Business Plan

C.1 Facilities Acquisition

The Paideia Academy of Chandler school campus is located at 550 West Warner Road, Chandler, Arizona. This is a fully-functional charter school facility that has all applicable permits and licenses to operate as a charter school, including a valid Certificate of Occupancy issued by the City of Chandler. The facility already has a well-developed technology infrastructure and some furnishings, so the school's outlays for technology infrastructure development and school furniture will be minimal.

The Paideia Academy of Chandler has already signed a Lease Agreement for this school facility with a 15-year lease term and the following major financial arrangements:

Gross rent for the facility:

Year 1 - $135,297 per annum and $11,275 per month for SY2012-2013 (125 students),
Year 2 - $192,467 per annum and $16,038 per month for SY2013-2014 (175 students),
Year 3 - $220,760 per annum and $18,395 per month for SY2014-2015 (200 students).

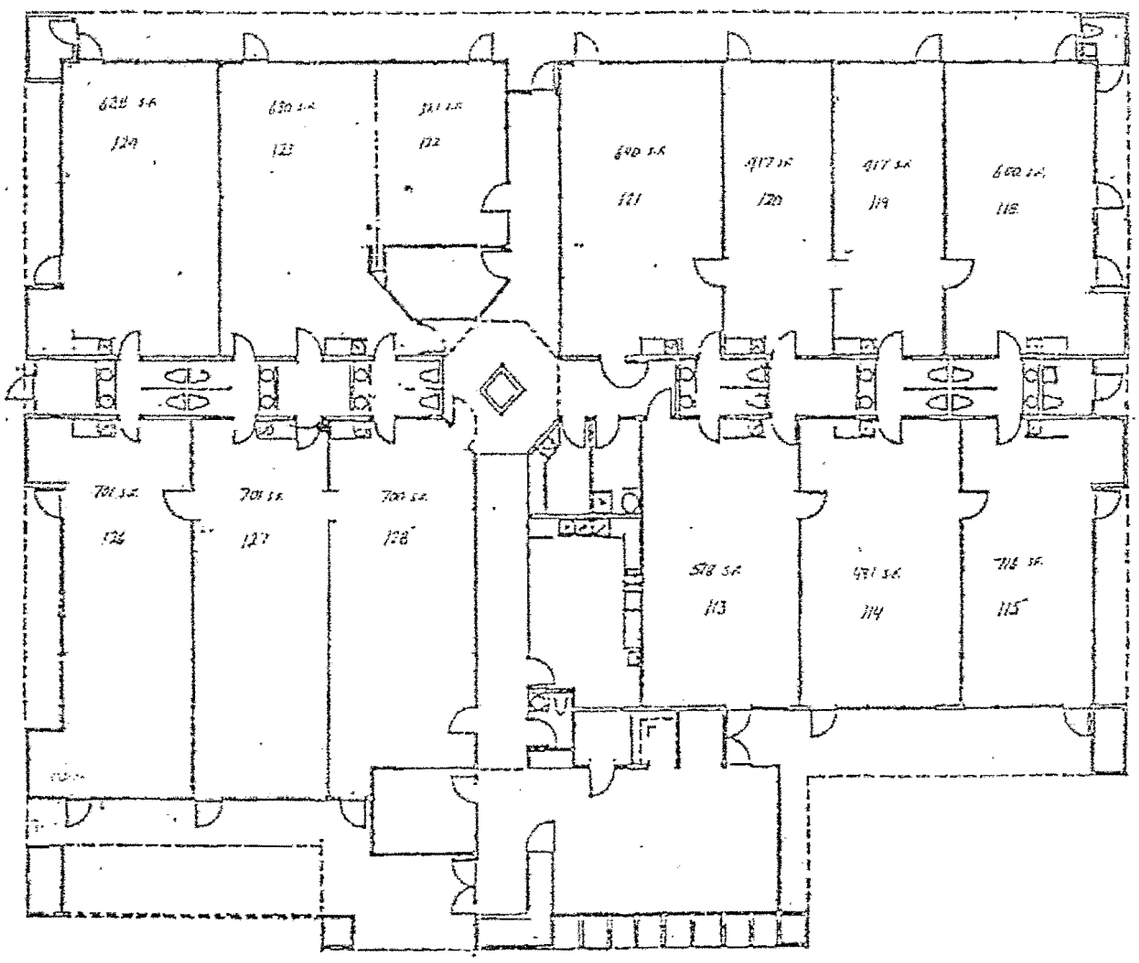
The above rent amounts are gross with consideration of the triple-net basis. They include City of Chandler and State of Arizona transaction privilege tax (TPT) and Maricopa County property tax (approximately $1,600 per year). The three-year operational budget adequately reflects the above gross rent amounts.

The Lease Agreement is conditional to the school obtaining a charter. To ensure sustainable school finances and operations Paideia Academy of Chandler has negotiated and agreed with the landlord that the rent would not exceed 19% of the school equalizations funding and 15% of the total school revenues (with a minimum of 125 student enrollment).

The Paideia Academy of Chandler campus has 11 instructional classrooms, administrative space, IT room, and a multipurpose room - a total of 11,700 SF built-in area. The campus has a specious school yard with playground equipment and three ramadas. The school yard has been recently expanded through the acquisition of an adjacent land parcel. The location of the school has excellent visibility from a major traffic artery such as Warner Road. It is located just east of Hwy 101 and channels major traffic flows to Chandler, Mesa, Gilbert and Tempe, which is deemed favorable for the marketing effort of the school.

The Paideia Academy of Chandler facility has adequate technology infrastructure in place (internal connections - wiring for telephony and Internet with drops in every classroom) and sufficient technology infrastructure equipment already in place in its facility. Additionally, the school and the landlord work together to develop solar and/or geothermal *clean energy solutions* for the school facility in order to conserve energy and demonstrate environmental leadership within the school community.

A Floor Plan of the facility is enclosed.

School Facility
550 West Warner, Road, Chandler, AZ 85225-4364

Floor Plan