

## LEASE AGREEMENT

THIS LEASE AGREEMENT (the “**Lease**”) is made and entered into by and between CREEKSIDE LAND CO., LLC, a California limited liability company (“**Landlord**”) and MADERA UNIFIED SCHOOL DISTRICT a school district organized and existing under the Constitution and laws of the State of California (“**Tenant**”), under the following terms and conditions:

1. Introduction. The intended purpose of this Lease is to provide facilities for the Tenant’s Adult Education Center to be known as Madera Adult School.

2. Description of the Leased Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord a portion of the building(s) located at 2037 W. Cleveland Avenue, Madera, California, **office** space consisting of approximately 18,000 square feet, referred to herein as the “**Premises**” and shown on **Exhibit A**. The Premises are part of a larger building referred to herein as the “**Building**.”

3. Term, Occupancy, and Renewal.

a. Term. The term of this Lease shall be for five (5) years; said term shall commence on June 1, 2016 (the “**Commencement Date**”), and end on May 31, 2021.

b. Occupancy. Tenant may, upon execution of this Lease by Landlord and Tenant, occupy the Premises on the Commencement Date subject to all terms and conditions of this Lease, provided Tenant complies with Section 17 (Insurance) and delivers an insurance certificate to Landlord prior to entry. Upon delivery of the insurance certificate, first month’s rent and any security deposit, Landlord shall deliver the keys and possession to Tenant.

c. Option to Extend. Tenant is hereby granted and shall, if not then in default under this lease, have an option to extend the term of this lease in two (2) successive periods of two (2) years each at the expiration of the original term of this Lease but otherwise on the same terms, covenants, and conditions and subject to the same exceptions and reservations contained in this lease (the “**Renewal Term**”). This option shall be exercised only by Tenant’s delivering to Landlord before expiration of the term of this Lease, written notice of Tenant’s election to renew the term of this lease as provided in this section. This written notice shall be deemed effective on personal delivery to Landlord or on the date it is deposited in the United States mail in accordance with the provisions of Section 26.

4. Rent. The initial annual rent during the term of this Lease shall be Twenty Thousand Eight Hundred Eighty Dollars (\$20,880) per month, subject to increase as provided in Section 4.d below. **Tenant shall, commencing on the Rent Commencement Date and continuing thereafter on the first (1st) day of each and every month during the term of this Lease, pay to Landlord in advance, such minimum monthly rent, without setoff, deduction or demand.** If possession is taken on other than the first of the month, rent shall be prorated accordingly based on a 30-day month.

a. Rent Commencement Date: The first payment of Rent shall not be due until the earlier of: (i) **three (3)** months from the Commencement Date, or (ii) the date on which the Tenant Improvements are complete.

b. Late Charge. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease. If any installment of rent due from Tenant is not received by Landlord within five (5) days after it becomes due, Tenant shall pay to Landlord an additional sum of the greater of \$100 or five percent (5%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

c. Interest on Unpaid Rent. Rent or other charges under this Lease not paid within five (5) days of the date due shall, in addition to any late charges under Section 4.a, above, bear interest at the lesser of the maximum legal rate or five percent (5%) per annum from the date due until paid.

d. Holdover. Tenant may not hold over after the expiration or earlier termination of the term hereof without the express prior written consent of Landlord. Acceptance of rent is not Landlord's consent to holdover. Without Landlord's express consent Tenant shall become a tenant at sufferance only at a rental rate equal to 150% of the rent in effect upon the date of such expiration. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Section 4 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender. Such indemnity shall survive the expiration of this Lease.

e. Operating Expenses. In addition to all Base Rent due under this Lease, Tenant shall pay the operating expenses for the Premises ("Operating Expenses") set forth in this Section. Tenant's share of Operating Expenses is defined by a fraction, the numerator of which is the Floor Area within the Premises and the denominator of which is the Floor Area within the Shopping Center. Tenant will pay to Landlord, on the first day of each calendar month, an amount estimated by Landlord to be the monthly amount of Tenant's Share of Operating Expenses. The estimated monthly charge may be adjusted periodically by Landlord on the basis of Landlord's reasonably anticipated costs. Within ninety (90) days following the end of each calendar year, Landlord shall furnish Tenant a statement covering the calendar year just expired showing the total Operating Expenses and the payments made by Tenant with respect to such calendar year. If Tenant's share of such Operating Expenses exceeds Tenant's payments so made, Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of said statement. If said payments exceed Tenant's share of such Operating Expenses, Tenant shall be entitled to offset the excess against future payments for Operating Expenses.



(1) Real Property Taxes: Landlord shall be responsible for payment of real property taxes for the Premises based upon the current condition of the Premises. Tenant shall be responsible for any increase in the real property taxes due to Tenant's Improvements.

(2) Insurance. Tenant shall be responsible for its proportionate share of insurance premiums incurred by Landlord including liability insurance, insurance against property damage caused by fire or other casualty.

(3) Common Area Maintenance. Tenant shall be responsible or its proportionate share of general maintenance of the Common Ares, which is limited to:

- (a) Electricity for parking lot;
- (b) Water for landscaped areas;
- (c) Trash; and
- (d) Security Charges.

f. Increase in Rent in Renewal Terms. During the Renewal Term, if any, annual Rent shall increase **by 2% each year per Renewal Term over the immediately prior Rent due.**

g. Security Deposit. Concurrently with Tenant's execution of this Lease, Tenant has deposited with Landlord the Security Deposit in the amount of Twenty Thousand Eight Hundred Eighty Dollars (\$20,880). The Security Deposit shall be held by Landlord as security for Tenant's performance of the terms of this Lease. Landlord may (but shall not be required to) use all or any part of the Security Deposit to cure any default of Tenant under the Lease (after any required notice and expiration of any applicable cure period) or to compensate Landlord for any loss or damage which Landlord may incur as a result of Tenant's default. Tenant shall not be entitled to interest on the Security Deposit and Landlord shall not be required to keep the Security Deposit separate from its general funds. Where there have been no defaults by Tenant or where all applicable deductions from Security Deposit have been made as hereinabove provided, Landlord shall refund the then existing balance of the Security Deposit to Tenant within thirty (30) days of expiration or termination of this Lease.

5. Place of Payment of Rent. Rent and all other sums which shall become due under this Lease, including but not limited to late charges and additional rent, shall be payable by hand delivery or mail at the office of the Landlord located at \_\_\_\_\_, or at such other place as Landlord may designate from time to time in writing. Mailed payments must be received (not postmarked) by Landlord by the date due.

6. Condition of, and Improvements to, Premises.

a. Americans With Disabilities Act. Under this Lease, Landlord shall certify that the exterior of the Building and parking lot comply with all applicable American With Disabilities Act of 1990, 42 U.S.C. Sect. 12101 et seq. ("ADA") requirements by the Rent Commencement

Date. Landlord further agrees to indemnify, defend, and hold Tenant harmless in any claims to the contrary.

b. Improvements. Landlord shall have no obligation or responsibility, actual or implied, to install, construct, accommodate, or make any improvements to the Premises prior to, or as a condition of, Tenant's occupation of the Premises, except as described in **Exhibit C** and section 6.a.

c. Condition. Landlord shall deliver the Premises to Tenant broom clean and free of debris on the Commencement Date. Landlord warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, and all other such elements in the Premises, other than those constructed by Tenant, shall be in good operating condition on said date and during the first twelve (12) months of the Term, and that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects during the same time period. Notwithstanding Landlord's obligations to maintain the roof, foundation and structural elements of the Building as provided in Section 10(a) below, if a non-compliance with the warranty in this Section 6(c) exists during the first twelve (12) months of the Term, Tenant shall promptly provide Landlord with written notice setting forth with specificity the nature and extent of such non-compliance, and the Landlord shall be obligated to rectify same at Landlord's sole cost and expense.

d. Condition Upon Surrender. Upon termination of this Lease, Tenant shall surrender the Premises to Landlord in as good condition as when received, ordinary wear and tear and damage by fire, earthquake, or act of God excepted, and including any repairs or improvements made by Tenant. If Tenant fails to maintain the Premises in good order and repair, after thirty (30) days' prior written notice, Landlord may, at its option, make such repairs, and Tenant shall pay the reasonable cost thereof as additional rent hereunder within ten (10) days after receipt of a written statement therefor. In the event the giving of thirty (30) days' prior notice may result in additional damage to the Premises, Landlord may make such repairs, at Tenant's expense, without thirty days' prior written notice.

e. CASp Disclosure. The Building has undergone inspection by a Certified Access Specialist (CASp) as referenced in California Civil Code Section 1938.

7. Use. The Premises shall be used for educational purposes. Tenant shall not use any portion of the Premises for purposes other than those specified without first obtaining the written consent of Landlord. Tenant shall not do, bring, or keep anything in, on, or about the Premises which will in any way increase the premium rate or cause the cancellation of any fire or other insurance upon the Premises, the building in which the Premises are located, or any of its contents. Tenant shall have the non-exclusive right to use the parking area and driveways, sidewalks, hallways, restrooms (to the extent not entirely contained in the Premises), common area pathways to and from the parking area and Premises in common with the other tenants of the Building as well as with Landlord's use of same.



8. Compliance with Laws/Hazardous Materials.

a. Tenant, at Tenant's expense, shall comply with and cause all of Tenant's agents to comply with all applicable laws, ordinances, rules and regulations of governmental authorities applicable to the Premises or the use or occupancy thereof, including, without limitation, the law commonly known as the Americans With Disabilities Act and California Code of Regulations Title 8, Sections 3281 through 3299 (collectively, "**Laws**").

b. Tenant shall not cause or permit any Hazardous Materials, as defined below, to be brought upon, kept, used, discharged, deposited or leaked in or about the Premises or the Building by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors), except to the extent such Hazardous Materials are cleaning or office supplies customarily kept or used by typical office tenants and are kept and used in accordance with all applicable laws. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of any Hazardous Material on the Premises or the Building caused or suffered or permitted by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors) results in contamination of the Premises or the Building, or if contamination of the Premises or the Building by any Hazardous Material otherwise occurs for which Tenant is legally liable, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, damages, costs, liabilities and expenses (including, without limitation, diminution in value or use of the Building, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification shall include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work on or under the Premises. "**Hazardous Material**" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal governmental authority or by common law decisions, including without limitation (i) all chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos and (iv) polychlorinated biphenyls.

c. Landlord hereby represents and warrants that, to the best of Landlord's knowledge, information and belief: (i) the Premises have not been exposed to Hazardous Materials and are presently free of all Hazardous Materials; (ii) the Landlord or the property of which the Premises forms a part is in violation or subject to an existing, pending or threatened investigation by any governmental authority under any applicable federal, state or local law, regulation, ordinance or other legislation pertaining to air, water, or soil quality or the handling, transportation, storage, treatment, usage or disposal of Hazardous Substances; (iii) any handling, transportation, storage, treatment or use of toxic or Hazardous Material to date has been in compliance with applicable laws; and (iv) no reportable use has occurred on the Premises to date, and the soil, groundwater and vapor on or under the Premises is free of Hazardous Material as of the Commencement Date.

9. Waste; Nuisance; Quiet Enjoyment. Tenant shall not suffer or commit any waste or nuisance on the Premises, nor shall Tenant interfere with or obstruct the rights of or disturb the quiet enjoyment of any other tenant or occupant of the building or injure or annoy them. Tenant shall not use or allow the Premises to be used for any improper, immoral, or objectionable purposes, to be determined Landlord's sole and absolute judgment.




10. Repair and Maintenance.

a. Landlord shall repair and maintain the roof, structural foundations, exterior walls of the Building, exterior landscaping and common areas in which the Premises are located unless the need for such repair shall be caused by the neglect, misuse, or misconduct of Tenant, its agents, employees or invitees, in which case Landlord shall promptly cause the repairs to be made at Tenant's sole expense. Within ten (10) days after receipt of a written notice that Landlord has made repairs that were caused by the neglect, misuse, or misconduct of Tenant, its agents, employees or invitees, Tenant shall promptly reimburse Landlord within thirty (30) days of invoice for the cost of all such repairs and maintenance.

b. Tenant shall, at Tenant's sole cost and expense, maintain the Premises except as noted under Sections 6.c and 10.a, above, in good condition and repair. Said maintenance shall include but not be limited to, the interior of the Premises, all fixtures and equipment, including without limitation, plate glass, electrical wiring, plumbing fixtures, plumbing drains (from the interior of the Premises to the point of connection of Tenant's drainage system with the sanitary sewer system owned, managed, and/or maintained by the local municipality). Landlord shall maintain the heating and air conditioning system in good and working order at Landlord's sole expense and cost.

11. Utilities.

a. Provision of Utility Services. Landlord will provide and maintain, at its sole cost and expense, adequate connections on or adjacent to the Premises with the local water supply, sewerage systems, gas, electrical, and all other utility services necessary for Tenant's use of the Premises for the Permitted Use, all in accordance with all applicable utility company requirements. Tenant may select the utility companies to deliver or provide the water, sewerage, gas, electricity, and other utility services delivered to Tenant at the Premises.

b. Payment for Utility Services. Tenant will pay the utility companies directly for all water, sewerage, gas, electricity, and other utility services delivered to Tenant at the Premises. Tenant is entitled to all savings, credits, allowances, rebates, or other incentives awarded by or on behalf of a utility company in ~~in~~ 

12. Rules. Tenant shall comply with the rules and regulations attached to this Lease as **Exhibit B** and all reasonable modifications thereof and additions thereto from time to time put into effect by Landlord so long as prompt notice is given by Landlord of any changes (the "**Rules and Regulations**").

13. Alterations and Liens.

a. Tenant Improvements. With the exception of the items described in Exhibit "D", Tenant shall not make or allow to be made any alterations, additions or improvements to or of the structural components of any portion of the Premises, without first obtaining the written consent of Landlord. Notwithstanding the preceding sentence, Tenant shall have the right to make or allow to be made any alterations, additions or improvements to or of the non-structural components of any portion of the interior of the Premises, without first obtaining the written consent of Landlord. Upon the expiration or sooner termination of the Term, Tenant shall, upon



written demand by Landlord, given at least thirty (30) days prior to the end of the Term, at Tenant's sole cost and expense, remove any alterations, additions, or improvements made by Tenant to or of non-structural components of the Premises, designated by Landlord to be removed, and repair any damage to the Premises caused by such removal. Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant.

b. Improvements Upon Surrender. All Alterations to the Premises, including, but not limited to, all carpeting, partitions and fixtures of any kind, shall upon their installation become a part of the realty and belong to Landlord, except for Tenant's telephone control box, telephone equipment (other than wiring), computer equipment, unattached and movable personal property and trade fixtures, other than lighting and light switches, placed on or in the Premises by the Tenant.

c. Mechanic's Liens. If Tenant causes any alterations, additions, or improvements to be made to the Leased Space, Tenant agrees to keep the Leased Space free of liens for both labor and materials. If a lien is placed on the Leased Space in connection with any construction, repair, or replacement work that Tenant may or must cause to be performed under this lease, which results in a final judgment, Landlord may pay the amount of that judgment. Tenant shall reimburse Landlord for the full amount paid within thirty (30) days after that amount is paid by Landlord; otherwise tenant shall be in default under this lease.

14. Assignment and Subletting. Tenant shall not assign or encumber this Lease or any interest therein or sublet the Premises or any portion thereof either voluntarily or by operation of law without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, delayed or denied. Consent to one assignment, subletting, or use by any person other than Tenant shall not be deemed to be consent to a subsequent assignment, subletting, or use by any other person. In considering whether or not to grant such consent, Landlord may consider, among other things, the proposed tenant's character, credit, and professional standing.

15. Entry by Landlord. Except for emergencies such as fire, water intrusion and the like which may be at any time, Landlord and its agents shall have the right to enter the Premises at reasonable times to inspect and examine the same and to make such repairs to the Premises as the Landlord shall deem advisable, and to show the Premises to prospective tenants, buyers or lenders.

16. Indemnification.

a. Waiver of Claims. To the extent permitted by law, Tenant waives all claims against Landlord for damage to person or property arising for any reason. Tenant assumes all such risks for Tenant and any employees, licensees, invitees, agents, or contractors.

b. Tenant's Duty to Indemnify. Tenant agrees, as an independent unsecured obligation, separate from any of its promises or covenants in this Lease, to indemnify, defend (with counsel selected by Landlord at Tenant's expense), protect and hold harmless Landlord, its employees, agents, officers, legal counsel, assigns, any successor or successors to Landlord's



interest in the Premises and any future owners of the Premises to whom this Lease is assigned (hereinafter collectively referred to as the “**Landlord Indemnitees**”) from and against all claims, actual damages (including but not limited to special and consequential damages), punitive damages, injuries, costs, response costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses arising out of any damage to any person or property occurring in, on, or about the Premises, except for any acts of negligence or willful misconduct by Landlord. Tenant’s obligation under this paragraph to indemnify and hold the Landlord Indemnitees harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.

c. Landlord’s Duty to Indemnify. Landlord agrees, as an independent unsecured obligation, separate from any of its promises or covenants in this Lease, to indemnify, defend (with counsel selected by Tenant at Landlord’s expense), protect and hold harmless Tenant, its employees, agents, officers, legal counsel, assigns, any successor or successors to Tenant’s interest in the Premises and any future owners of the Premises to whom this Lease is assigned (hereinafter collectively referred to as the “**Tenant Indemnitees**”) from and against all claims, actual damages (including but not limited to special and consequential damages), punitive damages, injuries, costs, response costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses arising out of any damage to any person or property occurring in, on, or about the Premises caused by Landlord’s negligent or willful misconduct. Landlord’s obligation under this paragraph to indemnify and hold the Tenant Indemnitees harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.

17. Insurance.

a. Liability Insurance. Tenant shall carry, during the term hereof, public liability and property damage insurance with a single combined liability limit of not less than \$2 million per occurrence, \$5 million in aggregate, property damage limits of not less than \$2 million insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant’s use and occupancy of the Premises, and statutory worker’s compensation Insurance for any employees. Landlord shall be named as an additional insured on each such policy. Tenant shall provide proof of such insurance in the form of a certificate of insurance prior to taking occupancy of the Premises.

b. Waiver of Subrogation. The parties release each other, and their respective authorized representatives, from any claims (for damage to any person or to the Premises and/or the building in which the Premises are located, and to the fixtures, personal property, Tenant’s improvements, and alterations of either Landlord or Tenant in or on the Premises and/or the building in which the Premises are located) that are caused by or result from risks which are insured against under any insurance policies carried by the parties and in force at the time of any such damage and to the full extent of any proceeds paid under said policies.



18. Destruction of Premises.

a. Destruction Due to Risk Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Building and other improvements in which the Premises are located are totally or partially destroyed from a risk covered by insurance carried by either Tenant or Landlord for the Building, rendering the Premises totally or partially inaccessible or unusable, Landlord shall restore the Premises or the Building, and other improvements in which the Premises are located, to substantially the same condition as they were immediately before destruction if they can be repaired within 270 days from date of destruction. Such destruction shall not terminate this Lease. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party. Provided, however, if the cost of the restoration exceeds the amount of proceeds received from the insurance, or the estimate of time to fully restore the Premises exceeds the lesser of 270 days or the remaining Term of the Lease, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining that the restoration cost will exceed the insurance proceeds.

b. Destruction Due to Risk Not Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Building and other improvements in which the Premises are located are totally or partially destroyed by a risk not covered by the insurance, rendering the Premises totally or partially inaccessible or unusable, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining the restoration cost and replacement value.

c. Abatement or Reduction of Rent. In case of destruction, there shall be an abatement or reduction of rent between the date of destruction and the date of substantial completion of restoration based on the extent to which the destruction interferes with Tenant's use of the Premises.

d. Waiver of Civil Code Sections. Tenant waives the provisions of California Civil Code Section 1932(2) and California Civil Code Section 1933(4) with respect to any destruction of the Premises.

19. Default and Landlord's Remedies.

a. Default. The occurrence of any of the following shall constitute a default by Tenant:

(1) Tenant shall fail to pay when due any rent or any other monetary sum payable under this Lease within 5 days after written notice from Landlord.

(2) Tenant shall fail to observe, keep or perform any of the other terms, covenants, agreements or conditions contained in this Lease and such default continues for a period of fifteen (15) days after written notice by Landlord specifying the nature of the default with reasonable particularity, unless the nature of the default is such that more than fifteen (15) days is required to cure it and Tenant commences to cure it within such fifteen (15) -day period and thereafter diligently pursues it to completion.

(3) Tenant shall become bankrupt or insolvent or make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or take or have taken against Tenant any proceedings of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event any such proceedings are involuntary, Tenant is not discharged from the same within thirty (30) days thereafter.

(4) A receiver is appointed for a substantial part of the assets of Tenant, and such receivership is not released within thirty (30) days.

(5) The abandonment of the Premises by Tenant, or the vacation (hereby defined to be ten (10) or more consecutive days of continual absence from the Premises) of the Premises by Tenant.

(6) This Lease or any estate of Tenant hereunder shall be levied upon by any attachment or execution and such levy is not released within thirty (30) days.

Notices given under this section shall specify the alleged default and the applicable Lease provisions, and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises.

b. Landlord's Remedies. If any default by Tenant shall occur, and following notice of default as required by this Lease (for the period applicable to the default under the applicable provision of this Lease), Landlord shall have the following remedies in addition to all other rights and remedies provided by law or equity, to which Landlord may resort cumulatively or in the alternative.

(1) Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall so elect to terminate this Lease, then Landlord may recover from Tenant:

(a) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.



As used in Subparagraphs (a) and (b) above of this section, the “worth at the time of award” is computed by allowing interest at the maximum rate an individual is permitted by law to charge. As used in subparagraph (c) above, the “worth at the time of award” is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(2) In the event of the vacation or abandonment of the Premises by Tenant, or in the event that Landlord shall elect to reenter as provided herein or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then Landlord shall have the remedy specified by Civil Code Section 1951.4, in which Landlord may from time to time recover all rental as it becomes due or relet the Premises or any part thereof for the account of Tenant on such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect so to relet, then rentals received by Landlord from such reletting shall be applied first, to the payment of any indebtedness, other than rent due hereunder, owed by Tenant to Landlord; second, to the payment of any cost (including commissions) of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord upon demand. Tenant shall also pay to Landlord, as soon as ascertained, any and all costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(3) No reentry or taking possession of the Premises by Landlord pursuant to this section shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

20. Signs. Landlord agrees that Tenant may provide signs on the building at the front of the Premises, subject to any CC&Rs and City’s sign ordinance criteria.

21. Parking. Tenant shall have the nonexclusive use, in common with Landlord and Landlord’s other tenants, of the parking area owned by Landlord at and around the Premises; provided; however, that no tenant may park in an area designated, identified, and/or reserved for parking by any other tenant or tenants, if any. Should any damages to the Premises, the parking area, and/or the vehicles of Tenant or their invitees/licensees/employees be occasioned by the invitees, licensees, tradesmen, or customers of Tenant, such damage shall be repaired at Tenant’s sole cost and expense. It is expressly understood and agreed the Tenant’s right to the use of said parking area shall be non-exclusive and subject to the Rules and Regulations, and that Landlord reserves the right to establish and enforce other rules with respect to the use thereof, and Tenant agrees to abide by and conform to the same, as revised from time-to-time.

22. Lack of Funding. Notwithstanding any other provision of this Lease, if for any fiscal year of Tenant occurring during the Term, the Madera Unified School District Governing Board



fails to appropriate or allocate funds for future payments of Rent or any other payments to be made by Tenant under this Lease beyond the fiscal year of Tenant for which funds have been appropriated or allocated, Tenant shall have the right to terminate this Lease upon sixty (60) days' written notice of termination, as of end of the last fiscal year of Tenant for which funds have been appropriated or allocated to pay all payments to be made by Tenant under this Lease.

23. Estoppel Certificate. Tenant shall execute and deliver to Landlord within ten (10) days of request a commercially reasonable estoppel statement. Landlord and Tenant intend that any estoppel statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the building or any interest therein and failure to execute and return such estoppel shall be a material breach of the Lease.

24. Eminent Domain. In case the whole of the Premises, or such part thereof that substantially interferes with the reasonable use of the Premises as office space, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. In the event the amount of property or the type of estate taken shall not substantially interfere with the reasonable use of the Premises as office space, Landlord shall be entitled to the entire amount of the award without deduction for any estate or interest of Tenant. If there is no substantial interference or if there is substantial interference, but neither party elects to terminate, Landlord shall promptly proceed to restore the Premises to substantially the same condition as the Premises existed prior to such partial taking, to the extent possible by application of the condemnation proceeds only, and a proportionate allowance shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Section shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the premises.

25. Brokers. The parties recognize that the brokers who negotiated this Lease are **NONE** ("Broker"). Landlord agrees to pay a leasing commission per Landlord's separate agreement with Broker. Tenant and Landlord each represent and warrant to each other that, other than Broker, no other broker has represented either of them or is otherwise entitled to a commission or fee in connection with the transactions contemplated in this Lease. Each party hereby indemnifies, defends and holds the other party harmless from all loss, cost and expense (including reasonable attorneys' fees) arising out of a breach of its representation set forth in this Paragraph 24. The provisions of this Paragraph 24 shall survive the termination of the Lease. This paragraph 24 is for the benefit of Landlord and Tenant only and is not intended to give any third person, including Broker, any right of subrogation or action over or against any party to this Lease.



26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

27. Notices. Any notice required or permitted to be given hereunder may be given by personal delivery or by United States certified mail, postage prepaid, addressed to Tenant at the Premises and to Landlord at \_\_\_\_\_, or at such other address as the Landlord shall designate in writing.

28. Waiver; Accord and Satisfaction. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such right or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No payment by Tenant or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

29. Time is of the Essence. Time is of the essence of this Lease as to the performance of all terms, covenants, and conditions stated herein.

30. Successors and Assigns. Except as otherwise provided herein, all of the terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In the event of any transfer, assignment or other conveyance or transfers of any such title or tenant, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

31. Titles and Definitions. The titles of paragraphs herein are for identification only. They shall not be considered to be a part of this Lease and shall have no effect upon the construction or interpretation thereof. The word "Landlord" and "Tenant" as used in this Lease shall include both singular, plural, masculine, feminine, and neuter as the context shall require.

32. Entire Agreement/Amendment. This Lease contains the entire agreement of the parties and supersedes all prior negotiations, drafts, and other understandings which the parties may have concerning the subject matter hereof. This Lease may not be modified except by written instrument duly executed by the parties hereto or their successors in interest.

33. Choice of Laws; Interpretation. This Lease shall be governed by and construed pursuant to the laws of the State of California. The provisions of this Lease shall be construed in accordance with the fair meaning of the language used and shall not be strictly construed against either party.

34. Authority. Each of the persons executing this Lease on behalf of Tenant warrants and represents that Tenant is a duly organized and validly existing entity, that Tenant has full right and authority to enter into this Lease and that the persons signing on behalf of Tenant are authorized to do so and have the power to bind Tenant to this Lease. Tenant shall provide Landlord upon request with evidence reasonably satisfactory to Landlord confirming the foregoing representations.

35. No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies.

36. Arbitration of Disputes. Any claim or dispute arising out of or relating to this Lease or the alleged breach of this Lease (other than or a claim by Landlord for unlawful detainer) will be resolved by neutral binding arbitration before a single arbitrator, to be held in accordance with the commercial arbitration rules of American Arbitration Association. Judgment on the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction over the dispute.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year set forth below.

**LANDLORD:**

Dated: 6/1/16

By: [Signature]

Name: Jay Mahil

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

**TENANT:**

Dated: 5/25/16

By: [Signature]

Name: Edward C. Gonzalez

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



**EXHIBIT A**  
**MAP OF PREMISES**

**EXHIBIT B**  
**RULES AND REGULATIONS**

TO BE PROVIDED BY LANDLORD



**EXHIBIT C**  
**LANDLORD IMPROVEMENTS**

**[INSERT "NONE" IF NO IMPROVEMENTS]**

## **EXHIBIT D**

### **TENANT IMPROVEMENTS**

To be provided.