



## MEETING AGENDA - iLEAD Online Board

Any public records relating to an agenda item for an open session of the Board which are distributed to all, or a majority of all of the Board members shall be available for public inspection at the main office in Acton between 9:00 am and 3:30 pm.

### Meeting

**Meeting Date** Thursday, June 22, 2023  
**Start Time** 5:00 PM  
**End Time** 6:00 PM  
**Location** Address: 29477 The Old Rd, Castaic, CA 91384  
Join Zoom Meeting <https://us02web.zoom.us/j/3858775783>  
Meeting ID: 385 877 5783  
Dial in Number: 1-669-900-6833

**Purpose** Regular Scheduled Meeting

### Agenda

#### 1. Opening Items

1.1. Call The Meeting To Order	(5:00 PM - 5:00 PM)
1.2. Roll Call	(5:00 PM - 5:00 PM)
1.3. Pledge Of Allegiance	(5:00 PM - 5:00 PM)
1.4. Approve Agenda	(5:00 PM - 5:00 PM)
1.5. Approve Minutes	(5:00 PM - 5:00 PM)

#### 2. Public Comments

2.1. Public Comments	(5:00 PM - 5:00 PM)
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#### 3. Consent Items

3.1. Personnel Report	(5:00 PM - 5:00 PM)
3.2. Check Register	(5:00 PM - 5:00 PM)
3.3. iCA/Online Lease Addendum	(5:00 PM - 5:00 PM)

#### 4. Discussion And Reports

4.1. School Director Report	(5:00 PM - 5:00 PM)
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## 5. Closed Session

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5.1. Public Employee Performance Evaluation	(5:00 PM - 5:00 PM)
5.2. Conference with Legal Counsel - Anticipated Litigation	(5:00 PM - 5:00 PM)
5.3. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE	(5:00 PM - 5:00 PM)
5.4. Report of Closed Session	(5:00 PM - 5:00 PM)

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## 6. Action Items

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6.1. School Director Employment Agreement	(5:00 PM - 5:00 PM)
6.2. Single Plan for Student Achievement	(5:00 PM - 5:00 PM)
6.3. Shared Resource Agreement	(5:00 PM - 5:00 PM)
6.4. Special Education Shared Resource Agreement	(5:00 PM - 5:00 PM)
6.5. 2023 - 2024 Board Meeting Dates	(5:00 PM - 5:00 PM)

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## 7. Board Comments

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7.1. Board Comments	(5:00 PM - 5:00 PM)
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## 8. Closing Items

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8.1. Next Meeting Date - June 29th 5pm	(5:00 PM - 5:00 PM)
8.2. Adjournment	(5:00 PM - 5:00 PM)

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**Please note:** items on the agenda may not be addressed in the order they appear. The Board of Directors may alter the order at their discretion.

- **Board Room Accessibility:** The Board of Directors encourage those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services to participate in the public meeting, please contact the office at least 48 hours before the scheduled Board of Directors meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. § 12132).]

*The Secretary of the Board of Directors, hereby certifies that this agenda was publicly posted 72 or 24 hours prior to the meeting as required by law.*



## MEETING MINUTES - iLEAD Online Board

### Meeting

<b>Date</b>	Thursday, May 18, 2023
<b>Started</b>	5:30 PM
<b>Ended</b>	6:27 PM
<b>Location</b>	Address: 29477 The Old Rd, Castaic, CA 91384 Zoom <a href="https://zoom.us/j/5395735793">https://zoom.us/j/5395735793</a> Meeting ID: 539 573 5793 Dial in Number: 1-669-900-6833
<b>Purpose</b>	Regular Scheduled Meeting
<b>Chaired by</b>	
<b>Recorder</b>	Rigo Ortega

### Minutes

#### 1. Opening Items

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##### 1.1. Call The Meeting To Order

Meeting Called to order at 5:30 pm

**Status:** Completed

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##### 1.2. Roll Call

Brent Pellico - Present

Giselle Bice - Present

Christopher Bojorquez - Present at 5:37 pm

**Status:** Completed

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##### 1.3. Pledge Of Allegiance

Pledge Of Allegiance was recited

**Status:** Completed

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##### 1.4. Approve Agenda

Motioned: Brent Pellico

Seconded: Giselle Bice

Unanimously approved

**Due date:**

**Status:** Completed

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##### 1.5. Approve Minutes

Discuss and take action on the Board Meeting Minutes.



Motioned: Brent Pellico

Seconded: Giselle Bice

Unanimously approved

**Due date:**

**Status:** Completed

Documents

- Minutes-2023-04-24-v1.pdf
- 

## 2. Curriculum Moment

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### 2.1. Curriculum Moment

Julio C Iraheta presented the Curriculum Momment and answered questions from the board.

**Status:** Completed

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## 3. Public Comments

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### 3.1. Public Comments

The public may address the iLEAD Online governing board regarding any item within the Board's jurisdiction whether or not that item appears on the agenda during this time. If you wish to address the Board, please complete a public comment card. Comments for the public will be limited to 3 minutes.

No Public Comment.

**Status:** Completed

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## 4. Consent Items

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### 4.1. Personnel Report

Motioned: Brent Pellico

Seconded: Christopher Bojorquez

Unanimously approved

**Due date:**

**Status:** Completed

Documents

- 5.18.2023 OnlinePersonnelReport\_\_.pdf
- 

### 4.2. Check Register

Motioned: Brent Pellico

Seconded: Christopher Bojorquez

Unanimously approved





**Due date:**

**Status:** Completed

Documents

- Online Payment Register 20230510.pdf
  - Online Payment Register Summary 20230510.pdf
- 

## 5. Discussion And Reports

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### 5.1. Learner Board Ambassador

Learner Ambassador not present

**Status:** Completed

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### 5.2. School Director Report

Kate Wolfe presented the Director's Report and answered questions from the board

**Status:** Completed

Documents

- \_Site Director Board Report iLEAD Online 5\_18\_23.docx.pdf
- 

## 6. Action Items

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### 6.1. Annual Request For Federal Title Funding

Request approval to submit for Federal Title I, II, and IV funding for the 2023-2024 school year.

Farnaz Kaufman presented the Annual Request For Federal Funding and answered questions from the board.

Motioned: Brent Pellico

Seconded: Christopher Bojorquez

Unanimously approved

**Due date:**

**Status:** Completed

Documents

- Annual Request For Federal Title Funding - iLEAD Online (1).pdf
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### 6.2. Board Role

Discuss and take action to appoint Board Treasurer given the requirements of the Bylaws Article VIII and acknowledge Ken Newton's resignation.

Kim Lytle presented the Board Roles and answered questions from the board

Ken Newton has resigned

Brent Pellico motions for Giselle Bice to be the Board Treasurer

Seconded: Christopher Bojorquez

Unanimously approved



**Due date:**

**Status:** Completed

Documents

- Approved - First Amended Bylaws - iLEAD Online (2).pdf
- 

### 6.3. Revised Telework Policy

Discuss and take action regarding the Revised Telework Policy.

Kate Wolfe presented the Revised Telework Policy and answered questions from the board.

Motioned: Brent Pellico

Seconded: Christopher Bojorquez

**Due date:**

**Status:** Completed

Documents

- Revised April 2023 - iLEAD Online Telework and Procedures Policy .pdf
- 

### 6.4. 2023-2024 Vacation Policy

Discuss and take action on the 2023-2024 Vacation Policy.

Kate Wolfe presented the 2023-2024 Vacation Policy and answered questions from the board

Motioned: Brent Pellico

Seconded: Giselle Bice

Unanimously approved

**Due date:**

**Status:** Completed

Documents

- 2023 - 2024 Vacation Policy - Online (2) (1).pdf
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## 7. Closed Session

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### 7.1. Conference with Legal Counsel - Anticipated Litigation

Gov. Code section 54956.9(d)(2): 1 Matter

**Status:** Completed

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### 7.2. Report of Closed Session

The board approves a settlement agreement with iLEAD Online's portion of \$12,535

Motioned: Brent Pellico

Seconded: Giselle Bice

Unanimously approved

**Status:** Completed

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## 8. Board Comments

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### 8.1. Board Comments

**Status:** Completed

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## 9. Closing Items

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### 9.1. Graduation Date - June 16th 5:30 pm

**Status:** Completed

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### 9.2. Next Meeting Dates - June 22nd & 29th at 5pm

**Status:** Completed

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### 9.3. Adjournment

The meeting adjourned at 6:27 pm

**Status:** Completed

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**EMPLOYMENT - NEW HIRES**

NA

**RESIGNATIONS/TERMINATIONS**

Jones, Kobe

Office Assistant

06.09.23

**STATUS CHANGE**

NA

**Company name:** iLEAD Online  
**Report name:** Payment Register  
**Report title 2:** Mission Valley Bank  
**Footer Text:** 05/16/2023-06/14/2023  
**Created on:** 6/14/23  
**Location:** 116--iLEAD Online

Date	Vendor	Amount
5/11/23	CIGN000--Cigna Healthcare	1,638.41
5/11/23	FIDE000--Fidelity Security Life Insurance Company	79.18
5/11/23	FIDE000--Fidelity Security Life Insurance Company	258.98
5/11/23	WEXH000--WEX Health Inc.	23.80
5/12/23	AMAZ116--Amazon Capital Services (Online)	41.31
5/12/23	EDTE000--EdTech 101	6,310.92
5/12/23	ILEA300--iLEAD California	296.40
5/12/23	ILEA300--iLEAD California	264.04
5/12/23	NATI000--National Benefit Services	425.00
5/19/23	AMAZ116--Amazon Capital Services (Online)	41.60
5/19/23	CLIF000--Clifton Larson Allen LLP	2,310.00
5/19/23	PURC001--Purchase Power 6545	24.02
5/19/23	UPSF000--UPS	51.55
5/23/23	AMAZ116--Amazon Capital Services (Online)	204.51
5/23/23	EMP0642	85.67
5/23/23	SCOI001--Scoir, Inc	175.60
5/30/23	LOSA001--Los Angeles County Office of Education (LACOE)	56,726.17
5/31/23	GRAV001--Gravie, Inc	11,431.81
6/1/23	AFLA000--AFLAC	2,121.72
6/1/23	TMOB006--T-Mobile 3616	1,681.80
6/1/23	UPSF000--UPS	49.54
6/5/23	AMAZ116--Amazon Capital Services (Online)	487.63
6/7/23	APPL000--Apple Inc	1,446.41
6/7/23	FIDE000--Fidelity Security Life Insurance Company	79.18
6/7/23	FIDE000--Fidelity Security Life Insurance Company	250.25
6/7/23	KAIS000--Kaiser Foundation Health Plan	6,309.07
6/7/23	LEGA003--Legal Shield	118.60
6/7/23	SCHO009--School Pathways LLC	79.29
6/7/23	UPSF000--UPS	94.71
6/13/23	AMAZ116--Amazon Capital Services (Online)	155.27
6/13/23	COLL004--The College Board	2,144.00
6/13/23	EMP0374	45.39
6/13/23	GRAN001--Granite Mountain Charter School	13,095.00
6/13/23	ILEA300--iLEAD California	1,812.62
6/13/23	KHTS000--KHTS Radio	250.00
6/13/23	SUNL000--Sun Life Assurance Company of Canada	34.62
6/14/23	CIGN000--Cigna Healthcare	1,638.41
		<b>\$112,282.48</b>

**Company Name:** iLEAD Online  
**Report Name:** Payment Register Summary  
**Report Title 2:** Mission Valley Bank  
**Footer Text:** 05/16/2023-06/14/2023

GL Account #	GL Account Description	Total
3401	Health & Welfare Benefits - Credentialed positions	10,305.84
3402	Health & Welfare Benefits - Classified positions	2,246.38
4110	Core Curriculum - Texts, Workbooks, etc	2,144.00
4305	Educational Supplies (Classroom, Project, SpEd, Etc)	72.65
4340	Office Supplies	758.80
4430	IT Equipment & Supplies	7,856.20
5220	Travel for Intersite Business - Mileage	87.57
5510	Utilities - Electricity	53.53
5520	Utilities - Gas	217.71
5550	Operations - Janitorial Services	263.70
5610	Rent - Facilities Rent and CAM Charges	1,812.62
5630	Repairs & Maintenance - Facilities	25.50
5804	Professional Services - Auditing & Tax Preparation	2,310.00
5825	Operating Expenditures - Banking Charges & Fees	12.04
5830	Operating Expenditures - Marketing & Advertising	250.00
5850	Student Services Expenditures - Student Information System	79.29
5853	Student Services Expenditures - Student & Group Activities	43.49
5920	Internet Services	1,681.80
5940	Postage Expense	207.78
8710	Vendor Program & Online Classes	13,095.00
9310	Prepaid Expenditures (Expenses)	11,607.41
9535	Retirement Liability	56,726.17
9536	403b Payable	425.00
<b>Grand Total</b>		<b>\$ 112,282.48</b>



### THIRD AMENDMENT OF SUBLEASE

This Third Amendment of Sublease (“**Amendment**”) is entered into as of June 29, 2023 (the “**Effective Date**”) by and between iLEAD California Charters 1, a California nonprofit public benefit corporation (“**iCA/Sublandlord**”) and iLEAD Online Charter School, a California nonprofit public benefit corporation (“**iOCS/Tenant**”), (collectively the “**Parties**” and each a “**Party**”), with reference to the following facts:

- A. Tenant has subleased one half of Unit B of the commercial space at 3720 Sierra Highway in Acton (“Subleased Premises”) from Sublandlord since July 1, 2020 pursuant to the following lease documents (collectively, the “Lease”):
- Sublease Agreement dated July 1, 2020
  - Second Amendment of Sublease Agreement Dated August 15, 2022
- (“Sublease”), the term of which currently expires on June 30, 2025. The Sublease is attached hereto as Exhibit A.
- B. The Subleased Premises are part of the Suite B of the commercial spaces at 3720 Sierra Hwy, roughly consisting of half of 2,300 square feet (“Premises”) that Sublandlord originally leased from LEEACTON, LLC (“Landlord”) pursuant to the Standard Multi-Tenant Shopping Center Lease-Net dated July 31, 2017, and Addendum #1 to Standard Multi-Tenant Shopping Center Lease-Net Dated May 10, 2017, and First Amendment to Lease dated November 1, 2019 (“Master Lease”). The Master Lease is attached hereto as Exhibit B.
- C. The Parties desire to enter into this Amendment to reduce the subleased space to one-quarter of Unit B at the Premises, consisting of approximately 575 square feet (“Subleased Premises”), subject to Landlord’s written consent to the Third Amendment of Sublease

**NOW THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

- Reduction of Premises.** The Subleased Premises are hereby amended and reduced to 575 square feet (approximately one-quarter of Suite B.)
- Rent.** Base rent shall be \$1.41 per a square foot for 575 square feet of space (which is ¼ of the 2,300 sq ft of Suite B’s total space) with three percent (3%) annual increases in base rent for each year of the sublease. In addition to all base rents Tenant will be responsible for addition payment of Common Area Maintenance expenses as defined in the Lease, and through the term of the Lease for the Subleased Premises (“**Rent**”) All Rent payments shall be due monthly without notice or demand, with payments made to “iLEAD California Charters 1” at the address provided in Section 15 of the Sublease Agreement. Beginning July 1, 2023, and through the term of the Lease, Tenants minimum base rent for the Premises shall be as follows:

Months	Approximate Square Footage	Monthly Base Rent Rate per Square Foot	Annual Base Rent	Monthly Base Rent Payments
July 1, 2023 - June 30, 2024	575	\$1.41	\$9,729.00	\$810.75
July 1, 2024 - June 30, 2025	575	\$1.45	\$10,005.00	\$833.75

3. **Costs.** For the duration of the Term, iOCS shall pay a 8% pro-rata share of the utilities, janitorial and maintenance costs, and common area operating expenses billed by LeeActon that are paid by iCA related to the Premises, with the exception of any costs exclusive to Suite B, in which case iOCS shall pay a 25% pro-rata share of such expenses. iCA shall provide a monthly statement to iOCS outlining iOCS's share of such costs and any reimbursements received from the Landlord with respect to such costs, and shall provide iOCS access to reasonable backup documentation for such costs and reimbursements upon request. iOCS shall submit payment to iCA within thirty (30) days after receipt of such statement from iCA.
4. **No Other Amendments.** The Sublease and all Amendments constitute the entire agreement by and between the Parties with respect to the subject matter herein, and supersede any other agreement or representation, written or oral, that any Party may hereinafter assert or allege exist with regards to the subject matter herein. This Amendment shall not amend the Master Lease, except for any reference to the term of the Sublease as set forth in this Amendment.
5. **Miscellaneous.** This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A faxed, .pdf, or other electronic copy of the fully executed original version of this Amendment shall have the same legal effect as an executed original for all purposes. If any provision of this Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein. Except as modified by this Amendment, all of the terms, conditions, agreements, covenants, representations, warranties and indemnities contained in the Sublease, as well as all terms, conditions, agreements, covenants, representations, warranties and indemnities contained in the Master Lease, remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Sublease, the terms and conditions of this Amendment shall prevail. This Amendment is binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the Effective Date.

**Sublandlord**

iLEAD California Charters 1, a California  
nonprofit public benefit corporation

By \_\_\_\_\_

Name: \_\_\_\_\_

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

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

**Tenant**

iLEAD Online Charter School, a California  
nonprofit public benefit corporation

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

Name: \_\_\_\_\_

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

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

**Consented to by Landlord:**

LEEACTON, LLC

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

Name: \_\_\_\_\_

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

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

**EXHIBIT A - SECOND AMENDMENT OF SUBLEASE**

## SECOND AMENDMENT OF SUBLEASE

This Second Amendment of Sublease (“**Amendment**”) is entered into as of June, 28, 2022 (the “**Effective Date**”) by and between iLEAD California Charters 1, a California nonprofit public benefit corporation (“**iCA/Sublandlord**”) and iLEAD Online Charter School, a California nonprofit public benefit corporation (“**iOCS/Tenant**”), (collectively the “**Parties**” and each a “**Party**”), with reference to the following facts:

- A. Tenant has subleased one half of Unit B of the commercial space at 3720 Sierra Highway in Acton (“**Subleased Premises**”) from Sublandlord since July 1, 2020 pursuant to the Amendment of Sublease Agreement dated April 23, 2021 (“**Sublease**”), the term of which currently expires on June 30, 2022. The Sublease is attached hereto as Exhibit A.
- B. The Subleased Premises are part of the Suite B of the commercial spaces at 3720 Sierra Hwy, roughly consisting of half of 2,300 square feet (“**Premises**”) that Sublandlord originally leased from LEEACTON, LLC (“**Landlord**”) pursuant to the Standard Multi-Tenant Shopping Center Lease-Net dated July 31, 2017, and Addendum #1 to Standard Multi-Tenant Shopping Center Lease-Net Dated May 10, 2017, and First Amendment to Lease dated November 1, 2019 (“**Master Lease**”). The Master Lease is attached hereto as Exhibit B.
- C. The Parties desire to enter into this Amendment to extend the term of the Sublease as set forth below.

**NOW THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

**Extension of Term.** The term of the Sublease is hereby extended to June 30, 2025




**Section 2. Rent.** Base rent shall be \$1.37 per a square foot for 1,150 square feet of space, (which is 1/2 of the 2,300 sq ft of Suite B's total space) with three percent (3%) annual increases in base rent for each year of the Extension Period. In addition to all base rents Tenant will be responsible for additional payments of Common Area Maintenance expenses as defined in the Lease., and through the term of the Lease, for the Subleased Premises (“**Rent**”). All Rent payments shall be due monthly without notice or demand, with payments made to “iLEAD California Charters 1” at the address provided in Section 15 below. Beginning July 1, 2022, and through the term of the Lease, Tenants minimum base rent for the Premises shall be as follows:

Months	Approximate Square Footage	Monthly Base Rent Rate per Square Foot	Annual Base Rent	Monthly Base Rent Payments
July 1, 2022 - June 30, 2023	1,150	\$1.37	\$18,906.00	\$1,575.50
July 1, 2023 - June 30, 2024	1,150	\$1.41	\$19,458.00	\$1,621.50
July 1, 2024 - June 30, 2025	1,150	\$1.45	\$20,010.00	\$1,667.50

**3. Section 3. Costs.** For the duration of the Term, iOCS shall pay a 15% pro-rata share of the utilities, janitorial and maintenance costs, and common area operating expenses billed by LeeActon, that are paid by iCA related to the Premises, with the exception of any costs exclusive to Suite B, in which case iOCS shall pay a 50% pro-rata share of such expenses. iCA shall provide a monthly statement to iOCS outlining iOCS's share of such costs and any reimbursements received from the Landlord with respect to such costs, and shall provide iOCS access to reasonable backup documentation for such costs and reimbursements upon request. iOCS shall submit payment to iCA within thirty (30) days after receipt of such statement from iCA.


**No Other Amendments** . The Sublease and this Amendment constitute the entire agreement by and between the Parties with respect to the subject matter herein, and supersede any other agreement or representation, written or oral, that any Party may hereinafter assert or allege exist with regards to the subject matter herein. This Amendment shall not amend the Master Lease, except for any reference to the term of the Sublease as set forth in this Amendment.

**Miscellaneous.** This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A faxed, .pdf, or other electronic copy of the fully executed original version of this Amendment shall have the same legal effect as an executed original for all purposes. If any provision of this Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein. Except as modified by this Amendment, all of the terms, conditions, agreements, covenants, representations, warranties and indemnities contained in the Sublease, as well as all terms, conditions, agreements, covenants, representations, warranties and indemnities contained in the Master Lease, remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Sublease, the terms and conditions of this Amendment shall prevail. This Amendment is binding upon and shall inure to the benefit of the Parties hereto and their pective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Date.


**Sublandlord**

**LEAD California Charters 1, a California  
nonprofit public benefit corporation**

By:   
Name: Amanda Fischer  
Its: Executive Director  
Date: 8/15/2022


**Tenant**

iLEAD Online Charter School, a California  
nonprofit public benefit corporation

By:   
Name: Erin Jones Its: Director  
Date: 8/15/2022

**Consented to by Landlord:**

LEEACTON, LLC

By:   
Name: Michael Jang  
Its: \_\_\_\_\_  
Date: 08/16/2022

## Exhibit A – Sublease



**SUBLEASE AGREEMENT**  
(3720 Sierra Highway, Unit B)

This Sublease Agreement ("**Sublease**") is entered into by and between iLEAD California Charters 1, a California nonprofit public benefit corporation ("**iCA**") and iLEAD Online Charter School, a California nonprofit public benefit corporation ("**iOCS**"), (collectively the "**Parties**" and each a "**Party**"), with reference to the following facts:

A. iCA leases commercial space at 3720 Sierra Highway in Acton, California ("**Premises**") from LEEACTON, LLC ("**Landlord**") pursuant to the following lease documents (collectively, the "**Lease**");

- a. Standard Multi-Tenant Shopping Center Lease - Net dated July 31, 2017 ("**Standard Lease**");
- b. Addendum #1 to Standard Multi-Tenant Shopping Center Lease - Net dated May 10, 2017 ("**Addendum #1**"); and
- c. First Amendment to Lease dated November 1, 2019 ("**First Amendment**").

B. The Premises are comprised of Units A, B and C, consisting of approximately 7,904 sq. ft., and are authorized for iCA's use as a tutoring center and offices. The Lease is attached hereto as Exhibit A, the current term of which expires on June 30, 2022.

C. The Parties desire to enter into this Sublease to set forth the terms and conditions for iOCS to sublease from iCA one-half of Unit B at the Premises, consisting of approximately 1,155 square feet ("**Subleased Premises**"), subject to Landlord's written consent to the Sublease.

**NOW THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

**Section 1. Subleased Premises and Agreed Use.** Subject to the express terms and conditions of this Sublease and the Lease, iCA hereby subleases to iOCS, and iOCS accepts from iCA, the Subleased Premises. The Subleased Premises may only be used for the Agreed Use set forth in the Lease. iCA shall continue to occupy the balance of the Premises, including the other one-half of Unit B at the Premises; provided, however, iCA may provide iOCS the non-exclusive right to access and use the balance of the Premises, including any restrooms, breakrooms, kitchens and other common areas, that are available to iCA under the Lease.

**Section 2. Term.** The term of this Sublease ("**Term**") shall be from July 1, 2020 to the earliest to occur of: (a) June 30, 2021; (b) termination of the Lease pursuant to its terms; or (c) termination of this Sublease pursuant to Section 6 herein. iCA shall have no liability to iOCS due to the termination of this Sublease as a result of any termination of the Lease. The Parties may extend or renew this Sublease if the Lease is extended, subject to any consent required from Landlord.

**Section 3. Rent Schedule.** For the duration of the Term, iOCS shall pay to iCA monthly rent of \$1,737.15 (which is \$1.37 per square foot for 1,155 square feet of space) for the Subleased Premises ("**Rent**"). All Rent payments shall be due monthly without notice or demand, with payments made to "iLEAD California Charters 1" at the address provided in Section 15 below.

Tenants minimum base rent for the Premises shall be as follows:

Months	Approximate Square Footage	Monthly Base Rent Rate per Square Foot	Annual Base Rent	Monthly Base Rent Payments
July 1, 2022 – June 30, 2023	7,904	\$1.37	\$129,941.76	\$10,828.48
July 1, 2023 – June 30, 2024	7,904	\$1.41	\$133,375.68	\$11,114.64
July 1, 2024 – June 30, 2025	7,904	\$1.45	\$137,529.60	\$11,460.80

**Section 4. Costs.** For the duration of the Term, iOCS shall pay a 15% pro-rata share of the utilities, janitorial and maintenance costs, and common area operating expenses, that are paid by iCA related to the Premises with the exception of any costs exclusive to Suite B, in which case iOCS shall pay 50% pro-rata share of such expenses. iCA shall provide a monthly statement to iOCS outlining iOCS's share of such costs and any reimbursements received from the Landlord with respect to such costs, and shall provide iOCS access to reasonable backup documentation for such costs and reimbursements upon request. iOCS shall submit payment to iCA within thirty (30) days after receipt of such statement from iCA. In the event the Subleased Premises are separately metered for any utilities, iOCS shall timely pay the entirety of such utilities.

**Section 5. Interest and Late Charges on Overdue Payments.** In the event that iOCS shall fail to pay any installment of Rent or any other sum due hereunder or pursuant to the Lease, iOCS shall pay iCA those amounts defined as interest and the late charge set forth in Sections 13.4 and 13.5 of the Lease, provided that iOCS shall be entitled to any grace periods provided in the Lease. The Parties agree that the payment of such interest or late charges represents the liability that iCA may incur to the Landlord by reason of the late payment by iOCS, and is therefore not a penalty.

**Section 6. Termination.** Either Party may terminate this Sublease upon thirty (30) days prior written notice to the other Party hereto.

**Section 7. Modifications.** Subject to iOCS obtaining all necessary governmental approvals and Landlord's review and approval thereof to the extent required under the Lease, iOCS shall be permitted to affix its exterior and window signs at its sole cost and expense at the Subleased Premises, provided that such signage shall not exceed limitations imposed by applicable law and the Lease. Any and all signage, materials, work, installations, equipment and decorations of any nature brought upon the Premises, or installed in the Subleased Premises or removed from the Subleased Premises by iOCS, shall be at iOCS's sole risk, and shall be installed, maintained and removed at the sole cost and expense of iOCS. Neither iCA nor any party acting on iCA's behalf on or about the Premises shall be responsible for any claim, damage or loss or destruction of such items brought to the Premises, installed in the Subleased Premises, or removed from the Subleased Premises, and iOCS shall indemnify, defend and hold iCA harmless from any claim, loss, damage or destruction.

**Section 8. Application of the Lease.** Except as expressly provided herein, this Sublease is subject and subordinate in all respects to the terms of, and the rights of the Landlord under, the Lease. Except as expressly provided herein or inconsistent with the terms and conditions set forth herein, (a) iOCS covenants and warrants that it fully understands and agrees to be subject to and bound by all of the covenants, agreements, terms, provisions and conditions of the Lease, and iOCS agrees to comply with all the obligations required to be kept or performed by iCA, in its capacity as "Lessee" under the Lease, with respect to the Subleased Premises and (b) the covenants, agreements, terms, provisions and conditions of the Lease insofar as they relate to the Subleased Premises and insofar as they are not inconsistent with the terms of this Sublease are made a part of and incorporated into this Sublease as if recited herein in full, and the rights and obligations of the "Lessor" and the "Lessee" under the Lease shall be deemed the rights and obligations of iCA and iOCS, respectively, and shall be binding upon and inure to the benefit of iCA and iOCS respectively. As between the Parties only, in the event of a conflict between the terms of the Lease and the terms of this Sublease, the terms of this Sublease shall control.

**Section 9. Subcontract and Assignment.** Neither Party shall assign its rights, duties, or privileges under this Sublease, nor shall a Party attempt to confer any of its rights, duties, or privileges under this Sublease on any third party, without the written consent of the other Party, and subject to

any Landlord consent required under the Lease. Subject to foregoing, this Sublease shall be binding upon and insure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns. iOCS shall not sublicense or sublease, pledge, encumber, mortgage, or otherwise transfer or assign to any party any interest in the Subleased Premises.

**Section 10. Insurance.** iOCS, at iOCS's sole expense, shall maintain for the benefit of iCA and Landlord such policies of insurance (and in such form) with respect to the Subleased Premises as are required by the Lease, which policies shall be reasonably satisfactory to iCA as to coverage and insurer, shall be maintained as primary policies, and shall extend to and cover the acts and omission of iOCS, and anyone acting by, through or under iOCS notwithstanding anything contained in the Lease to the contrary. Each policy of insurance required under this paragraph shall name iCA and Landlord each as an additional insured. iOCS shall provide iCA with certificates of insurance evidencing such policies and that iCA has been named as an additional insured under a separate additional insured endorsement approved by iCA within thirty (30) days from receipt of a written request from iCA. iOCS shall use best efforts to cause all insurance policies to contain a provision and certificate of insurance shall expressly state that the insurer will give to iCA and Landlord and such other parties in interest at least thirty (30) days' notice in writing in advance of any material change, cancellation, termination or lapse, or the effective date of any reduction in the amounts of insurance below the amounts specified in the Lease.

**Section 11. Damage and Destruction.** If the Subleased Premises are damaged by any casualty which is covered by iOCS's applicable insurance, the Parties agree to use such insurance proceeds to restore the Subleased Premises to extent required by the Lease.

**Section 12. Indemnification.** The Parties agree to defend, indemnify, and hold each other, their employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorneys' fees, expert witness fees, and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance of their obligations under this Sublease and/or the Lease, except for such loss or damage caused solely by the negligence or willful misconduct of the other Party. The indemnifications required by this Section 12 shall survive the expiration or termination of this Sublease.

**Section 13. Default.** The occurrence of any of the following shall be a default ("Default") under this Sublease:

(a) iOCS fails to pay in full when due any installment of Rent or any other charge agreed to be paid by iOCS; or

(b) iOCS violates or fails to perform any other term, covenant, condition or agreement herein contained or provided for in the Lease, and such failure continues beyond all applicable notice and cure periods in the Lease; or

(c) iOCS becomes insolvent, or makes an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against iOCS, or a bill in equity or other proceeding for the appointment of a receiver for iOCS is filed, or if proceedings for reorganization or for composition with creditors under any state or federal law be instituted by or against iOCS, or if the subleasehold interest is levied on under execution; or

(d) iOCS abandons (as defined in California Civil Code Section 1951.3 or any successor provision thereto) all or any portion of the Subleased Premises.

In the event of Default by iOCS, and without any other action by iCA, iCA may, at its sole option, exercise as to iOCS any and all remedies of the Landlord under the Lease. In addition, iCA may exercise any and all other rights or remedies, granted or allowed landlords by any existing or future statute or other law applicable in cases where a landlord seeks to enforce rights arising under a lease against a tenant who has defaulted or otherwise breached the terms of such lease subject, however, to all of the rights granted or created by any such statute or other applicable law existing protection and benefit of tenants.

**Section 14. Dispute Resolution.** The Parties shall attempt to negotiate in good faith to resolve any dispute arising from or relating to this Sublease before resorting to litigation.

**Section 15. Notice.** Any notice required or permitted to be given under this Sublease shall be deemed to have been given, served, and received if given in writing and personally delivered, deposited in the United States mail as registered or certified mail with postage prepaid and return receipt required, sent by overnight delivery service, or sent by email, addressed as follows:

**If to iCA:**

iLEAD California Charters 1  
ATTN: Chief Executive Officer  
3720 Sierra Highway, Unit C  
Acton, CA 93510  
Email: [Director@ileadexploration.org](mailto:Director@ileadexploration.org)

**If to iOCS:**

iLEAD Online Charter School  
ATTN: Chief Executive Officer  
3720 Sierra Highway, Unit B  
Acton, CA 93510  
Email: [Director@ileadonline.org](mailto:Director@ileadonline.org)

Any notice personally given or sent by email or facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

**Section 16. Landlord's Consent.** This Sublease and the Parties' liability hereunder are subject to Landlord's consent to this Sublease, as required under the Lease. This Sublease shall be null and void should the Landlord fail or refuse to give such consent to this Sublease.

**Section 17. iCA's Duties.** The obligations of Landlord under the Lease shall remain the obligations of Landlord, and shall not be considered the obligations or responsibility of iCA. iCA shall fully perform all of its obligations under the Lease to the extent iCA has agreed to perform such obligations under this Sublease. With respect to the obligations of Landlord under the Lease, iCA's only obligation shall be to use its commercially reasonable efforts to cause Landlord to perform such obligations for the benefit of iOCS.

**Section 18. Surrender of the Subleased Premises.** Upon the expiration or sooner termination of this Sublease, iOCS shall adhere to the terms and conditions set forth in the Lease concerning the condition of the Subleased Premises upon surrender, and shall repair any damage to the Premises or the Subleased Premises caused by iOCS or its invitees, licensees, employees, officers, contractors and visitors. If iOCS fails to remove signage, materials, work, installations, equipment or decorations brought or installed by it and restore the affected areas to their original condition pursuant to the terms and conditions set forth in the Lease, then iCA may perform such work, and all costs and expenses incurred by iCA in so performing such work shall be reimbursed by iOCS to iCA within fifteen (15) days after iOCS's receipt of invoice therefor. iOCS shall not be required to remove any alterations or

improvements made by iCA or which iCA requests be left in place. If Landlord requires the removal of any alterations or improvements made by or for iCA, iCA shall, at its sole cost and expense, remove such alterations and improvements.

**Section 19. Independent Status.** This Sublease is entered into by and between two separate and independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or association.

**Section 20. Entire Agreement.** This Sublease, together with its exhibits and the Lease and any amendments thereto, constitutes the entire agreement between the Parties concerning the subject matter contained herein and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Sublease may be amended or modified only by a written instrument executed by the Parties.

**Section 21. Arm's Length and Independent Counsel.** This Sublease has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the subjects in this Sublease. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities against the Party that has drafted it is not applicable and is waived. The provisions of this Sublease shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Sublease. Each Party has been advised by, or had opportunity to seek advice from, its independent counsel regarding this Sublease.

**Section 22. Headings.** The descriptive headings of the sections and/or paragraphs of this Sublease are inserted for convenience only, are not part of this Sublease, and do not in any way limit or amplify the terms or provisions of this Sublease.

**Section 23. Waiver.** The waiver by any Party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

**Section 24. Severability.** Should any provision of this Sublease be legally determined to be invalid, illegal, or unenforceable in any respect, such provision shall be severed and the remaining provisions shall continue as valid, legal, and enforceable.

**Section 25. California Law.** This Sublease shall be governed by and the rights, duties, and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Sublease shall be maintained in Los Angeles County, California.

**Section 26. Authority to Contract.** Each Party warrants to the others that it has the authority to enter into this Sublease, that it is a binding and enforceable obligation of said Party, and that the undersigned has been duly authorized to execute this Sublease.

**Section 27. Counterparts.** This Sublease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A faxed, .pdf, or other electronic copy of the fully executed original version of this Sublease shall have the same legal effect as an executed original for all purposes.



**Exhibit A – Lease Documents**

## **First AMENDMENT TO LEASE**

**THIS FIRST AMENDMENT TO LEASE** (this "Amendment"), dated for identification purposes only November 1, 2019, is executed by and between **LEEACTON, LLC**, a California limited liability company ("Landlord"), and **iLEAD CALIFORNIA CHARTERS 1, INC.**, a California Corporation ("Tenant").

### **RECITALS**

A. WHEREAS, Landlord and Tenant have previously executed and delivered that certain Multi-Tenant Shopping Center Lease dated July 31, 2017 with respect to certain Premises measuring approximately 5,468 square feet located at 3720 Sierra Highway, Units A & B, Acton, California 93510 (the "Lease"), all as more particularly described in the Lease.

B. WHEREAS, Landlord and Tenant desire to amend the Lease to have Tenant lease an additional approximately 2,436 square feet of commercial space, commonly known as Unit C within the Shopping Center.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

### **AGREEMENT**

1. Defined Terms. Unless otherwise defined herein, capitalized terms used in this Amendment shall have the meanings ascribed to such terms in the Lease.

2. Amendments. The Lease is hereby amended as follows:

2.1 Additional Space. Beginning November 1, 2019, Tenant shall lease from Landlord an additional approximately 2,436 square feet of commercial space commonly known as Unit C in the Shopping Center in addition to the approximately 5,468 square feet of commercial space, commonly known as Units A and B in the Shopping Center, Tenant is currently leasing pursuant to the terms of the Lease (collectively the "Expanded Premises"). The Expanded Premises shall be approximately 7,904 square feet.

2.2. Monthly Payments. Beginning November 1, 2019, and through the term of the Lease, Tenants minimum base rent for the Expanded Premises shall be as follows:

<b>Months</b>	<b>Approximate Square Footage</b>	<b>Base Rent Rate per Square Foot</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent Payments</b>
Current	5,468	\$1.29	\$84,644.64	\$7,053.72
Nov. 1, 2019- Nov. 30, 2019	7,904	\$1.29	\$122,353.92	\$0.00 Monthly Base Rent-



Dec 1, 2019- Jun.30,2020	7,904	\$1.29	\$122,353.92	\$10,196.16
July I, 2020- June 30, 2021	7,904	\$1.33	\$126,147.84	\$10,512.32
July 1, 2021 - June 30, 2022	7,904	\$1.37	\$129,941.76	\$10,828.48

2.3. Rent Credit. Tenant shall receive a Rent Credit of \$10,196.16 (One Month) to be credited towards Tenant's base rent for the month of 2019 as more fully set forth in section 2.2 above. Tenant's Rent Credit shall be in lieu of tenant improvements or tenant improvement allowance requested by Tenant.

{;j} 2.4. Extension of Term. The term of the Lease shall be extended beginning July 1, 2020 through June 30, 2022 (the "Extension Period"). Base Rent for the Extension Period shall be as stated in section 2.2 above.

2.5. Security Deposit. Concurrently with the Tenant's execution of this Amendment, Tenant shall deposit with Landlord the sum equal to Five Thousand Dollars (\$5,000) as an additional Security Deposit for the Expanded Premises during the Extension Period. The additional Security Deposit will be held in aggregate with Tenant's existing Security Deposit. All terms and conditions regarding Security Deposits contained in the Lease shall apply to the additional Security Deposit.

### 3. Miscellaneous.

3.1 No Previous Assignment or Sublet. In consideration for Landlord entering into this Amendment, Tenant hereby represents, warrants and certifies to Landlord that it has neither assigned its interest under the Lease nor subleased any portion of the Premises.

3.2 Submission of Amendment. The submission of this Amendment is only an invitation to deal and shall not be deemed an offer by either party. Only a fully executed and delivered Amendment shall bind the parties hereto.

3.3 Conflict. In the event of a conflict between the provisions of this Amendment and those of the Lease, the provisions of this Amendment shall control. Except for purposes of determining whether a conflict exists between the Lease and this Amendment, the term "Lease" as used herein shall include the provisions of the Lease and this Amendment.

3.4 Full Force and Effect. Except as expressly provided herein, all of the terms and provisions contained in the Lease shall remain in full force and effect.

3.5 Construction. Each of the parties has had the opportunity to consult with counsel and to participate in the drafting of this Amendment, and its provisions shall not be construed in favor of or against either party by virtue of the involvement of either party or

attorney for such party in drafting this Amendment or any portion thereof. Rather, this Amendment shall be construed liberally to the maximum extent possible to further its purpose and accomplish its objectives.

3.6 Entire Agreement. This Amendment contains the entire agreement between the parties relating to the amendments contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

3.7 Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one instrument. Counterparts transmitted by facsimile or PDF shall be deemed to be original counterparts for all purposes.

3.8 Governing Laws. This Amendment shall be governed by and construed in accordance with the internal laws of the State of California without regard to conflict of law principles.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first set forth above.

"LANDLORD"

"TENANT"

LEEACTON, LLC  
a California limited liability company

iLEAD CALIFORNIA CHARTERS 1, INC.  
a California corporation

By: \_\_\_\_\_  
e: \_\_\_\_\_ 1,

By:   
Name: Dawn Evenson  
Its: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Its: Manager

## Exhibit B – Master Lease

## Basic Lease Provisions

1. Landlord: LEEACTON LLC
2. Tenant: iLEAD CALIFORNIA CHARTERS 1
3. Premises: 3720 Sierra Hwy, Unit A, Acton, CA 93510
4. Total Rentable Square Footage of Center:  
Retail: \_\_\_\_\_Sq. Ft.
5. Rentable Area of Premises:  
Premise UNIT "A" Commercial: Approx. 3,159 Sq. Ft.
6. Tenant's Proportionate Share of Total Rentable Area: \_\_\_\_\_ %
7. Use: Public Charter School Tutoring Center and Office
8. Minimum Rent: (See Section 6)
9. Increase in Minimum Rent:  $3\frac{3}{4}$  annually
10. Additional Rent: \$884.52 per month estimated
11. Lease term: Two (2) years with Two (2) One (1) year options to extend
12. Security Deposit: \$ 5,000.00
13. Operating Expenses: \$ .28 per Sq. Ft.(Estimated)
14. Tenant's Construction Commencement Date: *N/A*
15. Tenant's Construction Period: *N/A*
16. Lease Commencement: August 1, 2015
17. Rent Commencement: October 1, 2015
18. Guarantor: *N/A*

# STANDARD MULTI-TENANT SHOPPING CENTER LEASE-NET

## 1. Basic Provisions ("Basic Provisions").

1.1 Parties: The Lease ("Lease"), dated for reference purposes only 10/1/2015 is made by and between LEEACTON LLC ("Lessor") and IL, aEa, A, 0, CAa, -- the "Parties", or IL, aEa, A, 0, CAa, -- ("Lessee") (collectively individually a "Party").

1.2 Premises: That certain portion of the Shopping Center (as defined below), including all Improvements therein or to be provided by Lessor under the terms of this lease, commonly known by the street address of 3720 SIERRA HWY, UNIT A, located in the City of ACTION County of LOS ANGELES, State of CALIFORNIA, with zip code 93510, as outlined on Exhibit attached hereto ("Premises") and generally described as (describe briefly the nature of the premises): COMMERICAL

RETAIL PLAZA, approximate square footage of the Premises being 3,159 SQUARE FEET. In addition to Lessee's right to use and occupy the Premises as hereinafter specified. Lessee shall have non-exclusive rights to the common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the building containing the Premises ("Building") or to any other buildings in the Shopping Center. The Premises and the Building are situated within the Shopping center known as ACTON PLAZA

The Premises, the Building, and Common Areas and all other buildings and improvements within said Shopping Center, together with the land upon which they are located, are herein collectively referred to as the "Shopping Center". (See also Paragraph 2)

1.3 Terms: 2 (TWO) year(s) and 0 months ("Original Term") commencing AUGUST 1, 2015 ("Commencement Date") and ending JULY 31 2017 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available lessee may have non-exclusive possession of the Premises commencing N/A ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$ 3,948.75 per month ("Base Rent"), payable on the 1st day of each month commencing 10/1/2015. (See also paragraph 4)

D If this box is checked, there are provisions in this lease for the Base Rent to be adjusted. See Paragraph \_\_\_\_\_

1.6 Percentage Rent Rate: \_\_\_\_\_ percent (\_\_\_\_%) of Gross sales. Percentage Rent shall be due and payable in accordance with the provision of the Percentage Rate Addendum, if any attached hereto and made a part hereof, and paragraph 4 hereof.

1.7 Lessee's Share of Common Area Operating Expenses: TBO percent (\_\_\_\_%) ("Lessee's Share"). In the event that that size of the Premises and/or the Shopping Center are modified during the term of this Lease, Lessor shall recalculate Lessee's share to reflect such modification.

1.8 Merchants' Association Annual Dues: \$ \_\_\_\_\_ per year ("Merchants' Association Dues"). Lessee shall pay Merchants' Association Dues and/or become a member of the Merchants' Association in accordance with the provisions of the Merchants' Association Addendum, if any, attached hereto.

1.9 Base Rent and Other Monies Paid Upon Execution:

(a)	Base Rent: \$ <u>3,948.75</u>	for the period <u>10/1/15 - 10/31/15</u>
(b)	Common Area Operating Expenses: \$ <u>884.52</u>	for the period <u>10/1/15 - 10/31/15</u>
(c)	Security Deposit: \$ <u>0</u>	for the period <u>10/1/15 - 10/31/15</u>
	(See also Paragraph 5)	
(d)	Merchants' Association Dues: \$ <u>N/A</u>	for the period _____
(e)	Other: \$ <u>N/A</u>	for the period _____
(f)	Total Due Upon Execution of this lease: \$ <u>9,383.27</u>	

1.10 Agreed Use: TUTORING CENTER AND OFFICES (See also Paragraph 6)

1.11 Agreed Trade Name: LEAD SCHOOLS (See also Paragraph 6)  
 1.12 Insuring Party: Lessor is the "Insuring Party".  
 1.13 (See also Paragraph 8) Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction

(Check applicable boxes): Hankook Property Management Company represents Lessor exclusively ("Lessor's Broker");  
 InSite Educational Facility Services represents Lessee exclusively ("Lessee's Broker"); or N/A represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, and removal of all contingencies of a Lease Agreement, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, 4% of the total Base Rent payable for the Original Term, 4% of the total Base Rent payable during any period of time to be split equally between Lessor's Broker and Lessee's Broker that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of \_\_\_\_\_ or \_\_\_\_\_% of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.14 Guarantor: The obligations of the Lessee under this Lease are to be guaranteed by \_\_\_\_\_ ("Guarantor"). (See also Paragraph 38)

1.15 Attachments: Attached hereto are the following, all of which constitute a part of this Lease:  
 An addendum consisting of Paragraphs S. 2 through 68  
☐ A site plan marked Exhibit \_\_\_\_\_, depicting the Premises;  
☐ A site plan marked Exhibit \_\_\_\_\_, depicting the Shopping Center;  
☐ A current set of Rules and Regulations for the Shopping Center;  
☐ A current set of the Sign Criteria for the Shopping Center;  
☐ A work letter;  
☐ other (specify): \_\_\_\_\_



2. **Premises.**

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. NOTE: Lessee is advised to verify the actual size prior to executing this lease.

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within 30 days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning system ("HVAC"), loading doors, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of the Premises shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows; (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Premises. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler system, roof, foundations, and/or bearing walls).

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Start Date ("Applicable Requirements"). said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 5.0), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed to as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144<sup>th</sup> of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate his lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirement. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either; (i) Immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises. (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. Lessee shall not use and shall not permit its employees to use any parking spaces in the Shopping Center except for parking by vehicles that are no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles". Lessee shall permit its employees to only occupy those parking spaces, if any as depicted as employee parking spaces on the Shopping Center site plan. Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, supplies, shippers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 Common Areas-Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Shopping Center and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Shopping Center and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 Common Areas- Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Shopping Center. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas, nor the right to display merchandise or conduct sales in the Common Areas. Any such storage, display or sales shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, as exercised in Lessor's sole discretion, which consent may be revoked at any time. In the event that any unauthorized storage or displays shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Shopping Center and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Shopping Center.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes or additions to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, elevations, landscaped areas, signage, walkways and utility raceways;

(b) To use and close temporarily any of the Common Areas for the purpose of maintaining, repairing and altering the Shopping Center, so long as reasonable access to the Premises remains available, and to close temporarily any of the Common Areas to whatever extent is required in the opinion or Lessor's counsel to prevent a dedication of or the accrual of any rights of any persons or of the public to any of the Common Areas;

(c) To designate other land outside the boundaries of the Shopping Center to be a part of the Common Areas or to be entitled to use the Common Areas on a reciprocal basis;

(d) To add additional buildings and improvements to the Common Areas; and

(e) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Shopping Center as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

2.11 Common Areas - Promotional Events; Sidewalk Sales. Lessor reserves the right, from time to time, in Lessor's sole discretion, to utilize portions of the Common Areas for promotional events, which may include but shall not be limited to entertainment- Lessor further reserves the right, in Lessor's sole discretion, to permit any one or more tenants of the Shopping Center to conduct the display and/or sale of merchandise from the sidewalks immediately adjacent to such tenants' respective premises.

2.12 Common Areas-Remodeling. At any time during the Term, Lessor may remodel or expand, in any manner, the existing Shopping Center, which work may include without limitation, the addition of shops and/or new buildings to the Shopping Center (collectively "Remodeled Center"). If Lessor deems it necessary for construction personnel to enter the Premises in order to construct the Remodeled Center, Lessor shall give Lessee no less than 60 days prior notice and Lessee shall allow such entry. Lessor shall use reasonable efforts to complete any work affecting the Premises in an efficient manner so as not to interfere unreasonably with Lessee's business. Lessee shall not be entitled to any damages for any inconvenience or any disruption to Lessee's business caused by such work; provided, however, the Base Rent paid by Lessee for the period of the inconvenience shall be abated in proportion to the degree that Lessee's use of the Premises is impaired. Lessor shall have the right to use portions of the Premises to accommodate any structures required for the Remodeled Center, provided that if as a result thereof there is a permanent decrease in the floor area of the Premises of 3% or more, there shall be a proportionate downward adjustment of Base Rent and Lessee's Share.

### 3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If an Early Possession Date has been specified in Paragraph 1.4, the Parties intend that Lessee shall have access to the Premises as of the Early Possession Date for purposes of preparing and fixturing the Premises for the conduct of Lessee's business. If Lessee totally or partially occupies the Premises prior to the Commencement Date for any reason (and for purposes hereof, "occupancy" shall include, without limitation, Lessee's entry onto the Premises for purposes of preparing and fixturing the Premises for business), the obligation to pay Base Rent and Percentage Rent shall be abated for the period of such early possession. All other terms of this Lease (including but not limited to Lessee's obligations to carry insurance and to maintain the Premises) shall be in effect during such period, except that Lessee's obligation to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums shall only be in effect prior to the Commencement Date if Lessee has opened for business in the Premises prior to the Commencement Date. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay in Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.



4. Rent

4.1 Rent Defined. are deemed to be rent("Rent")

All monetary obligations of lessee to Lessor under the terms of this Lease (except for the Security Deposit)

4.2 Common Area Operating Expenses. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent and, if applicable, Percentage Rent, Lessee's Share (as specified in Paragraph 1.7) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "Common Area Operating Expenses" are defined, for purposes of this Lease, as all costs incurred by Lessor relating to the ownership and operation of the Shopping Center, including, but not limited to, the following:

(i) The operation, repair and maintenance, in near, clean, good order and condition, and replacement as reasonably necessary, of the following:

(aa) The Common Areas and Common Area Improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, parking lot striping, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire detection and/or sprinkler systems.

(dd) Common electrical, plumbing and other utilities servicing any building in the Shopping Center and/or the Common Areas.

(ee) All other areas and Improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management (including, but not be limited to, a property management fee to Lessor equal to 5% of Base Rent and Percentage Rent, security services, and the costs of any environmental inspections.

(iv) Reserves set aside for equipment, maintenance, repair and replacement of Common Areas:

(v) Real Property Taxes (as defined in Paragraph 10)

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

Center.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants', and attorneys' fees and costs related to the operation of the Shopping

(ix) The cost of any capital improvement to the Building or the Shopping Center not covered under

the provisions of Paragraph 2.3; provided, however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144<sup>th</sup> of the cost of such capital improvement in any given month.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) If Lessor determines that the method of proration of any item included within Common Area Operating Expenses is inequitable, Lessor may prorate such item on the basis of usage or other equitable considerations. Any Common Area operating Expenses and Real Property Taxes that are specifically attributable to the Premises, the Building or to any other premises or building in the Shopping Center or to the operation, repair and maintenance thereof shall be allocated entirely to such premises or building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to any premises or building or to the operation, repair and maintenance thereof shall be equitably allocated by Lessor to all buildings in the Shopping Center.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Shopping Center already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in the Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) If there are one or more Major Tenants (as hereinafter defined) within the Shopping Center, then at Lessor's sole option, the amount to be reimbursed by such Major tenants to Lessor for all or a portion of the Common Area Operating Expenses may be determined by alternative equitable methods (e.g. a Major Tenant may pay directly for its own security), and the actual amount paid by such Major Tenants shall be credited against the Common Area Operating Expenses allocated to other tenants of the Shopping Center; provided, however, that in such event the rentable area of the buildings leased to such Major Tenants shall be excluded from the rentable area of the Shopping Center for purposes of determining Lessee's Share of Common Area Operating Expenses for those specific items, notwithstanding the percentage set forth in Paragraph 1.7. As used herein, the term "Major Tenants" shall mean a tenant leasing at least 15,000 square feet of rentable area within the Shopping Center.

(f) Common Area Operating expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payment will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of

the Security Deposit, Lessee shall within 10days after writtenrequest therefor deposit monies with lessor sufficient to restore said Security Deposit to the full amount required by this lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same

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(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Shopping Center not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substance, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) Lessor Indemnification. Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable time, in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefore (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to such Requirements, without regard to whether said Requirements are no longer in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection/Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements or a hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefore.

## 7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.

### 7.1 Lessee's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon in good order, condition and state of repair.

(b) Service Contracts. Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) Failure to Perform. If Lessee fails to perform Lessee's obligation under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligation on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) Replacement. Subject to Lessee's Indemnification of Lessor as set forth in Paragraph 8.7 below, and without renewing Lessee's liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by

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Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 72 (i.e. 1/72th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation, Lessor, subject of reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expenses pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors, or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions. The term "utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing and fencing in or on the Premises. The term "Trade fixtures" shall mean lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of tile improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alteration and/or Utility Installations" are defined as Alterations and/or Utility installations made by lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) Consent. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this lease as extended does not exceed a sum equal to 3 months' Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other applicable requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) Liens; Bonds. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or material man's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim, or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specific part of the Lessee owned Alterations and Utility Installations. Unless otherwise instructed per Paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this lease, become the property of Lessor and be surrendered by Lessee to the Premises.

(b) Removal. By delivery to lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) Surrender; Restoration. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in a good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixture, Lessee Owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises), even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the Property of lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment of Premiums. The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premium for policy periods commencing prior to, or extending beyond, the term of this lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 Liability Insurance.

(a) Carried by Lessee. Lessee shall obtain and keep in force a Commercial General liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Manager or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or

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organizations, but shall include coverage for liability assumed under this Lease as an "Insured contract" for the performance of Lessee's indemnity obligations under this lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) carried by Lessor. Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional Insured therein.

**8.3 Property Insurance- Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("**Rental Value Insurance**"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the building and for the Common Areas or other buildings in the Shopping Center if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premise.

(d) **Lessee's Improvements.** Since Lessor is the insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

**8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements.

(d) **No representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this lease.

**8.5 Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "Insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

**8.6 Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

**8.7 Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

**8.8 Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Shopping Center, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury to be file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

**8.9 Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increase, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach.

with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial **damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 months' Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Lessee has the responsibility to repair or replace pursuant to the provisions of Paragraph 7.1.\*

(b) "Premises Total Destruction" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 months' Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or **a contamination by a Hazardous Substance, in, on, or under the Premises or Common Areas, which requires restoration.**

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total replacement cost of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement Cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case the Lease shall remain in full force and effect or (11) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (1) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt or the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an excisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Damage to Shopping Center. In the event of any damage or destruction to other portions of the building or to any other buildings in the Shopping Center, whether insured or uninsured (and whether or not there is also damage or destruction to the Premises), which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction, Lessor may either (i) repair such damage or destruction as soon as reasonably possible without expense to Lessee in which event this Lease shall continue in full force and effect, or (11) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage or destruction. Such termination shall be effective 60 days following the date of such notice.

9.7 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Base Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value Insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.8 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advanced Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definition.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); Improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Shopping Center, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Shopping Center address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Shopping Center is located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this lease, including but not limited to, a change in the ownership of the Shopping Center, (ii) a change in the Improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Shopping Center and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provision of Paragraph 4.2.

10.3 **Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Shopping Center by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alteration, Trade Fixtures or Utility Installation placed upon the Premises by Lessee or at Lessee's request, or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installation, Trade Fixture, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. To the extent such utilities and/or services are not separately metered, Lessee shall pay Lessee's Share thereof in accordance with Paragraph 4.2. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determined that Lessee is using a disproportionate amount of water, electricity, or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a non-curable Breach without the necessity of any notice and grace period, if Lessor elects to treat such unapproved assignment or subletting as a non-curable Breach. Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base rent and Percentage Rent Rate to 110% of the Base Rent and Percentage Rent Rate then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damage and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.



(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) after the primary liability of Lessee for the payment of Rent for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exist in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exist, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease, **A "Breach"** is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The vacating or abandonment of the Premises. Lessee shall be deemed to have vacated the Premises if Lessee ceases to continuously operate its business in the Premises for a period of 5 consecutive days.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHT, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or any illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such

seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligation under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming Insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) A Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

**13.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, Insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefore. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) 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 that the Lessee proves could have been reasonably avoided; (iii) 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 the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision

(iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph

13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer status shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer status shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interest, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**13.3 Inducement Recapture.** Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge of \$300.00. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

**13.5 Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent and Percentage Rent) or within 30 days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31<sup>st</sup> day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

**13.6 Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

**14. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the cond authority takes

title or possession, whichever first occurs. If more than 10% of the floor area of the Premises, or more than 25% of the parking spaces situated within the parking area, is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemner for lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installation made to the Premises by Lessee, for purpose of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Demolition.** At anytime during the term of the lease, should the Lessor undertake to proceed with full or partial demolition of the building, then upon six (6) full calendar months written notice from the lessor to the lessee, of the lessor's undertaking to demolish, the Lessee agrees to vacate the premises, and surrender the unexpired portion of the term, at the expiry of the above notice period. Upon surrender of the premises, the Lessor shall pay to the Lessee by way of compensation for improvements an amount standing in the same proportion to the cost to the Lessee of leasehold improvements made by the Lessee pursuant to the provisions of the Lease.

16. **Brokerage Fees.**

16.1 **Additional Commission.** If a separate brokerage fee agreement is attached then in addition to the payments owed pursuant to Paragraph 1.13 above, and unless Lessor and the Broker otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Shopping Center, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule attached to such brokerage fee agreement.

16.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraph 1.13, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

16.3 **Representations and Indemnities of Broker Relationship.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker and finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the Indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

17. **Estoppel Certificates.**

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, no more than one month's rent has been paid in advance. Prospective purchasers and encumbrances may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be stopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desired to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

18. **Definition of Lessor.** The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

19. **Severability.** The invalidity of any provision of this lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

20. **Days.** Unless otherwise specifically indicated to the contrary, the "days" as used in this Lease shall mean and refer to calendar days.

21. **Limitation on liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

22. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

23. **No Prior Other Agreements; Broker Disclaimer.** This lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and

financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

24. Notices.

24.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

24.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday or legal holiday, it shall be deemed received on the next business day.

25. Waivers.

(a) NO waiver by Lessor of the Default or breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in Writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

26. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements and all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "confidential" any communication or information given to Brokers that is considered by such Party to be confidential.

27. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent and Percentage Rent Rate shall be increased to 150% of the Base Rent and Percentage Rent Rate applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

28. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

29. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a



part of this Lease. Whenever required by the context, the singular shall include the plural and viceversa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

30. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representative, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

31. **Subordination; Attornment; Non-Disturbance.**

31.1 **Subordinations.** This lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that he holds of any such Security Devices (in this lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security device, notwithstanding the relative dates of the documentation or recordation thereof.

31.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 31.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor; (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

31.3 **Non-Disturbance.** With respect to Security Devices entered into by lessor after the execution of this Lease, lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by lessee, use its commercially reasonable efforts to obtain a Non-disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

31.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, lessee and Lessor shall execute such further writings as may be reasonable required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

32. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to attorney's fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or Judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

33. **Lessor's Access; Showing Premises; repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

34. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent, which consent shall be granted or denied at Lessor's sole discretion.

35. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. All signs must comply with all Applicable Requirements. Lessee shall not place, construct, or maintain on the glass panes or supports of the show windows of the premises, the doors, exterior walls or the roof of the Building, or anywhere else within the Shopping Center outside of the Premises, or on any interior portions of the Premises that are visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material or any other items without Lessor's prior written consent, which consent shall be granted or denied at Lessor's sole discretion. Lessor shall designate the size, shape, color, design, and location of all exterior sign(s) to be installed by Lessee, and Lessee shall, at Lessee's sole cost and expense, fabricate, construct and install all such sign(s) in full compliance with Lessor's designation and in accordance with the Sign Criteria for the Shopping Center attached hereto. If any, Lessee agrees to submit plans and specification for Lessee's sign(s) for Lessor's written Approval within 30 days after the full execution hereof, and to install such sign(s) prior to opening for business at the Premises. Lessor, at Lessee's cost, may remove any item placed, constructed or maintained in, upon or about the Premises or Shopping Center which does not comply with this paragraph. In the event there is a pole, pylon or monument sign for the Shopping Center, Lessor shall have the right, but not the obligation, to install lettering designating Lessee's business on such sign, at Lessee's expense, with Lessor's approval of location, size, style and color. All signs that are permanently attached to the Premises or Building shall become the property of Lessor at the expiration or earlier termination hereof; provided, however, that Lessee shall promptly remove all such signs if Lessor so elects, and Lessee shall promptly repair all damage caused by such removal. Lessee shall not place, construct or maintain in, upon or about the Premises any search lights, flashing lights, loudspeakers, phonographs or other visual or audio media.

36. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest shall constitute Lessor's election

INITIALS (LESSOR)

INITIALS(LESSEE)

\* to have such event constitute the termination of such interest. Lessor shall have the right to terminate the lease for redevelopment of the Premise or the Building. (See also Paragraph 42)

37. Consents. Except as otherwise provided herein, wherever in this lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably or delayed. In those express instances where consent is within the sole discretion of a party, the party shall have no obligation to adhere to a standard of reasonableness. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefore. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this lease exists, not shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

38. Guarantor.

38.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

38.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

39. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

40. Options. If Lessee is granted an option, as defined below, then the following provisions shall apply.

40.1 Definition. "Option" shall mean: (a) the right to extend or reduce the term of or renew this lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

40.2 Options Personal To Original Lessee. Any Option granted to Lessee in this lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

40.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

40.4 Effect of Default on Option.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(4).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

41. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. While Lessor does not assume any responsibility to provide any security measures or any liability for failure to provide security measures or for any injury, damage or loss, Lessor shall, if requested by Lessee, have the authority to institute or continue such security measures as Lessor in its sole discretion deems necessary or appropriate from time to time, the cost and expenses of which shall be considered Common Area Operating Expenses. To the degree directed by Lessor, Lessee shall coordinate its security measures at the Premises with the security measures instituted by Lessor, if any.

42. Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recording of parcel maps and restrictions, and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

43. Building Planning. Lessor shall have the right at any time or times, upon giving Lessee not less than 60 days prior written notice, to provide and furnish Lessee with space of comparable visibility located elsewhere within any of the buildings within the Shopping Center and to move Lessee into such new space, provided that the usable area of such new space is not less than the usable area of the Premises and provided that all of Lessee's reasonable out-of-pocket moving expenses (including but not limited to the cost of moving Lessee's personal property, the cost of reprinting Lessee's stationery or other business materials with the new address, and the cost to relocate and reinstall tenant improvements and Lessee's telecommunications and computer equipment) shall be paid by Lessor, and provided further that Lessor shall construct at Lessor's expense such improvements to such new space as shall be necessary to place it in a condition that is substantially comparable to the Premises. Except as provided in the immediately preceding sentence, Lessor shall have no obligation to improve such space or pay any other expenses incurred by Lessee as a result of such relocation. On such relocation, the terms and conditions of this Lease shall remain in full force and effect, including but not limited to the Base Rent payable hereunder and Lessee's Share (even if the usable area of such relocated Premises is in excess of the usable area of the Premises), except that the Premises shall be in such new location. Upon Lessor's request, the Parties shall execute an amendment to this Lease in form required by Lessor confirming the relocation of the Premises to such new location. If the new space does not meet with Lessee's approval, which approval Lessee shall give or withhold in accordance with Paragraph 36, Lessee shall have the right to cancel this Lease by giving Lessor written notice thereof within 15 days of receipt of Lessor's notification of its intent to relocate Lessee. Lessee's failure to give such notice within 15 day period shall be deemed Lessee's approval of the new space. If timely notice is given by Lessee, then this lease shall

INITIALS (LESSOR)



INITIALS (LESSEE)

terminate unless Lessor rescinds Lessor's prior notice of its Intent to relocate Lessee within 10 days after Lessor's receipt of Lessee's notice of cancellation. Lessor shall have the right at any time, upon giving Lessee not less than 180 days prior written notice to terminate this lease. In the event of total or partial destruction or demolition of the Building for redevelopment of the Premises. Upon receipt of termination of Lease, Lessee shall surrender the Premise within 180 days of such notice. On such termination notice, the terms and conditions of this Lease shall remain in full force and effect, including but not limited to the Base Rent payable hereunder and Lessee's Share. Lessor shall not be responsible for any cost related to Lessee's incurred cost including but not limited to cost of vacating and relocating of business, any loss of business income by interruption or relocation.

44. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

45. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its own behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original; and all of which together shall constitute one and the same instrument.

46. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

47. Offer. Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This lease is not intended to be binding until executed and delivered by all Parties hereto.

48. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non monetary modifications to this Lease as may be reasonably required by a lender in connection with the obtaining of normal financing or refinancing of the Premises.

49. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

50. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this lease ( ) is ( ) is not attached to this lease.

51. Americans with Disability Act. Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEE ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.



The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: ----- "L",,,"O""S""A""N"-  
G=ELE=S,\_CA="-----

Executed at:

-----,L'-'O'-'=S-'-'A""N""G""E""L""ES""-'-'CA"-'-'-----  
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On: \_\_\_\_\_

J U=LY 3 1 20 1=5 \_\_\_\_\_

On: \_\_\_\_\_ J=U=LY 3 1 20  
1=5 \_\_\_\_\_

By LESSOR:

By LESSEE:

LEEACTON LLC

ILEAD CALIFORNIA CHARTERS 1, INC

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

Name Printed: ERIC CHOI

Title: AGENT FOR OWNER

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

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

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

Name Printed: Amber Raskin

Title: Executive Director of Business Operations &  
Developn

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

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 3240 WILSHIRE BLVD. #570  
LOS ANGELES CA 90010

Address: 3720 SIERRA HWY. UNIT A  
ACTON CA 93510

Telephone: [213] 381-3610

Facsimile: (213) 381-7029

Federal ID No. \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Federal ID No. \_\_\_\_\_

BROKER:

BROKER:

Attn: \_\_\_\_\_ Title: \_\_\_\_\_

Attn: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Federal ID No. \_\_\_\_\_

Broker/Agent DRE License #: \_\_\_\_\_

Broker/Agent DRE License #: \_\_\_\_\_

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INITIALS(LESSOR)

INITIALS(LESSEE)

## ADDENDUM#1

### STANDARD MULTI-TENANT SHOPPING CENTER LEASE - NET

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iLEAD CALIFORNIA CHARTERS 1

3720 SIERRA HWY. UNIT A. ACTON CA 93510

#### 54. DELIVERY OF PREMISES TO LESSEE

**54.1.** Lessee agrees to accept/take the certain Premises herein above in their "AS IS" condition including, without limitation, HVAC, plumbing, draining & sewer line, electric & power, layout, doors & walls, glass & windows, sign, paint & color, parking situation, business permit, all doors & entry locks, as of the date thereof and throughout the term of this LEASE. Without limiting the foregoing, Lessee's right in ordinances and regulations governing and regulating the use and occupancy of the Premises. Lessee acknowledges that neither Lessor nor Lessor's agent/Property Manager have made any representation or warranty as to the present or future suitability of the premises for the conduct of Lessee's business. Lessor/his representative does not aware of any deferred maintenance & government code & regulation, facilities about the premises.

**54.2** Lessee hereby warrants that it has investigated whether its proposed use of the premises and its proposed manner of operation will comply with all applicable laws, and Lessee assumes the risk that its proposed use of the premises and its proposed manner of operation are and will continue to be, in compliance with all applicable laws, including without limitation, all zoning laws regulating the use of enjoyment of the premises. Lessee agrees that under no circumstances will Lessee be released in whole or in part from any of its obligations under this Lease as a result of any governmental authority disallowing or limiting Lessee's proposed use of the premises or its manner of operation. Additionally, Lessee agrees to install and pay for any improvements, changes or alterations in the premises, required by and governmental authority as a result of its proposed usage of the premises or its manner of operation.

## **55. TENANT IMPROVEMENT ("TI") WORKS**

**55.1** Lessor's Works: The subject premises shall be leased out "AS IS" condition to the Lessee, with the special deal as set below hereinafter. Lessor and Lessee mutually agreed that any Tenant Improvement, except the items as set below, at the subject premises shall be performed at the sole cost and responsibility of Lessee. Lessee agrees to accept/take the certain Premises herein above in their "AS IS" condition. Lessor shall be freed and waived from all liability & risk for doing the following works as set follow; N/A

**55.2** Lessee's Work: Lessor shall grant to Lessee the right to make any improvements Lessee deems necessary for the security and operation of the Lessee's business. Any permits/improvements for doing the business at the premises above shall be at Lessee's cost and choice of labor and materials. Any improvement/plans by Lessee shall be submitted to Lessor prior to work to be done for Lessor's approval. Lessor shall not unreasonably withhold consent.

## **56. HEALTH AND SAFETY**

Lessee covenants at all times during the term of this LEASE to comply with the requirements of the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651, et seq., and any analogous legislation in California (collectively the "Act"), to the extent that the Act applies to the Premises and any activities hereon. Without limiting the generality of the foregoing, Lessee covenants to maintain all working areas, all machinery, structures, electrical facilities and the lie upon the premises in a condition that fully complies with the requirements of the Act, including such requirements as would be applicable with respect to agents, employees or contractors of Lessor who may from time to time be present upon the premises (except to the extent that the particular activities of such agents, employees or contractors of Lessor on the premises require safety precautions or alterations of the conditions of the premises beyond the requirement of such Act, otherwise applicable to the Premises, in which event Lessee shall not be obligated to undertake or provide any such additional safety precautions or alterations or conditions), and Lessee agrees to indemnify and hold Lessor and Property Agent/Manager from and against any liability, claim or damages, arising as a result of a breach of the foregoing covenant and from all

costs, expenses and charges arising there from. including without limitation, reasonable attorney's fees and court costs incurred by Lessor in connection therewith, which indemnity shall survive the expiration or termination of this LEASE. Lessee further agrees that any facilities solely used by lessee shall be complied to satisfy the new or additional requirement at Lessee's cost.

## **57. ARBITRATION**

If a controversy or claim between the parties, and/or the real estate broker (=BROKER) arises as a result of this Agreement, including the disposition of the lessee's deposit, such controversy or claim shall be first decided by arbitration. Such arbitration shall be determined in accordance with the rules of the Judicial Arbitration and Mediation Service and judgment upon the award rendered by the Arbitrator(s) may be entered in any court judgment upon the award rendered by the Judicial Arbitration and Mediation Service of Los Angeles and Judgment upon the may be entered in any court having jurisdiction thereof. The provisions of the Code of Civil Procedure, section 1283.05 shall be applicable to such arbitration. The parties agree to seek arbitration and diligently work for a solution before a suit is instituted. The above provisions shall in no way limit the rights of a lessor or Broker, at their option, to exercise its rights in a court of competent jurisdiction for the non-payment of rent or under the California unlawful detained statutes or for causes of action for collection or Broker's commissions.

## **58. INDEMNIFICATION**

**58.1** This agreement provides for all agents to this LEASE contract & negotiation to be indemnified and held harmless by the Lessee/Lessor from the following;

- (1) Any claims for personal injury, property damage, or loss in the value of the property arising from or related to the physical condition of the property including without limitation, any soils structure, or design problems;
- (2) Any claims or action arising from or due to any inaccuracy in information known or unknown furnished or unfurnished by lessor or lessee;
- (3) Any actions concerning the verification of any items in this agreement and/or addendum hereto; ,
- (4) Any dispute or action concerning or arising from lessee's or owner's decision not to pursue the conclusion of said transaction;
- (5) Any claims, disputes or actions relating to the choice of companies or vendors providing products or services relating to the inspection, financing, or purchase of said property;
- (6) Any responsibility for the completion of repairs to the subject property, including but limited to structural pest control work, roof, plumbing, electrical, parking, partitioning and etc.;
- (7) The term and condition, price and rate of this LEASE should be mutually agreed by and between Lessor and Lessee, is fully waived & harmless from any facts of this LEASE, no matter in any situation.
- (8) Any and all costs and expenses, including reasonable attorney's fees and costs suffered or incurred in connection with any of the above matters of indemnification.

### **58.2**

(1) lessee shall indemnify and hold harmless lessor & property manager from and against any and all claims arising from lessee's use of the premises, or from the conduct of Lessee's business. or from any activity, or work or things done, permitted or suffered by lessee in or about the Premises, and shall further indemnify and hold lessor & property manager harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this LEASE, or arising from any act or negligence of the Lessee, or any of lessee's agent, contractors, customers, licensees, or employees. and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought against Lessor & property manager by reason of any such claim, Lessee, upon written notice from Lessor & property manager. Lessee, as a material part of the consideration to Lessor & property manager, hereby assumes all risk to property or injury to persons in, upon or about the premises arising from any cause and Lessee hereby waives all claims, in respect thereof against Lessor & property manager.

(2) Lessee hereby agrees that Lessor & property manager shall not be liable for injury to Lessee's business, or any loss of income therefrom, or for damage to the goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees. customers, or any other person nor about the premises, nor shall Lessor & property manager be liable for injury to the person of Lessee, Lessee' employees, invitees, customers, agents or contractors, whether such damage or injury is

caused by results from fire, natural disaster, steam, wind, snow, electricity, gas, water or rain, or from the breakage, leakage, riot, noise, flood, earthquake, power shut-off, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, Air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the premises or upon other sources or places where the resulting damage or injury occurs on or about the premises, and regardless of whether the cause of such damage or injury, or the means of repairing the same, is inaccessible to Lessee. Lessor & property manager shall not be liable for any damage to property entrusted to employees of the building, nor for the loss of, or damage to, any property, by theft or burglary or otherwise, nor for any injury or damage to person, property or Lessee's business, resulting from construction, repair or alteration of premises adjoining the premises or any other portion of the building. Nor shall Lessor & property manager be liable for any damage caused by acts or omissions of other Lessees, occupants or visitors of the building.

(3) The provisions of Paragraph 8 and paragraph 57 shall survive any termination of the LEASE with respect to any obligations hereunder accruing prior to such termination.

#### **59. LEASE AMERICANS WITH DISABILITIES ACT AND HAZARDOUS MATERIALS DISCLOSURE**

The United States Congress has enacted the (A.D.A.). Among other things, this act is intended to make many business establishments equally accessible to persons with a variety of disabilities. Modifications to real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Lessor and Lessee should consult the attorneys and qualified design professional of their choice for information regarding these matters. Real Estate brokers can NOT determine which attorneys or design professionals have the appropriate expertise in this area. Various construction codes and regulations by the government department/agents, such as Building and Safety, Fire Department, Police, health, etc., may change/modify its requirements by past, present or future. And, various construction materials may contain items that have been or may be in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated/handled or removed. For example, some transformers and other electrical components contain PCB's, and asbestos has been used in components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals, minerals, chemicals, hydrocarbons, or biological or radioactive items (including electric and magnetic fields) in soils, water, and building components above or below ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real Estate agents have no expertise in the detection or correction of hazardous or undesirable items. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of the Lessor and Lessee to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice to determine what provisions, if any, they may wish to include in transaction documents regarding the Property.

To the best of lessor's knowledge, Lessor has not received any citation/correct notice from city/department. Lessor and Lessee have additional hazardous materials disclosure responsibilities to each other under California Health and Safety Code Section 25359 and other California Laws. Consult your attorney regarding this matter.

#### **60. LESSEE'S BANKRUPTCY OR INSOLVENCY**

Lessee, Lessee as debtor-in-possession, and any trustee or receiver or Lessee's assets (each a "Lessee's Representative") shall have no greater right to assume or assign this Lease or any interest in this Lease, or to sublease any of the Premises than accorded to Lessee in Paragraph 9, except to the extent Lessor shall be required to permit such assumption, assignment or sublease by the provisions of such Debtor's Law, without limitation of the generality of the foregoing, any right of any Lessee's Representative to assume or assign this Lease or to sublease any of the Premises shall be subject to the conditions that:

- 1) Such Debtor's Law shall provide to Lessee's Representative a right of assumption of this Lease which Lessee's Representative shall have timely exercised and Lessee's Representative shall have fully cured any default of Lessee under this Lease.
- 2) Lessee's Representative or the proposed assignee, as the case shall be, shall have deposited with Lessor as security for the timely payment of rent an amount equal to the larger of: (a) three months' rent and other monetary charges accruing under this Lease; and (b) shall have provided Lessor with adequate other assurance of the future performance of the obligations of the lessee under this Lease. Without limitation, such assurances shall include, at least, in the case of assumption of this Lease, demonstration to the satisfaction of the Lessor that Lessee's Representative has and will continue to

have sufficient unencumbered assets after the payment of all secured obligations and administrative expense to assure Lessor that Lessee's Representative will have sufficient funds to fulfill the obligations of Lessee under this Lease; and, in the event of assignment, submission of current financial statements of the proposed assignee, audited by an independent certified public accountant reasonable acceptable to Lessor and showing a net worth and working capital in amounts determined by Lessor to be sufficient to assure the future performance by such assignee of all of the Lessee's obligations under this lease.

- 3) The assumption or any contemplated assignment of this Lease of subleasing any part of the Premises, as shall be the case, will not breach any provision in any other lease, mortgage, financing agreement, or other agreement by which Lessor is bound.

#### **61. QUIET ENJOYMENT**

Lessor represents and warrants that it has full right and authority to enter into this Lease and that Lessee, while paying the rental and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Lessor subject to the terms and provisions of this lease.

#### **62. DISCLOSURE**

At all times during the term of the Lease, Lessee shall inform to Lessor for find/suspect of any harmful & hazardous materials including, but limited to mold, lead-based paint, toxic, chemical and oil wastes, from the building & premises.

#### **63. COMPLIANCE WITH LAW**

Lessor shall not use the premises, or permit anything to be done in or about the Premises (including, but not limited to, the common area), which will in any way conflict with any law, statute, ordinance or governmental rule of regulation now in force or which may hereinafter be enacted or promulgated. Any prohibited items or activities by law and government shall not be permitted in the building & premises. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwrites or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the premises, excluding structural changes not related to or affected by Lessee's improvements or Acts.

#### **64. FRONT & EXTERIOR**

Lessee must obtain Lessor's approval in advance for installing/replacing any inside and outside signs, and any outside banner/awning, without Lessor's approval, shall be prohibited. All sign shall be Lessee's sole cost & liability, and must meet the government code & requirement.

#### **65. TIME & ENTIRE AGREEMENT**

Time is of the essential of this Lease and all of its provision. Later provision/dote is superseded over early one, and handwriting or typing words is supersede over the print. This lease, together with its exhibits, contains all agreements of the parties to this Lease and supersedes any previous negotiation.

#### **66. LIABILITY INSURANCE AND SECURITY GUARD**

(1) Lessee shall deliver the proof of the Liability Insurance coverage for Lessee's Business with Additional Insured Lessor.

(2) Lessee is, at Lessee's Office, to provide security guard from 9am to 11pm, Monday to Saturday or at the time of the ROUFS of business.

#### **67. TERMINATION RIGHTS**

If any issues or complaints are formally formed or arises from neighbors or existing tenants, Landlord has the right to terminate the Lease.

#### **68. LESSOR TAX EXEMPTION**

The Parties understand that Lessee's agreed upon use of the premises as a public charter school may exempt the landlord from property taxes as to the portion of the property occupied by the Lessee. Lessee shall use all reasonable efforts to ensure that Lessor obtains the above tax exemption, to provide all documentation that may be reasonably required to apply for the tax exemption, and to cooperate with Lessor and any government entities involved in granting the above tax exemption.

-ff)\_

Lost page of the Addendum of LEASE for the Premises: 3720 SIERRA HWY. UNIT A. ACTON CA 93510.



# RENT ADJUSTMENT(\$)

## STANDARD LEASE ADDENDUM

Dated: JULY 31 2015

By and Between (Lessor): LEEACON LLC

(Lessee): iLEAD CALIFORNIA CHARTERS 1

Address of Premises: 3720 SIERRA HWY. UNIT A

ACTON CA 93510

Paragraph

**A. RENT ADJUSTMENTS:**

The monthly rent for each month of the adjustment period(s) specified below shall be increased using the method(s) indicated below: (Check Method(s) to be Used and Fill In Appropriately)

☐ I. **Cost of Living Adjustment(s) (COLA)**

a. On {Fill in COLA Dates}: \_\_\_\_\_

The Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index or the Bureau of Labor Statistics of the U.S. Department of Labor for (select on): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area): \_\_\_\_\_

----- L=O=S A N=G=E=L=E=S --O R A N=G=E - R IV=E=R=S=I=D=E C=O=U=N T Y --All Items  
(1982-1984 = 100), herein referred to as "CPI". • CPI herein shall be calculated between minimum 4%, maximum 6% per year.

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the ☐ first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"):

\_\_\_\_\_. The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustments.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

**D II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)): \_\_\_\_\_

The Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provision:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or


☐ broker ("Consultant" check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to that the actual MRV for the Premises is, and whether Lessor's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

PAGE 1 OF 2



Initials



Initials

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the parties.  
(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

- 1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and
- 2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

**D III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):

August 1, 2016

The New Base shall be:

Increased by 3%

**B. NOTICE:**

Unless specified otherwise herein, notice of any such adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 24 of the Lease.

**C. BROKER'S FEE:**

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

**OPTION(S) TO EXTEND**  
**STANDARD LEASE ADDENDUM**

Dated: July 31, 2015

By and Between (Lessor): L = E = E; A = C; T = O; N: i. LL = C: e.,

Baynd Between (Lessee): ---"iL=E=A-"D C A=L=IF O""R-"N""I:;\_A C=H A R T E=R S.=. a1

Address of Premises: 3720 SIERRA HWY UNIT A  
ACTON CA 93510

Paragraph. QL\_

**A. OPTION(S) TO EXTEND:**

Lessor hereby grants to Lessee the option to extend the term of this Lease for two (2) additional one (1) year period(s) commencing when the prior term upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least 3 months but not more than 6 months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (If there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month or the option period shall be calculated as follows, using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

**0 I. Cost of living Adjustment(s) (COLA)**

a. On (Fill in COLA Dates): \_\_\_\_\_

The Base Rent shall be adjusted by the change, if *any*, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area):

AU items (1982-1984 = 100), herein referred to as 'CPI'.

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other 'Base Month'):

The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any governmental department or bureau or agency or shall be discontinued, then the Index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules or said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

**0 II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)) \_\_\_\_\_

The Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:



(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or ☐ appraiser or ☐ broker ("Consultant" - check one) or their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e. the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

- 1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and
- 2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

☐ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):

The New Base Rent shall be:

AUGUST 1 2017

increased by 3 %

AUGUST 1 2018

increased by 3%

**B. NOTICE:**

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

**C. BROKER'S FEE:**

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

Initials

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iLEAD Online  
Interim School Director's Report - Kate Wolfe  
June 22, 2023

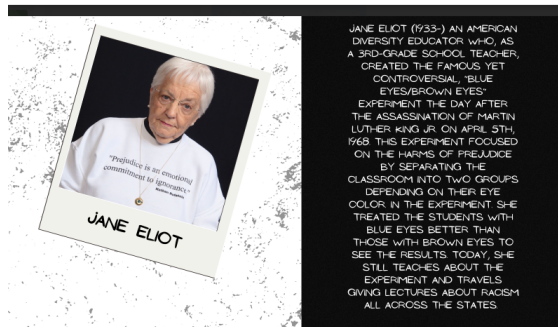
**Presentations of Learning**

★ Check out some of our Kinder POLs! SO much learning and so much fun!



★ Our high school learners in African American History did a project on Allies in the Movement. [Check out this wonderful example!](#)

# NON-BLACK CIVIL RIGHTS ACTIVISTS



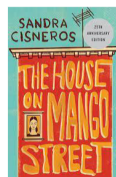
- ★ Bradley did an AWESOME hydroponics project in Biology. Click [HERE](#) to see the whole thing. It is PBL at its best, driven by learner passion, supported by facilitators and is just incredible.



- ★ Meghan in Spanish 3 took her love of The House on Mango Street and analyzed the story all in Spanish. Check out a small example of her work below.

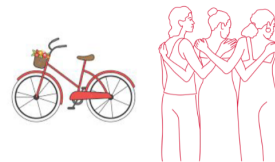
## #1: La Introducción

El personaje principal del libro es Esperanza. Para empezar el libro, Esperanza se mueve a una casa en la calle de Mango. Ella había esperado una casa mejor y no le gusta mucho esta nueva casa.



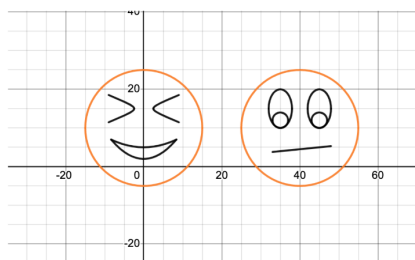
## #3: Rachel y Lucy

Después de eso, Esperanza conoce a Rachel y Lucy y las chicas compran una bicicleta juntas y se hacen amigas. Rachel y Lucy también son latinas y Esperanza tiene amigas que se entienden la cultura de Esperanza por primera vez.

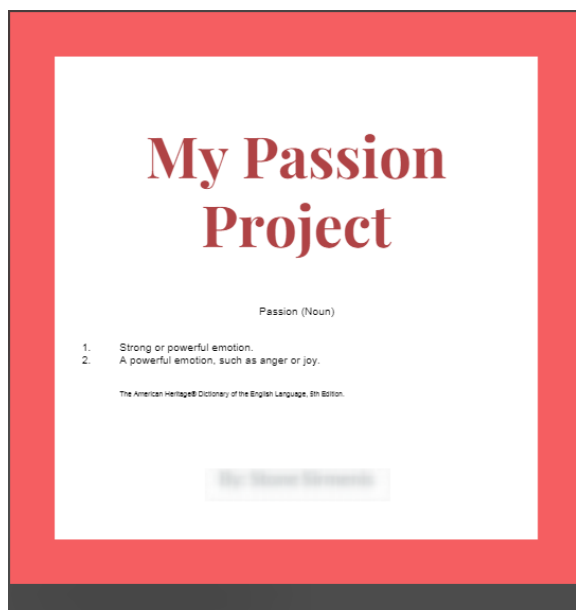


- ★ High school learners created emojis using the equations of hyperbolas, parabolas, circles and ellipses!





- ★ 5th grade learner Stone used her passion for fanart as part of her learning. She's an incredible artist!



### How I found my passion.

It took me awhile to decide what my passion was. First I thought my passion was making art and then I thought my passion was reading Manga. I realized that my true passion is creating fanart of my favorite mangas! Mangas are a type of Japanese graphic novel. They have colorful covers but the inside is always drawn in black and white. The book is read from right to left.



### Professional Learning/Staff Support

- ★ We continued our weekly PL this month and spent time reviewing data, discussing best practices and celebrating successes.
- ★ Lourdes E attended AP training and is planning to build AP Spanish!
- ★ Yukika A is working to build AP Japanese
- ★ Pamela V attended a workshop focused on MTSS and tiered intervention

### School Celebrations/Events

- ★ Graduation! We celebrated our seniors on 6/16/23. It was wonderful to be able to support them as they move on to their next journeys.
- ★ Our DATA looks GREAT! Kids are learning and our test scores support that. We hit our 95% participation rate AND met all our growth goals.  
Preliminary results: The number of learners who met or exceeded standards in ELA has grown by 15% since 2022  
The number of learners who met or exceeded standards in Math has grown by 5% since 2022.

### **UPCOMING:**

- ★ **Track C starts 6/3/23. Enrollment is already up from last year and we're looking forward to it!**



## iLEAD Online Single Plan for Student Achievement 2023-2024

**School Name:** iLEAD Online

**About the School:** iLEAD Online Charter School is a K-12 independent study online public charter school authorized by the Acton Agua Dulce Unified School District in Los Angeles County and opened in July, 2017. The school meets the needs of families who prefer virtual learning for their children who are supported by a credentialed academic coach, facilitators and a program which supports educational options and flexibility. The school provides students and families flexibility of scheduling throughout the week to complete coursework and activities and offers a broad course catalog and unique customizable project approach for demonstrating mastery of the California State Standards.

**School Mission and Vision:**

The mission of the iLEAD Online is to provide a rigorous, relevant, inquiry-based, self-directed and collaborative learning environment for all learners in grades K-12 to prepare them for college and career.

The vision of iLEAD Online is that all learners will possess the knowledge, skills, and confidence to achieve health and wellness, master academic standards, develop a deep understanding of subject matter and collaborate effectively with the community in which they live. All learners will graduate college and career ready by meeting rigorous graduation requirements.

**CDS Code:**

19 75309 0136531

**SSC Approval Date:** June 8th, 2023

**Local Board Approval Date:**

### Purpose

*Briefly describe the purpose of this plan (Select from Schoolwide Program, Comprehensive Support and Improvement, Targeted Support and Improvement, or Additional Targeted Support and Improvement)*

The purpose of this plan is for a Schoolwide Program for Title I, II, and IV funding.

The school's Single Plan for School Achievement goals are based upon a comprehensive needs assessment that includes an analysis of verifiable state data, including information displayed on the most current CA School Dashboard. Other internal school data, such as NWEA MAP assessments, is utilized to further measure and monitor achievement throughout the school year. School goals are aligned with iLEAD Online's Local Control Accountability Plan (LCAP) goals and include the same metrics/indicators where possible. Input and advice is solicited from key school community members.

The school receives Federal Title I, Title II, and Title IV funding. Title I funding is allocated for Math and ELA Tier II intervention programs. Title II is allocated for staff development to ensure equitable access to quality educators. Title IV funding is used to assure that learners receive a well-rounded education.

**ESSA Requirements**



***Briefly describe the school's plan for effectively meeting the ESSA requirements in alignment with the Local Control and Accountability Plan and other federal, state, and local programs.***

This plan will align our school goals in this SPSA to the school's Local Control and Accountability Plan (LCAP) as possible. The school will meet the Every Student Succeeds Act (ESSA) by having fidelity and coherence to the California State Standards and the school's educational program as outlined in the most recent charter petition and the Federal LCAP Addendum. The school will use Project-Based Learning, a focus on social emotional learning (SEL), and personalized support with a Multi-Tiered System of Support (MTSS). NWEA MAP assessments in math and reading are given 3 times annually to differentiate learning and target struggling learners for support, as well as monthly data protocol by class/grade level and semester school-wide data protocols. The focus on schoolwide coherence, teamwork, learner engagement, learner achievement is how we will strive to meet the ESSA requirements. Educational partners, including the SSC, staff, governing board, parents, and school leaders will review the SPSA annually and learning data to ensure that it reflects efforts to increase learner growth and achievement through data informed practices. The SPSA compliments the school's LCAP goals and actions to ensure efficiency in evidence-based continuous improvement practices and school resources.

### **Educational Partner Involvement and Comprehensive Needs Assessment**

***How, when, and with whom did the school consult as part of the planning process for this SPSA/Annual Review and Update?***

The annual SPSA process starts in the fall for the following school year and is finalized in the spring after learner assessment data and SPSA goals are analyzed. School leadership and staff use verifiable data in the fall to assess Title programming and make adjustments to programming based off the data. The Schoolsite Council meets to review verifiable data from the California Dashboard and Data Quest and give input to implementing programming and meeting goals. The school's ELAC also meets in fall to review verifiable data and provide input on school programming. Lastly, the school's governing board reviews data in the fall.

Frequent feedback and planning conversations happen throughout the school year through program iSUPPORT programs, leadership reflection and professional development, staff collaboration, data protocol meetings, and the school's continuous improvement cycle activities. The school makes a coordinated effort to collect, analyze, and use "Street Data".

During the spring planning process, school leadership sends annual family, learner, and staff surveys using Panorama Education, which uses evidence-based, nationally normed questions to gather feedback and input on school programming and needs for the following school year. The SPSA is analyzed and revised for the following school year by school leadership and the Schoolsite Council and presented to staff for input. The Board approves the SPSA in June alongside the school LCAP.

The school engages in a year-long process of continuous improvement to serve as its comprehensive needs assessment. This includes: analysis of internal and verifiable metrics as aligned to California state required LCAP metrics, annual program evaluation and planning, monthly grade level data protocol meetings, staff and parent meetings, annual survey data, and comprehensive budget analysis and review.



## Goals, Strategies, Expenditures

**Goal 1:** Enhance academic support and interventions in order to address the needs of low-achieving learners and those at risk of not meeting the challenging state standards in Mathematics.

<b>Identified Need</b>	iLEAD Online scored 75.7 points below standard in Mathematics on the 2022 CAASPP, which is 24 points below the overall state of California. There is a need to increase academic achievement in math for identified learners needing intervention based on internal NWEA math MAP scores and CAASPP.
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### Annual Measurable Outcomes

Metric	Baseline	Expected Outcome
NWEA MAP Test Scores, specifically the Conditional Growth Index (CGI), a standardized measure of observed learner or school growth compared to the 2020 NWEA student or school growth norms.	Anticipated Spring 2023 overall CGI: .23	Meet or exceed 0 on Spring 2023 CGI

### Strategies/Activities

Activity	Learners to Be Served	Strategy/Activity Description	Expenditures	
			Amount	Funding Source
Math Intervention	Identified learners falling below State proficiency levels based on NWEA MAP assessment and/or facilitator referral.	Facilitator to work directly with identified learners falling below State proficiency levels. This facilitator will design, implement, and monitor strategies and activities to support math learning in alignment to California State Standards.	\$37,381	Title I

### Annual Review

**SPSA Year Reviewed:** 2022-2023

**Summary:** iLEAD Online Facilitators worked to implement a math intervention program for targeted learners falling well below state level of proficiency as measured by NWEA MAP scores in fall and winter 2022.



<p><b>Describe the overall implementation of the strategies/activities and the overall effectiveness of the strategies/activities to achieve the articulated goals.</b></p>	<p>Facilitators identified targeted learners based on math course performance and NWEA MAP scores in fall, winter, and spring and referred for Tier II math intervention programming. A credentialed facilitator utilized asynchronous and synchronous learning during instructional time for live instruction and through the school's LMS to deliver and monitor intervention strategies, tutoring, and support in meeting individual learner's Math goals. NWEA MAP data and iXL learning software were used to design individual lessons and practice for learner's based on their skill development needs.</p> <p>A Math Foundations asynchronous curriculum and course was created to provide additional targeted supplemental intervention to struggling learners.</p> <p>iLEAD Online met the 22-23 goal of a CGI score of 0 or above, overall, CGI improved 1.64 points, demonstrating effectiveness of targeted intervention and the need to continue offering and growing the executed intervention program.</p>
<p><b>Briefly describe any major differences between the intended implementation and/or the budgeted expenditures to implement the strategies/activities to meet the articulated goals.</b></p>	<p>There were no major differences between intended implementation or budgeted expenditures during the implementation time period.</p>
<p><b>Describe any changes that will be made to this goal, the annual outcomes, metrics, or strategies/activities to achieve this goal as a result of this analysis. Identify where those changes can be found in the SPSA.</b></p>	<p>iLEAD Online will continue offering small group intervention courses using live classes, credentialed Tier II Intervention Specialists for grades K-12, intervention software, and close monitoring of targeted learners as a Tier II schoolwide program. The program is expanding from 9-12 to K-12 as a result of successful implementation this year.</p>

**Goal 2:** Enhance academic support and interventions in order to address the needs of low-achieving learners in ELA and those at risk of not meeting the challenging state standards grades.

<b>Identified Need</b>	iLEAD Online scored 22.1 points below standard in ELA on the 2022 CAASPP, which is 9.9 points below the overall state of California. There is a need to increase academic achievement in ELA for identified learners needing intervention based on internal NWEA ELA MAP scores.
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#### Annual Measurable Outcomes

Metric	Baseline	Expected Outcome
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NWEA MAP Test Scores, specifically the Conditional Growth Index (CGI), a standardized measure of observed learner or school growth compared to the 2020 NWEA student or school growth norms.	Spring 2023 overall CGI: 0	Spring 2023 CGI less than -1 or above 0.
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Strategies/Activities				
Activity	Learners to Be Served	Strategy/Activity Description	Expenditures	
			Amount(s)	Funding Source(s)
Target ELA Intervention	Identified learners falling below State proficiency levels.	Facilitator to work directly with identified learners falling below State proficiency levels. This employee will design, implement, and monitor strategies and activities to support ELA learning in alignment to California State Standards.	\$18,911	Title I

Annual Review	
<b>SPSA Year Reviewed:</b> 2022-2023	<p><b>Summary:</b> iLEA Online Facilitators worked to implement an ELA intervention program for targeted learners falling well below state level of proficiency as measured by NWEA MAP scores in fall and winter 2022.</p> <p>iLEAD Online met the 22-23 goal of a CGI score of 0 or above, overall, CGI improved 3.05 points, demonstrating effectiveness of targeted intervention and the need to continue offering and growing the executed intervention program.</p>
<b>Describe the overall implementation of the strategies/activities and the overall effectiveness of the strategies/activities to achieve the articulated goals.</b>	Facilitators identified targeted learners based on ELA course performance and NWEA MAP scores in fall, winter, and spring and referred for Tier II math intervention programming. A credentialed facilitator utilized asynchronous and synchronous learning during instructional time for live instruction and through the school's LMS to deliver and monitor intervention strategies, tutoring, and support in meeting individual learner's Math goals. NWEA MAP data and iXL learning software were used to design individual lessons and practice for learner's based on their skill development needs.



	An ELA Foundations asynchronous curriculum and course was created to provide additional targeted supplemental intervention to struggling learners.
<b>Briefly describe any major differences between the intended implementation and/or the budgeted expenditures to implement the strategies/activities to meet the articulated goals.</b>	There were no major differences between intended implementation or budgeted expenditures during the implementation time period. All strategies were implemented as planned
<b>Describe any changes that will be made to this goal, the annual outcomes, metrics, or strategies/activities to achieve this goal as a result of this analysis. Identify where those changes can be found in the SPSSA.</b>	iLEAD Online will continue offering small group intervention courses using live classes, credentialed Tier II Intervention Specialists for grades K-12, intervention software, and close monitoring of targeted learners as a Tier II schoolwide program. The program is expanding from 9-12 to K-12 as a result of successful implementation this year.

**Goal 3:** Improve the quality and effectiveness of facilitators, school director and leaders, and other staff to better meet the needs of learners through ongoing professional development.

<b>Identified Need</b>	There is a need to continue to ensure that all staff are appropriately qualified to provide instruction support and social emotional support based on annual staff surveys and requests. In alignment with WASC goals, facilitator feedback, and California state priorities, the focus of professional development will center around MTSS for the 2023-24 school year.
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#### Annual Measurable Outcomes

Metric	Baseline	Expected Outcome
Maintain % of staff who complete designated synchronous and asynchronous professional development.	100% of facilitators and care team providers trained	100% staff trained

#### Strategies/Activities

Activity	Staff to Be Served	Strategy/Activity Description	Expenditures	
			Amount(s)	Funding Source(s)
Training and staff professional development	All credentialed instructional staff and classified	Facilitators will attend training and support sessions on Multi-Tier Systems of Support and Social Emotional	\$2,900	Title II





in MTSS and Social Emotional Learning.	support staff.	Learning.		
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Budget Summary	
Description	Amount
Total Anticipated Funds Provided to the School Through the Consolidated Application	\$59,262
Total Funds Budgeted for Strategies to Meet the Goals in the SPSA	\$ 59,192
Total of Federal Title Funds for this school, including carryover from prior year.	\$ 59.262



# Instructions

The School Plan for Student Achievement (SPSA) is a strategic plan that maximizes the resources available to the school while minimizing duplication of effort with the ultimate goal of increasing student achievement. SPSA development should be aligned with and inform the Local Control and Accountability Plan process.

The SPSA consolidates all school-level planning efforts into one plan for programs funded through the consolidated application (ConApp), and for federal school improvement programs, including schoolwide programs, Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI), and Additional Targeted Support and Improvement (ATSI), pursuant to California *Education Code (EC)* Section 64001 and the Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA). This template is designed to meet schoolwide program planning requirements. It also notes how to meet CSI, TSI, or ATSI requirements, as applicable.

California's ESSA State Plan supports the state's approach to improving student group performance through the utilization of federal resources. Schools use the SPSA to document their approach to maximizing the impact of federal investments in support of underserved students. The implementation of ESSA in California presents an opportunity for schools to innovate with their federally-funded programs and align them with the priority goals of the school and the LEA that are being realized under the state's Local Control Funding Formula (LCFF).

The LCFF provides schools and LEAs flexibility to design programs and provide services that meet the needs of students in order to achieve readiness for college, career, and lifelong learning. The SPSA planning process supports continuous cycles of action, reflection, and improvement. Consistent with *EC* 65001, the Schoolsite Council (SSC) is required to develop and annually review the SPSA, establish an annual budget, and make modifications to the plan that reflect changing needs and priorities, as applicable.

For questions related to specific sections of the template, please see instructions below:

## Instructions: Table of Contents

**The SPSA template meets the requirements of schoolwide planning (SWP). Each section also contains a notation of how to meet CSI, TSI, or ATSI requirements.**

[Stakeholder Involvement](#)



[Goals, Strategies, & Proposed Expenditures](#)

[Planned Strategies/Activities](#)

[Annual Review and Update](#)

[Budget Summary](#)

[Appendix A: Plan Requirements for Title I Schoolwide Programs](#)

[Appendix B: Plan Requirements for Schools to Meet Federal School Improvement Planning Requirements](#)

[Appendix C: Select State and Federal Programs](#)

For additional questions or technical assistance related to LEA and school planning, please contact the Local Agency Systems Support Office, at [LCFF@cde.ca.gov](mailto:LCFF@cde.ca.gov).

For programmatic or policy questions regarding Title I schoolwide planning, please contact the local educational agency, or the CDE's Title I Policy and Program Guidance Office at [TITLEI@cde.ca.gov](mailto:TITLEI@cde.ca.gov).

For questions or technical assistance related to meeting federal school improvement planning requirements (for CSI, TSI, and ATSI), please contact the CDE's School Improvement and Support Office at [SISO@cde.ca.gov](mailto:SISO@cde.ca.gov).

## Purpose and Description

Schools identified for Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI), or Additional Targeted Support and Improvement (ATSI) must respond to the following prompts. A school that has not been identified for CSI, TSI, or ATSI may delete the Purpose and Description prompts.

### Purpose

Briefly describe the purpose of this plan by selecting from Schoolwide Program, Comprehensive Support and Improvement, Targeted Support and Improvement, or Additional Targeted Support and Improvement)

### Description

Briefly describe the school's plan for effectively meeting ESSA requirements in alignment with the Local Control and Accountability Plan and other federal, state, and local programs.

## Stakeholder Involvement

Meaningful involvement of parents, students, and other stakeholders is critical to the development of the SPSA and the budget process. Schools must share the SPSA with school site-level advisory



groups, as applicable (e.g., English Learner Advisory committee, student advisory groups, tribes and tribal organizations present in the community, as appropriate, etc.) and seek input from these advisory groups in the development of the SPSA.

The Stakeholder Engagement process is an ongoing, annual process. Describe the process used to involve advisory committees, parents, students, school faculty and staff, and the community in the development of the SPSA and the annual review and update.

*[This section meets the requirements for TSI and ATSI.]*

*[When completing this section for CSI, the LEA shall partner with the school in the development and implementation of this plan.]*

## Resource Inequities

Schools eligible for CSI or ATSI must identify resource inequities, which may include a review of LEA-and school-level budgeting as a part of the required needs assessment. Identified resource inequities must be addressed through implementation of the CSI or ATSI plan. Briefly identify and describe any resource inequities identified as a result of the required needs assessment and summarize how the identified resource inequities are addressed in the SPSA.

*[This section meets the requirements for CSI and ATSI. If the school is not identified for CSI or ATSI this section is not applicable and may be deleted.]*

## Goals, Strategies, Expenditures, & Annual Review

In this section a school provides a description of the annual goals to be achieved by the school. This section also includes descriptions of the specific planned strategies/activities a school will take to meet the identified goals, and a description of the expenditures required to implement the specific strategies and activities.

### Goal

State the goal. A goal is a broad statement that describes the desired result to which all strategies/activities are directed. A goal answers the question: What is the school seeking to achieve?

It can be helpful to use a framework for writing goals such as the S.M.A.R.T. approach. A S.M.A.R.T. goal is one that is **S**pecific, **M**easurable, **A**chievable, **R**ealistic, and **T**ime-bound. A level of specificity is needed in order to measure performance relative to the goal as well as to assess whether it is reasonably achievable. Including time constraints, such as milestone dates, ensures a realistic approach that supports student success.

A school may number the goals using the “Goal #” for ease of reference.



*[When completing this section for CSI, TSI, and ATSI, improvement goals shall align to the goals, actions, and services in the LEA LCAP.]*

## Identified Need

Describe the basis for establishing the goal. The goal should be based upon an analysis of verifiable state data, including local and state indicator data from the California School Dashboard (Dashboard) and data from the School Accountability Report Card, including local data voluntarily collected by districts to measure pupil achievement.

*[Completing this section fully addresses all relevant federal planning requirements]*

## Annual Measurable Outcomes

Identify the metric(s) and/or state indicator(s) that the school will use as a means of evaluating progress toward accomplishing the goal. A school may identify metrics for specific student groups. Include in the baseline column the most recent data associated with the metric or indicator available at the time of adoption of the SPSA. The most recent data associated with a metric or indicator includes data reported in the annual update of the SPSA. In the subsequent Expected Outcome column, identify the progress the school intends to make in the coming year.

*[When completing this section for CSI the school must include school-level metrics related to the metrics that led to the school's identification.]*

*[When completing this section for TSI/ATSI the school must include metrics related to the specific student group(s) that led to the school's identification.]*

## Strategies/Activities

Describe the strategies and activities being provided to meet the described goal. A school may number the strategy/activity using the "Strategy/Activity #" for ease of reference.

Planned strategies/activities address the findings of the needs assessment consistent with state priorities and resource inequities, which may have been identified through a review of the local educational agency's budgeting, its local control and accountability plan, and school-level budgeting, if applicable.

*[When completing this section for CSI, TSI, and ATSI, this plan shall include evidence-based interventions and align to the goals, actions, and services in the LEA LCAP.]*

*[When completing this section for CSI and ATSI, this plan shall address through implementation, identified resource inequities, which may have been identified through a review of LEA- and school-level budgeting.]*



## Students to be Served by this Strategy/Activity

Indicate in this box which students will benefit from the strategies/activities by indicating “All Students” or listing one or more specific student group(s) to be served.

*[This section meets the requirements for CSI.]*

*[When completing this section for TSI and ATSI, at a minimum, the student groups to be served shall include the student groups that are consistently underperforming, for which the school received the TSI or ATSI designation. For TSI, a school may focus on all students or the student group(s) that led to identification based on the evidence-based interventions selected.]*

## Proposed Expenditures for this Strategy/Activity

For each strategy/activity, list the amount(s) and funding source(s) for the proposed expenditures for the school year to implement these strategies/activities. Specify the funding source(s) using one or more of the following: LCFF, Federal (if Federal, identify the Title and Part, as applicable), Other State, and/or Local.

Proposed expenditures that are included more than once in a SPSA should be indicated as a duplicated expenditure and include a reference to the goal and strategy/activity where the expenditure first appears in the SPSA. Pursuant to Education Code, Section 64001(g)(3)(C), proposed expenditures, based on the projected resource allocation from the governing board or governing body of the LEA, to address the findings of the needs assessment consistent with the state priorities including identifying resource inequities which may include a review of the LEA’s budgeting, its LCAP, and school-level budgeting, if applicable.

*[This section meets the requirements for CSI, TSI, and ATSI.]*

*[NOTE: Federal funds for CSI shall not be used in schools identified for TSI or ATSI. In addition, funds for CSI shall not be used to hire additional permanent staff.]*

## Annual Review

In the following Analysis prompts, identify any material differences between what was planned and what actually occurred as well as significant changes in strategies/activities and/ or expenditures from the prior year. This annual review and analysis should be the basis for decision-making and updates to the plan.

## Analysis

Using actual outcome data, including state indicator data from the Dashboard, analyze whether the planned strategies/activities were effective in achieving the goal. Respond to the prompts as



instructed. Respond to the following prompts relative to this goal. If the school is in the first year of implementing the goal the Annual Review section is not required and this section may be deleted.

- Describe the overall implementation of the strategies/activities and the overall effectiveness of the strategies/activities to achieve the articulated goal.
- Briefly describe any major differences between either/or the intended implementation or the budgeted expenditures to implement the strategies/activities to meet the articulated goal.
- Describe any changes that will be made to the goal, expected annual measurable outcomes, metrics/indicators, or strategies/activities to achieve this goal as a result of this analysis and analysis of the data provided in the Dashboard, as applicable. Identify where those changes can be found in the SPSA.

*[When completing this section for CSI, TSI, or ATSI, any changes made to the goals, annual measurable outcomes, metrics/indicators, or strategies/activities, shall meet the CSI, TSI, or ATSI planning requirements. CSI, TSI, and ATSI planning requirements are listed under each section of the Instructions. For example, as a result of the Annual Review and Update, if changes are made to a goal(s), see the Goal section for CSI, TSI, and ATSI planning requirements.]*

## Budget Summary

In this section a school provides a brief summary of the funding allocated to the school through the ConApp and/or other funding sources as well as the total amount of funds for proposed expenditures described in the SPSA. The Budget Summary is required for schools funded through the ConApp and that receive federal funds for CSI. If the school is not operating a Title I schoolwide program this section is not applicable and may be deleted.

*From its total allocation for CSI, the LEA may distribute funds across its schools that meet the criteria for CSI to support implementation of this plan. In addition, the LEA may retain a portion of its total allocation to support LEA-level expenditures that are directly related to serving schools eligible for CSI.*

## Budget Summary

A school receiving funds allocated through the ConApp should complete the Budget Summary as follows:

- **Total Funds Provided to the School Through the Consolidated Application:** This amount is the total amount of funding provided to the school through the ConApp for the school year. The school year means the fiscal year for which a SPSA is adopted or updated.
- **Total Funds Budgeted for Strategies to Meet the Goals in the SPSA:** This amount is the total of the proposed expenditures from all sources of funds associated with the



strategies/activities reflected in the SPSA. To the extent strategies/activities and/or proposed expenditures are listed in the SPSA under more than one goal, the expenditures should be counted only once.

A school receiving federal funds for CSI should complete the Budget Summary as follows:

- Total Federal Funds Provided to the School from the LEA for CSI: This amount is the total amount of funding provided to the school from the LEA.

*[NOTE: Federal funds for CSI shall not be used in schools eligible for TSI or ATSI. In addition, funds for CSI shall not be used to hire additional permanent staff.]*

## **Appendix A: Plan Requirements**

### **Schoolwide Program Requirements**

This School Plan for Student Achievement (SPSA) template meets the requirements of a schoolwide program plan. The requirements below are for planning reference.

A school that operates a schoolwide program and receives funds allocated through the ConApp is required to develop a SPSA. The SPSA, including proposed expenditures of funds allocated to the school through the ConApp, must be reviewed annually and updated by the SSC. The content of a SPSA must be aligned with school goals for improving student achievement.

#### **Requirements for Development of the Plan**

- I. The development of the SPSA shall include both of the following actions:
  - A. Administration of a comprehensive needs assessment that forms the basis of the school's goals contained in the SPSA.
    1. The comprehensive needs assessment of the entire school shall:
      - a. Include an analysis of verifiable state data, consistent with all state priorities as noted in Sections 52060 and 52066, and informed by all indicators described in Section 1111(c)(4)(B) of the federal Every Student Succeeds Act, including pupil performance against state-determined long-term goals. The school may include data voluntarily developed by districts to measure pupil outcomes (described in the Identified Need); and





b. Be based on academic achievement information about all students in the school, including all groups under §200.13(b)(7) and migratory children as defined in section 1309(2) of the ESEA, relative to the State's academic standards under §200.1 to—

- i. Help the school understand the subjects and skills for which teaching and learning need to be improved; and
- ii. Identify the specific academic needs of students and groups of students who are not yet achieving the State's academic standards; and
- iii. Assess the needs of the school relative to each of the components of the schoolwide program under §200.28.
- iv. Develop the comprehensive needs assessment with the participation of individuals who will carry out the schoolwide program plan.
- v. Document how it conducted the needs assessment, the results it obtained, and the conclusions it drew from those results.

B. Identification of the process for evaluating and monitoring the implementation of the SPSA and progress towards accomplishing the goals set forth in the SPSA (described in the Expected Annual Measurable Outcomes and Annual Review and Update).

## **Requirements for the Plan**

II. The SPSA shall include the following:

A. Goals set to improve pupil outcomes, including addressing the needs of student groups as identified through the needs assessment.

B. Evidence-based strategies, actions, or services (described in Strategies and Activities)

1. A description of the strategies that the school will be implementing to address school needs, including a description of how such strategies will--

- a. provide opportunities for all children including each of the subgroups of students to meet the challenging state academic standards
- b. use methods and instructional strategies that:
  - i. strengthen the academic program in the school,
  - ii. increase the amount and quality of learning time, and
  - iii. provide an enriched and accelerated curriculum, which may include programs, activities, and courses necessary to provide a well-rounded education.



c. Address the needs of all children in the school, but particularly the needs of those at risk of not meeting the challenging State academic standards, so that all students demonstrate at least proficiency on the State's academic standards through activities which may include:

- i. strategies to improve students' skills outside the academic subject areas;
- ii. preparation for and awareness of opportunities for postsecondary education and the workforce;
- iii. implementation of a schoolwide tiered model to prevent and address problem behavior;
- iv. professional development and other activities for facilitators, paraprofessionals, and other school personnel to improve instruction and use of data; and
- v. strategies for assisting preschool children in the transition from early childhood education programs to local elementary school programs.

C. Proposed expenditures, based on the projected resource allocation from the governing board or body of the local educational agency (may include funds allocated via the ConApp, federal funds for CSI, any other state or local funds allocated to the school), to address the findings of the needs assessment consistent with the state priorities, including identifying resource inequities, which may include a review of the LEAs budgeting, it's LCAP, and school-level budgeting, if applicable (described in Proposed Expenditures and Budget Summary). Employees of the schoolwide program may be deemed funded by a single cost objective.

D. A description of how the school will determine if school needs have been met (described in the Expected Annual Measurable Outcomes and the Annual Review and Update).

1. Annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State's annual assessments and other indicators of academic achievement;
2. Determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State's academic standards, particularly for those students who had been furthest from achieving the standards; and
3. Revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program.

E. A description of how the school will ensure parental involvement in the planning, review, and improvement of the schoolwide program plan (described in Stakeholder Involvement and/or Strategies/Activities).



F. A description of the activities the school will include to ensure that students who experience difficulty attaining proficient or advanced levels of academic achievement standards will be provided with effective, timely additional support, including measures to

1. Ensure that those students' difficulties are identified on a timely basis; and
2. Provide sufficient information on which to base effective assistance to those students.

G. For an elementary school, a description of how the school will assist preschool students in the successful transition from early childhood programs to the school.

H. A description of how the school will use resources to carry out these components (described in the Proposed Expenditures for Strategies/Activities).

I. A description of any other activities and objectives as established by the SSC (described in the Strategies/Activities).

Authority Cited: S Title 34 of the Code of Federal Regulations (34 CFR), sections 200.25-26, and 200.29, and sections-1114(b)(7)(A)(i)-(iii) and 1118(b) of the ESEA. EC sections 6400 et. seq.

## **Appendix B:**

### **Plan Requirements for School to Meet Federal School Improvement Planning Requirements**

For questions or technical assistance related to meeting Federal School Improvement Planning Requirements, please contact the CDE's School Improvement and Support Office at [SISO@cde.ca.gov](mailto:SISO@cde.ca.gov).

### **Comprehensive Support and Improvement**

The LEA shall partner with stakeholders (including principals and other school leaders, facilitators, and parents) to locally develop and implement the CSI plan for the school to improve student outcomes, and specifically address the metrics that led to eligibility for CSI (Stakeholder Involvement).

The CSI plan shall:



1. Be informed by all state indicators, including student performance against state-determined long-term goals (Goal, Identified Need, Expected Annual Measurable Outcomes, Annual Review and Update, as applicable);
2. Include evidence-based interventions (Strategies/Activities, Annual Review and Update, as applicable) (For resources related to evidence-based interventions, see the U.S. Department of Education's "Using Evidence to Strengthen Education Investments" at <https://www2.ed.gov/policy/elsec/leg/essa/guidanceuseseseinvestment.pdf>);
3. Be based on a school-level needs assessment (Goal, Identified Need, Expected Annual Measurable Outcomes, Annual Review and Update, as applicable); and
4. Identify resource inequities, which may include a review of LEA- and school-level budgeting, to be addressed through implementation of the CSI plan (Goal, Identified Need, Expected Annual Measurable Outcomes, Planned Strategies/Activities; and Annual Review and Update, as applicable).

Authority Cited: Sections 1003(e)(1)(A), 1003(i), 1111(c)(4)(B), and 1111(d)(1) of the ESSA.

## Targeted Support and Improvement

In partnership with stakeholders (including principals and other school leaders, facilitators, and parents) the school shall develop and implement a school-level TSI plan to improve student outcomes for each subgroup of students that was the subject of identification (Stakeholder Involvement).

The TSI plan shall:

1. Be informed by all state indicators, including student performance against state-determined long-term goals (Goal, Identified Need, Expected Annual Measurable Outcomes, Annual Review and Update, as applicable); and
2. Include evidence-based interventions (Planned Strategies/Activities, Annual Review and Update, as applicable). (For resources related to evidence-based interventions, see the U.S. Department of Education's "Using Evidence to Strengthen Education Investments" <https://www2.ed.gov/policy/elsec/leg/essa/guidanceuseseseinvestment.pdf>.)

Authority Cited: Sections 1003(e)(1)(B), 1003(i), 1111(c)(4)(B) and 1111(d)(2) of the ESSA.

## Additional Targeted Support and Improvement

A school identified for ATSI shall:

1. Identify resource inequities, which may include a review of LEA- and school-level budgeting, which will be addressed through implementation of its TSI plan (Goal, Identified Need, Expected Annual Measurable Outcomes, Planned Strategies/Activities, and Annual Review and Update, as applicable).

Authority Cited: Sections 1003(e)(1)(B), 1003(i), 1111(c)(4)(B), and 1111(d)(2)(c) of the ESSA.



## Single School Districts and Charter Schools Identified for School Improvement

Single school districts (SSDs) or charter schools that are identified for CSI, TSI, or ATSI, shall develop a SPSA that addresses the applicable requirements above as a condition of receiving funds (EC Section 64001[a] as amended by Assembly Bill [AB] 716, effective January 1, 2019).

However, a SSD or a charter school may streamline the process by combining state and federal requirements into one document which may include the local control and accountability plan (LCAP) and all federal planning requirements, provided that the combined plan is able to demonstrate that the legal requirements for each of the plans is met (EC Section 52062[a] as amended by AB 716, effective January 1, 2019).

Planning requirements for single school districts and charter schools choosing to exercise this option are available in the LCAP Instructions.

Authority Cited: EC sections 52062(a) and 64001(a), both as amended by AB 716, effective January 1, 2019.

## Appendix C: Select State and Federal Programs

**For a list of active programs, please see the following links:**

Programs included on the Consolidated Application: <https://www.cde.ca.gov/fg/aa/co/>

ESSA Title I, Part A: School Improvement: <https://www.cde.ca.gov/sp/sw/t1/schoolsupport.asp>

Available Funding: <https://www.cde.ca.gov/fg/fo/af/>

Developed by the California Department of Education, January 2019

## RESOURCE SHARING AGREEMENT

(Effective July 1, 2023)

This Resource Sharing Agreement (“**Agreement**”) is entered into as of July 1, 2023 (“**Effective Date**”) by and between the following California nonprofit public benefit corporations, which may each be referred to herein as a “**Party**” or “**School**” and collectively as the “**Parties**” or “**Schools**” to this Agreement: iLEAD California Charters 1 (“**iCA**”); iLEAD Agua Dulce (“**iAD**”); iLEAD Lancaster (“**iL**”); iLEAD Online Charter School (“**iOCS**”); Empower Generations (“**EG**”); and Santa Clarita Valley International (“**SCVi**”).

**WHEREAS**, iCA, iAD, iL, iOCS, EG, and SCVi are each nonprofits that separately operate California public charter schools focused on project based learning, and based on the iLEAD program model.

**WHEREAS**, iCA, which currently operates the largest of the charter schools, employs staff members and houses other resources beneficial for certain functions of charter schools using the iLEAD program, including: learning support; leadership support; school, community, and authorizer relations; employee services; technology functions; board support; accounting and financial services; compliance and reporting; facilities; and communications, outreach, and public relations.

**WHEREAS**, the Parties seek to share these resources of iCA among them cooperatively to achieve cost savings and other scale benefits for each Party, so that each Party may have access to additional, valuable, specialized, and/or expensive resources that might otherwise not be available to them.

**WHEREAS**, the Parties have previously been sharing certain resources of iCA under that certain Resource Sharing Agreement dated July 1, 2019 and as amended effective July 1, 2021 and December 1, 2022, the term of which expired on June 30, 2023.

**WHEREAS**, the sharing of these resources of iCA among all of the Parties cooperatively is in the mutual interest and advantage of each of the Parties in furtherance of their shared goal to successfully implement the iLEAD program in a cost effective manner at their respective schools.

**WHEREAS**, it is the intent of the Parties to continue sharing certain iCA resources and allocate costs among them according to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of their mutual promises set forth in this Agreement, the Parties desire to, and hereby agree as follows:

1. **Shared Resources.** During the term of this Agreement, the Parties shall share in the costs for iCA staff and resources necessary for the functions described in Attachment A of this

Agreement and as relevant for each of the Schools (the “Shared Resources”) in accordance with the cost allocations and payment provisions described in Sections 2 and 3 herein.

2. **Cost Allocation by ADA.** The Parties shall share the actual costs incurred by iCA for the Shared Resources necessary for the functions described in Attachment A iCA shall perform the functions described in Attachment A for all Parties. A larger School requires more of iCA’s Shared Resources than a smaller School. Therefore, except as otherwise set forth herein, costs for the functions described in Attachment A shall be shared among all Schools on a pro-rata basis by ADA; except, in instances where a third party invoice or contract breaks down costs by Party in a manner other than a pro-rata basis by ADA, such costs shall be paid as set forth on the applicable invoice or contract. In accordance with Section 3 herein, the total costs incurred by iCA during the initial eight-month period of the year (July 1 through February 28, the “**First Period**”) with respect to the functions described in Attachment A shall be aggregated and divided and apportioned among the Schools based on their ADA as reported on each School’s P-2 apportionment report for the prior school year. For a School that projects an enrollment increase or decrease of 25% or more from the prior school year, or for a new School in its first year of operations, iCA shall use the School’s projected ADA for the current school year to calculate such School’s share for the First Period. Then, the total costs incurred by iCA during the remaining four- month period of the year (March 1 through June 30, the “**Second Period**”) shall be apportioned based on the Schools’ ADA as reported on their P-1 apportionment report for the current school year and certified by the California Department of Education.
3. **Bi-Monthly Payment and Reconciliation.** iCA shall provide a monthly statement to each Party outlining that Party’s share of costs for the Shared Resources based on the applicable allocation described in Section 2 above. Each Party shall be provided access to reasonable backup documentation for such costs upon request. Each Party shall submit payment to iCA within thirty (30) calendar days after receipt of the monthly statement. Upon each School’s P-1 ADA certification by the California Department of Education, iCA shall reconcile the amount each School paid during the First Period under the allocation described in Section 2 above, to the amount actually owed by each School based on its P-1 ADA for the current school year. Any amount owed by a School, or overpaid by a School, shall be reconciled and paid and/or refunded by no later than 3 months after the close of the fiscal year audit, unless otherwise mutually agreed in writing.
4. **Retention of Deposit.** Upon execution of this Agreement, each School shall have provided iCA a deposit of one percent (1%) of its ADA as reported on each School’s P-2 apportionment report for the prior school year. iCA shall retain such deposits during the term of this Agreement to ensure iCA has adequate cash flow to cover the costs of the Shared Resources. Upon termination of this Agreement pursuant to Section 8 herein, iCA

shall apply each Party's deposit amount as a credit on that Party's final monthly statement. In the event a Party's final monthly statement is less than that Party's deposit amount, iCA shall return any remaining deposit amount to the Party within thirty (30) days of termination.

**5. Parties' General Responsibilities.** The Parties shall each be responsible to:

- a. Comply with all applicable federal and state statutes, laws and regulations;
  - b. Ensure that neither they nor their employees shall discriminate against any other Party's employees, including iCA employees providing the functions described in Attachment A on account of disability, race, color, religion, ethnic origin, age, gender, sexual orientation, or any other characteristic protected by law;
  - c. Provide to iCA, in writing, copies of any campus or school specific rules and/or regulations applicable to iCA while providing services to a Party;
  - d. Provide a safe working area for iCA when necessary for iCA to be on a Party's site or campus;
  - e. Provide iCA all the necessary, true, and correct data, files, documents, and other information and records necessary or appropriate for the functions described in Attachment A of this Agreement, and for the other Parties to receive from iCA any requested information and records regarding iCA's performance of the functions described in Attachment A of this Agreement as iCA reasonably determines is appropriate to provide; and,
  - f. Provide feedback to iCA regarding its performance of the functions described in Attachment A of this Agreement and the Shared Resources.
- 6. iCA Responsibilities.** iCA is hereby designated to act on its own behalf and on behalf of all other Parties hereto to provide for and perform the task-related functions described in Attachment A, including to employ such employees, engage legal counsel or other consultants or third parties as necessary, and incur other reasonable and necessary costs for the mutual advantage of all participating Parties.

iCA shall provide the same quality of services for the Schools as it does for its own charter school in performing the functions described in Attachment A. iCA will endeavor to accommodate all Parties' needs, provided that no Party shall be entitled to more than its fair share of iCA's time.

When on a Party's school campus or other site, iCA employees shall be subject to such Party's general direction and iCA will comply with the Party's applicable policies and



procedures (such as campus sign-in procedures) so long as such policies and procedures are provided to iCA in writing. However, iCA shall supervise and make all employment decisions with respect to iCA employees in its sole discretion, including all hiring, evaluation, termination, compensation, and benefits decisions. iCA shall also have sole responsibility for compliance with state and federal income tax withholding, unemployment and disability insurance withholding and contributions, STRS, PERS, social security tax withholding and contributions, workers' compensation coverage, wage and hour obligations, and any other applicable employment law requirements for iCA's employees. Nothing in this Agreement shall confer upon any Party any rights or remedies, including any right to employment, as an employee of any other Party.

iCA shall not be required to provide any Shared Resources pursuant to this Agreement to the extent that it is or becomes impracticable, in any material respect, as a result of a cause outside iCA's reasonable control or would require iCA to violate applicable law or its charter(s). If iCA determines that it will not be able to provide one or more Shared Resources pursuant to this section, it will, to the extent reasonably practicable, first meet with the other Parties to determine if there are other ways for the Schools to receive the relevant Shared Resources or if other services can be adjusted to accommodate the removal of the relevant Shared Resources.

7. **Relationship of the Parties.** The Parties acknowledge that the functions described in Attachment A are task-related functions for which resources are being shared at the request of, and at the direction of, each Party. The governing body of each School retains ultimate decision-making authority and shall at all times retain its duty to exercise its statutory, contractual, and fiduciary responsibilities governing such School's operations. The governing body of each School is the operator and manager of such School's charter school(s), and is responsible for ensuring that the School adheres to its charter(s).
8. **Term and Termination.** The term of this Agreement commences on July 1, 2023 and continues through June 30, 2026, unless and until earlier terminated as set forth in subsection (a) or (b) herein and subject to any amendments pursuant to Section 9 herein. This Agreement may be renewed upon written mutual agreement of the Parties.
  - a. ***Termination by any Party other than iCA.*** Any School other than iCA may terminate its participation in this Agreement for any reason upon sixty (60) days' written notice to all Schools. Termination of participation by any School(s) shall not terminate the Agreement as to any other School, nor relieve the terminating School(s) of any obligations incurred prior to the effective date of such termination. Following termination of a School's participation, (i) the terminating School shall pay iCA any unpaid portion of its costs through the effective date of termination, (ii) the terminating School shall not be further entitled to any of the Shared Resources, and (iii) costs shall be allocated among the remaining Schools

as set forth in Section 2.

- b. ***Termination by iCA.*** iCA may terminate this Agreement for any reason upon one hundred and fifty (150) days' notice to all Schools. Additionally, iCA may terminate any other School's participation in this Agreement in the case of a material or persistent breach by such School of any one or more of the terms of this Agreement which is not remedied within thirty (30) days after written notice is provided by iCA to the breaching School. A copy of such written notice shall also be provided to all other Schools. Upon expiration of the thirty (30) day period without the breach being cured or appropriate actions taken to commence curing the breach in the reasonable discretion of iCA, iCA may terminate the breaching School's participation. Following termination of a breaching School's participation, (i) the breaching School shall pay iCA any unpaid portion of its costs through the effective date of termination, (ii) the breaching School shall not be further entitled to any of the Shared Resources, and (iii) costs shall be allocated among the remaining Schools as set forth in Section 2.

9. **Amendments.** This Agreement may be amended as follows:

- a. ***Changes to the Shared Resources.*** The Parties acknowledge and understand that the functions and resources iCA is able to share among the Parties may change from time to time. iCA shall consult with all affected Parties regarding any changes to its capacity to provide the functions and resources described in Attachment A as soon as practicable, and shall reflect such changes in writing by providing an amended Attachment to all Parties. To the extent iCA's changes to Attachment A adds new functions or resources that would result in a substantial increase in costs, iCA shall provide all Parties ninety (90) days' notice, which notice may be waived by each Party that seeks to have services start sooner.
- b. ***Changes in the Law.*** In the event that any new enactment, repeal, or change of any federal, state, or local law, regulation, interpretation of law or regulation by an authorizer or regulator, or court or administrative decision or order materially affects the performance of any of the Parties in conformity with this Agreement, the Parties shall promptly commence negotiations in good faith regarding a mutually agreeable approach (including without limitation, an amendment to the Agreement) to address the situation. If, after such good faith negotiations, the Parties are unable to agree upon an acceptable approach, the Agreement shall terminate for all Parties without further obligation or liability among the Parties, upon any Party's sixty (60) days' written notice to the other Parties, or in such lesser time as is reasonable under the circumstances.

10. **Work Product; Intellectual Property.** Any work product that is created by iCA in the

context of providing the functions described in Attachment A shall be the property of iCA, except to the extent it involves Confidential Information or privileged information for any one Party (for example, employment records), in which case it belongs to that Party. Any intellectual property owned by a Party and used by iCA related to the Shared Resources shall remain the property of that Party. Similarly, any intellectual property owned by iCA that is utilized as part of the Shared Resources, either by iCA or another Party, shall remain the property of iCA. No Party shall have the right to grant a license, sublicense, or any other use or rights for the property of another Party. Upon termination or expiration of this Agreement, the property of each Party in the possession of any other Party shall be returned, or destroyed at the request of the Party that owns it.

11. **Confidentiality.** Each Party acknowledges that during the term of this Agreement, it may have access to certain Confidential Information of the other Party(ies), as defined below. Each Party shall maintain and enforce reasonable administrative, technical, and physical safeguards to reasonably protect the confidentiality of the other Parties' Confidential Information.

- a. ***“Confidential Information”*** means non-public information marked either “confidential” or “proprietary,” or that otherwise should be understood by a reasonable person to be confidential in nature. Confidential Information may include but is not limited to trade secrets, policies, procedures, intellectual property, business or strategic plans, contractual arrangements or negotiations, financial information, and employee information. Confidential Information does not include any information which (i) is rightfully known to the recipient prior to its disclosure; (ii) is released to any other person or entity (including governmental agencies) without restriction; (iii) is independently developed by the recipient without use of or reliance on Confidential Information; (iv) is or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a Party from a non-party; or (v) which is a public record under California law.
- b. If disclosure of Confidential Information is requested pursuant to law, statute, rule, or regulation (including a subpoena, a request made to a School under the California Public Records Act, or other similar form of process), the Party to which the request for disclosure is made shall (other than in connection with routine supervisory examinations by regulatory authorities with jurisdiction and without breaching any legal or regulatory requirement) provide the applicable Party(ies) with prior prompt written notice thereof to the extent practicable, and if practicable under the circumstances, shall allow the applicable Party(ies) to seek a restraining order or other appropriate relief.

Upon the termination or expiration of this Agreement, Confidential Information of each

Party in the possession of the other Party shall be returned and/or destroyed.

**12. Student Information.** Each Party is responsible for its compliance with the federal Family Educational Rights and Privacy Act (20 U.S.C. § 1232g) (“*FERPA*”), federal Children’s Online Privacy and Protection Act (15 U.S.C. §§ 6501–6506) (“*COPPA*”), and other applicable state and federal laws pertaining to student information and privacy. For each School, iCA is a “third party” which may receive pupil records under California Education Code Section 49073.1(d)(6). Each School’s pupil records continue to be the property of and under the control of the School.

- a. To the extent necessary, iCA shall be designated as having a legitimate educational interest in accessing each School’s student education records, as that term is defined by and for purposes of FERPA, thereby allowing iCA to access personally identifiable information from student education records from each School as part of its performance of the functions described in Attachment A. For purposes of this Agreement, the term “personally identifiable information” (“*PII*”) means any information that can be used on its own or with other information to (i) distinguish one person from another, (ii) identify, contact, or locate a single person, or (iii) de-anonymize anonymous data. The Parties and iCA will work together as needed to ensure compliance with all FERPA provisions as to the Shared Resources.
- b. iCA shall not use or disclose pupil records, including PII, received from or on behalf of another School except as necessary with respect to the performance of the functions described in Attachment A, as required by law, or as otherwise authorized in writing by the applicable School. iCA shall not use any PII in pupil records to engage in targeted advertising. iCA shall protect the pupil records it receives from or on behalf of another School no less rigorously than it protects its own pupil records, including the designation and training of responsible personnel. In the event of an unauthorized disclosure of PII, iCA shall notify the affected School(s) as soon as practicable, and shall, upon the affected School(s)’s request, notify affected parents, legal guardians and eligible pupils using reasonably available technological means such as electronic mail.
- c. To the extent any pupil-generated content is stored and managed by iCA, pupils may retain possession and control of their own pupil-generated content, or may transfer pupil-generated content to a personal account, by submitting a written request to their respective School. The School will have the ability access any pupil-generated content by contacting iCA, and iCA will provide assistance to the School upon request. For purposes of this Section, “pupil-generated content” means materials created by a pupil, including, but not limited to, essays, research

reports, portfolios, creative writing, music or other audio files, photographs, and account information that enables ongoing ownership of pupil content. “Pupil-generated content” does not include pupil responses to a standardized assessment where pupil possession and control would jeopardize the validity and reliability of that assessment.

- d. A parent, legal guardian, or eligible pupil may request copies of pupil records, or may inspect and review pupil records during regular school hours, by submitting a request to their respective School. The School will provide access to the pupil’s records no later than five (5) business days following the date of the request. A parent, legal guardian, or eligible pupil may request that their respective School correct erroneous information in the pupil records by submitting a written request to the School. The School’s site director or designee will meet with the parent, guardian, and/or eligible pupil and either grant or deny the request to change information in the pupil records.
- e. iCA hereby certifies that upon the termination or expiration of this Agreement, the pupil records of each School in the possession of iCA shall be returned to the School and/or destroyed.

13. **Insurance.** iCA shall maintain customary and reasonable insurance coverage necessary for performance of the functions described in Attachment A, including professional liability for errors or omissions and/or directors and officers coverages, comprehensive general liability coverage, and automobile liability coverage. iCA shall name each Party as an additional insured under all of iCA’s policies. To the extent iCA incurs additional cost(s) for any enhancements necessary to its insurance policies to provide the Shared Resources to all Schools, such cost(s) may be allocated among the Schools according to Sections 2 and 3. Each Party shall be responsible for obtaining and maintaining workers’ compensation coverage and unemployment insurance for its employees.

14. **Liability.** Each Party shall be and remain responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on a Party any liability arising out of the operations of any other Party, except as such liability may result from the performance of the first Party’s obligations under this Agreement.

15. **Indemnification.** Each Party shall defend, indemnify, and hold the other Parties, and their employees, officers, directors, and agents, free and harmless against any liability, loss, claims, demands, damages, expenses, and costs (including attorneys’ fees, expert witness fees, and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance of its obligations under this Agreement, except to the extent such loss or damage was caused by the negligence or willful misconduct of another Party.

16. **Fiduciary Obligations.** The governing body for each School has reviewed this Agreement in good faith, and in a manner in which it believes to be in the best interests of its School, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and has determined that the Agreement is in the best interests of its School and that the cost allocation to be paid is fair and reasonable.
17. **Assignment.** No Party shall assign this Agreement, any interest in this Agreement, or its rights or obligations under this Agreement without the express prior written consent of the other Parties. This Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and assigns.
18. **Dispute Resolution.** The Parties shall attempt to negotiate in good faith to resolve any dispute arising from or relating to this Agreement before resorting to litigation.
19. **Notice.** All notices, requests, demands, or other communications (collectively “*Notice*”) given to or by the Parties under this Agreement shall be in writing and shall be deemed to have been duly given on the date of receipt if transmitted by email or personally served on the Party(ies) to whom Notice is to be given, or seventy-two (72) hours after mailing by United States mail first class, registered or certified mail, postage prepaid, addressed to the Party(ies) to whom Notice is to be given, at the applicable address set forth below:

*To iCA:* iLEAD California Charters 1  
ATTN: Amanda Fischer  
3720 Sierra Highway, Suite A  
Acton, CA 93510  
amanda.fischer@ileadcalifornia.org

*To EG:* Empower Generations  
ATTN: Malaka Donovan  
44236 10th Street West, Suite 105  
Lancaster, CA 93534  
malaka.donovan@empowergeneration.org

*To iAD:* iLEAD Agua Dulce  
ATTN: Lisa Latimer  
11311 Frascati Street  
Agua Dulce, CA 91390  
lisa.latimer@ileadaguadulce.org

*To SCVi:* Santa Clarita Valley International  
ATTN: Martha Spansel/Chad Powell  
28060 Hasley Canyon Road  
Castaic, CA 91384  
Martha.Spansel@scvi-k12.org, chad.powell@scvi-k12.org

*To iL:* iLEAD Lancaster

ATTN: Nykole Kent

254 E. Ave. K-4

Lancaster, CA 93535

nykole.kent@ileadlancaster.org

*To iOCS:* iLEAD Online Charter School

ATTN: Erin Jones

3720 Sierra Highway, Suite A

Acton, CA 93510

erin.jones@ileadschools.org

20. **Headings.** The descriptive headings of the sections and/or paragraphs of this Agreement are inserted for convenience only, are not part of this Agreement, and do not in any way limit or amplify the terms or provisions of this Agreement.
21. **Applicability.** As of the Effective Date, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained herein and supersedes all agreements, representations and understandings of the Parties with respect to such subject matter.
22. **Arm's Length and Independent Counsel.** This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the subjects in this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Agreement. Each Party has been advised by, or had opportunity to seek advice from, its independent counsel regarding this Agreement.
23. **No Waiver.** No waiver of any provision of this Agreement shall constitute, or be deemed to constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.
24. **Severability.** If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of its remaining provisions, unless such invalidity or unenforceability would defeat an essential purpose of this Agreement.
25. **Governing Law.** This Agreement shall be governed by and interpreted under California law.

26. **Authority to Contract.** Each Party warrants to the others that it has the authority to enter into this Agreement, that it is a binding and enforceable obligation of said Party, and that the undersigned has been duly authorized to execute this Agreement.

27. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A faxed, .pdf, or other electronic copy of the fully executed original version of this Agreement shall have the same legal effect as an executed original for all purposes.

**IN WITNESS WHEREOF,** the Parties execute this Agreement as of the Effective Date above.

Santa Clarita Valley International, a  
California nonprofit public benefit  
corporation

By:  
Name:  
Its:  
Date:

iLEAD California Charters 1, a California  
nonprofit public benefit corporation

By:  
Name:  
Its:  
Date:

iLEAD Agua Dulce, a California nonprofit  
public benefit corporation

By:  
Name:  
Its:  
Date:

iLEAD Lancaster, a California nonprofit  
public benefit corporation

By:  
Name:  
Its:  
Date:

iLEA Online Charter School, a California  
nonprofit public benefit corporation

By:  
Name:  
Its:  
Date:

Empower Generations, a California nonprofit  
public benefit corporation

By:  
Name:  
Its:  
Date:



## **ATTACHMENT A**

### **LEARNING SUPPORT:**

#### **TIER 1 CURRICULUM, INSTRUCTION, AND ENGAGEMENT SUPPORT:**

- Professional development to support implementation of the iLEAD model.
- Coaching and support with the planning and execution of Project-Based Learning/Problem based learning, competency-based learning by building individual and team capacity, adapt and adopt projects, generating project ideas, project tune ups), and guidance through specific organization wide projects such as Dream Up to Space, Soaring Aeronautics, The Personal Project, Mini PCR, Math Identity Project, etc. as identified by directors.
- Monthly new facilitator onboarding and integration.
- Training, coaching, and support of specific curriculum and content-based programs focusing on TK-12 literacy, math, science, humanities/social studies, and STEAM (Science, Technology, Engineering, Arts, and Math) programs, which includes implementing all elements of the iLEAD model.
- Training, coaching, and support in the iLEAD Learner Outcomes.
- Training, coaching, and support of school leaders, classroom staff, and other staff in the development of a positive and supportive school culture.
- Training, coaching, and support of the iLEAD model of classroom management and climate this includes Morning Meeting/Advisory, 7 Habits, Love and Logic, and Restorative and Trauma-Informed Practices.
- Training, coaching, and support with strategies to support personalized learning
- Professional learning is provided on-site and remotely, to support full implementation of the iLEAD model
- Support family engagement by providing training to families to better understand aspects of the iLEAD model
- Access to individual school dashboard with linked resources, iLEAD Science and Aerospace Projects website, Mathemagical Mindsets website, Brightspace educational resources and PBL project bank

#### **MEASURING EFFECTIVENESS:**

- Implementation and support for a variety of regular formative benchmark assessments in core subject areas such as NWEA MAP testing, writing, literacy as well as any summative State mandated assessments

- Development, implementation, and sustainability of regularly scheduled data meetings with the key focus on utilization of the collected data in order to inform and set goals to aid in the improvement of the instructional program as well as individual learner achievement
- Training, coaching and support in the area of data analysis and assessments
- Collaboration with educational partners in the self-evaluation of the iLEAD model
- Design, coordinate, and collect survey data to improve practices

#### **LEARNER SUPPORT SERVICES AND SPECIAL PROGRAMS:**

- Training, coaching, and assistance monitoring and operating programs for English Learners
- Training and assistance with all ELPAC assessments
- Support with development of ELAC and ELAC agendas
- Training, coaching, and assistance with monitoring programs and compliance for Foster and Homeless Youth
- Training, coaching, and assistance with monitoring programs and compliance in programs that provide additional learner support
- Representation at required SELPA meetings (such as CEO Council, Executive Council, PLC, etc.)
- Assistance with SELPA communications
- Assistance through due process and mediation when necessary, including communications with legal counsel
- Support and training to promote equity, diversity, and inclusion amongst learners, staff, and other educational partners
- Develop and/or assist with implementing Multi-Tiered Systems of Support (MTSS)
- Support with high school programs that may include College/Career indicators (UC A-G approval, college credit courses, career technical education pathways, IB accreditation and program implementation support, competency-based education, AP testing, graduation rates, etc.) and provide academic counselor support
- Support accreditation partnerships and approvals, which may include NCAA accreditation, WIOA partnerships, and work-based learning
- Support schools in development and implementation of dual language immersion programs
- Support schools in the development and implementation of play-based learning

#### **LEADERSHIP SUPPORT:**

- Leadership coaching of the school and program directors with the focus on

leadership roles and responsibilities, building of the professional culture, co-leadership and staff support, community relations, resource management, board relations, reflective supervision, site maintenance, and other leadership elements

- Coaching for Leadership Residents to build capacity as a future School Director and support current role at school with best practices
- Training provided through participation in monthly Leadership Connections, School Director Collaborative, on-going leadership coaching, and reflective supervision which includes assisting site leaders in development
- Support School Directors with goals developed through reflective supervision with their school's governing board. At the end of the year, a recommendation will be prepared by iCA of the site leader's progress toward goals to assist the board in its review and evaluation of the site leader
- Strategic support, coordination, and assistance to schools in long term planning to meet the changing needs of their school communities
- Coordination with School's consultants and legal counsel for leadership as needed

#### **SCHOOL, COMMUNITY, AND AUTHORIZER RELATIONS:**

- Support development and maintenance of community relations which could include local and national politicians, local chambers of commerce, local business and community leaders, and local and regional media outlets (i.e., "Eye of the Valley" weekly iLEAD radio show)
- Professional educational writing services to highlight and promote school programs, activities, and achievements, both internally via network platforms and intranet and externally via websites and outside professional periodicals
- Development and curation of relationships with the state and national charter organizations including but not limited to CSDC, CCSA, ACSA, NAPCS, etc.
- Development and maintenance of relationships with charter authorizing agencies, including communication and coordination of compliance, monitoring, and renewal
- Planning, hosting, and execution of the Annual iLEAD California All-Staff Retreat, including hospitality, team building, and annual school year launch

#### **EMPLOYEE SERVICES:**

##### **COMPLIANCE:**

- Setup and maintenance of the employee files
- Facilitate establishment of employment policies and procedures that align to state and federal compliance

**EMPLOYEE RELATIONS:**

- When new positions are created and/or if a current position evolves, support with creating and maintaining job descriptions to reflect accurate duties
- Provide coaching on employee services matters
- Assistance with employee relations, reflective supervision, employee evaluation, process guidance, and pre-mediation services to address employee grievances
- Coordination of new teacher induction process
- Compensation/pay analysis
- Monitoring and advising on the compliance requirements of California educator licensing, credentialing, and enforcement
- Employee survey creation, collection, and analysis

**ON/OFF BOARDING, LEAVES, AND WORKERS COMPENSATION:**

- Facilitate the hiring and onboarding process. As applicable, verification and tracking of DOJ clearance, TB tests, as well as credential information
- Staff induction including onboarding, benefits enrollment (when applicable), and enrollment in appropriate platforms including email, communication platforms, LMS etc.
- Facilitate offboarding of employees upon employment termination
- Develop employment agreements for in and out of state personnel
- Facilitate employee leaves and medical issues
- Facilitate workers compensation process

**PAYROLL:**

- Payroll setup, processing, payroll accounting, payroll reporting, and payroll record maintenance as well as processing of the W2 and 1099 forms.
- Time accounting
- Payroll accounting and reporting

**BENEFITS:**

- Assistance and support in obtaining quotes, implementation, administration, and processing of employee benefits (health, dental, vision, life insurance, etc.) and retirement plans.
- Assistance in employee enrollment into employee benefit plans, and assist employees in benefit questions and issues.

**TALENT ACQUISITION:**

- Coordinate, organize, and execute hiring events (such as Star Search and Leadership Café) on school campuses, at iCA space, or virtually.
- Assistance and support in recruitment of the School's director and other leadership staff, including posting job descriptions, monitoring applications, applicant searches, vetting, and presenting candidates to the School's governing board and/or school leadership.
- Assistance and support in recruitment of staff, posting job description, monitoring applications and vetting, and presenting candidates to the School's leadership

### **TECHNOLOGY FUNCTIONS:**

- Development of network infrastructure and design
- Serve as a point of contact with network, infrastructure, internet service, and equipment vendors
- Maintain network security, maintenance, troubleshooting, and infrastructure updates[A5]
- Assistance in the development of technology policies
- Assistance with implementation and administration of platforms and systems to include Google Workspace, Voice Over Internet Phone, learning management system, user account monitoring, and platform setup and maintenance support
- Assistance in school technology systems integration, evaluation, and monitoring
- Provide technical support via ticket system, coordinating with site staff and local vendors or contractors for additional device and infrastructure support when needed
- Act as primary contact/ vendor relations for required platforms and systems. Coordinate with compliance on other recommended platforms and systems
- Oversee employee and learner IT onboarding/offboarding processes
- Provide on-going technical coaching and support to site techs, and assist with the reflective supervision process at the Director's discretion
- Provide staff, learners, and families with online testing technical support
- Assist sites with inventory management, including device updates, refresh schedule, and procurement
- Serve as Category One E-Rate Coordinator, working closely with site and contracted E-Rate accounting Consultant

### **BOARD SUPPORT:**

- Support Board Member and School Staff Teams in relationship building, governance processes required by CA public schools, and Board Meeting procedures

- Training for Board members about their role and effective board governance as well as assistance to Board on policy development based on requirements and best practices
- Training and support for Board members on IT Board Platforms used to govern
- Attendance at governing board meetings in person, over the phone, or online in order to present vital school data to allow board members to make informed decisions
- Assistance to the governing board in timely preparation of required notices and board agenda pursuant to Ralph M. Brown Act as well as provision of the platform to publish board meeting agendas, record board meeting minutes, and maintain board meeting archive
- Publish, store, and archive all documents related to Board Meetings and school documents
- Support to file corporate statement of information and updates as needed
- Coordination with School's consultants and legal counsel for governing board as needed

#### **ACCOUNTING AND FINANCIAL SERVICES:**

- **Payroll Accounting.** Review payroll entries and post payroll to the general ledger. Review employee coding in compliance with funding requirements
- **Benefits Accounting.** Review benefits invoices and post journal entries. Review employee coding in compliance with funding requirements
- **Accounts Receivable and Payable.** Reviewing and processing invoices and payments, collections, deposits, and transaction recording according to the generally accepted accounting practices and standards. Assist school staff in the process of verification of received goods and services. Provide technical training and support to staff on compliant purchase and procurement processes and procedures.
- **Annual Tax Reporting.** Prepare and submit accounts payable vendor 1099s. Support the school and the auditor in preparing Form 990 and California FTB Form 199 tax-exempt organization annual filing. Support with oversight of additional common annual corporate filings, as needed
- **General Ledger Maintenance and Reconciliation.** Setup and maintenance of the school's chart of accounts and general ledger. Prepare monthly bank reconciliation(s), journal entries, and balance sheet reconciliation. [A6]
- **Internal Controls, Fiscal Policies.** Provide technical training and support on accounting procedures and best practices for financial risk management and internal controls related to the review and implementation of the school's policies, including training on internal controls. Provide guidance and advice on

fiscal compliance and best practices to school site staff

- **Budget Development and Forecasting.** Support in budgeting and forecasting through preparation and provision of the annual budgets, updated monthly budget forecasts, development of multi-year projections, development of cash flow projections and budget revisions, and managing of cash flow and lines of credit, as applicable
- **Authorizer Financial Reporting.** Preparation and filing of the preliminary budget, first and second interim, estimated actuals, and unaudited actuals reports based upon governing board approval, as applicable and as mandated by authorizing agency
- **Federal and State Systems & Reporting.** Development and preparation of the additional financial reports required for federal, state and authorizing agency reporting, as applicable, such as LCAP, federal and state grant funding financial reports, as well as special education compliance and reporting. Develop systems and processes to assist schools in compliance with federal funds, as applicable, including systems for time accounting and tracking use of federal funds
- **Board Reporting.** Provide regular financial reporting to school's board
- **Audit Support.** Review auditor contract; preparation of financial documents for the auditors and assistance to the auditors to help ensure a smooth and timely audit process. Coordinate and support annual financial audit
- **Accounting Platform & Reporting System.** Set up and maintain core financial accounting platforms and additional components designated as necessary
- **Bonds, Loans, Special Projects Support.** Option Project Services fees to be determined at the time of project for additional financial projects, such as optional or one-time state or federal funds, bonds, loans, grants
- **Developing Financing, Capital, Credit.** Assistance and support as needed in obtaining additional financing in the form of a line of credit, working capital cash flow, and capital leases or long-term debt
- **Strategic Financial Planning Support.** Strategic support, coordination, and assistance in charter renewal, and cooperation in authorizing agency and program audits. Consult with school leadership regarding strategic planning, with a focus on the evaluation of financial resources, budget scenario development, and growth potential

## **COMPLIANCE AND REPORTING:**

### **FEDERAL AND STATE**

### **FUNDING:**

- Assist and monitor required annual timelines of compliance reporting for Federal Title and one time State Programs
- Assist in document creation and document storage for Title Programs and one time State Programs to be in compliance for Federal Program Monitoring and School Audits
- Assist in budget creation and budget oversight as required for the spending of Federal Title Program and one time State Programs money
- Assist in Staff, Parent, School Site Council, and Board Meeting requirements and documentation as required by Title Programs
- Communicate and attend meetings with County and State on behalf of the school for guidance, as needed

#### **OTHER:**

- Assistance with the development of the internal attendance recording procedures, quarterly attendance data analysis, and provision of the attendance reports to the authorizing agency, as applicable
- Maintenance, preparation, and filing of state reporting through the CALPADS system for Fall 1, Fall 2, and End of Year Reporting. In addition, preparation and filing of CBEDS reporting and Civil Rights Reporting
- Technical training and support with the Student Information System
- Support and guidance with the development of the School Accountability Report Card (SARC)
- Support and guidance with the development of the Local Control Accountability Plan (LCAP)
- Support WASC accreditation and renewal
- ATSI, CSI, and Differentiated Assistance support
- Liaison between contracted service and school to ensure compliance with the National School Lunch Program (NSLP)
- Support with policies, procedures, and protocols related to the learner health and assist with monitoring compliance of school health programs with federal, state, and local laws, regulations, and policies.
- Develop and prepare charter renewal petition and presentation in collaboration with school leadership

#### **FACILITIES:**

#### **SAFETY COORDINATION AND SUPPORT:**



- Assist with the development of the Comprehensive School Safety Plan and compliance
- Support and monitor monthly, semester, and quarterly drills and compliance checklists
- Provide document detailing utilities and contracted services for each site
- Set up appointments and oversee fire certifications and renewals
- Assist with obtaining Certificate of Insurance (COI) as needed
- Support with procedures for incident reports, insurance claims, and workers compensation
- Procure insurance coverage which includes building, workers' compensation, student accident insurance, general liability, etc.

#### **OPERATIONS AND MAINTENANCE**

- Assistance and support in establishing procedures for school and/or administrative facility operations and uses of space, monitoring use of space, and performing minor facility maintenance and repairs.
- Assistance with vendor search and contract negotiations for facility maintenance and repair, cleaning, and transportation services for the school, as applicable.
- Establish and implement a process to vet contracted services in order to produce a list of reputable service providers
- Provide basic handyman services

#### **FACILITIES PLANNING**

- Assistance with developing a long term plan for facility needs and tenant improvements
- Coordination of lease renewals, including necessary negotiations
- Support asset management for furniture fixture and equipment

### **COMMUNICATIONS, OUTREACH, AND PUBLIC RELATIONS:**

#### **BRANDING, DIGITAL AND WEB SERVICES**

- Development and maintenance of the school's unique branding elements and provision of comprehensive network brand identity guidelines, supporting schools in maintaining their unique community identity while remaining consistent with the iLEAD California educational design.
- Design of digital, printed, and promotional materials to be used in regular communications and outreach efforts
- Design, provision and maintenance of basic template/standard school website

and social media platforms

## **COMMUNICATION AND OUTREACH**

- Support with regular, ongoing school communications with current and prospective learners and families. (i.e. create systems for regular communication and train the school's leadership and support staff on systems)
- Development of learner recruitment strategies
- Assistance in the development of short-term and long-term outreach plans, budgets and timelines
- Develop strategies for the placement of printed and promotional materials in local markets, as well as at the applicable local events
- Coordinate and produce regular internal school communications (Monday Message, school network and community communications) and provide support with internal family communications (i.e. Parent Square)
- Assist School staff in organizing and hosting school tours and informational events for parents, and planning and executing events with emphasis on local media coverage
- Assistance with the implementation of recommended regular social media campaigns

## **PUBLIC AND MEDIA RELATIONS**

- Development of public relations campaigns
- Support with local media relations (press releases, media coordination, etc.)
- Training for school leaders on media and public relations and communication
- Coordination of and support with crisis communication messaging



# **iLEAD Online 2023 – 2024 Regular Scheduled Board Meetings**

Board Approved:

All meetings will be held at 7:00 p.m. unless otherwise publicly noticed.

Special Board Meetings may be scheduled as needed with 24-hour public notice.

September 7, 2023

October 5, 2023

November 2, 2023

December 7, 2023

February 1, 2024

March 7, 2024

April 4, 2024

May 2, 2024

June 18, 2023 (Tuesday 6:00)

June 25, 2023 (Tuesday 6:00)

Revised 2/21/23