

**SUBLEASE AGREEMENT BETWEEN
THE CITY OF LINCOLN
AND
DYNAMIC EDUCATIONAL SYSTEMS, INC.**

This sublease, made as of the 1st day of October, 2002 by and between the City of Lincoln, Nebraska, a municipal corporation in the State of Nebraska, hereinafter called the Sublessor, and Dynamic Educational Systems, Inc., representing One Stop Partner Job Corps under the Workforce Investment Act, acting as the Sublessee, with a principle place of business at 8433 N. Black Canyon Highway, Suite 178, Pheonix, Arizona 85021, phone number (602-995-0116 ext 118) or (888-374-3374), attention Gina Gamba, hereinafter referred to as "DESI".

WHEREAS, the Sublessor entered into a Lease Agreement with Gold's Limited Partnership leasing 17,000 square feet of office space at Gold's Galleria, 1010 N Street, Lincoln, Nebraska and said lease is identified as the "Lease" and made a part hereof as Exhibit A.

WHEREAS, the Sublessor wishes to sublet to Sublessee a portion of the City's leased area comprising 415.31 square feet, said portion hereinafter referred to as the "Premises".

NOW, THEREFORE, IN CONSIDERATION of the promises and mutual covenant herein set forth, the parties agree as follows:

1. Sublease of Premises. Sublessor does hereby sublease to Sublessee, and, Sublessee does hereby sublease from the Sublessor, the Premises, at the rent, and upon the terms, covenants and conditions as hereby provided.

2. Term. The term of this Sublease Agreement shall commence on the 1st day of October, 2002 and shall terminate on the 31st day of October, 2003.

3. Rent. Annual rental is for 415.31 square feet of subleased office space. The Rent schedule is:

| Lease Term | Cost Per Square Foot | Annual Rent | Monthly Rent |
|---------------------|----------------------|-------------|--------------|
| 10/1/02 to 7/31/03 | \$11.50 | \$3980.00 | \$398.00 |
| 8/01/03 to 10/31/03 | \$11.80 | \$1225.17 | \$408.39 |

Sublessee agrees to pay the Sublessor annual rent in the amount shown above, payable in equal monthly installments as shown above, in advance, commencing on the first day of October, 2002 and continuing monthly thereafter on the first day of each month, the last monthly installment to be due on October 1, 2003. The rent amount includes janitorial and utility services to be provided by the Landlord, Gold's Limited Partnership.

4. Leased Premises. Sublessee's rent payment represents payment for 415.31 square feet

as apportioned below:

a. Occupied Space. This sublease provides Sublessee with 127 square feet of occupied space at Gold's Galleria, 1010 N Street, Lincoln, Nebraska.

b. Common Space. Common space shall be apportioned according to the percentage of occupied space. The parties agree there is in total 5,184 square feet of occupied space and 11,816 square feet of common space. Sublessee is provided with 2.44% of the occupied space. Applying that percentage to the 11,816 square feet of common space, this sublease provides Sublessee with 288.31 square feet of common space.

c. Review of space apportionment. A review of the Sublessee's occupied and common space apportionment will be reviewed on a quarterly basis by the City and by Sublessee at a mutually agreed time to determine the accuracy of the figures. If the occupied and common space figures need to be adjusted after said review, said adjustment will be agreed upon by both the Sublessor and Sublessee and the rent shall be adjusted in accordance with the rent schedule in paragraph 3.

5. Sublessee shall be responsible for its own telephone and computer services supplied to the subleased Premises and shall agree to pay for such services.

6. Light Bulbs. If Gold's Limited Partnership, as the Landlord, changes and disposes of light bulbs as described in paragraph 10 of the Lease, the Sublessee agrees to pay their proportional share of the cost to the Sublessor in an amount equal to their percentage of the occupied space of the Premises area.

7. Maintenance. Sublessee shall maintain their subleased occupied premises in a neat and clean condition.

8. Risk of Loss. The Sublessor is not in any way responsible for the property of Sublessee or any of its employees, agents, invitees, kept, stored or maintained on the premises and in no way assumes liability for any loss of property through fire, theft, pilferage, malicious mischief, or any other happening whatsoever.

9. Condition of Premises. Sublessee acknowledges that it has inspected the premises and is fully satisfied therewith. The Sublessor has made no representations or warranties with regard to the premises except as set forth herein.

10. Sublease. Sublessee shall not assign this lease without the written consent of the Sublessor, but shall, in any event, have the right to sublet the subleased premises to any party or governmental subdivision with the approval of the Sublessor and Gold's Limited Partnership. Sublessee shall adhere to the requirements in paragraph 21 of the Lease for approval of a sublet. The City as Sublessor, will respond within 10 days of receiving a request to sublet. Should the rental rate amount to a rental rate above the rental cost per square foot schedule listed in paragraph 3, Sublessee agrees that 50% of the rate above the rental rate will be provided to Gold's Limited Partnership and 30% of the rate above the rental rate will be provided to the City as Sublessor.

11. Indemnification. To the fullest extent permitted by Nebraska law, Sublessee shall indemnify, defend and Hold Harmless the Sublessor, its officers, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from use of the Premises by Sublessee or from failure of Sublessee to keep their Premises in good condition that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of Sublessee or anyone directly or indirectly employed by Sublessee, or anyone for whose acts any of them may be liable. This section shall not require Sublessee to indemnify or Hold Harmless the Sublessor for any losses, claims, damages and expenses arising out of or resulting from the negligence of the Sublessor.

12. Insurance. During the term of this agreement, Sublessee shall obtain and maintain insurance coverage naming and protecting the Sublessee and Sublessor against claims for damages resulting from (a) bodily injury, including wrongful death, (b) personal injury liability, and (c) property damage which may arise from operations in or about the premises or arising from or connected with the use, conduct or operation of this agreement whether such operations be by Sublessee or by any subcontractor or anyone directly or indirectly employed by either of them.

a. Sublessee shall obtain public liability insurance naming and protecting Sublessee and the Sublessor, its officials, employees, and volunteers as insureds, against claims for damages. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

| | |
|--|---|
| A. Bodily Injury and Property Damage | 1,000,000 each Occurrence;2,000,000 Aggregate |
| B. Personal Injury Damage | 1,000,000 each Occurrence |
| C. Contractual Liability | 1,000,000 each Occurrence |
| D. Products Liability and Completed Operations | 1,000,000 each Occurrence |

b. All liability insurance policies shall be written on an "occurrence" basis only. All insurance coverages are to be placed with insurers authorized to do business in Nebraska and must be placed with an insurer that has an A.M.'s Best's Rating of no less than A:VII unless specific approval has been granted by the City of Lincoln.

c. All certificates of insurance shall be filed with the City of Lincoln on the standard ACCORD CERTIFICATE OF INSURANCE form showing the specific limits of insurance coverage and showing the City of Lincoln as an additional insured. Such certificate shall specifically state that insurance policies are to be endorsed to require the insurer to provide the City of Lincoln thirty days, notice of cancellation, non-renewal, or any material reduction of insurance coverage.

13. Term and Conditions of Sublease.

a. Binding Effect of Lease. The terms of this sublease are in regards to a portion of the premises leased by Sublessor to Sublessee, with such portion subject to the terms and

conditions of the attached Lease between the City of Lincoln and Gold's Limited Partnership, Inc. marked as Exhibit A and incorporated herein by reference. Except as to terms specifically set forth in this Sublease agreement, the Sublessee shall be bound by all of the terms and conditions and covenants to which Sublessor is bound in its capacity as "Tenant" or "Lessee" under and pursuant to the provisions of the Lease. In the event Sublessee fails to pay any rental when due or fails to keep or perform any other condition or term hereunder, Sublessee shall be subject to the default provisions of the Lease as if it were the "Tenant" or "Lessee" thereunder and Sublessor was the "Landlord" or "Lessor" and Sublessor may avail itself of any and all remedies set forth in the Lease. Sublessee hereby agrees to perform the undertakings of Sublessor (as tenant) under the Lease to the extent the same are applicable to the Premises herein; and to refrain from taking any action or suffering any condition which constitutes a violation of the Lease. It is hereby agreed, however, that Sublessor shall not be in default under this Sublease for failure to perform any work or make any repairs to the Premises or provide services or utilities which are the responsibility of the Landlord under the Lease, but Sublessor shall take all reasonable measures to insure that Landlord performs such work and repairs. In addition, Sublessee shall have all of the rights and privileges of the Sublessor under the Lease with respect to possession and use of the Premises.

14. Termination. Sublessee is not a government agency and is not subject to the terms and conditions under paragraph 22 of the attached Lease, marked as Exhibit A, between the City of Lincoln and Gold's Limited Partnership.

15. Notices. Any formal notices or communication received by the Sublessor from the Landlord, Gold's Limited Partnership will be provided to Sublessee by providing a written copy to the Sublessee's representative located at the One Stop Career Center. Any formal notices or communication by Sublessee to the Sublessor shall be in writing and mailed or personally served upon The City of Lincoln, Attention Dan Cain, One Stop Career Center, 1010 N Street, Lincoln, Nebraska, 68508.

16. This sublease may be amended only by written agreement of both parties.

17. Capacity. The undersigned person representing DESI does hereby agree and represent that he is legally capable to sign this Agreement.

IN WITNESS WHEREOF, the City of Lincoln (Sublessor) and DESI (Sublessee) have executed this sublease on this ____ day of _____, 2002.

City of Lincoln
555 South 10th Street
Lincoln, Nebraska 68509
SUBLESSOR

DESI
8433 N. Black Canyon Highway
Suite 178
Phoenix, Arizona 85021
SUBLESSEE

BY: _____
Mayor Don Wesely

BY: Ralph A. Rockow
Ralph A. Rockow
Chairman of DESI

All parties acknowledge that the above signature on behalf of the City of Lincoln is conditional upon the approval of the Lincoln City Council of Lincoln, Nebraska.

Gold's Galleria hereby consents to and approves the terms of the foregoing sub-sublease.

Gold's Limited Partnership

BY: Dawn Nowka
Dawn Nowka