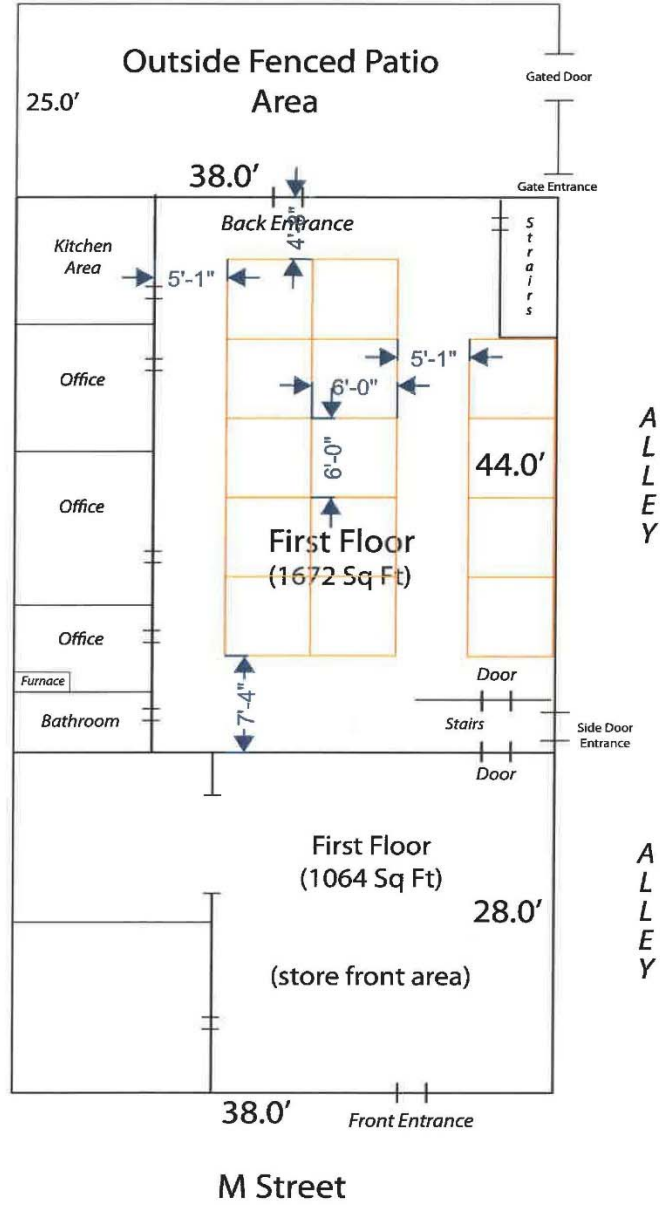
### **LESSEE'S WORK**

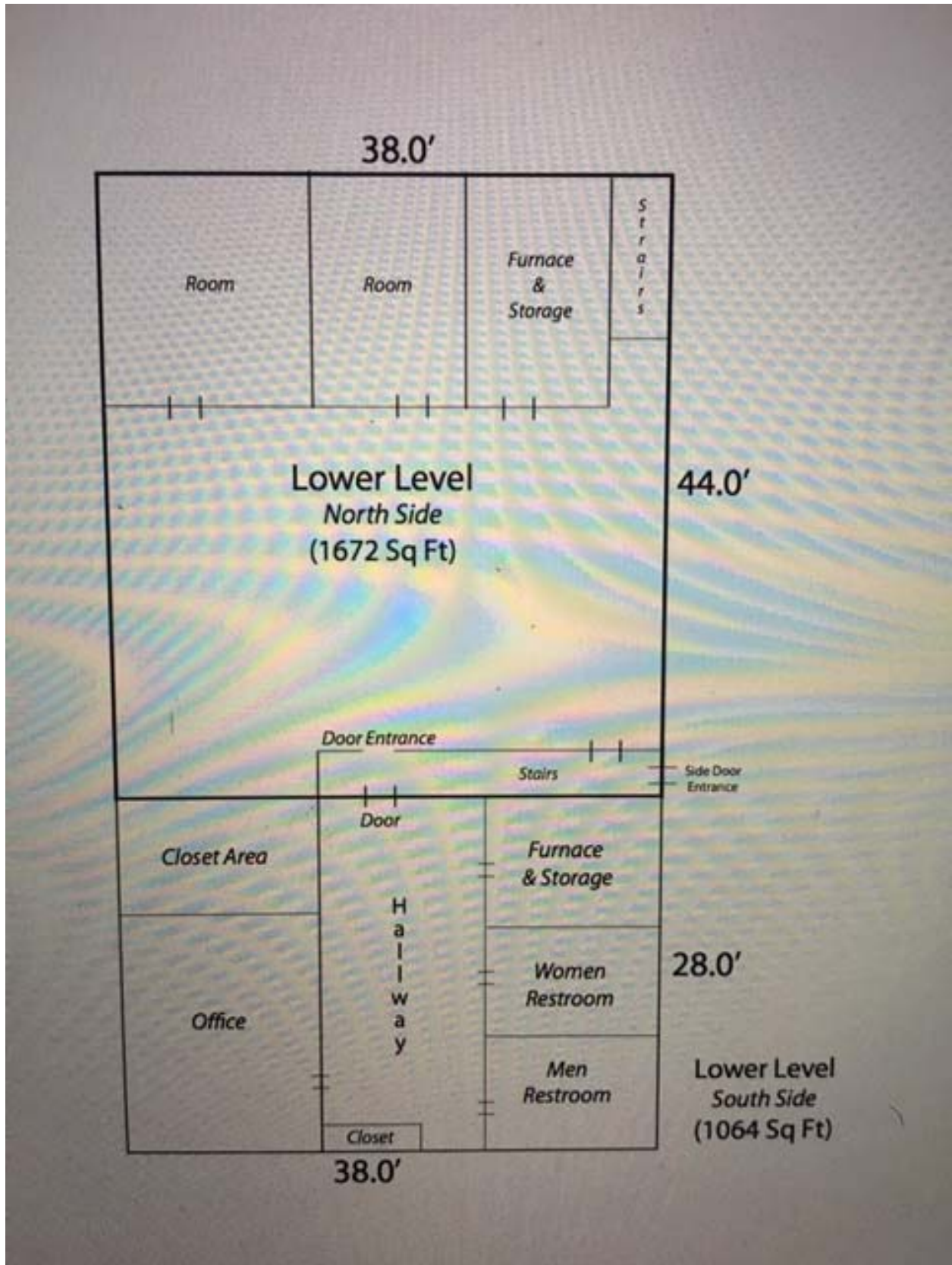
1. First Floor Improvements.
  - a. Replace lighting and certain electrical wiring as recommended by Lessee's contractor or as desired by Lessee.
  - b. Replace carpet in all or portions of certain rooms as desired by Lessee.
  - c. Add a window on north side of Building.
  - d. Repaint all or portions of certain rooms as desired by Lessee.
  - e. Change locks to access doors on Building.
  - f. Installation of a diaper changer in both restrooms.
2. Basement Improvements
  - a. Add carpet to the main room and the two (2) offices on the north half of the Building, all as shown on the diagram attached as Exhibit "A-1" attached hereto.
  - b. Add locks to each of the office doors and the main door at the bottom of the stairs.
  - c. Add a room, with approximately 8' x 12' in the location as shown in the attached diagram. The door to that room shall open into the open area in the office.
  - d. Add a window to the newly added 8' x 12' room to allow people to look out from that room into the main room, all as shown on the attached diagram.
  - e. Add a light and light switch to the newly constructed 8' x 12' room.

**EXHIBIT "A-1"**

**DIAGRAM OF FIRST FLOOR AND BASEMENT**

**2314 M Street, Omaha, NE 68017**





## **EXHIBIT “B”**

### **SERVICES**

#### **I. Description of Services**

This Service Level Agreement covers the provisions of building, grounds and engineering maintenance service for Learning Community of Douglas and Sarpy County and the related properties and infrastructure located at 2312/2314 M Street in Omaha, NE.

#### **II. General Services**

1. Provide maintenance services, through scheduled work orders, for standard pricing, from 8:00am to 5:00pm Monday to Friday.
2. Provide out-of-hours coverage via an emergency dial in number, for over time rate. The dial in number for emergency is
3. Schedule work orders during business hours (8:00am to 5:00pm)
4. Be professional, courteous and sensitive to the client’s needs at all times.
5. Undertake maintenance work orders during the above working hours, unless otherwise agreed with department manager or required for safe working.
6. Charge costs on a monthly basis in accordance with the lease provisions.
7. Monitor the quality of work to ensure compliance with current standards and legislation.
8. Coordinate with Program Director, when practical, before starting work and avoid undertaking non-emergency tasks during out-of-hours times.

#### **III. Reactive Maintenance**

*Defined as un-planned repairs required to restore the building, property, grounds or equipment back to operational condition.*

1. Provide emergency out-of-hours coverage 24 hours per day, 365 days per year.
2. Prioritize reactive maintenance requests using the following defined and agreed criteria:

##### **Reactive Priority 1 (Emergency): Definition:**

- 1. No Heat/No Air Conditioning**
- 2. Fire**
- 3. Flood**
- 4. No Electricity**
- 5. No Water**
- 6. Any Issues prohibiting securing the perimeter of the building from outside entrance (doors, windows, etc.)**

- Response within 30 minutes from issue
- Completion within 2 hours from receipt/response (unless prohibiting circumstances arise)

**Reactive Priority 2 (Urgent) Definition:**

- 1. No Hot Water**
- 2. Minor Leaks**
- 3. Appliances Not Working**
- 4. Sewer Back Up (Not flooding)**
- 5. Broken/Frozen/Leaking Pipes (Not flooding)**
- 6. Graffiti**

- **Dog Feces accumulating on property**
- Response time within 1 business day from issue
- Completion within 4 hours from receipt/response (unless prohibiting circumstance arise)

**Reactive Priority 3 (Non Urgent) Definition:**

- 2. All other maintenance not listed above**

- Response time within 1 business days from issue
- Completion within 7 business days from receipt/response (unless prohibit circumstances arise)

**IV. Planned Preventative Maintenance**

*Defined as planned routine maintenance, testing and inspection of building, property, grounds or equipment to prevent component failure and maintain them in an operational condition.*

1. Compile a planned preventative maintenance program for periodic review and approval by Programs Director.
2. Undertake the preventative maintenance program in accordance with the agreed schedules and scope.

**V. Cleaning Services**

*Defined as janitorial services provided 5 days per week, Monday through Friday, in a commercially reasonable manner consistent with other commercial buildings. (Checklist is attached in Exhibit A)*

1. Daily Services
  - a. Spray and wipe down all desks, tables, counters, sinks, credenzas, etc.
  - b. Empty trash, take to dumpster, replace dirty liners
  - c. Empty sanitary napkin receptacles and spray with disinfectant
  - d. Vacuum carpet
  - e. Sweep and Mop all solid surface floors
  - f. Clean and sanitize sink area and drinking fountains
  - g. Disinfect door handles and light switches
  - h. Clean all dispensers, mirrors and light fixtures within arm's reach
  - i. Clean and disinfect koala changing table in bathroom

- j. Wipe down all classroom tables, children’s tables, waiting room tables, etc.
  - k. Clean and disinfect sinks, toilets, toilet seats and urinals
  - l. Restock all paper products and hand soap (Product to be provided by tenant)
  - m. Spot clean carpet where needed (Tenant to be provided with a “Cleaning Notification Form” to allow them to identify any cleaning areas they believe need additional attention at the end of the day, a sample is provided as Exhibit D)
  - n. Remove dead bugs where visible in corners, hallways, window sills, lights, etc.
2. Weekly Services
- a. Thorough clean and sanitize of bathroom partitions and walls
  - b. Edges and corners of rooms as needed
  - c. Clean and Dust high surfaces, doors, partitions, mirrors or vents
  - d. Dust corners of walls for webs
  - e. Wipe down all interior windows in areas reachable from the ground
3. Monthly
- a. Dust baseboards
  - b. Childcare rooms, classrooms and hallways carpet cleaning (additional charge to tenant)
4. Quarterly
- a. Exterior Glass cleaning at the landlords expense
  - b. Carpet cleaning (this is dependent upon the manufacturer’s warranty and recommendations)

**VI. Grounds Services**

*Defined as lawn maintenance, snow removal and grounds clean-up provided in a commercially reasonable manner consistent with other commercial buildings. (Checklist is attached in Exhibit B)*

1. Lawn Maintenance – (Contract with Lawn Maintenance Company to include a “no-smoking” provision for all employees, contractors and affiliates of the company)
- a. Lawn maintenance is provided once per week on a day to be designated at the beginning of the spring season.
  - b. There will be 2 large clean ups, once per year. Spring Clean up to include planting of new landscaping where needed, clean up any dead landscaping, leaves, etc. and Fall Clean up to remove any annual landscaping, final clean-up of leaves, etc.
  - c. Lawn Maintenance to include
    - i. Mowing of Grass
    - ii. Edging of all grass areas
    - iii. Removal of any feces
    - iv. Spraying, aeration and fertilization depending on the time of year
    - v. General maintenance and upkeep of landscaping beds
2. Snow Removal
- a. Snow Removal is provided in a commercially reasonable effort to clear all parking lots, sidewalks, stairs and stoops by or before 7:00am, Monday through Friday.
  - b. Exclude holidays where the tenants operations are closed. (Holidays to be designated on an additional page by Program Director and included as Exhibit C)
  - c. Exclude weekends, however must be cleared before 7:00am on Monday.

3. Grounds Clean-up

- a. Grounds clean up to be provided once per week on Mondays.
- b. Grounds clean up to include inspection the property for the following:
  - i. There is no graffiti present
  - ii. The Landscaping has been performed to company/tenant standards
  - iii. Landscaping/Sidewalks/Walls watered and free of weeds.
  - iv. Sidewalk/Parking lots are clear, swept and in good repair
  - v. Windows are in good repair and cleaned where necessary
  - vi. Signage is in good repair
  - vii. Dumpster area is clean, in good repair and no graffiti
  - viii. Trash has been picked up
  - ix. There are no vehicles on property that do not belong to staff or center clients. (Check with the center, prior to towing to ensure that vehicles are not towed accidentally)

**VII. Additional Services**

- 1. Provide approximate estimates for Program Director for “improvement” work. All maintenance hours spent will be charged at the published hourly rates and to the party designated in the lease. Estimates will be delivered within a mutually agreed period of time.
- 2. Undertake “minor improvement” work to a mutually agreed timetable.
- 3. Provide technical advice on building and engineering service issues. All maintenance hours spent will be charged at the published hourly rates and to the party designated.

**VIII. Non-Emergency Work Order Process**

**Out of Schedule, non-emergency, maintenance and grounds requests during business hours, the following methods of contact are preferred:**

- i. **Email:???**
- ii. **Phone: XXXXX.** ABC can assist with taking the call and ensuring that a work order is placed.

**IX. Emergency Work Orders**

- Contact Name and Phone Number (mainly for afterhours emergency)



**Exhibit A**

Learning Community - 2302 M Street

Cleaning Schedule

	Entry Way	Waiting Area	Hallways	Offices & Cubicles	C	Navigation Office	C	Mens Bathroom	Womens Bathroom	Kitchenette
<b>Daily</b>										
Spray and wipe down all desks, tables, counters, sinks, credenzas, etc.										
Empty trash, take to dumpster, replace the dirty liners										
Empty sanitary napkin receptacle and spray with disinfectant										
Wipe down (2) glass doors at the entry to the building										
Vacuum all carpets										
Sweep and Mop all solid surface floors										
Clean and sanitize sink area and drinking fountains										
Disinfect door handles and light switches										
Clean all dispensers, mirrors and light fixtures within arms reach										
Clean and disinfect koala changing table in bathroom										
Wipe down all classroom tables, childrens tables, waiting room tables, etc.										
Clean and disinfect sinks, toilets, toilet seats and urinals										
Restock all paper products and hand soap (product to be provided by tenant)										
Spot clean carpet where needed										
Wipe down all interior windows in areas reachable from the ground										
Wipe down all window sills										
<b>Weekly</b>										
Thorough Clean and sanitize of bathroom partitions, walls										
Edges and corners as needed										
Clean and Dust any high surfaces, doors, partitions, mirrors or vents										
Dust corners of walls for webs										
Exterior Ground Cleaning (pick up trash, sweep parking/sidewalk)										
<b>Monthly</b>										
Dust baseboards										
Childcare room, classrooms and hallway carpet cleaning (additional charge to tenant)										
<b>Quarterly</b>										
Wax the VCT in facility										
Full Carpet Cleaning for facility (depending on manufacturers warranty)										
<b>Annual</b>										
Cleaning and sanitizing microwaves										
Cleaning of furniture or the moving of furniture to clean under neath										
Clean and Sanitize food preparation appliances										
Clean and Sanitize Refrigerator										
Clean and Sanitize small rugs										
Clean and Sanitize phone receivers										

Cleaning Signature \_\_\_\_\_

Date \_\_\_\_\_

**Exhibit B**

Learning Community - 2302 M Street

Grounds Cleaning

	East Side of Building	East Parking Lot	South Side of Building	West Entrance/Walk	West Parking Lot	Childrens Play Area Perimeter	North Stairwell	North Side of Building
<b>Weekly</b>								
No Graffiti is Present								
Grass is Mowed								
Landscaping/Sidewalks/Walls watered and free of weeds								
Sidewalk/Parking Lots clear, swept and in good repair								
Windows are in good repair								
Signage is in good repair								
Dumpster area is clean, in good repair and no graffiti								
Trash has been picked up								
There are no vehicles on the property that do not belong to staff								
<b>Yearly</b>								
Landscaping Refresh at the beginning of spring								
Mulch Refresh at the beginning of spring								
Spring Grass Seed								
Fall Aeration and Fertilize								
Fall Clean Up of leaves and landscaping								

Grounds

Date

**Exhibit B**

Learning Community - 2302 M Street

Grounds Cleaning

	East Side of Building	East Parking Lot	South Side of Building	West Entrance/Walk	West Parking Lot	Childrens Play Area Perimeter	North Stairwell	North Side of Building
<b>Weekly</b>								
No Graffiti is Present								
Grass is Mowed								
Landscaping/Sidewalks/Walls watered and free of weeds								
Sidewalk/Parking Lots clear, swept and in good repair								
Windows are in good repair								
Signage is in good repair								
Dumpster area is clean, in good repair and no graffiti								
Trash has been picked up								
There are no vehicles on the property that do not belong to staff								
<b>Yearly</b>								
Landscaping Refresh at the beginning of spring								
Mulch Refresh at the beginning of spring								
Spring Grass Seed								
Fall Aeration and Fertilize								
Fall Clean Up of leaves and landscaping								

\_\_\_\_\_  
Grounds

\_\_\_\_\_  
Date

**EXHIBIT C**

**PAGE**

**INTENTIONALLY  
LEFT BLANK FOR  
CENTER HOLIDAY  
TO BE PROVIDED  
BY PROGRAM  
DIRECTOR**

**Exhibit D**

Request for Cleaning Attention	
DATE REQUEST IS BEING MADE:	
PROPERTY NAME OR ADDRESS:	<b>Learning Community of Douglas/Sarpy County</b>
LOCATION OF ISSUE ON PROPERTY:	
KIND OF CLEANING NEEDED (i.e. carpet spot clean, debris, wipe down, vacuum, etc.):	
DESCRIPTION OF ISSUE:	
REPORTED BY:	



Request for Cleaning Attention	
DATE REQUEST IS BEING MADE:	
PROPERTY NAME OR ADDRESS:	<b>Learning Community of Douglas/Sarpy County</b>
LOCATION OF ISSUE ON PROPERTY:	
KIND OF CLEANING NEEDED (i.e. carpet spot clean, debris, wipe down, vacuum, etc.):	
DESCRIPTION OF ISSUE:	
REPORTED BY:	



## Memorandum

**To: Learning Community Coordinating Council Members**  
**From: Lorraine Chang, Chair**  
**Subject: CEO 2018 Discretionary Bonus Action and Contract Renewal**  
**Date: June 14, 2018**

Dear Colleagues,

Thank you for participating in the 2018 performance evaluation of our CEO, David Patton. As Council members, the hiring, retention and compensation of our CEO are some of our most important responsibilities. Under the Council's Policies and Procedures 2.3.4, the Executive Committee is responsible for any matters related to personnel. In preparation for our June 21st full Council meeting, this memorandum is intended to update you on the process and to inform you of the Executive Committee's recommendations with respect to David's discretionary performance bonus and the terms of the renewal of David's CEO contract.

Per the timeline that was distributed to you at our April Council meeting, feedback from Council members, Superintendents and staff was collected and summarized by Koley Jessen. Vice Chair Susan Kelley and I met with David on May 31<sup>st</sup> to review the feedback with him. At our June 8<sup>th</sup> meeting, the Executive Committee reviewed the feedback and David shared his explanation of how he has accomplished his 2017-2018 goals. At that meeting, the Executive Committee voted on its recommendations regarding David's discretionary performance bonus and contract renewal terms, set forth below. At our June 21<sup>st</sup> full Council meeting, the Council will be asked to vote on these recommendations. Prior to voting in open session, the Council may also vote to go into closed session for discussion purposes, subject to guidance provided by our legal counsel.

### 2017-2018 Discretionary Performance Bonus

Under Section 4(b) of his Employment Agreement, David is eligible to receive a discretionary performance bonus of up to 3% of his base salary based on his successful accomplishment of a set of challenging CEO performance goals approved by the Council. David was awarded the full 3% bonus last year for his successful accomplishment of his 2016-2017 goals. Last fall, the Council approved the following 2017-2018 goals for David:

1. Expand Learning Community programs and/or funding with partner contributions;
2. Create for Council approval an evaluation model for the Community Achievement Plan (CAP); and
3. Build community value and support for the Learning Community and its mission.

Following review and discussion of David's accomplishment of his 2017-2018 goals, the Executive Committee is recommending that the full Council approve David's receipt of his full 3% discretionary performance bonus (\$4,141) based upon his successful completion of his 2017-2018 goals. The full Council will have the opportunity to hear from David as to the accomplishment of his 2017-2018 goals at the June 21<sup>st</sup> meeting.

2018 CEO Contract Renewal

CEO David Patton's current three-year contract extends through June 30, 2020. His base salary for 2017-2018 has been \$138,020, subject to withholding and annual cost of living adjustments. The feedback received from Council members, staff, and, especially, Superintendents regarding David's performance as CEO of the Learning Community was very positive. The feedback summary prepared by Koley Jessen will be shared with all Council members at the June 21<sup>st</sup> meeting.

Based on our review and discussion of the feedback received, the Executive Committee is recommending that the full Council renew David's contract for another three-year period, essentially extending his contract through June 30, 2021. We are also recommending that the Council authorize a 3% cost of living increase to David's base salary that would bring David's 2018-2019 base salary to \$142,161 as of July 1, 2018. This 3% cost of living increase is based on review of cost of living increases applied by the federal government as well as our two largest school districts, OPS and Millard. Finally, we are also recommending that David continue to be eligible for an up to 3% discretionary performance bonus based upon his accomplishment of a set of 2018-2019 goals to be approved by the full Council at a later date. *Copies of the contract term sheet and Second Amendment to Employment Agreement are attached.*

If you have any questions, please feel free to contact me or Susan Kelley. Thank you for your thoughtful participation in this process. -L.



## DAVID J. PATTON EMPLOYMENT TERM SHEET

<b>Employee</b>	David J. Patton
<b>Position</b>	Chief Executive Officer
<b>Term</b>	July 1, 2018 through June 30, 2021, unless terminated earlier per agreement. May be renewed for successive twelve (12) month terms upon mutual agreement of parties, requiring approval by majority of Coordinating Council.
<b>Duties</b>	Those duties described in Attachment "A" (job description) and such other duties as determined by the Chair of the Coordinating Council which relate to position.
<b>Reporting</b>	Reports to the Chair of the Coordinating Council.
<b>Performance of Duties</b>	Position is a full-time, exempt position, with regular office and some evening and/or weekend hours. Primary place of work is offices of Employer.
<b>Compensation</b>	Annual Base Salary of \$142,161, payable monthly, subject to withholding and annual cost of living adjustments. Employee will also be eligible for a discretionary bonus of up to 3% of Base Salary as of June 30, 2019, based upon Employee's accomplishment of 2018-2019 performance goals as determined by the Council.
<b>Benefits</b>	Employee is entitled to participate in all plans, programs and/or benefits and conditions of employment made generally available to employees of Employer. These currently include: <ul style="list-style-type: none"> <li>▪ 100% Individual Health &amp; Dental Insurance</li> <li>▪ 50% Family Health &amp; Dental Insurance</li> <li>▪ 100% Life, Disability and Accidental Death and Dismemberment</li> <li>▪ Simple IRA Retirement Benefit – up to 3% match</li> </ul>
<b>Vacation</b>	15 days of paid vacation per year, plus all recognized holidays.
<b>Sick Leave</b>	12 days paid per year for illness of Employee or an immediate family member of Employee.
<b>Expense Reimbursement</b>	All reasonable, business-related expenses in accordance with IRS guidelines and Employer policies; business use of cell phone; connectivity costs for home computer; NCSA dues.
<b>Termination</b>	<ol style="list-style-type: none"> <li>1. <i>Without Cause</i> – Either party upon not less than 90 days advance written notice; termination without cause by Employer shall require the affirmative vote of majority of the Council before notice is given to Employee.</li> <li>2. <i>For Cause</i> – Immediate termination by majority vote of the Council. "Cause" includes: (a) breach of any of the material provisions of this Agreement; (b) incompetency; (c) neglect of duty; (d) unprofessional conduct; (e) insubordination; (f) immorality; (g) physical or mental impairment that prevents Employee from performing the essential functions of position with or without a reasonable accommodation; or (h) conviction of (or pleads to) a crime.</li> </ol>
<b>Indemnification</b>	To the extent permitted by applicable law, Employer shall indemnify Employee and hold him harmless for any reasonable acts or decisions made in good faith while performing duties and responsibilities as CEO.
<b>Amendment</b>	Agreement may be amended or supplemented upon written agreement of the parties, subject to approval by a majority vote of the Council.
<b>Agreement</b>	<b>THIS TERM SHEET IS NONBINDING AND IS OFFERED FOR INFORMATIONAL PURPOSES ONLY.</b> Until full Council has approved of and both parties have signed the First Amendment to Employment Agreement, no changes to the Employment Agreement will be binding on the part of either party.

## SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement (the "Second Amendment") is made and entered into as of June \_\_\_\_, 2018, by and between the Learning Community of Douglas and Sarpy Counties, a Nebraska political subdivision ("Employer"), and David J. Patton, an individual, ("Employee").

WHEREAS, Employer and Employee are parties to that certain Employment Agreement commencing on July 1, 2016 as amended pursuant to that certain First Amendment to Employment Agreement (the "Agreement"); and

WHEREAS, pursuant to Paragraph 10.f. of the Agreement, the parties desire to further amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employer and Employee, intending to be legally bound, hereby agree as follows:

1. **Defined Terms**. All capitalized terms contained in this Second Amendment that are not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. **Revised Base Salary**. Paragraph 4.a. of the Agreement is hereby amended and restated in its entirety as follows:

**Base Salary**. Employer shall pay Employee an annual base salary of One Hundred Forty-Two Thousand One Hundred Sixty-One and No/100 Dollars (\$142,161.00), subject to applicable withholdings and annual cost of living adjustments, unless and until adjusted as set forth below (the "Base Salary"). Employee's Base Salary shall be paid, less applicable withholdings, on a monthly basis in the gross amount of Eleven Thousand Eight Hundred Forty-Six and 75/100 Dollars (\$11,846.75), in accordance with Employer's regular payroll practices and policies. Employee's Base Salary will be evaluated by the Coordinating Council on an annual basis, and the Coordinating Council may authorize increases to the Base Salary, in its sole discretion, based on Employee's performance (as approved by the Coordinating Council) and the results of Employee's annual performance review.

3. **Discretionary Incentive Compensation**. Paragraph 4.b. of the Agreement is hereby amended and restated in its entirety as follows:

**Discretionary Incentive Compensation**. In addition to the Base Salary, Employee shall be eligible to receive a discretionary performance bonus in an amount of up to three percent (3%) of Employee's Base Salary as of June 30, 2019, based upon Employee's accomplishment of performance goals for 2018-2019, as determined by the Coordinating Council in its sole discretion. Incentive compensation opportunities in subsequent years, if any, will be determined by the Coordinating Council.

4. **Revised Term.** The first paragraph of Paragraph 5 of the Agreement is hereby amended and restated in its entirety as follows:

Term. The term of this Agreement shall commence on July 1, 2018 (the “Commencement Date”) and shall continue through June 30, 2021 (the “Initial Term”), at which time, this Agreement shall be automatically extended for additional one (1) year terms beginning on each subsequent anniversary of the Commencement Date thereafter, unless and until Employee’s employment under this Agreement is terminated upon the occurrence of any of the following events:

5. **Conflict of Terms.** In the event of a conflict between the terms and conditions of the Agreement and this Second Amendment, the terms and conditions of this Second Amendment shall apply.

6. **Ratification.** Except as specifically amended herein, the Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects.

7. **Counterparts.** This Second Amendment may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

8. **Entire Agreement.** The Agreement, together with this Second Amendment, including the recitals to this Second Amendment, which are incorporated herein by this reference, constitutes the entire agreement of the parties related to the subject matter hereof, and supersedes any prior agreements or understandings, written or oral, between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Employment Agreement as of the date first above written.

LEARNING COMMUNITY OF DOUGLAS AND  
SARPY COUNTIES, a Nebraska political subdivision

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
David J. Patton, Employee