

# IDLA Board of Directors Meeting

May 13, 2025

# GUIDELINES FOR ADDRESSING THE BOARD DURING OPEN FORUM

Open Forum is allowed during a regular scheduled Board meeting and will not be permitted during a special Board meeting or an Executive Session. The duration of time allowed per speaker will not exceed five minutes. Should a large number of speakers wish to speak on the same issue or topical area, the Chair of the Board may limit the time allocated to each speaker, ask representatives of the group to summarize their colleague's statements, or limit the number of speakers. The total time allotted for the Open Forum will not exceed thirty minutes. Speakers may not air personnel matters, personal complaints, grievances, or partisan political issues.

The following priority will be given to speakers during the Open Forum:

- I. Presentations from individuals or groups on matters scheduled for Board action or discussion on the meeting agenda;
- II. Presentations from individuals or groups on matters not scheduled for Board action or consideration, and who have not made presentations at the Open Forum within the previous six (6) months; and
- III. Presentations from individuals or groups on matters not scheduled for Board action or consideration and who have made presentations at the Open Forum within the previous six (6) months.

Because of the diversity of issues, members of the Board do not respond to the speaker during the Open Forum. Instead, the speakers' concerns are recorded, and time is allotted in the future for the Board to follow up.

# Action Items

# Action Item - Board Policy

6.2 Establish policies that ensure IDLA is able to provide consistent support for Idaho districts.

# Policies - First Reading

## 7230 - [Financial Reporting and Audits](#)

- Annual audit will be completed and submitted to the Board and Dept of Ed no later than November of each calendar year

## 7236 - [Employees Paid with Federal Funds and Unexpected or Extraordinary Closures](#)

- During an emergency closure, employees paid with federal funds will be held to the same expectations as employees paid with IDLA funds

## 7237 - [Retention of Records Relating to Federal Grants](#)

- Guidelines for the retention of paper and electronic records related to federal grants
- Records will be retained for five years plus one additional audit

# Policies - Second Reading

## 7210 - [Fixed Assets \(GASB Statement 34\)](#)

- IDLA will follow all state and federal finance and reporting guidelines
- The Superintendent and Director of Operations will compile and submit all appropriate reports

## 7215 - [Fund Accounting System \(GASB Statement 54\)](#)

- Fund balance requirements and types of funds

## 7218 - [Federal Grant Financial Management System](#)

- Requirements for state and federal grant dollars

## 7220 - [Documentation and Approval of Claims](#)

- Requirements for requisition, purchase, and payments of claims

## 7225 - [Financial Fraud and Theft Prevention](#)

- Fraud prevention

# Policies - Third Reading

## 7000 - [Goals](#)

- Budgeting goals for each fiscal year
- Need to review numbering

## 7100 - [Budget and Program Planning](#)

- Presentation of the annual budget at the annual meeting and public participation

## 7110 - [Budget Implementation and Execution](#)

- Supt and designees will follow the will of the Board in implementing the budget

## 7120 - [Budget Adjustments](#)

- Budget amendments will be presented at a working session prior to the annual meeting

## 7200 - [Accounting System Design](#)

- The accounting system will comply with all state and federal code

# Board Member Updates



# Superintendent Update

# Board Composition Updates

Reg 1 - Megan Sindt, Avery (August onboard)

Reg 4/5/6 Principal - Open (previously Anthony Butler)

25-26 Board Leadership

# Rubric and Handbook Updates

6.2 Establish policies that ensure IDLA is able to provide consistent support for Idaho districts.

# Rubric and Handbook Updates

Updates for 2025-26 are categorized into 3 groups:

1. Substantial updates
2. Clarifying updates
3. Informational updates

# Rubric and Handbook Updates (1-Substantial)

- **Review IEPs/sign off** – Teachers/Principals must acknowledge and implement student accommodations
- **Extra Credit Guidance** – Must be entered in the gradebook, capped at 50 points, and tied to curriculum engagement
- **Course Set-Up Walkthrough** – Added to [administrative expectations](#); evaluation rubric score increased to 50 points
- **eTutoring** – Removed; updated rubric language on intervention and synchronous instruction
  - Intervention: The instructor provides accommodations or adaptations for students, such as, but not limited to, adjusted pacing guides, adjustments to content, or alternative assignments, and documents these in the student information system.
  - Synch Inst: The instructor students weekly, offering additional support by scheduling live individual meetings, in addition to a minimum of one hour of office hours.
- **Grading Feedback** – Clarified timelines for grading with updated rubric scoring to include 75% measurement targets to replace the current “consistently” language.

# Rubric and Handbook Updates (2-Clarifying)

- **Phishing Procedure** – Incorporated [KnowBe4 guidelines](#) to clarified expectations
- **Letter Process for Principals** – [Clarified and updated](#) language in the Instructor/Principal Handbook
- **Professional Development** – [Defined requirements](#) for summer conference, JIT training, and ongoing PD
- **Elementary Attendance** – Updated policy based on 2022 version; tracked in TheSIS
- **Hardship Extensions** – [Clearly defined](#) academic vs. hardship extensions; new workflow implemented in TheSIS
- **Elementary Evaluation** – [Revised forms](#) and removed outdated language; transitioned to Google process
- **Final Evaluation (Elementary)** – Added attendance and Istation ROI to scoring rubric
- **JIT Expectations** – Required for all FT/PT teachers; tracked via TheSIS
- **TA Evaluations** – Monthly timeline using a separate rubric aligned with teacher expectations

# Rubric and Handbook Updates (3-Informational)

- **Principal Appendix – At-Will Language** – Removed duplications; updated within the Instructor/Principal Handbook
- **Credit Recovery** – Handbook updated to reflect the 70% credit policy for late work
- **Unit Test Retakes** – Clarified retake policies across all handbooks
- **Driver Education** – Added language for homeschool and cohort registration processes
- **Availability – Principals & Teachers** – Defined session availability expectations for coverage
- **Jury Duty** – Added policy for Elementary staff regarding court-related leave

# Facility Update

6.1 Ensure IDLA sustainability through fiscal responsibility.



# Facility Update

## Tentative Timeline

- Packing will start the week of May 12th
- Week of June 9th Move furniture and equipment
- Occupy beginning Week of July 7th
- Open for use week of July 21st

# June Working Session Topics

- Course Fees discussion
- LSO Report (Due 8/1)
- Strategic Plan update
  - 24-25 Highlights
  - 25-26 Goals
- Other?

# Executive Session

# Idaho Digital Learning Alliance

Virtual Meeting of the Board of Directors  
3324 S. Milwaukee Lane, Ste #120, Boise ID 83709

Zoom: <https://idla.zoom.us/j/2083420207>

Meeting ID: 208 342 0207

May 13, 2025

*Tuesday, May 13, 2025 @ 10:00 AM*

Board Members Present

- 

Board Members Absent

- 

Staff Members Present

- 

Others Present

- 

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Call to Order, Introductions, and Welcome @ 10:00 AM

## *I. Agenda*

## *II. Public Comment*

## *III. Consent Agenda*

1. Approval of the Minutes
2. Expenditures
3. Personnel

## *IV. Action Items*

1. Policies, 1st Reading
  - a. #7230 - Financial Reporting and Audits
  - b. #7236 - Employees Paid with Federal Funds and Unexpected or Extraordinary Closures
  - c. #7237 - Retention of Records Relating to Federal Grants
2. Policies, 2nd Reading
  - a. #7210 - Fixed Assets (GASB Statement 34)
  - b. #7215 Fund Accounting System (GASB Statement)

- c. #7218 - Federal Grant Financial Management System
- d. #7220 - Documentation and Approval of Claims
- e. #7225 - Financial Fraud and Theft Prevention

- 3. Policies, Final Reading
  - a. #7000 - Goals
  - b. #7100 - Budget and Program Planning
  - c. #7110 - Budget Implementation and Execution
  - d. #7120 - Budget Adjustments
  - e. #7200 - Accounting System Design

## ***V. Updates***

- 1. Board Member Updates- All
- 2. Superintendent Update - Mr. Jeff Simmons
  - a. Board Composition
  - b. Handbook & Rubric - Mr. Jeff Farden
  - c. Facility
  - d. June 2025 Board Meeting Topics

## ***VI. Executive Session***

**Per [Idaho Code 74-206(1)(b)] To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student**

### **Section 74-206 Idaho Code**

#### **RESOLUTION TO RECESS FROM A PUBLIC MEETING INTO EXECUTIVE SESSION**

**The Chair announced that the next order of business would be Executive Session. After a full and complete discussion, upon motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the following resolution was presented:**

**BE IT RESOLVED, that the Board of Trustees/Directors of Idaho Digital Learning Alliance recess from a public meeting into executive session in the manner and for the purpose authorized by Section 74-206(1)(  b  ), Idaho Code, to [To consider the evaluation, dismissal, or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;], as set forth in Section 74-206(1) (  b  ), Idaho Code.**

## ***VII. Resume Open Session***

- 1. Finalize Annual Evaluation for Superintendent Jeff Simmons

### *2025 Board Meeting Dates*

- Tuesday, June 17, 2025 - Face to Face, Meridian, Noon MST

# Idaho Digital Learning Alliance

Virtual Meeting of the Board of Directors  
3324 S. Milwaukee Lane, Ste #120, Boise ID 83709

Zoom: <https://idla.zoom.us/j/2083420207>

Meeting ID: 208 342 0207

April 8, 2025

*Tuesday, April 8, 2025 @ 11:00 AM*

## Board Members Present

- Mr. Lance Hansen, Mr. Norm Stewart, Mr. Brian Lee, Mr. John Stiffler, Mr. Jeff Schutte, Mrs. Karla LaOrange, Mrs. Michelle Clement Taylor, Mr. Anthony Butler

## Board Members Absent

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## Staff Members Present

- Mr. Jeff Simmons, Mr. Ryan Gravette, Mr. Brian Smith, Ms. Jolene Del Re, Mrs. Kelly Schlup, Ms. Kim Caldrony

## Others Present

- 

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Call to Order, Introductions, and Welcome @ 11:00 AM

## *I. Agenda*

The meeting was called to order at 11:01 a.m. A motion to approve the agenda was made by Mr. Anthony Butler and seconded by Mr. Norm Stewart . The motion is unanimous.

## *II. Public Comment*

## *III. Consent Agenda*

1. Approval of the Minutes
2. Expenditures
3. Personnel

A motion to approve the consent agenda was made by Mr. Norm Stewart and seconded by Mr. John Stiffler. The motion is unanimous.

## *IV. Action Items*

1. Board Member, Anthony Butler, Resignation

A motion to accept Mr. Anthony Butler's resignation from the Board was made by Mrs. Michelle Clement Taylor and seconded by Mr. Brian Lee. The motion is unanimous.

2. Policies, 1st Reading

- a. #7210 - Fixed Assets (GASB Statement 34)
- b. #7215 Fund Accounting System (GASB Statement)
- c. #7218 - Federal Grant Financial Management System
- d. #7220 - Documentation and Approval of Claims
- e. #7225 - Financial Fraud and Theft Prevention

A motion to approve the first readings of policies #7210, #7215, #7218, #7220, and #7225 was made by Mr. Jeff Schutte and seconded by Mr. John Stiffler. The motion is unanimous.

3. Policies, 2nd Reading

- a. #7000 - Goals
- b. #7100 - Budget and Program Planning
- c. #7110 - Budget Implementation and Execution
- d. #7120 - Budget Adjustments
- e. #7200 - Accounting System Design

A motion to approve the second readings of policies #7000, #7100, #7110, #7120, and #7200 was made by Mrs. Michelle Clement Taylor and seconded by Mr. Brian Lee. The motion is unanimous.

4. Policies, Final Reading

- a. #1500 - Board Meetings
- b. #1500-P(1) - Board Meetings
- c. #1510 - Open Meeting Law Compliance and Cure
- d. #1600 - Code of Ethics for IDLA Board Members
- e. #1610 - Board Member Conflict of Interest
- f. #1615 - Director Spouse Employment

A motion to approve the final reading of policies #1500, #1500-P(1), #1510, #1600, #1610, and #1615 was made by Mr. John Stiffler and seconded by Mr. Brian Lee. The motion is unanimous.

5. Facility Lease

A motion was made by Mr. John Stiffler and seconded by Mr. Brian Lee to approve the signing of the facility lease recommendation presented by the administration. This motion allows the administration to move forward with a facility lease as outlined in the presentation. The motion is unanimous.

6. Sole Source

A motion was made by Mr. Brian Lee and seconded by Mrs. Michelle Clement Taylor to authorize the administration to identify Learning Mate as a sole source vendor for the procurement of services. The motion is unanimous.

## V. Updates

1. Board Member Updates- All

Board members gave snapshots of what is going on in associated regions, districts, and industries. The topics were varied and included sports, activities, contracts, challenges, achievements and more.



2. Superintendent Update - Mr. Jeff Simmons

a. Legislature Update

Superintendent Simmons provided updates on some legislative bills now that legislative session has ended.

b. Agilix AI

Also, an update pertaining to AI and a partner that will enhance features in one of their products appropriate for student use.

<b><i>2025 Board Meeting Dates</i></b>
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- Tuesday, May 13, 2025 - Virtual 10:00 a.m. MST
- Tuesday, June 17, 2025 - Face to Face, Meridian, Noon MST



## EXPENDITURES FOR BOARD APPROVAL

04/02/2025-05/07/2025

		Opening Bal 04/01/2025	04/02/2025 thru 05/07/2025	FY2425 Ending	FY2425 Approved Budget (June 2024)	FY2425 Remaining
<b>SUPERVISION &amp; INSTRUCTION</b>						
100.500.313.100.000	SUPERVISION & INSTRUCTION - FACULTY TRAINING	\$1,353.44	\$0.00	\$1,353.44	\$40,000.00	\$38,646.56
100.500.381.000.000	INSTRUCTION - STAFF TRAINING & TRAVEL	\$16,260.58	\$2,609.37	\$18,869.95	\$22,500.00	\$3,630.05
100.500.440.000.000	INSTRUCTION - TEXTBOOKS	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
100.500.410.000.000	INSTRUCTION - SUPPLIES & MATERIALS	\$2,052.32	\$0.00	\$2,052.32	\$2,500.00	\$447.68
100.640.312.000.000	SUPERVISION - CONTRACTED SERVICES	\$206,497.22	\$0.00	\$206,497.22	\$300,000.00	\$93,502.78
100.640.381.000.000	SUPERVISION - STAFF TRAINING & TRAVEL	\$7,948.20	\$3,879.40	\$11,827.60	\$22,500.00	\$10,672.40
100.640.410.000.000	SUPERVISION - SUPPLIES & MATERIALS	\$245.53	\$0.00	\$245.53	\$2,500.00	\$2,254.47
<b>TOTAL:</b>		<b>\$234,357.29</b>	<b>\$6,488.77</b>	<b>\$240,846.06</b>	<b>\$391,000.00</b>	<b>\$150,153.94</b>
<b>CURRICULUM PROGRAMS</b>						
100.510.312.000.000	CONTENT DEVELOPMENT SERVICES	\$114,738.75	\$5,980.00	\$120,718.75	\$198,400.00	\$77,681.25
100.510.381.000.000	CURRICULUM - STAFF TRAINING & TRAVEL	\$43,189.47	\$6,693.98	\$49,883.45	\$55,000.00	\$5,116.55
100.510.410.000.000	CURRICULUM - SUPPLIES & MATERIALS	\$1,896.73	\$0.00	\$1,896.73	\$5,000.00	\$3,103.27
100.510.440.000.000	CURRICULUM - EDUCATIONAL CONTENT LICENSING AND SUPPORT	\$124,271.76	\$0.00	\$124,271.76	\$155,000.00	\$30,728.24
<b>TOTAL:</b>		<b>\$284,096.71</b>	<b>\$12,673.98</b>	<b>\$296,770.69</b>	<b>\$413,400.00</b>	<b>\$116,629.31</b>
<b>ELEMENTARY PROGRAMS</b>						
100.512.312.000.000	ELEMENTARY - CONTRACTED SERVICES	\$4,000.00	\$6,300.00	\$10,300.00	\$25,000.00	\$14,700.00
100.512.381.000.000	ELEMENTARY - STAFF TRAINING & TRAVEL	\$19,608.01	\$11,320.07	\$30,928.08	\$20,000.00	<b>-\$10,928.08</b>
100.512.410.000.000	ELEMENTARY - SUPPLIES & MATERIALS	\$2,596.53	\$467.25	\$3,063.78	\$11,250.00	\$8,186.22
100.512.440.000.000	ELEMENTARY - CONTENT LICENSING & SUPPORT	\$2,839.33	\$0.00	\$2,839.33	\$30,000.00	\$27,160.67
100.512.555.000.000	ELEMENTARY - TECHNOLOGY HARDWARE	\$1,999.00	\$0.00	\$1,999.00	\$7,250.00	\$5,251.00
<b>TOTAL:</b>		<b>\$31,042.87</b>	<b>\$18,087.32</b>	<b>\$49,130.19</b>	<b>\$93,500.00</b>	<b>\$44,369.81</b>
<b>DISTRICT PROGRAMS</b>						
100.600.312.000.000	DISTRICT COORDINATION & IMPLEMENTATION	\$23,359.22	\$0.00	\$23,359.22	\$30,000.00	\$6,640.78
100.600.381.000.000	DISTRICT PROGRAMS - STAFF TRAINING & TRAVEL	\$69,441.17	\$9,254.14	\$78,695.31	\$90,000.00	\$11,304.69
100.600.410.000.000	DISTRICT PROGRAMS - SUPPLIES & MATERIALS	\$5,687.96	\$48.62	\$5,736.58	\$10,000.00	\$4,263.42
<b>TOTAL:</b>		<b>\$98,488.35</b>	<b>\$9,302.76</b>	<b>\$107,791.11</b>	<b>\$130,000.00</b>	<b>\$22,208.89</b>
<b>INFORMATION AND TECHNOLOGY</b>						
100.623.312.100.000	CONTRACTED SERVICES - PROGRAMMING	\$310,025.82	\$35,971.48	\$345,997.30	\$645,000.00	\$299,002.70
100.623.312.200.000	CONTRACTED SERVICES - GENERAL	\$310,697.00	\$58,134.55	\$368,831.55	\$427,000.00	\$58,168.45
100.623.350.000.000	ORGANIZATIONAL COMMUNICATION	\$141,065.78	\$18,860.17	\$159,925.95	\$250,000.00	\$90,074.05
100.623.381.000.000	TECHNOLOGY - STAFF TRAINING & TRAVEL	\$22,103.28	\$2,835.48	\$24,938.76	\$40,000.00	\$15,061.24
100.623.410.000.000	TECHNOLOGY - SUPPLIES & MATERIALS	\$6,616.63	\$255.70	\$6,872.33	\$5,000.00	<b>-\$1,872.33</b>
100.623.460.100.000	TECHNOLOGY - SOFTWARE	\$210,027.89	\$13,716.72	\$223,744.61	\$232,000.00	\$8,255.39
100.623.460.200.000	TECHNOLOGY - LMS & SUPPORT	\$260,432.00	\$138,333.33	\$398,765.33	\$570,000.00	\$171,234.67
100.623.555.000.000	TECHNOLOGY - HARDWARE	\$86,332.84	\$1,756.44	\$88,089.28	\$157,000.00	\$68,910.72
100.623.556.000.000	TECHNOLOGY - SECURITY	\$38,475.31	\$0.00	\$38,475.31	\$40,000.00	\$1,524.69
100.623.557.000.000	TECHNOLOGY - INFRASTRUCTURE	\$296,408.58	\$2,939.40	\$299,347.98	\$295,000.00	<b>-\$4,347.98</b>
<b>TOTAL:</b>		<b>\$1,682,185.13</b>	<b>\$272,803.27</b>	<b>\$1,954,988.40</b>	<b>\$2,661,000.00</b>	<b>\$706,011.60</b>
<b>BUSINESS OPERATIONS</b>						
100.651.312.000.000	OPERATIONS - CONTRACTED PROFESSIONAL SERVICES	\$62,666.63	\$2,819.50	\$65,486.13	\$45,200.00	<b>-\$20,286.13</b>
100.651.315.000.000	OPERATIONS - STAFF EDUCATIONAL PROGRAM	\$17,220.00	\$0.00	\$17,220.00	\$50,000.00	\$32,780.00
100.651.321.000.000	OPERATIONS - FACILITY & OCCUPANCY	\$88,021.21	\$0.00	\$88,021.21	\$95,000.00	\$6,978.79
100.651.335.000.000	OPERATIONS - LIABILITY INSURANCE	\$8,683.04	\$0.00	\$8,683.04	\$7,000.00	<b>-\$1,683.04</b>
100.651.350.000.000	DISTRICT SERVICES AND COMMUNICATION	\$50,696.57	\$0.00	\$50,696.57	\$100,000.00	\$49,303.43
100.651.355.000.000	OPERATIONS - STAFFING EXPENDITURES	\$12,798.03	\$0.00	\$12,798.03	\$15,000.00	\$2,201.97
100.651.381.000.000	OPERATIONS - STAFF TRAINING & TRAVEL	\$44,420.08	\$2,258.59	\$46,678.67	\$56,000.00	\$9,321.33
100.651.382.000.000	BOARD OF DIRECTORS - TRAINING AND TRAVEL	\$6,359.65	\$0.00	\$6,359.65	\$14,000.00	\$7,640.35
100.651.410.000.000	OPERATIONS - OFFICE SUPPLIES AND MATERIALS	\$24,876.49	\$11,054.89	\$35,931.38	\$53,000.00	\$17,068.62
100.651.410.100.000	OPERATIONS - IDIG FITNESS	\$1,719.30	\$0.00	\$1,719.30	\$7,000.00	\$5,280.70
100.651.415.000.000	BANKING EXPENSE	\$373.24	\$30.64	\$403.88	\$0.00	<b>-\$403.88</b>
<b>TOTAL:</b>		<b>\$317,834.24</b>	<b>\$16,163.62</b>	<b>\$333,997.86</b>	<b>\$442,200.00</b>	<b>\$108,202.14</b>



Idaho Digital Learning  
P.O. Box 10017, Boise, ID 83707  
IdahoDigitalLearning.org

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Board of Directors  
May 13, 2025

Recommendations for Hire:

Name	Full-Time /Part-Time	Position	Hire Date
Kate Bauer	PT	Elementary Online Instructor	June 2, 2025
Becky Brown	PT	Elementary Online Instructor	June 2, 2025
Michele Brown	PT	Elementary Online Instructor	June 2, 2025
Cara Mia Dorrian	PT	Elementary Online Instructor	June 2, 2025
Patricia Harris	PT	Elementary Online Instructor	June 2, 2025
Danette McNamee	PT	Elementary Online Instructor	June 2, 2025
Sonya Pixton	PT	Elementary Online Instructor	June 2, 2025
Cortney Abenroth	PT	Secondary Online Instructor	August 1, 2025
Amy Alfredson	PT	Secondary Online Instructor	August 1, 2025
Cameron Andersen	PT	Secondary Online Instructor	August 1, 2025
Pamela Arriola	PT	Secondary Online Instructor	August 1, 2025
Steven Barrus	PT	Secondary Online Instructor	August 1, 2025
Kevin Brinegar	PT	Secondary Online Instructor	August 1, 2025
Amber Buckley	PT	Secondary Online Instructor	August 1, 2025
Isabelle Clark	PT	Secondary Online Instructor	August 1, 2025
Stephanie Clark	PT	Secondary Online Instructor	August 1, 2025
Greshen Clegg	PT	Secondary Online Instructor	August 1, 2025



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Jaymie Collette	PT	Secondary Online Instructor	August 1, 2025
Christopher Cottle	PT	Secondary Online Instructor	August 1, 2025
Colby Crenshaw	PT	Secondary Online Instructor	August 1, 2025
Cori Dalton	PT	Secondary Online Instructor	August 1, 2025
Julie Davis	PT	Secondary Online Instructor	August 1, 2025
Franklin Dea	PT	Secondary Online Instructor	August 1, 2025
Lewis Dean	PT	Secondary Online Instructor	August 1, 2025
Megan Felten	PT	Secondary Online Instructor	August 1, 2025
Lisa Frost	PT	Secondary Online Instructor	August 1, 2025
Dallin Fryar	PT	Secondary Online Instructor	August 1, 2025
Brian Fulp	PT	Secondary Online Instructor	August 1, 2025
Lindsay Grant	PT	Secondary Online Instructor	August 1, 2025
Laura Grover	PT	Secondary Online Instructor	August 1, 2025
Kelly Hamilton	PT	Secondary Online Instructor	August 1, 2025
Katie Hawley	PT	Secondary Online Instructor	August 1, 2025
Allie Howell	PT	Secondary Online Instructor	August 1, 2025
Linsi Jones	PT	Secondary Online Instructor	August 1, 2025
Tarragh Law-Carr	PT	Secondary Online Instructor	August 1, 2025
Brendan Malloy	PT	Secondary Online Instructor	August 1, 2025
Jerod Morehouse	PT	Secondary Online Instructor	August 1, 2025
Madison Morris	PT	Secondary Online Instructor	August 1, 2025
Emily Muro	PT	Secondary Online Instructor	August 1, 2025
Denise Nicholas	PT	Secondary Online Instructor	August 1, 2025



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Melinda Obenchain	PT	Secondary Online Instructor	August 1, 2025
Paul Perotto	PT	Secondary Online Instructor	August 1, 2025
Stuart Peterson	PT	Secondary Online Instructor	August 1, 2025
Kim-Sa Pham	PT	Secondary Online Instructor	August 1, 2025
Claire Phillips	PT	Secondary Online Instructor	August 1, 2025
Hailey Revheim	PT	Secondary Online Instructor	August 1, 2025
Kassandra Robertson	PT	Secondary Online Instructor	August 1, 2025
Benjamin Satterwhite	PT	Secondary Online Instructor	August 1, 2025
Cassie Shelton	PT	Secondary Online Instructor	August 1, 2025
Chelby Smith	PT	Secondary Online Instructor	August 1, 2025
Abigail St George-Freeman	PT	Secondary Online Instructor	August 1, 2025
Danielle Stoddard	PT	Secondary Online Instructor	August 1, 2025
Wendi Straub	PT	Secondary Online Instructor	August 1, 2025
Whitney Teuteu	PT	Secondary Online Instructor	August 1, 2025
Anna Thielman	PT	Secondary Online Instructor	August 1, 2025
Danette Thompson	PT	Secondary Online Instructor	August 1, 2025
Rebecca Thompson	PT	Secondary Online Instructor	August 1, 2025
Kate Thompson	PT	Secondary Online Instructor	August 1, 2025
Liji Waite	PT	Secondary Online Instructor	August 1, 2025
Paul Wardwell	PT	Secondary Online Instructor	August 1, 2025
Joshua Wells	PT	Secondary Online Instructor	August 1, 2025
Ariel Westfall	PT	Secondary Online Instructor	August 1, 2025
Sara White	PT	Secondary Online Instructor	August 1, 2025



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Azure Wilson	PT	Secondary Online Instructor	August 1, 2025
Mark Worley	PT	Secondary Online Instructor	August 1, 2025
Richard Zuercher	PT	Secondary Online Instructor	August 1, 2025
Kimber Chrz	PT	Online Principal	August 1, 2025
Kelly Hamilton	PT	Secondary Online Instructor	August 1, 2025
Cara Hinkson	PT	Online Principal	August 1, 2025
John Hullinger	PT	Online Principal	August 1, 2025
Ann-Marie Kunz	PT	Online Principal	August 1, 2025
Kyle Leybas	PT	Online Principal	August 1, 2025
Cortney Markham	PT	Online Principal	August 1, 2025
Nathan Tracy	PT	Online Principal	August 1, 2025
Brooke Claridge	FT	Regional Support Specialist - Reg 4	August 1, 2025

Resignations/Terminations/Non-Contract Renewals:

Name	Full-Time /Part-Time	Position	Years of Service	Last Day
Alison Foudy	FT	Regional Support Specialist	1	April 10, 2025

**Policy 7230: Financial Reporting and Audits****Status:** PROPOSED**Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]

The Board directs that financial reports of all IDLA funds shall be prepared in compliance with statutory provisions and generally accepted accounting and financial reporting standards. In addition to the reports required for local, State, and federal agencies, financial reports will be prepared monthly and annually and presented to the Board. The financial reports shall reflect the financial activity and status of IDLA funds.

Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information will be prepared to facilitate management control of financial operations.

The Board directs that School audits shall be conducted per Idaho Code § 67-450B. Each audit shall be a comprehensive audit of the affairs of IDLA and IDLA funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards, as defined by the United States Government Accountability Office.

The report shall be filed with the State Department of Education after its acceptance by the Board of Directors not later than November of each year. A copy of the audit report shall also be provided to any other governmental entity that may occasionally require the provision of the audit report.

**Legal References****Description****IC § 33-701**

Fiscal Year - Payment and Accounting of Funds

**IC § 67-450B**

Independent Financial Audits by Local Government Entities

**IC § 33-5504**

Duties of the Academy Board of Directors

**Cross References****Code  
7218**Description  
Federal Grant Financial Management System

**Policy 7236: Employees Paid with Federal Funds  
and Unexpected or Extraordinary Closures**

**Status:** PROPOSED

**Original Adopted Date:** [REDACTED]

**Last Reviewed Date:** [REDACTED]

During any emergency closure of IDLA facilities, IDLA employees paid with federal funds shall be compensated or given unpaid time off in the same manner as similarly situated IDLA employees paid with IDLA funds to the extent possible. Such employees shall continue to perform their grant-funded duties during the closure to the extent possible. This may include, to the extent practicable, working by phone, email, and video conference. Employees supported with federal grant funds who are intended to provide direct services to students may maintain contact with students during the unexpected or extraordinary closure using alternative, appropriate methods and as approved by the Superintendent. IDLA employees paid with federal funds shall return to work as soon as possible.

**Federal Funding**

IDLA intends to apply consistent accounting treatment when allocating funds across federal and non-federal funding streams. IDLA will ensure that the expenditures incurred meet allowability requirements for the specific program and are reasonable, regardless of whether the funding stream is federal, state, or local.

**Legal References**

Office of Management and Budget

**Description**

Memo M-20 -11 dated March 9, 2020

**Cross References**

**Code**

7218

7320

7320-P(1)

7320-P(2)

**Description**

Federal Grant Financial Management System

Allowable Uses for Grant Funds

Allowable Uses for Grant Funds

Allowable Uses for Grant Funds - Selected  
Items of Cost



**Policy 7237: Retention of Records Relating to  
Federal Grants****Status: PROPOSED****Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]

The Board directs the Superintendent or designee to ensure that fiscal records related to federal grants are retained for a minimum of seven years from the obligation of funds. These records shall be available for inspection if required.

Procedures

IDLA shall maintain records that fully show the following:

1. The amount of funds under the grant or subgrant;
2. How IDLA uses those funds;
3. The total cost of each project;
4. The share of the total cost of each project provided from other sources;
5. Other records to facilitate an effective audit; and
6. Other records to show compliance with federal program requirements.

IDLA shall also maintain records of significant project experiences and results. These records and accounts shall be retained and made available for programmatic or financial audits.

Per State Department of Education record retention policy, IDLA shall maintain all fiscal and programmatic records relating to federal grants for a minimum of five years and one additional audit.

IDLA will destroy paper records only by shredding them. In the event of the disposal of computers or electronic equipment that may contain confidential student or personnel records, the School will ensure that hard drives are appropriately “wiped” clean of information before disposal.

IDLA shall retain records based on the schedule provided in policy.

Collection and Transmission of Records

IDLA shall maintain electronic records in IDLA’s designated systems, and paper records shall be maintained in the IDLA office under the supervision of the Director of Operations or designee. The

Clerk will have authorized access as directed. Electronic and/or paper records shall be provided to awarding agencies to meet reporting requirements and to auditors and monitors, as appropriate and required. Records kept electronically may be electronically transmitted as allowed by 2 CFR 200.335.

#### Access to Records

IDLA shall provide the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other records of the organization that are pertinent to the Federal award, to make audits, examinations, excerpts, and transcripts, consistent with state and federal law. The right also includes timely and reasonable access to IDLA personnel for interviews and discussions related to such documents.

#### Privacy

Access to IDLA's designated systems, personnel files, the Student Management System, confidential student files, and Special Education IEP files shall be password protected in the case of electronically maintained records and kept in locked filing cabinets in the case of paper records. These records are maintained under the supervision of the Superintendent or designee and the Director of Operations or designee, who have exclusive access to paper files and passwords for electronic systems. The IDLA Clerk may also have access to these records. Employees shall be trained in the requirements of the Family Educational Rights and Privacy Act (FERPA). If a request for confidential and/or exempt information is received from a source that does not have clear authority under FERPA or other statutes, IDLA shall consult appropriate legal counsel before providing records.

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<b>Legal References</b>	<b>Description</b>
2 CFR §§ 200.333-.337	Fixed Amount Subawards
2 CFR 200.335	Requests for Transfer of Records
34 CFR §§ 75.730-.731	Records Related to Grant Funds
34 CFR §§ 75.732	Records Related to Performance
34 CFR §§ 76.730-.731	State Administered Programs
<b>Other References</b>	<b>Description</b>
Idaho State Department of Education	IDEA Part B Funding Manual
Idaho Board of Education	Administration of Federal Grant Program Policy

**Cross References**  
**Code**

7400

7400-P(1)

7400-P(2)

7400-P(3)

7400-P(4)

IDLA Policy  
8605

**Description**

Miscellaneous Procurement Standards

Miscellaneous Procurement Standards

Miscellaneous Procurement Standards

Miscellaneous Procurement Standards

Miscellaneous Procurement Standards

Record Retention

**Policy 7210: Fixed Assets (GASB Statement 34)****Status: PROPOSED****Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]Purpose

The Board recognizes the need to implement the required accounting and financial reporting standards set out in Governmental Accounting Standards Board Statement 34 (“GASB 34”)

The primary objectives of implementing the GASB 34 are to assure compliance with State requirements, to properly account for both the financial and economic resources, and to provide new and additional information to users of IDLA financial statements.

Authority

Participation and reporting shall be in accordance with Board policy, State of Idaho Fiscal Policy manuals as prepared by the office of the State of Idaho Controller’s Office, and GASB 34.

Delegation of Responsibility

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Superintendent or his or her designee in cooperation with IDLA’s Director of Operations.

The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the Board of Directors.

Guidelines

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. Any assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$10,000.

The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books;
2. Curriculum;
3. Computer equipment;
4. Furniture;

These asset category costs shall be capitalized and depreciated as groups when that group's acquisition cost exceeds the capitalization threshold in any given fiscal year.

For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of individual items, or on an assessment of the life of the group as a whole. Periodically, the intermediate unit shall review the estimated life of groups of assets and adjust the remaining depreciation life of the group.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.

Legal References	Description
Governmental Accounting Standards Board ("GASB")	Statement No. 34
Cross References	Description
7270	Property Records

**Policy 7215: Fund Accounting System (GASB  
Statement 54)****Status:** PROPOSED**Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]

To enhance the usefulness of fund balance information, IDLA will provide clear fund balance classifications and use fund type definitions consistently.

The policy is designed to encourage consideration of unanticipated events that could adversely affect the financial condition of IDLA and jeopardize the continuation of necessary public services. IDLA should maintain adequate fund balances and reserves in order to:

1. Provide sufficient cash flow for daily financial needs;
2. Offset significant economic downturns or revenue shortfalls; and
3. Provide funds for unforeseen expenditures related to emergencies.

### Fund Types

The accounts of IDLA are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The following funds are maintained by IDLA:

1. The General Fund is used to account for all financial resources not accounted for and reported in another fund;
2. Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects;
3. Permanent Funds are used to account for resources restricted to the extent that only earnings, and not principle, may be used for purposes that support the Charter School's purposes.

*Note: Currently IDLA only has General Funds but will maintain funding above appropriately in the event it receives either type of funding. IDLA cannot go out for debt and does not receive capital funding so these funds are not listed.*

## Fund Balance Reporting in Governmental Funds

The following definitions will be used in reporting activity in IDLA's governmental funds. IDLA may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

1. **Non-spendable Fund Balance:** Includes amounts that cannot be spent because they are either:
  - A. Not in spendable form; or
  - B. Legally or contractually required to be maintained intact.
2. **Restricted Fund Balance:** Includes amounts that can be spent only for the specific purposes stipulated by IDLA policy, external resource providers, or through federal regulations or State laws or rules.
3. **Committed Fund Balance:** Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.
4. **Assigned Fund Balance:** Includes amounts intended to be used by IDLA for specific purposes, but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. *Authority to Assign:* The Board delegates to the Superintendent or Director of Operations the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
5. **Unassigned Fund Balance:** Includes the residual classification for IDLA's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

## Prioritization of Fund Balance Use

The Board's primary role in adopting this policy is to identify the order of spending unrestricted resources and to acknowledge that the Board is the ultimate decision-making authority with regard to committing balances upon the recommendation of the Superintendent or Director of Operations.

If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing restricted, then committed, then assigned, then unassigned fund balances will be used.

## Guidelines

**Classifying Fund Balance Amounts:** Fund balance classifications depict the nature of the net resources that are reported in a fund. An individual fund may include non-spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

**Encumbrance Reporting:** Encumbering amounts for specific purposes for which resources have already been restricted, committed, or assigned should not result in a separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth above.

**Minimum Unassigned Fund Balance:** IDLA will maintain a minimum unassigned fund balance in its General Fund of 8% of the current year's state appropriation received. This minimum fund balance is to:

1. Provide sufficient cash flow for daily financial needs;
2. Offset significant economic downturns or revenue shortfalls; and
3. Provide funds for unforeseen expenditures related to emergencies.

IDLA shall maintain a minimum fund balance of 8% of the current year's state appropriation received. However, the organization aims to hold reserves equivalent to at least three months' operating expenses.

**Replenishing Deficiencies:** When the fund balance falls below the minimum range, IDLA will replenish the shortage or deficiency using the following timeframes when the fund balance falls below the minimum range:

1. Deficiency resulting in a minimum fund balance between (6.5 percent) and (8 percent) shall be replenished over a period not to exceed one year;
2. Deficiency resulting in a minimum fund balance between (5 percent) and (6.5 percent) shall be replenished over a period not to exceed three years; and
3. Deficiency resulting in a minimum fund balance of less than (5 percent) shall be replenished over a period not to exceed five years.

The following budgetary strategies shall be utilized by IDLA to replenish funding deficiencies:

1. IDLA will reduce recurring expenditures to eliminate any structural deficit; or
2. Increase revenues or pursue other funding sources; or
3. Some combination of the two options above.

**Monitoring and Reporting:** The Superintendent shall regularly monitor the fund balance to ensure compliance with the minimum requirement. Financial reports, including the status of the fund balance, shall be presented to the IDLA Board of Directors on an annual basis. The report should



indicate the current fund balance, state appropriation, and any necessary adjustments to maintain compliance with the policy.

**Use of Surplus Funds:** If the unassigned fund balance exceeds the prescribed range, the Superintendent will thoroughly assess the surplus. The primary objective will be to allocate these funds towards one-time expenditures that align with IDLA's strategic goals and do not result in additional future expenses for maintenance, staffing, or other recurring outlays. Decisions regarding the allocation or investment of excess funds shall rest with the IDLA Board of Directors. Their focus will be on enhancing IDLA's programs and services while considering the organization's long-term financial goals and objectives, as outlined in IDLA's Strategic Plan.

**Implementation and Review:** The Board authorizes the Superintendent or Director of Operations to establish any standards and procedures which may be necessary for its implementation. The Superintendent or Director of Operations shall review this policy and any procedures regarding its implementation annually or as needed and make any recommendations for changes to the Board.

The Superintendent or Director of Operations shall provide accounting procedures for the receipt, deposit, expenditure, and withdrawal of such moneys and procedures for monthly reporting to the Board of the transactions, assets, liabilities, and fund balance for each such fund.

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Legal References	Description
Governmental Accounting Standards Board ("GASB")	Statement No. 54
IC § 33-701 et seq.	Fiscal Affairs of School Districts



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**Policy 7218: Federal Grant Financial Management System**

**Status: PROPOSED**

**Original Adopted Date:** [REDACTED]

**Last Reviewed Date:** [REDACTED]

The Idaho Digital Learning Academy (IDLA) maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met.

**Idaho Financial Reporting Management System (IFARMS)**

IFARMS provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of periodic financial reports. The uniformity of the system enables IDLA to fulfill state requirements and provides the flexibility to obtain program and account detail to meet management needs.

**Financial Management Standards**

The standards for financial management systems are found at 2 CFR § 200.302. The required standards include:

1. **Identification:** IDLA shall identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include the information described below under “Overview of the Financial Management/Accounting System.”
2. **Financial Reporting:** Accurate, current, and complete disclosure of the financial results of each federal award or program will be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).
3. **Accounting Records:** IDLA shall maintain records that adequately identify the source and application of funds provided for federally-assisted activities. These records will contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated

balances, assets, expenditures, income and interest, and be supported by source documentation.

4. **Internal Controls:** Effective control and accountability shall be maintained for all funds, real and personal property, and other assets. IDLA shall adequately safeguard all such property and shall assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- A. Effectiveness and efficiency of operations;
  - B. Adequate safeguarding of property;
  - C. Assurance property and money is spent in accordance with grant program and to further the selected objectives; and
  - D. Compliance with applicable laws and regulations.
5. **Budget Control:** Actual expenditures or outlays shall be compared with budgeted amounts for each federal award.
  6. **Cash Management:** IDLA shall maintain written procedures to implement the cash management requirements found in EDGAR. See Policy 7450.
  7. **Allowable Costs:** IDLA shall maintain written procedures for determining the allowability of costs in accordance with EDGAR. See Policy 7320 and Procedure 7320P.

#### Overview of the Financial Management/Accounting System

The IDLA accounting system is established to present, with full disclosure, the financial position and results of the financial operations of IDLA in conformity with generally accepted accounting principles. The accounting system currently used is Tyler Technologies Infinite Visions. The system is in compliance with IFARMS, as required by Idaho statute. IFARMS shall be used as the basis for developing program budgets and the preparation of periodic financial reports. The Director of Operations shall be responsible for managing budgets and accounts payable. As required by 34 CFR 200.302, IDLA shall maintain on file award letters that include Catalog of Federal Domestic Assistance (CFDA) titles and numbers, federal award identification numbers and years, names of the federal awarding agencies, and the name of the State Department of Education (the pass-through entity), for each federal award. The funds are given unique identification numbers in the IFARMS system.

The Director of Operations shall be responsible for preparing financial reports, as required for local, state, and federal agencies, for review and approval by the Board of Directors. The financial reports shall reflect the financial activity and status of IDLA. These reports shall include monthly and cumulative expenditures, program budgets, and balances remaining.

## Budgeting

### **The Planning Phase: Meetings and Discussions: Before Receiving the Grant Award Notice**

**(GAN):** The Superintendent or designee, assisted by the Director of Operations, shall be responsible for initial federal grant budget development. Initial budget development shall be based upon estimates of federal program award amounts as provided by the State Department of Education, as well as input from program and administrative staff with respect to individual program staff needs, number and assignments of paraprofessionals relative to program allocations, and need for instructional supplies and equipment. The primary considerations of initial budget development shall be the educational needs of students and the availability of existing IDLA resources for meeting these needs.

Budgets shall be prepared and presented in a format that clearly identifies revenue sources and amounts and budgeted expenditures, in accordance with IFARMS accounting codes, and shall be open for public inspection.

The Superintendent or designee shall present the proposed budget to the Board for final approval of the budget and the policies reflected therein, such as proposed changes or additions to instructional programs and proposed salary schedules. Consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved budget shall be included in the minutes of the Board as documentation of its acceptance and approval.

**After Receiving the GAN:** If the Superintendent or designee determines that final program allocations necessitate revisions to program budgets, he or she, assisted by the Director of Operations with input from federal programs staff, shall discuss, review, and propose budget revisions. If proposed revisions require amendment proposals, the Superintendent or designee will follow protocols of the amendment process.

**Amending the Budget:** The Superintendent or designee shall review and approve any necessary budget amendments and shall submit those amendments to the Board at least seven days in advance of the meeting at which the amendment will be considered. The Board shall have final approval of the amended budget and consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved amended budget shall be included in the minutes of the Board of Directors as documentation of its acceptance and approval.

**Budget Control:** The Director of Operations shall prepare monthly financial reports that monitor budget performance by comparing actual to budgeted revenues and expenditures. Monthly financial reports indicate budgeted amounts, monthly expenditures, year-to-date-expenditures and percentage of budget spent. The Superintendent or designee shall review these reports for the preceding month prior to presentation to the Board.

## Accounting Records

The Director of Operations shall be responsible for the maintenance of accounting records. Electronic accounting records are maintained in the Tyler Technologies Infinite Visions, and paper

records are maintained on file in the IDLA office. All accounting records shall be reviewed by the Superintendent or designee and, where appropriate and required, the Board. The IDLA chart of accounts and financial reports shall be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and IFARMS, as required by Idaho Code. Accounting records shall be available for public inspection at any time.

### Spending Grant Funds

In determining what items will be included in individual program budgets, the Director of Operations and the Superintendent or designee will follow the federal cost principles and individual program statutes and regulations, as the basis for determining whether individual expenditures are allowable.

While developing and reviewing the grant budget, IDLA will keep in mind the difference between direct costs and indirect costs.

### **Direct and Indirect Costs:**

1. **Determining Whether a Cost is Direct or Indirect:** Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Indirect costs are those that have been incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials, and other items of expense incurred for the Federal award. The salaries of administrative and clerical staff shall normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- A. Administrative or clerical services are integral to a project or activity;
- B. Individuals involved can be specifically identified with the project or activity;
- C. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- D. The costs are not also recovered as indirect costs.

2. **Indirect Cost Rate:** It is at the discretion of IDLA to use the indirect cost rate. It is the normal policy of IDLA not to take indirect costs on federal awards. If IDLA elects to take indirect costs, it shall follow the procedures for calculating the indirect cost rate prescribed by the State Department of Education and apply the policies and procedures outlined in the federal regulations as described below.
3. **Applying the Indirect Cost Rate:** Once IDLA has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. Once IDLA applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For direct grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions.

Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges.

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**Legal References**

2 CFR § 200.413  
2 CFR § 200.56  
2 CFR Subpart D  
34 CFR § 75.564  
34 CFR § 76.569

**Description**

Direct Costs  
Indirect (Facilities & Administrative (F&A)  
Costs  
Post Federal Award Requirements  
Reimbursement of Indirect Costs  
Using the Restricted Indirect Cost Rate

**Cross References Code**

7230  
7236  
  
7400  
7400-P(1)  
7400-P(2)  
7400-P(3)  
7400-P(4)

**Description**

Miscellaneous Procurement Standards  
Employees Paid with Federal Funds and  
Unexpected or Extraordinary Closures  
Miscellaneous Procurement Standards  
Miscellaneous Procurement Standards  
Miscellaneous Procurement Standards  
Miscellaneous Procurement Standards  
Miscellaneous Procurement Standards



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**Policy 7220: Documentation and Approval of Claims**

**Status:** PROPOSED

**Original Adopted Date:** [REDACTED]

**Last Reviewed Date:** [REDACTED]

All financial obligations and disbursements must be documented in compliance with the statutory provisions and audit guidelines. The documentation will specifically describe acquired goods and/or services, the budget appropriations applicable to payment, and the required approvals. All purchases, encumbrances and obligations, and disbursements must be approved by the administrator designated with the authority, responsibility, and control over the budget appropriations. The responsibility for approving these documents should not be delegated.

The IDLA Operations Team will be responsible for developing the procedures and forms for requisition, purchase, and payment of claims.

**Policy 7225: Financial Fraud and Theft Protection****Status:** PROPOSED**Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]

All IDLA employees, Board Members, consultants, vendors, contractors, and other parties maintaining a business relationship with the organization shall act with integrity and due diligence in matters involving IDLA fiscal resources.

The Superintendent or designee shall be responsible for developing internal controls to prevent and detect fraud, financial impropriety, and fiscal irregularities within the organization. Every member of IDLA's administrative team shall be alert for any indication of fraud, financial impropriety, or irregularity within his or her areas of responsibility.

The Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information confidential. While investigating and responding to financial fraud allegations, the Superintendent, designee, or Chair of the Board will prioritize avoiding possible retaliation or reprisals.

#### Staff Responsibilities

Any employee who suspects financial fraud, impropriety, or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Superintendent or designee, who shall be primarily responsible for initiating necessary investigations. Additionally, the Superintendent or designee shall coordinate investigative efforts with IDLA's legal counsel, auditing firm, and other internal or external departments and agencies, including the county prosecutor's office and law enforcement officials, as the Superintendent or designee may deem appropriate.

Employees who believe they have suffered reprisal, retaliation, or discrimination for a report under this policy shall report the incident(s) to the Superintendent or designee. The Board will attempt to ensure that no employee who makes such a report will suffer any form of reprisal, retaliation, or discrimination for making the report. Employees are prohibited from preventing or interfering with those who make good-faith disclosures of misconduct. This policy shall not apply when an employee knowingly makes a false report.

If the concern or complaint involves the Superintendent, the matter shall be brought to the attention



of the Chair of the Board, who is hereby empowered to contact IDLA's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

### Definition

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing, or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

1. Behaving in a dishonest or false manner concerning IDLA assets, including theft of funds, securities, supplies, or other IDLA properties;
2. Forging or altering financial documents or accounts illegally or without proper authorization;
3. Improper handling or reporting of financial transactions;
4. Personally profiting as a result of insider knowledge;
5. Disregarding confidentiality safeguards concerning financial information;
6. Violating Board conflict of interest policies; and
7. Mishandling (destroying, removing, or misusing) financial records of IDLA assets.

### Internal Controls

The following internal controls shall be a regular practice of IDLA to prevent the possibility of fraud:

1. **Budgetary Transfers:** The HR/Finance Manager initiates transfers of appropriations. The Director of Operations reviews and approves these transfers. All approved transfers are documented and shared with the appropriate staff.
2. **Receipts:** The HR Specialist collects payments, and the Financial Specialist issues and tracks numbered receipts for all checks received.
3. **Checks and Payment Records:** The Senior Financial Specialist prepares and cuts checks. The Director of Operations reviews and approves the check register. Signature stamps, if used, are securely held, and a log of all checks is maintained.
4. **Audits:** A person outside the core business office functions will periodically audit the check register and other financial records to ensure accuracy and transparency.
5. **Background Checks:** IDLA performs full reference and criminal background checks for potential Operations Team hires and others in sensitive financial roles.
6. **Separation of Duties:** Financial tasks are intentionally divided among multiple team members to reduce the risk of fraud or error through oversight and accountability.

**Policy 7000: Goals****Status: PROPOSED****Original Adopted Date:**  **Last Reviewed Date:**  

Since educational programs depend on adequate funding and the proper management of those funds, IDLA's goals can best be attained through efficient fiscal management. As the party responsible for local, State, and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, IDLA must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and all IDLA management and operation aspects.

In IDLA's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended;
2. Establish levels of funding that shall provide superior education for IDLA's students;
3. Provide timely and appropriate information to staff who have fiscal responsibilities; and
4. Establish efficient procedures in all areas of fiscal management.

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**Legal References****Description**

IC § 33-701 et seq.

Fiscal Affairs of School Districts

IC § 33-5504

Duties of the Academy Board of Directors



Idaho Digital Learning Alliance  
P. O. Box 10017  
Boise, ID 83707  
208.342.0207  
[www.IdahoDigitalLearning.org](http://www.IdahoDigitalLearning.org)

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**Policy 7100: Budget and Program Planning****Status: PROPOSED****Original Adopted Date:**                     **Last Reviewed Date:**                     

The annual budget is evidence of the Board's commitment to the objectives of the instruction programs. The budget supports the immediate and long-range goals and established priorities within all areas: instructional, non-instructional, and administrative programs.

Before the presentation of the proposed budget for adoption, the Superintendent or designee shall prepare, for the Board's consideration, recommendations (with supporting documentation) which shall be designed to meet the needs of students within the limits of anticipated revenues.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the Board.



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**Policy 7110: Budget Implementation & Execution      Status: PROPOSED**

**Original Adopted Date:** [REDACTED]

**Last Reviewed Date:** [REDACTED]

Once adopted by the Board, the Superintendent and his or her designees shall administer the operating budget. All actions of the Superintendent or designees in executing the programs and activities delineated in that budget are authorized according to these provisions:

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Idaho and adopted Board policies;
2. Funds held for contingencies may not be expended without approval from the Board;
3. A listing of warrants describing goods and services for which payment has been made must be presented for Board approval each month; and
4. Purchases shall be made according to the legal requirements of the State of Idaho and adopted Board policy.

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**Legal References**

**Description**

IC § 33-5209C

Enforcement - Revocation - Appeal

IC § 33-701 et seq.

Fiscal Affairs of School Districts

IC § 33-5504

Duties of the Academy Board of Directors



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**Policy 7120: Budget Adjustments****Status: PROPOSED****Original Adopted Date:** [REDACTED]**Last Reviewed Date:** [REDACTED]

Any proposed budget amendments will be reviewed during a working session prior to the Annual Board meeting. The Director of Operations will provide a revised budget for the current year and will highlight the changes between the revised budget and the initially approved budget. The Board will review the budget adjustments for the year as a whole.

The Board Members will review the revised budget during the working session of the annual meeting. Approval of the revised budget will be conducted through a vote during the business meeting that follows the working session.

Prior to the final vote on a budget amendment proposal, notice shall be posted and published once in the manner prescribed by Idaho law. The meeting to adopt a budget amendment shall be open and shall provide the opportunity for any taxpayer to appear and be heard. Budget procedures shall be consistent with statutory requirements.

With timely notice of a public meeting, Board Members, by 60 percent of the members of the Board of Directors, may declare by resolution that a budget amendment is necessary to reflect the availability of funds and the requirements of IDLA. Budget amendments are specifically authorized by IC § 33-701.

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**Legal References****Description**

IC § 33-701

Fiscal Year - Payment and Accounting of Funds

IC § 33-5504

Duties of the Academy Board of Directors



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**Policy 7200: Accounting System Design****Status: PROPOSED****Original Adopted Date:**                     **Last Reviewed Date:**                     

IDLA's accounting system shall be established to present, with full disclosure, the financial position and results of the financial operations of IDLA funds and account groups in conformity with generally accepted accounting principles. The accounting system must comply with the accounting system requirements established by legislative action. It shall be possible to demonstrate the accounting system's compliance with finance-related legal and contractual provisions.

# Supplemental Report to the Board

## May 13, 2025

Superintendent Simmons

### Staffing



#### PT Principal/Teacher Hiring

Our Supervision and Instruction, and Operations Teams have been busy this spring recruiting and interviewing candidates for Part-Time Teacher and Principal positions. At this month's Board Meeting, we recommend 67 Part-Time Teachers and 7 Part-Time Principals to join the IDLA Team. This group will train over the summer and begin working with students in the Fall 2025 semester.

This is a larger number of new hires than we had initially anticipated. Two reasons are driving this larger-than-expected recommendation. First, we had a great pool of teachers and principals applying this year! Secondly, we are preparing to support schools with unknown needs this fall. I will share more about that in the following item.

#### Staffing Up for 2025-26

As part of our strategic planning discussions, the IDLA Leadership Team discussed ways to prepare for unknown school and district needs in the 25-26 school year. We identified that the new tax credit may place additional school district needs on IDLA. We also identified that next year's economic outlook is unknown, which could create additional budget constraints in the next fiscal year.

Under guidance from our Superintendent, our team will bring recommendations for additional FTE at the June Board Meeting as part of our FY26 budget request. We want to prepare for increased volume next year and are recommending additional staffing on our Part-Time Faculty, as well as in positions that receive an increase in volume as our enrollments grow. By staffing up, we will be better prepared to face the challenges we see in the 25-26 school year.

### Student Success

#### Strategic Planning

IDLA's Leadership Team worked through an update to the Strategic Plan on April 15th and 16th. Proposed changes to strategic goals were shared with internal teams the following week at the IDLA Semi-Annual Training to get team

feedback and to give teams time to start aligning their team goals to updated strategic goals. Superintendent Simmons will present an updated strategic plan for the 25-26 school year at the June Board Meeting.

## News



### Officiating Youth Sports

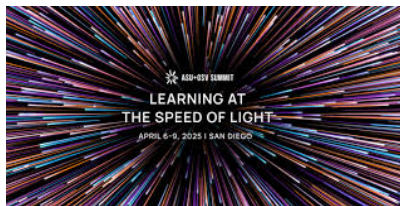
On April 16th, Superintendent Simmons and Trevor Corn, IDLA student from Garden Valley, had the opportunity to appear on [Idaho Matters](#) to share about the Officiating Youth Sports course. We are proud of the positive response we have received from the community to our Officiating Youth Sports course this year! This course has demonstrated how a school district can implement a supplemental online course to help expand student learning opportunities and solve local problems. We will continue finding ways to utilize online learning to provide additional, similar opportunities.



### IDLA and Agilix Partnership -

On April 8th, Agilix [announced](#) its partnership with IDLA to develop AI tools that support teaching and learning. We are excited to partner with Agilix further to enhance the AI tools available within the Buzz LMS. This partnership will provide IDLA and other online learning providers with AI tools that support the learning process, but maintain a focus on student learning. We are very grateful for our partnership with Agilix and their commitment to partnering with us. We anticipate having tools ready to pilot with students in the Fall 2025 semester.

## Events



### ASU + GSV

Ryan Gravette and Jeff Simmons both attended the ASU + GSV Summit again this year, with the support of a scholarship provided through VLLA. This was an excellent opportunity to engage with those on the cutting edge of education technology innovation and those implementing cutting-edge education technology. Both Jeff and Ryan were able to make some good connections and learn best practices from the field. A high-level takeaway from the event confirms IDLA's partnership with Agilix to develop AI tools within the learning platform. As a result of this partnership, IDLA will have access to the best tools we can provide to teachers and students within a safe and secure environment.



### Semi-Annual Training

Most of IDLA's staff are remote, with many living too far away from Boise to come into the office for in-person collaboration. IDLA's Leadership Team recognizes the importance of in-person collaboration for the organization's and our team's health. As a commitment to this, we schedule time to bring all Full-Time Staff together in person twice per year.



Our Spring Semi-Annual Training was a great mix of team building, training, and activities. The training was highlighted by our keynote speaker, [Paul Osincup](#), who helped us understand the benefits of humor on mental health and in the workplace. As always, we had a great time coming together and cannot wait for the next Semi-Annual Training this fall!

#### Law Institute and Roadshows

IDLA's Leadership and Regional Teams members attended the Idaho Education Law Institute on April 28th and 29th. IDLA's Leadership Team and Regional Support Team have also participated in each of the Department of Education's Post-Legislative events. These events allow our team to make sure we clearly understand new legislation and policies and how they will impact IDLA. They also provide us with an opportunity to engage with public schools and keep a pulse on the needs they will have in the upcoming year.



#### MTDA Collaboration

Finally, the IDLA Leadership Team had an opportunity to collaborate with the Leadership Team from Montana Digital Academy (MTDA) on May 6th and 7th. Having a VLLA partner in a neighboring state that we can share with and learn from is so valuable! Both organizations benefited from this collaboration, and we look forward to continuing this collaboration in the Spring of 2026.

# OFFICE LEASE

Dated 2025-Apr-18 | 4:52 PM MDT

Sundance Investments, L.L.P., whose address is 3405 E. Overland Road, Suite 150, Meridian, ID 83642 ("Landlord") hereby leases to Idaho Digital Learning Academy, an independent governmental entity established by the State of Idaho pursuant to Idaho Code § 33-5502 whose address is 3324 S. Milwaukee Lane, Suite 120, Boise, ID 83709 ("Tenant") and Tenant hereby leases from Landlord the "Premises" (hereinafter defined) upon all of the terms and conditions herein and hereinafter expressly provided, effective as of the date set forth above (the "Effective Date").

## ARTICLE 1

### **PREMISES/ PARKING**

#### **1.1 Premises**

The Premises, located at 9199 W. Blackeagle Drive, Boise, ID 83709 shall comprise the area identified on the floor plan(s) attached hereto as Exhibit A and shall consist of 6,056 square feet of rentable area (approximately 5,787 square feet of usable area). The Premises is located in a building (the "Building") that is a part of a project consisting of a building(s), together with related driveways, parking areas, fixtures and improvements (the "Project"). The Building is depicted on Exhibit B and attached hereto.

The rentable area of the Premises shall be specifically calculated by Landlord's architect when the floor plans are complete and shall be measured in accordance with BOMA or any other generally accepted measurement standard then in effect. Upon such determination by Landlord's architect, the rentable area of the Premises and Tenant's Pro Rata Share of the Project shall be appropriately adjusted to reflect the number of square feet of rentable area of the Premises as determined by such calculation. The rentable area of the Premises determined pursuant to this Section shall be used as the basis for the computation of all items of rent. At the request of Landlord, the parties shall, from time to time, execute instruments confirming or adjusting as appropriate, the rentable area of the Premises.

#### **1.2 Common Areas**

Subject to the terms of this Lease, Tenant shall have the non-exclusive right in common with other occupants of the Project, to use the access roads, parking areas, sidewalks, entrances, passages, and courts within the Project and the lobby areas, common restrooms, elevators, stairways, vestibules, public corridors and halls, and other facilities within the Building provided and designated by Landlord for the general use and convenience of the occupants of the

Building and/or Project, as applicable (collectively, the "Common Areas").

#### **1.3 Parking**

Tenant's use of the Common Areas shall include, without charge, the use, on an unassigned basis, of those portions of the Common Areas designated by Landlord from time to time for parking. The Tenant is entitled Thirty (30) parking stalls in common with other tenants. Landlord reserves the right, in Landlord's discretion, to determine whether the Building and/or Project parking facilities are becoming crowded and, in such event, to allocate parking spaces among Tenant, other tenants and visitors, and to designate employee parking areas for the Building and/or Project. Tenant shall be prohibited from subleasing any or all of its parking spaces to other tenants or the Landlord.

The parking spaces to be provided to Tenant shall be used for parking only by vehicles no larger than full-sized passenger automobiles or pick-up trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described in this paragraph, Landlord shall have the right, in addition to all other rights and remedies that it may have under this Lease, to remove, immobilize or tow away the vehicle involved without prior notice to Tenant and the cost thereof shall be paid to the Landlord or authorized towing company within ten (10) days after notice to Tenant. Landlord has the right to utilize a portion of the parking stalls after normal business hours during the week, on weekends and holidays with 24-hour notice to Tenant.

## ARTICLE 2

### **LEASE TERM/CONSTRUCTION OF PREMISES**

#### **2.1 Lease Term**

The Term of the Lease shall be sixty (60) months commencing on July 1, 2025 (the "Commencement Date").

#### **2.2 Construction of Premises**

Landlord shall perform the work and make the installations in the Premises substantially as set forth in the Work Letter attached hereto as Exhibit C (the "Landlord's Work") to be performed by Landlord's general contractor using Landlord's standard finishes and materials. Other than as provided in Exhibit C, Landlord has no obligation to improve, alter or remodel

the Premises. All such installations shall immediately become and remain the property of Landlord.

### **2.3 Acceptance of Premises**

By accepting delivery of and occupying the Premises, Tenant shall be deemed to have accepted the Premises in their condition as of the date of such occupancy, subject to the performance of punch-list items that remain to be performed by Landlord (if any) which have been specified to Landlord as provided below. Within five (5) days of delivery of the Premises, Tenant shall, make such inspection of the Premises as Tenant deems appropriate, and, except as otherwise notified by Tenant in writing to Landlord within such period, Tenant shall be deemed to have accepted the Premises in their then condition. If, as a result of such inspection, Tenant discovers minor deviations or variations from the plans and specifications for Landlord's Work of a nature commonly found on a "punch list" (as that term is used in the construction industry), Landlord shall promptly correct such deviations and variations upon receipt of such notice from Tenant. The existence of such punch list items shall not postpone the Commencement Date of this Lease or Tenant's obligation to pay rent hereunder.

## **ARTICLE 3**

### **PAYMENT OF RENT/ADDITIONAL CHARGES**

#### **3.1 Payment of Rent**

All monies payable by Tenant to Landlord under this Lease shall be deemed to be rent and shall be payable and recoverable as rent in the manner herein provided and Landlord shall have all rights against Tenant for default in any such payment. Rent shall be paid to Landlord in advance, on the first day of each calendar month, during the entire term of this Lease, without abatement, deduction or set-off of any kind, it being the intention of the parties that, to the fullest extent permitted by law, Tenant's covenant to pay rent shall be independent of all other covenants contained in this Lease, including without limitation, Tenant's continued occupancy of the Premises. Tenant shall pay rent when due, in legal tender of the jurisdiction in which the Building is located, at the address of Landlord as set forth herein, or to such other person or entity or to such other address as Landlord may designate in writing. Tenant's obligation to pay all rent due under this Lease shall survive the expiration or earlier termination of this Lease. Should this Lease commence on a day other than the first day of the month the rent for such partial month shall be prorated based on the actual number of days in that month.

### **3.2 Base Monthly Rent**

<b>Period</b>	<b>Base Monthly Rent</b>
07/01/25 – 07/31/25:	Waived
08/01/25 – 06/30/26:	\$10,093.33
07/01/26 – 06/30/27:	\$10,396.13
07/01/27 – 06/30/28:	\$10,708.02
07/01/28 – 06/30/29:	\$11,029.26
07/01/29 – 06/30/30:	\$11,360.14

Tenant agrees to pay the 'Base Monthly Rent' in monthly installments as shown in the preceding table; provided, however, that Tenant shall have the option to prepay Base Rent on an annual basis upon written notice to Landlord.

### **3.3 Interest Rate on Delinquencies**

If Tenant fails to pay any rent when due, such unpaid amounts shall bear interest from the date due until paid at the rate of 18% per annum.

### **3.4 Late Payment Charge**

If Tenant fails to pay any rent within ten (10) days of when due, Tenant shall pay to Landlord, in addition to the interest provided for in Section 3.3, a late payment charge of four percent (4%) of the then-delinquent balance to help defray the additional cost to Landlord for processing such late payments.

### **3.5 Miscellaneous**

These provisions for interest to be paid and late charges shall be in addition to Landlord's other rights and remedies hereunder or at law or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

### **3.6 Advance Rent**

Tenant shall pay advanced rent in the amount of \$10,093.33 concurrently with Tenant's execution of this Lease, which shall be a credit against the first full month of the Base Monthly Rent as it becomes due.

## **ARTICLE 4**

### **ADJUSTMENTS TO BASE ANNUAL RENT**

#### **4.1 Operating Cost Increases**

Tenant shall pay its Pro Rata Share of any increase in Landlord's total annual Operating Costs, over the total annual Operating Costs for the Base Year as hereinafter defined.

#### **4.2 Definitions**

**Pro Rata Share:** Tenant's pro rata share is defined as the ratio of the rentable square footage of the Premises to the total rentable square footage of the Building and/or Project, as applicable. For purposes of this Lease, Tenant's Pro Rata Share of the Building is currently 48.96%, subject to increase or decrease due to an increase or decrease in the rentable square

footage of the Premises or Project.

**Base Year:** The calendar year in which the Lease commences.

**Comparison Year:** Each calendar year following the Base Year.

**Operating Costs:** All expenses paid or incurred by Landlord in connection with the management, maintenance, operation, repair and replacement of the Building, Common Areas, the parking lots, sidewalks, driveways, island landscape areas and other areas used in common by the tenants of the Project. Said costs shall include such fees as may be paid to a third party in connection with property used in conjunction therewith. Operating Costs include but are not limited to all expenses paid or incurred by Landlord for heating, cooling, electricity, water, gas, sewers, refuse collection, telephone charges not chargeable to tenants and similar utilities services; the cost of supplies; janitorial and cleaning services; window washing; insurance; the cost of compliance with any governmental rules, regulations, requirements or orders; cost of services of independent contractors; the cost of compensation (including employment taxes and fringe benefits) of all persons who perform duties in connection with such Operating Costs and any other expense or charge which, in accordance with Landlord's accounting and management principles, would be considered an expense of maintaining, operating, and repairing the Building. All real estate taxes and insurance premiums on the Premises, including land, building and improvements thereon shall be included in Operating Costs. Said real estate taxes shall include all real estate taxes and assessments that are levied upon and/or assessed against the Premises. Said insurance shall include all insurance premiums for fire, extended coverage, liability and any other insurance that Landlord deems reasonably necessary in the Premises. Operating Costs shall not include any expenses paid by any tenant directly to the third parties, or as to which Landlord is otherwise reimbursed by any third party or by any insurance proceeds, depreciation on the building of which the premises is a part of equipment therein, interest or real estate Broker commissions. Landlord may, in a reasonable manner, allocate insurance premiums for so-called "blanket" insurance policies, which insure other properties as well as the Building, and said allocated amounts shall be deemed to be operating expenses.

In the event that during all or any portion of any calendar year the Building is not fully rented and occupied, Landlord shall make an appropriate adjustment in the Operating Costs which vary with occupancy for such year, using sound accounting and

management principles, to determine the total Operating Costs that would have been paid or incurred by Landlord had the Building been 95% rented and occupied. The amount so determined shall be deemed to have been the Operating Costs for such year.

**Actual Costs:** The actual amount paid or incurred by Landlord for Operating Costs during any calendar year of the term hereof.

**Estimated Costs:** Landlord's estimate of Actual Costs for any Comparison Year.

#### **4.3 Estimated Costs**

Landlord shall endeavor to give to Tenant on or before the 1<sup>st</sup> day of March of each Comparison Year during the term hereof, a written statement setting forth the Estimated Costs for such Comparison Year, and a statement showing one-twelfth (1/12) of the amount by which the Estimated Costs for such Comparison Year exceed the Actual Costs for the Base Year. Following the Base Year, Tenant shall pay its Pro Rata Share of such increase monthly starting with the next month's rental payment.

Upon receipt by Tenant of a statement notifying Tenant of a rent increase, Tenant shall make a lump sum payment of the rent increase for those months prior to which the statement is received. For the month during which the statement is received and for those months thereafter, the additional rent shall be paid on a monthly basis until Tenant is notified of a further increase or decrease in rent.

#### **4.4 Actual Costs**

Landlord shall endeavor to give to Tenant, on or before the 1<sup>st</sup> day of March of each Comparison Year during the Term hereof, a written statement setting forth the Actual Costs during the preceding calendar year. If Actual Costs for any Comparison Year exceed the Estimated Costs paid by Tenant to Landlord for such Comparison Year, Tenant shall pay its Pro Rata Share of such excess within thirty (30) days after receipt of such statement. If the statement shows the Actual Costs to be less than the Estimated Costs, then Tenant's Pro Rata Share of the difference shall be refunded to Tenant within thirty (30) days following the date of such statement as provided below. Failure to give such statements by said dates shall not constitute a waiver by Landlord of its right to require an increase in rent, nor shall such failure deprive Tenant of its right to a decrease in rent, as the case may be.

In the event that Tenant is entitled, as shown on any such statement, to a decrease in rent and Tenant is not then in default in performance of any of the terms, covenants and conditions of the Lease or in payment

of rentals due hereunder, Landlord shall, at Landlord's option, either refund to Tenant the amount of such decrease or credit the amount of such decrease to payment of the monthly rent payments next becoming due from Tenant.

In the event this Lease shall terminate or come to an end on any date other than the last day of a calendar year, the amount of increase in rent payable by Tenant or decrease in rent to which Tenant is entitled during the calendar year in which said Lease terminates or comes to an end shall be prorated on the basis of the number of days from the commencement of said calendar year to and including said date on which the Lease terminates or comes to an end bears to 365.

#### **4.5 Tax on Rentals**

If any governmental authority in any manner levies a tax on rental payable under this Lease or rentals accruing from Tenant's use of property, or a tax in any form against Landlord measured by income derived from the leasing or rental of the Premises, such tax shall be paid by Tenant either directly or through Landlord; provided, however, that Tenant shall not be liable to pay any income tax imposed on Landlord.

#### **4.6 Personal Property Taxes**

Tenant shall pay prior to delinquency all personal property taxes and business taxes with respect to all property and business activities of Tenant on the Premises and shall provide promptly upon request of Landlord written proof of such payments.

### **ARTICLE 5 SECURITY DEPOSIT**

#### **5.1 Security Deposit**

Upon execution of this Lease, Tenant shall deposit with Landlord the sum of \$10,093.33 (the "Security Deposit") as security for the faithful performance and observance by Tenant of all the terms, covenants, conditions, provisions and agreements of this Lease. If Tenant shall default with respect to any covenant or condition of this Lease including, but not limited to the payment of rent, Landlord may, but shall not be obligated to, apply all or any part of such Security Deposit to the payment of any sum in default or any other sum which Landlord may be required to spend or incur by reason of Tenant's default, and, in such event, Tenant shall, upon demand, deposit with Landlord the amount so applied so that Landlord shall have the full Security Deposit on hand at all times during the term of this Lease. If Tenant shall have fully complied with all the covenants and conditions of this Lease, but not otherwise, the Security Deposit or any balance thereof shall be refunded to Tenant upon Landlord's final inspection of the Premises and within thirty (30) days after Tenant has vacated the same, after any accrued charges for which Tenant is

responsible (such as utility charges, Tenant's share of the Operating Costs, and damages to the Premises) have been determined and paid in full. Tenant agrees that if this Security Deposit is insufficient to compensate Landlord for any damages, costs, and expenses not covered thereby, including loss of rental income during any period reasonably required to repair physical damages to the Premises or to clean the Premises, Tenant shall pay the balance thereof, immediately upon demand. Landlord shall not be required to keep the Security Deposit in a separate account and the Security Deposit shall not accrue interest to Tenant.

### **ARTICLE 6 USE AND OCCUPANCY**

#### **6.1 Permitted Use**

The Premises shall be occupied and used only for the specific purpose of general office and for no other business or purpose without the written consent of Landlord. No act shall be done in or about the Premises that is unlawful or that will increase the existing rate of insurance on the Building. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building. Tenant shall not, without the written consent of Landlord, use any apparatus, machinery or device in the Premises which will cause any substantial noise or vibration about the Premises. If any of Tenant's office machines and equipment should disturb the quiet enjoyment of any other tenants in the Building, then Tenant shall provide adequate insulation, or take such other action as may be necessary to eliminate the disturbance. Tenant shall comply with all applicable state, federal, and local laws, ordinances, and regulations relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord for the operation of the Premises or the Building and for the preservation of good order therein.

#### **6.2 Compliance with Environmental Laws**

Tenant represents, warrants, and covenants to Landlord that:

(a) Tenant and the Premises will remain in compliance with all applicable laws, ordinances, and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including those statutes, laws, regulations, and ordinances identified in subparagraph (g) of this Section 6.2, all as amended and modified from time to time (collectively, "environmental laws"). All governmental permits relating to the use or operation of the Premises required by applicable environmental laws are and will remain in effect, and Tenant will comply with them.

(b) Tenant will not cause or permit to occur

any release, generation, manufacture, storage, treatment, transportation, or disposal of hazardous material (as that term is defined in subparagraph (g) below) on, in, under, or from the Premises, except for the storage and use of customary and typical cleaning supplies, printer toner and other similar office supply materials, in reasonable quantities and in compliance with all applicable environmental laws. Tenant will promptly notify Landlord, in writing, if Tenant has or acquires notice or knowledge that any hazardous material has been or is threatened to be released, generated, manufactured, stored, treated, transported, or disposed of, on, in, under, or from the Premises; and if any hazardous material is found on the Premises, Tenant, at its own cost and expense, will immediately take such action as is necessary to detain the spread of and remove the hazardous material to the complete satisfaction of Landlord and the appropriate governmental authorities.

(c) Tenant will immediately notify Landlord and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Premises or compliance with environmental laws. Tenant will promptly cure and have dismissed with prejudice any of those actions and proceedings to the satisfaction of Landlord. Tenant will keep the Premises free of any lien imposed pursuant to any environmental laws.

(d) Landlord will have the right at all reasonable times and from time to time to conduct environmental audits of the Premises, and Tenant will cooperate in the conduct of those audits. The audits will be conducted by a consultant of Landlord's choosing, and if any hazardous material is detected or if a violation of any of the warranties, representations, or covenants contained in this Section is discovered, the fees and expenses of such consultant will be borne by Tenant and will be paid as additional rent under this Lease on demand by Landlord.

(e) If Tenant fails to comply with any of the foregoing warranties, representations, and covenants, Landlord may cause the removal (or other cleanup acceptable to Landlord) of any hazardous material from the Premises. The costs of hazardous material removal and any other cleanup (including transportation and storage costs) will be additional rent under this Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable on demand by Landlord. Tenant will give Landlord, its agents, and employees access to the Premises to remove or otherwise clean up any hazardous material. Landlord, however, has no affirmative obligation to remove or otherwise clean up any hazardous material, and this Lease will not be construed as creating any such obligation.

(f) Tenant will indemnify, defend (with counsel selected by Landlord in its reasonable discretion) and

hold harmless Landlord and its employees, agents, officers, and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including reasonable attorney fees and costs), arising out of or in any way related to the acts and omissions of Tenant, Tenant's officers, directors, employees, agents, contractors, subcontractors, subtenants, and invitees with respect to (1) the generation, manufacture, operations involving transport, treatment, storage, handling, production, processing, disposal, release, or threatened release of any hazardous materials which are on, from, or affecting the Premises, including, without limitation, the soil, water, vegetation, buildings, and improvements on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such hazardous materials; (3) any lawsuit brought or threatened, settlement reached, or governmental order relating to such hazardous materials; and (4) any violations of laws, orders, regulations, requirements, or demands of governmental authorities, or any reasonable policies or requirements of Landlord, which are based upon or in any way related to such hazardous material including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. This indemnification will survive this Lease.

(g) At the end of this Lease, Tenant will surrender the Premises to Landlord free of any and all hazardous materials and in compliance with all environmental laws affecting the Premises. For the purpose of this section, the term "hazardous materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.); and in the regulations adopted and publications promulgated pursuant to them, or any other federal, state, or local environmental laws, ordinances, rules, or regulations now enacted or enacted after this date (collectively, the "environmental laws").

(h) The provisions of this Section 6.2 shall be in addition to any and all obligations and liabilities Tenant may have to Landlord and/or according to common law, and shall survive this Lease. The remedies provided in this Section 6.2 are cumulative and shall be in addition to any and all remedies Landlord may have against Tenant. Nothing in Section 6.2 is intended to or shall operate as a waiver of any right Landlord may have at law or in

equity.

(i) The foregoing notwithstanding, nothing in this Section 6.2 shall be deemed to make Tenant responsible or liable in any way with respect to hazardous materials on the Premises or violations of environmental laws that, in either case, existed when this Lease commenced or with respect to any hazardous material that may migrate onto the Premises from other property during the term of this Lease.

### **6.3 Relocation**

If the Premises is comprised of less than 2,000 square feet of rentable area, Landlord shall have the right, at its option and upon at least sixty (60) days written notice to Tenant, to relocate Tenant and to substitute for the Premises described above other spaces in the Building or Project containing at least as much rentable area as the original Premises. Such substituted Premises shall be improved by Landlord at its expense, with decorations and improvements at least equal in quantity and quality to those in the original Premises. Landlord shall pay the expenses reasonably incurred by Tenant in connection with such substitution of Premises, including, but not limited to costs of moving, door lettering, telephone relocation, not to exceed \$1.50 per usable square foot of Tenant's original Premises.

### **6.4 Tenant Option to Relocate**

Upon a written request by Tenant, Landlord may elect to permit Tenant to cancel this Lease in order for Tenant to lease other premises from Landlord, subject to such terms and conditions as the Landlord shall determine, including, without limitation, requirements that Tenant: (a) lease space that is greater in rentable square feet than the Premises; (b) pay rent that is equal or greater to the rent due under this Lease; and (c) pay the unamortized tenant improvement costs and leasing commissions for this Lease.

## **ARTICLE 7 DUTY TO MAKE IMPROVEMENTS OR ALTERATIONS**

### **7.1 Duty to Make Improvements or Alterations Required by Law**

Tenant, at its sole cost and expense, shall make any and all alterations, additions, or other changes or improvements to the Premises as may be required by any state, federal, or local law, ordinance, and regulation, including but not necessarily limited to the Americans with Disabilities Act (ADA), 42 U.S.C. Section 12101 et seq. as may be required during the term of this Lease, due to Tenant's specific use or occupancy. Tenant shall indemnify, defend (with counsel selected by Landlord in its reasonable discretion) and hold harmless Landlord and its employees, agents, officers, and directors from and

against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including reasonable attorney fees and costs), arising out of Tenant's failure to fulfill its obligation under this paragraph. Landlord makes no representations or warranties with respect to the condition of the Premises or the need to make any alterations, additions, changes, or improvements as contemplated herein, and Tenant accepts the Premises as is.

### **7.2 ADA Compliance**

Without limiting any other provisions of this Lease, Tenant shall at Tenant's sole cost and expense (but subject to Landlord's prior written approval, which shall not be unreasonably withheld), make each and every alteration or addition to the Premises required to bring the Premises into compliance with the requirements imposed by the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.) and any regulations promulgated pursuant thereto effective from time to time during the term of this Lease, and any period of holding over by Tenant ("ADA Requirements"), only if the requirement for such alteration or addition arises as a result of:

- (1) Any alteration or addition by Tenant;
- (2) Any violation by Tenant of any ADA Requirements;
- (3) A special use of the Premises or any part thereof by Tenant or any assignee or subtenant of Tenant (including but not limited to use for a facility which constitutes, or if open to the public generally would constitute, a "place of public accommodation" under the ADA Requirements);
- (4) The special needs of the employee(s) of Tenant or any assignee or subtenant of Tenant; or
- (5) The ADA requirements would otherwise make Tenant rather than Landlord primarily responsible for making such alteration or addition.

## **ARTICLE 8 SERVICES AND UTILITIES**

### **8.1 Services**

Subject to the other provisions of the Lease, Landlord shall:

- (a) Furnish the Premises with electric current in reasonably sufficient amounts for normal business use, including operation of building standard lighting and general office machines of a type that require no more than a 110-volt duplex outlet. If Tenant uses any high-power usage equipment in the Premises, Tenant shall in advance, on the first day of each month during the Lease term, pay Landlord as additional rent the reasonable amount estimated by

Landlord as the cost of furnishing electricity for the operation of such equipment. For purposes of this Lease, "high power usage equipment" shall mean equipment that uses more power than standard office equipment, as determined by Landlord in its reasonable discretion.

(b) Furnish heating, ventilation and air conditioning in season at such temperatures and in such amounts as may in the judgment of the Landlord be reasonably required for the comfortable use for normal office use in the Premises having a maximum occupancy load of one person per 150 square feet of usable space. If such utilities are required by Tenant in excess of twelve (12) hours on any one business day (67 hours per seven day week), Tenant shall pay to Landlord the cost of such excess service. Before installing any equipment in the Premises that generates more than a minimum amount of heat, Tenant shall obtain the written permission of Landlord, and Landlord may refuse to grant such permission if the amount of heat generated would place an undue burden on the air conditioning system for the building.

(c) Furnish water/sewer for any restroom or lunchroom facility installed in the Common Areas or in Tenant's Premises based upon standard office use. If Tenant has water/sewer usage in excess of a standard office tenant (as determined by Landlord in its reasonable discretion), then Tenant shall pay to Landlord as additional rent, the reasonable amount estimated by Landlord as the cost of furnishing water/sewer for Tenant's operation.

(d) Furnish restroom supplies, exterior window washing at reasonable intervals, janitorial and light replacement in Common Areas only.

(e) Furnish passenger elevator service in common with other tenants - if applicable.

(f) Furnish building standard janitorial service in the Common Areas of the Building only. No janitorial service shall be provided by Landlord within the Premises.

## **8.2 Landlord's Liability**

Unless caused by the gross negligence or willful misconduct of Landlord, Landlord shall not be liable to Tenant for any loss or damage caused by or resulting from any variation, interruption, or failure of such services due to any cause whatsoever. No temporary interruption or failure of such services incident to the making of repairs, alterations or improvements, or due to accident or strike, or conditions or events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations hereunder.

## **ARTICLE 9**

### **CARE OF PREMISES/END OF TERM**

#### **9.1 Landlord's Responsibility**

As long as Tenant is not in default of any of the provisions of this Lease, Landlord shall maintain the Premises in reasonably good order and condition except for damage occasioned by the act or omission of Tenant, the repair of which shall be paid for by Tenant.

#### **9.2 Tenant's Responsibility**

Tenant shall take good care of the Premises. Tenant shall, at the expiration or termination of this Lease, surrender and deliver the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use, wear and damage by fire or other casualty excepted.

Tenant shall not make any alterations, additions or improvements in or to the Premises, or make changes to locks on doors, or add, disturb or in any way change any plumbing, communication cabling or wiring without first obtaining the written consent of Landlord. Any such alterations shall be, where appropriate, in accordance with plans and specifications approved by Landlord and all local, state and federal laws, regulations, ordinances, codes, rules and requirements. Upon termination of this Lease, or when Landlord has the right of re-entry, any such alterations, additions or improvements made by Tenant shall be considered a part of the Building, shall remain therein and shall automatically, without the requirement of any further action by Tenant, become the property of Landlord, unless Landlord shall request their removal at the time Landlord approves of same, in which event they shall be promptly removed by Tenant and the Premises shall be restored to the condition existing on the date of this Lease, normal usage and wear excepted. All damage or injury done to the Premises by Tenant or by any persons who may be in or upon the Premises with the consent of Tenant, including the cracking or breaking of glass of any windows and doors, shall be paid for by Tenant, and Tenant shall pay all damage to the Building caused by Tenant's misuse of the Premises or the appurtenances thereto. If Tenant refuses or neglects to make such repairs and/or maintain the Premises or any part thereof in a manner required hereunder reasonably satisfactory to Landlord, Landlord shall have the right, upon giving Tenant five (5) days' written notice of Landlord's election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event, such work shall be paid for by Tenant as additional rent and shall be due promptly upon receipt of a bill therefore. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience



occasioned thereby nor to any abatement of rent. Tenant shall not put any curtains, draperies or other window hangings on or beside the windows in the Premises without first obtaining Landlord's consent. All normal repairs necessary to maintain the Premises in a tenable condition shall be done by or under the direction of Landlord and at Landlord's expense except as otherwise provided herein. Landlord, acting reasonably and in good faith, shall be the sole judge as to what repairs are necessary.

### **9.3 Special Improvements**

Tenant shall reimburse Landlord's costs of making all special improvements requested by Tenant, including, but not limited to, counters, partitioning, electrical and telephone outlets and plumbing connections other than as shown on an exhibit or other attachment hereto as being furnished by Landlord; provided, however, Tenant shall not be obligated to pay for the cost of any such special improvements made without a written request therefore by Tenant to Landlord.

Tenant shall be responsible for the cost of replacement of carpet that is damaged as a result of dragging or pushing furniture in the Premises or Common Areas. Tenant's responsibility shall extend to its visitors, contractors, guests or authorized agents.

### **9.4 Surrender of Possession**

Upon expiration of the term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord.

### **9.5 Removal of Property**

Any trade fixtures, equipment, or other personal property installed in the Premises by the Tenant and not affixed to the walls, ceiling, floors, or other part thereof, shall remain the property of the Tenant, and provided that the Tenant is not in default of performance of this Lease, they may be removed by the Tenant at any time during the term hereof.

Those trade fixtures or equipment which must necessarily be affixed to the walls, ceiling, floors, or other part of the Premises in such manner that damage thereto will result from the installation or removal thereof, shall not be installed without the prior consent in writing and approval of the manner of installation by the Landlord. If so installed, they shall remain a part of the Premises and not be removed therefrom unless Landlord shall demand their removal at the time such installation is approved by Landlord, in which event they shall promptly be removed by Tenant, and Tenant shall be responsible for repair of all damage to any part of the Premises occasioned by their installation or removal. If Tenant shall fail to remove any other property of any nature whatsoever from the Premises or the Building at the termination of

this Lease, or when Landlord terminates Tenant's possession as permitted after a default, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may, at its option, sell, or permit to be sold, any or all of such property at public or private sale, in such manner at such times and places as Landlord, in its sole discretion, may deem proper, without notice to Tenant, and shall apply the proceeds of such sale as follows: first, to the cost and expense of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the term hereof; and, fourth, the balance, if any, to Tenant.

### **9.6 Holdover**

If Tenant shall, without the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the state of Idaho. During such tenancy, Tenant agrees to pay to Landlord 1.5 times the rate of rental as set forth herein, including increases or decreases as provided for in Article 3 above, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

## **ARTICLE 10** **ACCESS**

### **10.1 Access**

Tenant will permit Landlord and its agents to enter into and upon the Premises at all reasonable times by first giving Tenant reasonable notice and allowing sufficient time for Tenant to grant consent to access (unless reason for entry is to satisfy a life or asset-threatening purpose, in which case no notice will be required) for the purpose of inspecting the same or for the purpose of cleaning, repairing, altering or improving the Premises or Building. Nothing contained in this Article 10 shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. When reasonably necessary, upon prior notice to Tenant unless reason for entry is to satisfy a life or asset-threatening purpose, Landlord may temporarily close entrances, doors, corridors, elevators or other facilities without liability to Tenant by reason of such closure and without such action by Landlord being construed as an eviction of Tenant or relieve Tenant from the duty of observing and performing any of the provisions of this Lease. Except in the event of a life, or asset threatening purpose,

Landlord will ensure continued access to Tenant's Premises throughout such closure. Landlord shall have the right to require Tenant to exclusively use service or delivery access routes as designated by Landlord from time to time. Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective tenants within the period of 180 days prior to the expiration or earlier termination of the Lease term.

## **ARTICLE 11 DAMAGE OR DESTRUCTION**

### **11.1 Damage or Destruction**

If the Premises shall be destroyed or rendered untenantable, either wholly or in part, by fire or other unavoidable casualty, Landlord may, at its option, restore the Premises to their previous condition, and in the meantime, the monthly rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof; but unless Landlord, within thirty (30) days after the happening of any such casualty shall notify Tenant of its election to so restore the Premises, this Lease shall thereupon terminate and end.

If the Building shall be destroyed or damaged by fire or other casualty insured against under Landlord's fire and extended coverage insurance policy to the extent that more than fifty percent (50%) thereof is rendered untenantable, or in case the Building shall be materially destroyed or damaged by any other casualty other than those covered by such insurance policy, notwithstanding that the Premises may be unaffected directly by such destruction or damage, Landlord may, at its election, terminate this Lease by notice in writing to Tenant within sixty (60) days after such destruction or damage. Such notice shall be effective thirty (30) days after receipt thereof by Tenant.

## **ARTICLE 12 INSURANCE**

### **12.1 Waiver of Subrogation**

Notwithstanding anything to the contrary in this Lease, Tenant is a governmental entity and is prohibited by applicable law from agreeing to a waiver of subrogation. Landlord acknowledges that Tenant cannot waive any rights, immunities, or defenses provided under the Constitution or laws of the State of Idaho. However, to the extent permitted by law and without waiving sovereign immunity, Tenant agrees that it will endeavor to obtain, through its state-administered insurance policies, a waiver of subrogation clause in favor of Landlord, but only if and to the extent such waiver is available at no additional

cost to Tenant and is permitted under applicable law.

### **12.2 Indemnification**

Tenant shall indemnify, defend (with counsel acceptable to Landlord in its reasonable discretion) and hold harmless Landlord and its employees, agents, officers, and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including reasonable attorney fees and costs), arising from any act, omission or negligence of Tenant, or the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Tenant in and about the Premises, or arising from any accident, injury, or damage, howsoever and by whomsoever caused, to any person or property, occurring in or about the Premises; provided that the foregoing provision shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence of Landlord, or of any officer, contractor, licensee, agent, servant, employee, guest, invitee or visitor of Landlord.

Landlord shall not be liable for any loss or damage to personal property sustained by Tenant, or other persons, which may be caused by the Building or the Premises, or any appurtenances thereto, being out of repair, or by the bursting or leakage of any water, gas, sewer or steam pipe, or by theft, or by any act or neglect of any Tenant or occupant of the Building, or of any other person, or by any other cause of whatsoever nature, unless caused by the gross negligence or willful misconduct of Landlord.

### **12.3 Insurance Coverage**

Tenant shall, at its sole cost and expense, throughout the term of this Lease, obtain and maintain Commercial General Liability insurance for the mutual benefit of both Tenant and Landlord at the following limits and coverages:

Bodily Injury and Property Damage Liability:  
     \$1,000,000 each occurrence combined  
 Personal Injury Liability:  
     \$1,000,000 each occurrence  
 Products – Completed Operations:  
     \$1,000,000 each occurrence  
 General Aggregate Limit:  
     \$2,000,000 each occurrence

Landlord and Landlord's managing agent, The Sundance Company, shall be named as an Additional Insured along with any financial lending institutions if required by such lenders. If Tenant owns or operates more than one location other than the location under this Lease, then the above insurance shall be

endorsed to show that "limits apply per location."

The policy shall be on a primary occurrence form non-contributable to insurance carried by Landlord. Contractual Liability covering liability assumed under this Lease shall be a part of the coverage provided by Tenant's policy.

Tenant shall, upon the Commencement Date of this Lease and thereafter within thirty (30) days prior to the expiration or change of each such policy, promptly deliver to Landlord certified copies or other evidence of such policies and evidence of satisfactory to Landlord that all premiums have been paid and all policies are in effect.

### **ARTICLE 13**

#### **ASSIGNMENT/ SUBLETTING**

##### **13.1 Assignment and Subletting**

Tenant shall not assign this Lease nor sublet the whole or any part of the Premises without first obtaining Landlord's written consent, which consent shall not be unreasonably delayed, withheld or conditioned. No such assignment or subletting shall relieve Tenant of any liability under this Lease. Consent to any such assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under or through Tenant.

In no event shall any proposed subtenant or assignee be a then-existing tenant or occupant of any building owned or managed by Landlord. Any proposed subtenant shall not be an entity with whom Landlord or its agent is negotiating and to or from whom Landlord, or its agent, has given or received any written or oral proposal within the past twelve (12) months regarding a lease of space in the Building or the business park in which the Building is located.

Tenant shall not publicly advertise the rate for which Tenant is willing to sublet the space; and all public advertisements of the assignment of the Lease or sublet of Premises, or any portion thereof, shall be subject to prior approval in writing by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed. Said public advertisements shall include, but not be limited to the placement or display of any signs or lettering on: (i) the exterior of the Premises; (ii) on the glass or any window or door of the Premises, or (iii) in the interior of the Premises if it is visible from the exterior.

Tenant shall pay to Landlord Landlord's then standard processing fee, any taxes or other charges imposed upon Landlord or the Project as a result of such assignment or sublease, and shall reimburse Landlord

for all costs, including the reasonable fees of attorneys, architects or other consultants incurred by Landlord in connection with such assignment or sublease, whether or not such proposed assignment or sublease is consented to by Landlord.

If Tenant transfers, sublets or assigns its interest in this Lease, then Tenant shall pay to Landlord, as additional rent, an amount equal to 50% of all excess rent (if any) resulting from such transfer, sublease or assignment, in its cash equivalent within five (5) days of when received by Tenant. For purposes of this section, "excess rent" shall include all economic benefit to Tenant, however characterized, including, but not limited to, rent, key money, debt relief or forbearance, or bartered goods or rights.

If Tenant is a corporation, then any transfer of this Lease by merger, consolidation or liquidation, or any change in ownership of, or power to vote, the majority of its outstanding voting stock, shall constitute an assignment for the purpose of this section.

### **ARTICLE 14**

#### **LIENS/ INSOLVENCY**

##### **14.1 Liens and Insolvency**

Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials ordered or obligations incurred by Tenant. If Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver or assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may terminate Tenant's right of possession under this Lease at Landlord's option.

### **ARTICLE 15**

#### **DEFAULT**

##### **15.1 Default**

Time is of the essence hereof. If at any time the rent reserved herein shall become in arrears and be unpaid when due and continue to be unpaid for a period of ten (10) days after written demand for the payment thereof from Landlord specifying such failure to pay (provided, however, that no such notice shall be required if Tenant has been in default of its obligation to pay rent more than once in any twelve (12) month period), or if Tenant shall default in the performance of any of the other terms, covenants and provisions of this Lease on its part to be performed and such failure is not cured within twenty (20) days after written demand for the performance thereof, or if the demised premises become vacant or deserted while no rent is being paid, or if Tenant files or has filed against it in any court pursuant to any statute, a petition in bankruptcy or insolvency, or for reorganization or for appointment of a receiver or trustee of all or a substantial portion of the property owned by Tenant, or if Tenant makes an assignment for the benefit of creditors, or any

execution or attachment shall be issued against Tenant of all or a substantial portion of Tenant's property, whereby all or any portion of the Premises covered by this Lease or any improvement thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant and such adjudication, appointment, assignment, petition, execution or attachment shall not be set aside, vacated, discharged or bonded within thirty (30) days after the determination, issuance of filing of the same, then, and in such event, Landlord shall have the right to terminate this Lease and the term hereof, as well as all of the right, title and interest of Tenant hereunder, by giving Tenant not less than the aforementioned ten (10) days' notice in writing for default on rent and not less than the aforementioned twenty (20) days' notice in writing for all other defaults of such intention and upon the expiration of the time fixed in such notice (if such default shall not have been cured), this Lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, shall wholly terminate in the same manner and with the same force and effect (except as to Tenant's liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted, and Landlord may enter into and/or repossess said Premises, either by force or summary proceedings, or otherwise, and Tenant hereby expressly waives service of notice of intention to re-enter or to institute legal proceedings to that end.

In the event of a cancellation or termination hereof by either the issuance of a dispossessionary warrant or summons, or the service of a notice of termination as hereinabove provided, or otherwise, Tenant shall, nevertheless, remain and continue liable to Landlord in a sum equal to all of the Base Monthly Rent, Tenant's Pro Rata Share of all actual Operating Costs' escalations, and all additional charges for the balance of the term; and Landlord may re-enter said Premises, using such force for that purpose as may be necessary without being liable to any prosecution for said re-entry or for the use of such force, and Landlord may repair or alter said Premises in such manner as to Landlord may seem necessary or advisable, and/or let or relet said Premises or any or all parts thereof for the whole or any part of the remainder of the original term hereof or for a longer or shorter period, in Landlord's name or otherwise, and, out of any rent so collected or received, Landlord shall first pay to itself the expense and cost of retaking, repossessing, repairing and/or altering said Premises and the expenses of removing all persons and property therefrom; second, pay to itself any cost or expense sustained in securing any new tenant or tenants; and third, to pay to itself any balance remaining and apply the whole said balance, or so much thereof as may be required, toward payment of the liability of Tenant to Landlord for the sum equal to the rents reserved herein and then

unpaid by Tenant for the remainder of the term. Any such entry or re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge Tenant from liability hereunder. The words "re-enter" and "re-entry" as used in this Lease are not restricted to their legal meaning. The failure of Landlord to relet the Premises or any part or parts thereof shall not release or affect Tenant's liability for damages or otherwise; however, either Landlord or Tenant shall and may seek to relet said Premises to mitigate the damages of Tenant.

Should any rent so collected by Landlord after the payments aforesaid be insufficient fully to pay to Landlord a sum equal to all rent and other charges herein reserved, the balance or deficiency shall be paid by Tenant following receipt of notice from Landlord of the amount of such balance or deficiency that is due. Upon each of the rent days above specified in Article 3 and 4, Tenant shall pay to Landlord the amount of said deficiency then existing and shall remain liable for any portion thereof not so paid; and the right of Landlord to recover from Tenant the amount of such deficiency, or a sum equal to the amount of all rent and other charges herein reserved if there shall be no reletting by Landlord, shall survive the issuance of any dispossessionary warrant or other termination of the term hereof.

Suit or suits for the recovery of any such deficiency or damages, or for a sum equal to any installment or installments of rent or charges payable hereunder may be brought by Landlord, from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease or the term hereof would have expired by limitation had there been no such default by Tenant or no such termination. Rather, Landlord shall have the right to recover from Tenant (in addition to past-due rent and other sums then owing) the total amount of Base Monthly Rent which would be payable over the then remaining term of this Lease, plus any increased amount of Operating Expenses provided for pursuant to paragraph 4.1 of this Lease for each month then remaining in the term of this Lease, which increased rent shall be equivalent to the average additional rent paid by Tenant (or owing) for the twelve (12) month period preceding the vacation of the Premises by Tenant.

Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of demised Premises, by reason of the violation of Tenant of any of the covenants and conditions of this Lease.

Upon expiration or sooner termination of this Lease, all improvements and additions to the Premises shall become the property of Landlord as provided in Section 9.2.

As and for consideration of the covenants between Landlord and Tenant under this Lease, Tenant grants to Landlord a lien to take immediate effect as security for the performance of all future obligations. The lien shall be against all inventories, business equipment, and fixtures located upon the leased premises, or which may be located there in the future. Tenant grants to Landlord the right to take all steps as required by law to perfect, document, record or otherwise validate the lien granted herein. The lien provided for under this paragraph shall include but not be limited to the lien provided for in Idaho Code § 45-108. Tenant agrees that in the event Tenant fails to perform a future obligation under this Lease and Landlord must foreclose the lien granted herein, the Landlord may maintain physical possession and control of the property subject to the lien and without liability to the Tenant.

#### **15.2 Security Agreement/Security Interest**

Tenant hereby secures its performance of all monetary obligations under this Lease for the protection and benefit of Landlord by granting to Landlord a security interest in the collateral, which shall include the Tenant's inventory, equipment, supplies, furniture, materials, fixtures, trade fixtures, and personal property. By executing this Lease, Tenant agrees to the security interest granted to Landlord and authorizes Landlord to file financing statements and record fixture filings as necessary to establish and perfect the security interest granted herein.

#### **ARTICLE 16** **NON-WAIVER**

##### **16.1 Non-Waiver**

Waiver by Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition; or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

#### **ARTICLE 17** **EMINENT DOMAIN**

##### **17.1 Eminent Domain**

If all of the Premises or such portions of the Building

as may be required for the reasonable use of the Premises are taken by eminent domain, this Lease shall automatically terminate as of the date Tenant is required to vacate the Premises, and all rent shall be paid to that date. In case of a taking of a part of the Premises, or a portion of the Building not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the rental shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's moving expenses and for the interruption of or damage to Tenant's business, provided, that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Landlord.

#### **ARTICLE 18** **NOTICES**

##### **18.1 Notices**

Any notice authorized to be given from Landlord to Tenant or from Tenant to Landlord shall be sufficiently served or given for all purposes if delivered personally or if sent by United States certified mail, return receipt requested, email (with delivery receipt) or reputable overnight carrier, addressed to the party in question at the Premises as well as their address as defined herein.

Landlord:

Sundance Investments, L.L.P.  
c/o The Sundance Company  
3405 E. Overland Road, Suite 150  
Meridian, ID, 83642

Tenant

Idaho Digital Learning Academy  
3324 S. Milwaukee Lane, Suite 120  
Boise, ID 83709

For the purposes of this Lease, a notice served hereunder shall be deemed to have been delivered on the date mailed, as indicated by the postal service postmark on the certified mail receipt or on the envelope containing the notice.

ARTICLE 19  
**ATTORNEY'S FEES**

**19.1 Attorney's Fees**

If either party hereto defaults in any manner or fails to fulfill any and all provisions of this Lease, and if the non-defaulting party places this Lease with an attorney to exercise any of the rights of the non-defaulting party upon such default or failure, or if suit be instituted or defended by the non-defaulting party by reason of, under or pertaining to such default or failure, then the non-defaulting party shall be entitled to recover reasonable attorney's fees, costs and expenses from the defaulting party. This paragraph shall be enforceable by the parties notwithstanding any rescission, forfeiture, or other termination of this Lease.

ARTICLE 20  
**LANDLORD'S LIABILITY**

**20.1 Landlord's Liability**

Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord, except Landlord's interest in the Premises and Building, but are made and intended for the purpose of binding only the Landlord's interest in the Premises and Building. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its partners, agents or employees, and their respective heirs, legal representatives, successors and assigns on account of the Lease or on account of any covenant, undertaking or agreement of Landlord in this Lease contained. In the event this Lease is assigned by Landlord, Landlord's liability hereunder shall terminate upon the effective date of said assignment.

ARTICLE 21  
**SUBORDINATION, ATTORNMEN AND  
ESTOPPEL CERTIFICATES**

**21.1 Tenant Subordinate**

Tenant agrees that this Lease shall be subordinate to any first mortgage or deed of trust now existing or that may hereafter be placed upon the Premises or the Building containing the same, and to any and all advances to be made there under, and to the interest thereon, and all renewals, replacements and extensions thereof; provided the mortgagee or beneficiary named in said mortgage or deed of trust shall agree to recognize this Lease in the event of foreclosure if Tenant is not in default there under. Within fifteen (15) days after written request from Landlord, Tenant shall execute any commercially reasonable and customary documents that may be

necessary or desirable to effectuate the subordination of this Lease to any such mortgage or deed of trust.

**21.2 Tenant Attornment**

Tenant shall attorn to any mortgagee, secured party, or purchaser who shall acquire title to the Premises, and this Lease shall continue in full force and effect between Tenant, mortgagee, secured party, or purchaser, or their legal successor in interest.

**21.3 Estoppel Certificate**

Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord a written statement certifying (i) that this Lease is unmodified and in full force and effect (or that the same is in full force and effect as modified, listing the instruments of modification); (ii) that the Lease has not been cancelled or terminated; (iii) the last date of payment of the rent and other charges and the time period of the rent and other charges covered by that payment which have not been paid more than one (1) month in advance; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, a statement supporting that claim); and (v) such other representations or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Premises may reasonably require, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by a prospective purchaser of Landlord's interest or a mortgagee of Landlord's interest or assignee of any mortgage upon Landlord's interest in the Building. If Tenant shall fail to respond within ten (10) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be considered in default of this Lease. Tenant's failure to timely execute, acknowledge and deliver the requested estoppel certificate shall be a representation and warranty by Tenant that all of the requested information in the estoppel certificate is true, including but not limited to that the Lease is unmodified, in full force and effect, and the Landlord is not in default.

ARTICLE 22  
**GENERAL PROVISIONS**

**22.1 Time is of the Essence**

In all instances where Tenant is required by the terms and provisions of this Lease to pay any sum or to do any act at a particular time or within an indicated period, it is understood and agreed that time is of the essence.

**22.2 Waiver of Jury Trial**

Landlord and Tenant hereby agree that each of them shall waive trial by jury in any action, proceeding or counterclaims brought by either Landlord or Tenant against the other. This waiver applies to any matters whatsoever arising out of or in any way connected with

this Lease, or the relationship of Landlord and Tenant, or Tenant's use of the Premises, or any emergency statute, or any remedy authorized by statute.

### **22.3 Successors**

Except as otherwise specifically provided, the terms, covenants, and conditions, contained in this Lease shall apply to and bind the heirs, successors, executors, administrators, and permitted assignees of the parties to this Lease.

### **22.4 Joint and Several Liability**

If there is more than one Tenant, the obligations imposed by this Lease upon Tenant shall be joint and several. If there is a guarantor of Tenant's obligations, the obligations imposed on Tenant shall be joint and several obligations of Tenant and such Guarantor. Landlord need not first proceed against the Tenant before proceeding against such Guarantor. The Guarantor shall not be released from its guaranty for any reason whatsoever including amendments to the Lease, waivers of default of Tenant, failure to give the Guarantor any notices to be given Tenant, or release of any party liable for payment of Tenant's obligations under this Lease.

### **22.5 Merger**

The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Landlord and Tenant shall not work a merger and shall, at Landlord's option, terminate all or any subleases or subtenancies. Landlord's option shall be exercised by notice to Tenant and all known tenants under any sublease or subtenancy.

### **22.6 Entire Agreement - Captions**

This Lease contains the entire agreement of the parties. No representations, promises, or agreements oral or otherwise between the parties not contained in this Lease shall be of any force and effect. Neither this Lease nor any provisions hereof may be changed, waived, discharged, or terminated except in writing executed by Landlord and Tenant. The captions for Lease Sections and Articles are for convenience only and shall have no effect upon the construction or interpretation of any part of this Lease.

### **22.7 Severability**

The illegality, invalidity or unenforceability of any term, condition, or provision of the Lease shall in no way impair or invalidate any other term, condition, or provision of the Lease. All such other terms, conditions, and provisions shall remain in full force and effect.

### **22.8 Building Name**

Landlord has the right, after thirty (30) days' notice to Tenant, to change the name or designation of the Building without liability to Tenant.

### **22.9 Brokerage Commission**

Tenant and Landlord each represents and warrants that it has dealt with no Tenant representative broker, agent or finder in account of this Lease, other than the broker Greg Gaddis, OF Tenant Realty Advisors (the "Broker"), set forth in a letter of acknowledgment from Tenant to Landlord. Landlord and Tenant each agrees to defend, indemnify, and hold harmless the other from and against any and all claims, damages, and costs, including attorney's fees, in connection with any claim for brokerage, finder's, or similar fees, or compensation related to this Lease other than from the Broker, which may be made or alleged as a result of acts or omissions of that party. The Landlord shall not be responsible for the payment of leasing commissions for any future renewal periods. If applicable, the payment of any renewal commissions for Tenant representation shall be the Tenant's responsibility. If prior to the commencement of renewal negotiations, Tenant notifies Landlord, in writing, of its intent to engage the services of a broker to represent them during the renewal process, Landlord may amortize the then current market commissions for renewal representation over the term of the renewal period and include such amortization within the rental rate.

### **22.10 Authorization to Sign Lease**

If Tenant is a corporation, Tenant represents and warrants that each individual executing the Lease on behalf of Tenant is duly authorized to execute and deliver the Lease on behalf of Tenant in accordance with Tenant's bylaws or a duly adopted resolution of Tenant's Board of Directors, and that the Lease is binding upon Tenant in accordance with its terms. If Tenant is a partnership or trust, each individual executing the Lease on behalf of Tenant represents and warrants that he/she is duly authorized to execute and deliver the Lease on behalf of Tenant in accordance with the terms of the partnership or trust agreement, respectively, and that the Lease is binding upon Tenant in accordance with its terms. Tenant shall concurrently with its execution of the Lease deliver to Landlord, upon its request, such certificates or written assurances from the partnership or trust as Landlord may request authorizing the execution of the Lease.

### **22.11 Interpretation**

Although this Lease was initially drafted by representatives of Landlord, Tenant acknowledges to Landlord that both they and their counsel have reviewed and revised this Lease and that the normal

rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Lease or any amendments or exhibits hereto.

## **22.12 Governing Law**

This Lease shall be governed by, construed and enforced in accordance with the laws of the State of Idaho.

## **22.13 Force Majeure**

Time periods for Landlord's performance under this Lease, including services to be furnished by Landlord as provided for in this Lease, shall be extended for periods of time during which Landlord's performance is prevented due to circumstances beyond Landlord's control. This would include, without limitation, strikes, embargoes, repairs, alterations, governmental action, acts of God, war, terrorism, crime or other strife. Landlord shall not be liable for any costs or damages incurred by Tenant due to such circumstances. Suspension or interruption of any services provided by Landlord and due to Force Majeure shall not result in any abatement of rent, be deemed an eviction, or relieve Tenant of any obligation under this Lease.

## **22.14 Recordation**

Tenant shall not record this Lease or memorandum hereof.

## **22.15 Binding Effect**

Submission of this instrument for examination or signature by Tenant does not constitute an offer to lease, or a reservation of or option for a lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

## **23.16 Building Regulations**

Tenant shall obey all reasonable Rules and Regulations of the Building as imposed by Landlord, and set forth in Exhibit D, and incorporated as a part of this Lease. The Rules and Regulations are in addition to and shall not be construed to modify or amend this Lease in any way. Landlord shall have the right to make changes or additions to such Rules and Regulations provided such changes or additions, except those affecting the safety and operation of the Building or the Premise, do not unreasonably affect Tenant's use of the Premises. Landlord shall not be liable for failure of any tenant to obey such Rules and Regulations. Failure by Landlord to enforce any current or subsequent Rules or Regulations against any tenant of the Building shall not constitute a waiver thereof.

## **22.17 Month-to-Month Tenants**

All tenants on a month-to-month tenancy must give Landlord written notice thirty (30) days prior to vacating the Premises.

## **22.18 Exhibits**

This Lease shall be inclusive of the Exhibits as specified below, all of which are made a part hereof as though fully set forth herein.

### *Included Exhibits:*

Exhibit A:	Premises
Exhibit B:	Project
Exhibit C:	Work Letter
Exhibit D:	Rules & Regulations
Exhibit E:	Signage
Exhibit F:	Addendum

IN WITNESS WHEREOF, Landlord and Tenant have respectively executed this Lease on the day and year first above written.

[signature page to follow]



LANDLORD:

Sundance Investments L.L.L.P.

By: its General Partner,

THE SUNDANCE COMPANY



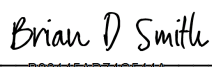
Christopher L. Anderson

Its: President

TENANT:

Idaho Digital Learning Academy

Signed by:

By: 

B90145AD74C544A...

Name: Brian D Smith

Its: Director of Operations

TSC Agent Initials:

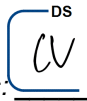


Exhibit A  
(All Dimensions are approximate)

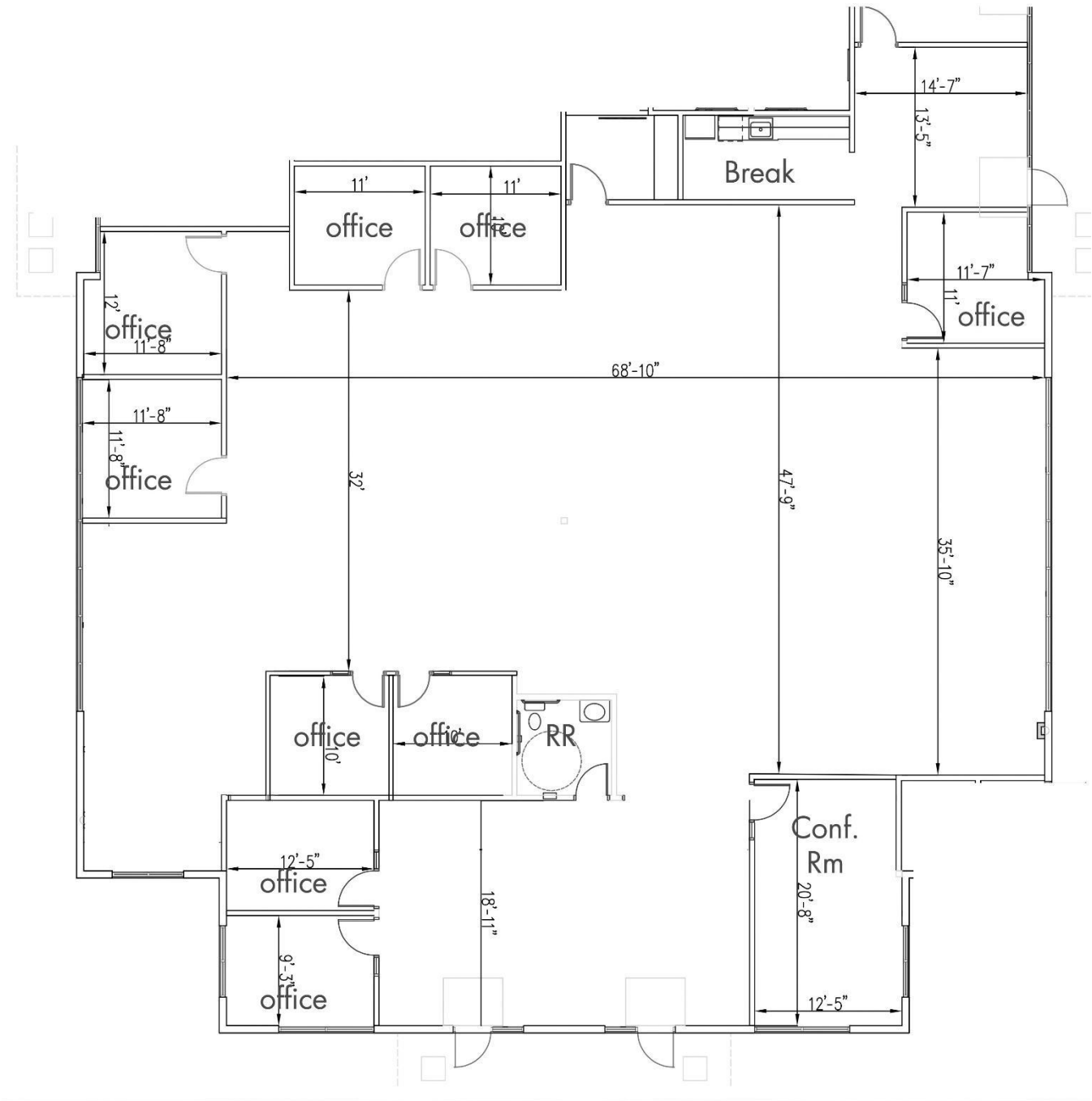
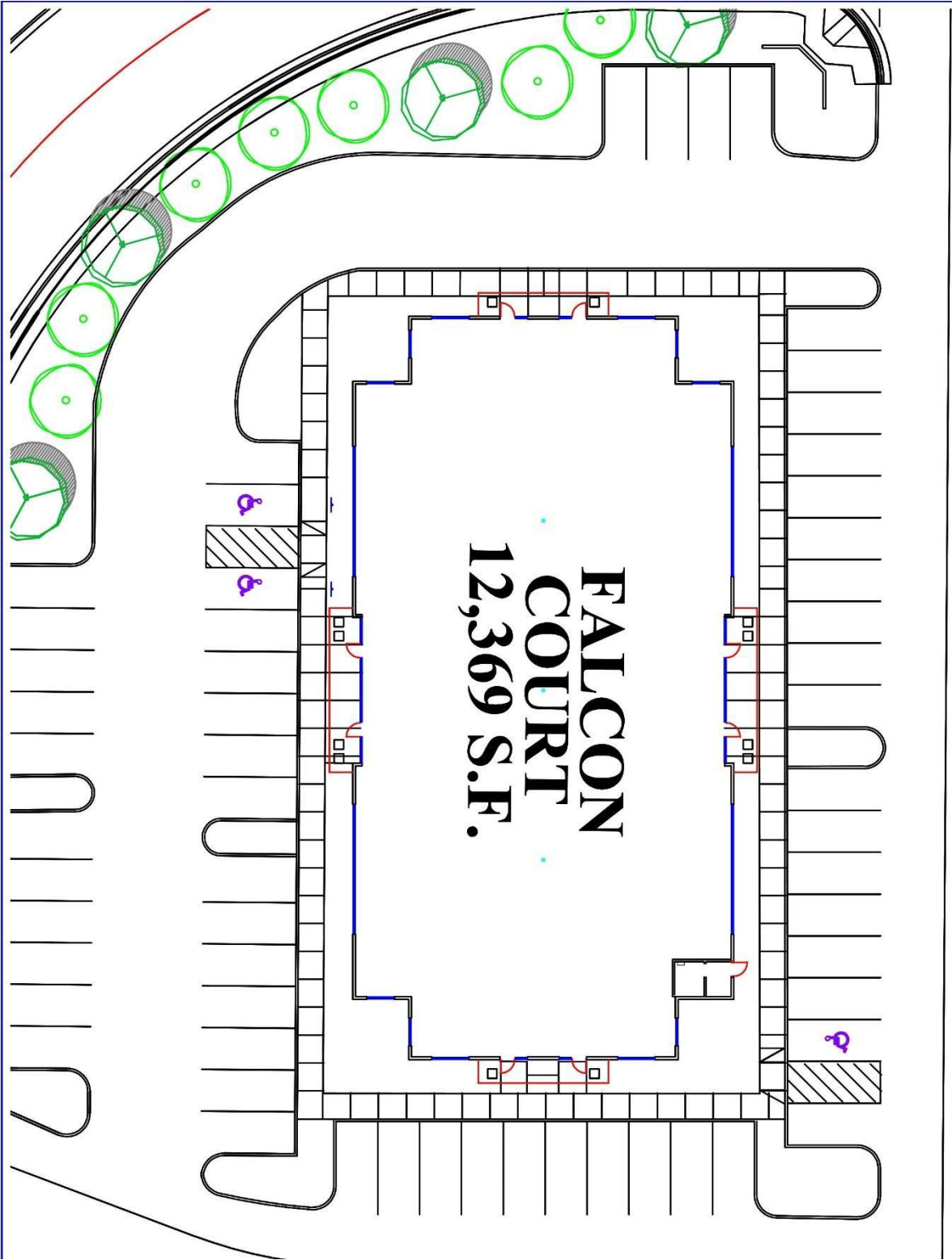


Exhibit B



### ***Exhibit C***

All base building systems within the Premises shall be delivered in good working order; professionally cleaned and free from previous tenant's personal property

Other than the work described in this herein, the Premises shall be delivered in its current as-is condition.

The Tenant may, using either Landlord's contractor or a contractor approved by Landlord, perform the improvements defined within the attached Exhibit C-1 at its sole costs and expense.

Tenant shall be solely responsible for the suitability for the Tenant's needs and business of the design and function of the Tenant Improvements, and for the Tenant Improvements' compliance with all applicable laws, rules, regulations, ordinances, approvals, conditions and restrictions. Tenant shall also be responsible for procuring or installing in the Premises any trade fixtures, equipment, furniture, furnishings, telephone equipment or other personal property ("Personal Property") to be used in the Premises by Tenant, and the cost of such Personal Property shall be paid by Tenant. Tenant shall conform to the Project wiring standards in installing any telephone equipment and shall be subject to any and all rules of the site during construction.

Tenant may, enter the Premises thirty (30) days prior to the Commencement Date solely for the purpose of installing Tenant's Personal Property and equipment as long as such entry will not interfere with the orderly construction and completion of the Tenant Improvements. Tenant shall notify Landlord of its desired time(s) of entry and shall submit for Landlord's approval the scope of the work to be performed and the name(s) of the contractor(s) who will perform such work. Tenant shall indemnify, defend (with counsel acceptable to Landlord in its reasonable discretion) and hold harmless Landlord and its employees, agents, officers, and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including reasonable attorney fees and costs), arising out of or in connection with the installation of Tenant's Personal Property or equipment (including, but not limited to, claims for breach of warranty, personal injury or property damage). Landlord shall have the right, in Landlord's sole and exclusive discretion, to settle, compromise, or otherwise dispose of any and all suits, claims, and actions related to the installation of Tenant's Personal Property or equipment.



**Exhibit D**  
**Building Rules and Regulations.**

1. Tenant shall not obstruct or interfere with the rights of other tenants of the Building, or of persons having business in the Building, or in any way injure or cause a nuisance to such tenants or persons.
2. Tenant shall not use the Building for lodging, sleeping, cooking (other than microwave cooking) or for any immoral or illegal purpose or for any purpose that will damage the Building or the reputation thereof or for any purposes other than those specified in the Lease.
3. Tenant shall not bring or keep within the Building any animal (other than certified service animals), bicycle, or motorcycle.
4. Tenant shall not conduct mechanical or manufacturing operations, cook or prepare food (other than as specified in the lease or in these Rules and Regulations), or place or use any inflammable, combustible, explosive or hazardous fluid, chemical, device, substance or material in or about the Building without the prior written consent of Landlord, Tenant shall comply with all rules, orders, regulations, and requirements of the applicable Fire Rating Bureau, or any other similar body, and Tenant shall not bring or keep any object in the Building that shall increase the rate of fire or casualty insurance on the Building or on property located therein.
5. Except as otherwise permitted in the Lease, Tenant shall not install for use in the Building, on exterior walls or roof, any air conditioning unit, engine, boiler, generator, machinery, heating unit (other than a microwave), stove, water cooler, ventilator, radiator, radio or television antenna, loud speaker, microwave dish, or any other similar apparatus without the prior written consent of Landlord and then only as Landlord may direct.

All office equipment and any other device of any electronic, electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord so as to absorb or prevent any vibration, noise, or annoyance. Tenant shall not cause improper noises, vibrations, or odors within the Building.

6. Tenant shall move all freight, supplies, furniture, fixtures, and other personal property into, within and out of the Building only at such times and through such entrances as may be designated by Landlord, and such movement of such items shall be under the supervision of Landlord. Landlord reserves the right to inspect all such freight, supplies, furniture, fixtures, and other personal property to be brought into the Building and to exclude from the Building all such objects which violate any of these rules and regulations or the provisions of the Lease. Tenant shall not move or install such objects in or about the Building in such a fashion as to unreasonably obstruct the activities of other tenants. All such moving shall be at the sole expense, risk and responsibility of Tenant. Tenant shall not use in the delivery, receipt, or other movement of freight, supplies, furniture, fixtures, and other personal property to, from or within the Building, any hand trucks other than those equipped with rubber tires and side guards.
7. Tenant shall not place within the Building any safes, copying machines, computer equipment, or other objects of unusual size or weight that exceed the designs loads of the floor, nor shall Tenant place within the Building any objects that exceed the floor weight specifications of the Building without the prior written consent of Landlord. The placement and positioning of all such objects within the Building shall be prescribed by Landlord and such objects shall in all cases be placed upon plates or footings of such size as shall be prescribed by Landlord.
8. Tenant shall not deposit any trash, refuse, cigarettes, or other substances of any kind within or out of the Building, except in the refuse containers provided therefore. Tenant shall not introduce into the Building any substance which might add an undue burden to the cleaning or maintenance of the Premises or the Building. Tenant shall not, and shall not permit any Tenant employees, officers contractors or employees, to dump or place rubbish in or on the sidewalks, entrances, passages, courts, lobby areas, garages, or parking areas, elevators, stairways, vestibules, public corridors, and halls in and about the Building (hereinafter "Common Areas").
9. Tenant shall use the Common Areas only as a means of ingress and egress and Tenant shall not permit any persons to loiter upon Common Areas or elsewhere within the Building. The Common Areas and roof of the

Building are not for the use of the general public, and Landlord shall in all cases retain the right to control or prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation, or interests of the Building and its Tenants. Tenant shall not enter the mechanical rooms, air conditioning rooms, electrical closets, janitorial closets, or similar areas or go upon the roof of the Building without the prior written consent of Landlord.

10. Tenant shall not use the washrooms, restrooms, and plumbing fixtures of the Building, and appurtenances thereto, for any other purpose than the purposes for which they were constructed, and Tenant shall not deposit any sweepings, rubbish, rags or other improper substances therein. Tenant shall not waste water by interfering or tampering with the faucets or otherwise. If Tenant or Tenant's, employees, agents, contractors, licensees, invitees, guests, or visitors cause any damage to such washrooms, restrooms, plumbing fixtures, or appurtenances, such damage shall be repaired at Tenant's expense and Landlord shall not be responsible therefor.
11. Tenant shall not mark, paint, drill into, cut, string wires within, or in any way deface any part of the Building, without the prior written consent of Landlord (such consent not to be unreasonably withheld, conditioned or delayed) and as Landlord may direct. Wall decorations, TVs and (including wall hung art and murals) and temporary floor coverings are permitted without further Landlord approval. Upon removal of any wall decorations or installations of floor coverings by Tenant, any damage to the walls or floors shall be repaired by Landlord at Tenant's sole cost and expense. Without limitation upon any of the provisions of the Lease, Tenant shall refer all contractor representatives, installation technicians, janitorial workers and other mechanics, artisans, and laborers rendering any service in connection with the repair, maintenance, or improvement of the Premises to Landlord for Landlord's approval before performance of any such service, except for ordinary service and repairs to Tenant's furniture, fixtures, or equipment. This Paragraph 11 shall apply to all work performed in the Building, including without limitation installation of telephones, computers, electrical, and electronic devices of any kind and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment, or any other portion of the Building. Plans and specifications for such work, prepared at Tenant's sole expense, shall be submitted to Landlord and shall be subject to Landlord's prior written approval (such approval not to be unreasonably withheld, conditioned or delayed) in each instance before the commencement of work. All installations, alterations, and additions shall be constructed by Tenant in a good and professional manner and only good grades of materials shall be used in connection therewith. The means by which telephone, computer and similar wires are to be introduced to the Premises and the location of telephones, call boxes, and other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord (such approval not to be unreasonably withheld, conditioned or delayed).
12. Landlord shall have the right to prohibit any publicity, advertising, or use of the name of the Building by Tenant which in Landlord's opinion tends to impair the reputation of the Building or its desirability as a building for offices. Upon written notice from Landlord, Tenant shall refrain from or discontinue any such publicity, advertising, or use of the Building name.
13. The sashes, sash doors, skylights, windows, and doors that reflect or admit light or air into the Common Areas shall not be covered or obstructed by Tenant through placement of objects upon windowsills or otherwise. Tenant shall cooperate with Landlord in obtaining maximum effectiveness of the cooling system of the Building. Tenant shall not obstruct, alter, or in any way impair the efficient operation of Landlord's heating, ventilating, air conditioning, electrical, fire, safety, or lighting systems, nor shall Tenant tamper with any thermostat or temperature control valves in the Building.
14. Subject to applicable fire or other safety regulations, all doors opening onto Common Areas and all doors upon the perimeter of the Premises shall be kept closed and locked during non-business hours, except when in use for ingress or egress. If Tenant uses the Premises after regular business hours or on non-business days, Tenant shall lock any entrance doors to the Building or to the Premises used by Tenant immediately after using such doors.
15. All keys to the exterior doors of the Premises shall be obtained by Tenant from Landlord. Tenant shall not make duplicate copies of such keys. Tenant shall not install additional locks or bolts of any kind upon any of the doors or windows of or within the Building nor shall Tenant make any changes in existing locks or mechanisms thereof. Tenant shall upon the termination of its tenancy provide Landlord with the combinations to all combination locks on safes, safe cabinets and vaults which shall remain a part of the Premises and deliver to Landlord all keys to

the Building, the Premises and all interior doors, cabinets, and other key controlled mechanisms therein, whether or not such keys were furnished to Tenant by Landlord. In the event of the loss of any key furnished to Tenant by Landlord, Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such a change.

16. If Tenant installs or activates a pre-existing alarm system in Tenant's Premises, Tenant shall be responsible for false alarm charges and reimburse Landlord upon demand for any charges or fines imposed by police, fire or alarm company in responding to such false alarms.
17. Tenant shall utilize a carpet protection mat under all desk chairs and have all carpets, in Tenant's space, cleaned thoroughly once a year.
18. For purposes hereof, the terms "Landlord", "Tenant", "Building" and "Premises" are defined in the Lease to which these Rules and Regulations are attached. Wherever Tenant is obligated under these Rules and Regulations to do or refrain from doing an act or thing, such obligation shall include the exercise by Tenant of its commercially reasonable efforts to secure compliance with such obligation by the employees, contractors, agents, invitees, licensees, guests and visitors of Tenant. The term "Building" shall include the Premises and any obligations of Tenant hereunder with regard to the Building shall apply with equal force to the Premises and to other parts of the Building.
19. In the event that the Tenant and Landlord determine it is necessary for the Tenant to have its own dumpster, then the Tenant will pay for it at its own expense and it must be kept in a mutually agreed upon location.
20. Tenant shall not inscribe any inscription or post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises or Building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto. Any such consent by Landlord shall be upon the understanding and condition that Tenant will remove the same at the expiration or sooner termination of this Lease, and Tenant shall repair any damage to the Premises or the Building caused thereby.
21. Non-Smoking Policy
  - a. **Buildings, Facilities, Areas Occupied by Tenants**
    - i. **No Smoking.** Smoking of any tobacco product including cigarettes, cigars, and pipes or any other product producing smoke is prohibited in all Sundance Investments, L.L.P. buildings, including common areas, facilities, or areas occupied by tenants.
  - b. **Outside Smoking Locations**
    - i. Smoking is prohibited within 25 feet of building entrances or at a distance determined by the Landlord, in areas where smoke will be drawn into and affect the air inside buildings, open windows, or air-supply intakes.
  - c. **Violations of Smoking Policy**
    - i. Smoking in a nonsmoking area is a violation of this policy and a violation of Lease Policies and Procedures.

[End of Text]



## **Exhibit E**

### **SIGN CRITERIA**

All of the Tenant's signs shall be designed, constructed and located in accordance with the procedures established in this Lease and these sign criteria are subject to approval by Landlord.

#### **1. GENERAL REQUIREMENTS:**

- A. Tenant shall submit to Landlord for approval prior to installing or before fabrication, ONE (1) copy of detailed drawings indicating the location, size, layout, design, and color of the proposed signs including all lettering of graphics.
- B. Tenant must obtain and pay for all permits for signs and installation.
- C. Landlord has the right to approve Tenant sign installation.
- D. All of the Tenant's signs shall be constructed and installed at Tenant's sole expense.
- E. Even after design approval, no signs shall be installed without advance notice to Landlord, and if Landlord elects, under the supervision of Landlord or its agent or contractor.

#### **2. GENERAL SPECIFICATIONS:**

- A. No animated, flashing or audible signs will be permitted.
- B. No exposed lamps or neon tubing will be permitted.
- C. All signs and their installation shall comply with local, building and electrical codes.
- D. All conduit cabinets, conductors, transformers and other equipment shall be concealed.
- E. Individual Tenant pylon or pole signs will not be permitted.
- F. No sign of any sort will be permitted on canopy roofs or building roofs.
- G. No signs of box or cabinet style.
- H. Tenant is responsible to install power supply to tenant signage.

#### **3. DESIGN REQUIREMENTS:**

- A. Identification signs shall be designed in a manner compatible with and complementary to the adjacent and facing storefronts and the overall design concept of the project.
- B. Tenant signs shall comply with the following requirements:
  - (1) All storefront signs are to be individual letters.
  - (2) Letters are to be Tenant's color and in all events subject to Landlord's approval.
  - (3) Lettering shall be applied directly to the designated signage area or accent entry locations conforming generally with the following requirements (but subject to adjustment by Landlord).
    - a. The overall length of the sign area shall not exceed a length equal to one-half the designated sign area or 15 feet, whichever is smaller.
    - b. Individual letters shall not be greater than 24" high.
  - (4) Company Logos will be allowed only at Landlord's discretion.

#### **4. CONSTRUCTION REQUIREMENTS:**

Tenant shall indemnify, defend (with counsel acceptable to Landlord in its reasonable discretion) and hold harmless Landlord and its employees, agents, officers, and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including reasonable attorney fees and costs), arising out of Tenant's installation, maintenance, repair, replacement, or removal of any signs in or on the Building.

#### **5. REMOVAL OF SIGN:**

Tenant shall be responsible for removal of the sign(s) in accordance with the Lease Agreement.

#### **6. INTERIOR SIGNS AND PREMISES IDENTIFICATION**

The Tenant shall not erect, affix, install or maintain any signs, lettering, identification or any promotional or other written materials visible from the exterior of the Building or from any interior Common Areas. The Landlord may, at the request and expense of the Tenant, supply and install: (a) on or near the entrance door of the Premises a sign bearing the name of the Tenant; and, if applicable (b) one entry in any directory board or elevator lobby for the Building, each in accordance with the Landlord's uniform scheme for identification signage. Any tenant occupying at least a full floor in the Building may, subject to having received the Landlord's prior written approval as to design location, material and method of installation, supply and install its own sign in the elevator lobby of each full floor occupied by it.

#### 7. MISCELLANEOUS REQUIREMENTS:

Except as provided herein, no advertising placards, banners, pennants, names, insignia, trademarks, or other descriptive material shall be affixed or maintained upon the glass panes and supports of the show windows and doors, or upon the exterior walls of the building storefront without Landlord's prior written approval.

This Exhibit, and the items contemplated herein, are subject to the requirements of the approval by appropriate governmental agencies having jurisdiction over the subject matter covered herein. Landlord makes no representation or warranties that such approvals can be obtained or requirements met, and in the event such approvals cannot be obtained or such requirements cannot be met following execution of said Lease, or at any time during the existence of said Lease, then this Exhibit shall become null and void only to the extent that such requirements and approvals cannot be complied with, however, the remaining provisions of this Exhibit, and said Lease to which it is attached, which are capable of being complied with shall continue to remain in full force and effect.

[End of Text]

## Exhibit F

### ADDENDUM TO LEASE

Except as set forth in this Addendum to Lease, Exhibit F, all the provisions of the Lease shall remain unchanged and in full force and effect. In the event of any inconsistency or ambiguity between the terms of this Addendum and the other terms of the Lease, the terms of this Exhibit shall prevail.

#### Option to Renew

Provided that Tenant is in compliance with all the terms and conditions of this Lease both at the time of Tenant's exercise of this option and at the time the renewal term is scheduled to commence, Tenant shall have the option to extend the term for two (2) thirty-six (36) month periods (the "Extended Terms") at the then fair market value but not less than the previous year, assuming no renewal Real Estate Commissions are due or paid by Landlord, by giving Landlord written notice of such election at least six (6) months prior to the expiration date of the then current term. This Option is personal to the Tenant and may not be exercised or assigned by any other party than the Tenant.

#### Amenity Center

The Silverstone Corporate Center Association and the Silverstone Business Campus Association have jointly created the Silverstone Amenity Center as an amenity to the owners within the respective associations. Although the Lease is located in a park not affiliated with either Association, the Landlord has arranged that Tenant be provided room rental pricing no greater than that charged to tenant's and owners within the Silverstone Corporate Center Association and the Silverstone Business Campus Association. Provided that the associations continue to provide this service, this preferred pricing shall be provided to tenant throughout the term of the lease.

#### Non-Appropriation Clause & Reimbursement Obligations

In the event that funds are not appropriated to continue funding this lease, as determined by the governing body of the Idaho Digital Learning Alliance (IDLA), this lease may be terminated by IDLA upon written notice to the Lessor. The termination will be effective at the end of the fiscal year in which funding is no longer available, and IDLA will have no further obligation under the lease for periods following the termination.

In the event that this Lease is terminated by IDLA due to a reduction or cessation of funding as outlined in this Non-Appropriation clause, IDLA agrees to reimburse the Lessor for the following costs:

- i. Broker Commissions – IDLA will reimburse the Lessor for any broker commissions paid in connection with this Lease, calculated based on the unexpired term of the Lease at the time of termination.
- ii. Free Rent – IDLA will reimburse the Lessor for the value of any free rent or rent abatements provided as part of the lease agreement, prorated for the remaining lease term as of the termination date.
- iii. Tenant Improvements (TI) – Since the Tenant Improvements have been paid upfront, IDLA will reimburse the Lessor for any outstanding balance of unamortized tenant improvement costs, based on the unexpired term of the Lease at the time of termination.

The total amount due for reimbursement under this clause will be calculated as of the termination date and paid to the Lessor within thirty (30) days of the termination notice or the termination will be deemed not valid. This provision is intended to equitably address the costs incurred by the Lessor as a result of the early termination of the Lease and is not considered a penalty.

[End of Text]

**Items highlighted in beige (new pieces to acquire/pending quote)**

- Conference Room Table to seat 12 guests
- 2 new 72 x 29 Height Adjustable Tables
- 1 curved Height Adjustable Table
- 14 Training Tables and 32 Rolling/Stackable Training Chair
- New Fridge for Break Room
- Podcast Room - larger desk and soundboards

