



PICOR Commercial Real Estate Services

1100 N. Wilmot, Suite 200

Tucson, Arizona 85712

520.748.7100

Fax: 520.546.2799

www.picor.com

Bryant Nodine  
Tucson Unified School District  
2025 East Winsett Street  
Tucson, Arizona 85719

Via: Hand delivery

Tuesday, August 20, 2013

Re: International School of Tucson/Jefferson Park School

Dear Bryant,

I hope that all is well. I have been asked by William Arthur, Head of School; International School of Tucson, to approach you regarding a lease modification request. It is my understanding that you have met with William and that you understand some of what the International School of Tucson (IST) is doing at this time. If not, please let me know and we may meet or discuss on the phone. In short, IST is experiencing a brief "saddle" in enrollment. Having just graduated the largest class of fifth graders in IST history (thereby losing them as students) and experiencing a leadership and curriculum change, IST is temporarily lower in enrollment than in previous years. New applications are up and parent/student satisfaction is excellent, indicating that this will be temporary issue.

Like any school, whether state-funded or not, a loss of enrollment directly equates to a loss in overall revenue. These shortfalls have principally been compensated for by a creative re-allocation of resources and some vigorous fund raising. We are still in a position, however, to request a modification to the Lease.

We are requesting that TUSD allow IST to carry forward \$50,000 in NNN rent and repay that rent in years four and five of the lease. Specifically, IST will pay \$33,000 in NNN rent this year and then the regularly scheduled rent for years four and five shall have an additional cost to IST of \$25,000 per year (\$2,084.00 per month). This will bring the rent back to its regular schedule by year 6 and on to the rest of the term. Please note that IST is not asking the rent be "forgiven" and all other terms and conditions of the Lease shall remain the same.

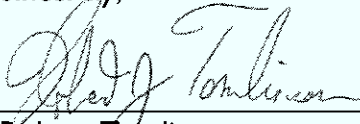
The rent schedule as described in the lease would then look something more to this effect:

	NNN Annual Rent			
December 1, 2011 thru October 31, 2012	\$ -			
November 1, 2012 thru October 31, 2013	\$ 61,000			
November 1, 2013 thru October 31, 2014	\$ 33,000	(-\$50,000 carry forward)		
November 1, 2014 thru October 31, 2015	\$ 100,000	(+\$25,000 applied monthly)		
November 1, 2015 thru remaining term	CPI increase or 3%			
	(whichever is greater + \$25,000 applied monthly)			

Again, the unforeseen change in leadership combined with our own success at graduating so many students at one time, has led us to make this request. We trust that you will give it due consideration.

We have enjoyed an excellent relationship with TUSD and with the Jefferson Park Neighborhood and are looking forward to that relationship extending well into the future. Either William and/or I are available anytime to discuss this proposal with you or with the TUSD Board at any time so please do not hesitate to reach out to us.

Sincerely,




---

Robert Tomlinson  
Retail Properties  
PICOR Commercial Real Estate Services  
a Cushman & Wakefield Alliance Member  
1100 N Wilmot Rd #200  
Tucson AZ 85712  
Ph (520) 546-2757  
Fx (520) 546-2799  
Email: [rtomlinson@picor.com](mailto:rtomlinson@picor.com)  
Website: [www.picor.com](http://www.picor.com)

**ADDENDUM I TO LEASE**

THIS ADDENDUM I is made and entered into by and between Tucson Unified School District (TUSD) as "Landlord", and Tucson International School Inc (IST), a not-for-profit corporation incorporated in the State of Arizona as "Tenant," with respect to the Lease dated the 28<sup>th</sup> day of November 2011.

**WITNESSETH:**

WHEREAS, the parties hereto have entered into a lease of even date herewith, for those certain premises described on Exhibit "A" of the Lease (Jefferson Park School) located in Pima County, Tucson, Arizona.

WHEREAS, the parties hereto now desire to amend, modify or change certain portions of said Lease;

NOW, THEREFORE, in consideration of the covenant and agreements contained herein, the parties do hereby agree to follow, to wit:

**3. (e) Minimum Annual Rent (Section 4)** shall be amended to reflect a reduction of rent in the term November 1, 2013- October 31, 2014 in an amount equal to Fifty Thousand Dollars (\$50,000) (Rent Credit). Said Rent Credit shall be repaid in equal monthly installments, in addition to Minimum Monthly Rent, to the lease term from November 1, 2014 –October 31, 2016 (24 months). This repayment shall be considered additional rent, but shall not increase the rent basis above the One Hundred Thousand Dollar (\$100,000) annual level (as adjusted by CPI or 3% annual increase) as described in the lease.

Minimum Annual Rent for the terms shall be:

- November 1, 2014-October 31, 2015 shall be \$100,000 plus \$25,000 Rent Credit repayment.
- November 1, 2015-October 31, 2016 shall be \$100,000 plus CPI or 3% increase plus \$25,000 Rent Credit repayment
- November 1, 2016- October 31, 2017 shall be \$100,000 plus CPI or 3% over the previous year's adjusted rent (\$100,000 plus CPI or 3%) not including Rent Credit repayment

Rent Credit repayment shall not increase the Minimum Annual Rent basis for the calculation of annual increase.

EXCEPT AS MODIFIED HEREIN, all terms, covenants and conditions contained in said Lease shall remain in full force and effect. This Addendum and the Lease constitute the entire agreement between the parties relating to the subject lease of the Premises, and integrate and supersede all understandings or agreements, written or verbal, with respect to the same except as expressly written in this Addendum or in the Lease. In the event of any inconsistency between the terms and provisions of this Addendum and those of the Lease, the terms of the Addendum shall govern and control.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the day and year first above written.

**LANDLORD: Tucson Unified School District**

**TENANT: International School of Tucson**

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

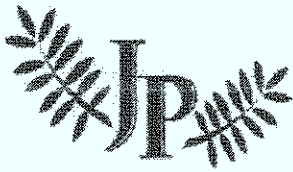
By: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_



JEFFERSON PARK  
NEIGHBORHOOD ASSOCIATION

[www.jeffersonpark.info](http://www.jeffersonpark.info)

**JPNA Officers**

Joan Hall, President  
[joanchall@yahoo.com](mailto:joanchall@yahoo.com)  
990 8054

Bob Schlanger, Vice  
President  
[risbcs@live!me.com](mailto:risbcs@live!me.com)

J. Lisa Jones, Executive  
Vice President  
[jjonesk@aol.com](mailto:jjonesk@aol.com)  
Steve Prendergast,  
Treasurer

[sprenderga@aol.com](mailto:sprenderga@aol.com)  
Joan Daniels, Secretary  
[jdchama@msn.com](mailto:jdchama@msn.com)

Area Representatives:  
vacant

(Area 1)

Alison Reichle (Area 2)

George Milan (Area 3)

vacant (Area 4)

Joanne Osuna (Area 5)

Suzanne Trappman  
(Area 6)

Aug. 3, 2013

Dear TUSD,

Jefferson Park Neighborhood Association supports the application submitted by the International School of Tucson (IST) for a reduction in rent. JPN is delighted to have IST in the neighborhood as a replacement for the former elementary school. IST representatives collaborate fully in all respects with the neighbors and with the neighborhood association.

Thank you for considering their request. If you need to contact me, please feel free to call (520-990-8054) or email ([joanchall@yahoo.com](mailto:joanchall@yahoo.com))

Sincerely,

Joan Hall  
President, JPNA

**From:** [IST Head of School](#)  
**To:** [Nodine Bryant](#)  
**Subject:** Re: IST  
**Date:** Monday, August 26, 2013 11:41:16 AM

---

Dear Bryant

Thank you for taking the time to meet with Kellie and I the other day.

Please find below the list of measure we are taking to ensure we clear our deficit.

- our \$25k lawsuit will be paid off in august
- we anticipate a reduction in health insurance benefits of approx \$31k from previously budgeted expenses
- our Saturday program isn't listed in the budget for anticipated income
- we are already receiving requests for next year's enrollment
- open houses will attract new students
- new scholarship opportunities have opened for us which will decrease our scholarship budget
- we are child care licensed for 305 kids so we have room to grow
- new marketing campaigns are already generating interest in the school
- we have received donations that have allowed us to create a science lab, art room, and computer room which will attract students
- We have tuition insurance this year; this will prevent some of the losses we sustained last year due to early withdrawal.
- We have asked a couple of our staff to go part-time to save money
- We have slashed our expenses budget by \$100,000

Thank you for considering out request.

Best regards

William Arthur  
Head of School  
International School of Tucson