



Magnolia Public Schools

Special Board Meeting

Date and Time

Tuesday May 6, 2025 at 4:00 pm GMT-07:00

Location

Home Office: 250 E. 1st Street, Suite 1500, Los Angeles, CA 90012

Access to the Board Meeting

Teleconferencing locations are provided at each Magnolia Science Academy school site:

- Magnolia Science Academy-1 (18238 Sherman Way, Reseda, CA 91335)
- Magnolia Science Academy-2 (17125 Victory Blvd, Van Nuys, CA 91406)
- Magnolia Science Academy-3 (1254 E Helmick St, Carson, CA 90746)
- Magnolia Science Academy-4 (11330 W Graham Place, Los Angeles, CA 90064)
- Magnolia Science Academy-5 (18238 Sherman Way, Reseda, CA 91335)
- Magnolia Science Academy-6 (745 S. Wilton Ave, Los Angeles, CA 90005)
- Magnolia Science Academy-7 (18355 Roscoe Boulevard, Northridge, CA 91325)
- Magnolia Science Academy-8 (6411 Orchard Ave, Bell, CA 90201)
- Magnolia Science Academy-Santa Ana (2840 W 1st Street, Santa Ana, CA 92703)
- Magnolia Science Academy-San Diego (6525 Estrella Ave, San Diego, CA 92120)
- Magnolia Science Academy-Orange County Office (3100 E Miraloma Ave., Suite 210, Anaheim, CA 92806)

Any interested parties or community members from remote locations may attend the meeting at any Magnolia Science Academy school, or the addresses where Board Members are joining from.

- 5113 Babette Ave, Los Angeles, CA 90066 (**Mrs. Diane Gonzalez**)
- 7401 Madora Ave, Winnetka, CA 91306 (**Ms. Sandra Covarrubias**)
- 2460 W Bayshore Rd, Apt 6, Palo Alto, CA 94303 (**Dr. Umit Yapanel**)

Dialing information for this meeting is included below:

Dial in: 1-669-444-9171

Meeting ID: 978 5606 4990 - **Passcode:** 021250

Zoom: <https://zoom.us/j/97856064990?pwd=MHhBZCtGT0xEMIZpNEZQZVJ3RDBPZz09>

Accessibility

In compliance with the Americans with Disabilities Act (ADA) and upon request, Magnolia Public Schools may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Members of the public who need special accommodations or translation are strongly encouraged to contact Magnolia Public Schools at least 24 hours in advance of the Board meeting so assistance can be assured. Please contact Jennifer Lara at 213-628-3634 or email jlara@magnoliapublicschools.org with such requests.

Any public records relating to an agenda item for an open session which are distributed to all, or a majority of all, of the Board Members shall be available for public inspection.

Public Comment Procedures

Magnolia Public Schools greatly values public comment during Board meetings. For members of the public who would like to speak, please fill out the Public Speaker Form which can be accessed at magnoliapublicschools.org, there will also be speaker cards to be filled out prior to the beginning of the meeting. By law, the Board is only allowed to discuss or take action on items listed on the agenda. The Board may, at its discretion, refer a matter to MPS staff or add the issue to a future board meeting date for discussion. Public speakers are limited to three (3) minutes and speakers with interpreters up to six (6) minutes.

Please note that the agenda presenting times for when that item will be discussed, or taken action on, is subject to change on the day of the Board meeting to accommodate public speaker times indicated above.

For any questions regarding this meeting please email board@magnoliapublicschools.org or call (213) 628-3634 ext. 21101.

Board Members:

Mr. Mekan Muhammedov, Chair

Ms. Sandra Covarrubias, Vice-Chair

Dr. Umit Yapanel

Dr. Salih Dikbas

Ms. Diane Gonzalez

Student Board Member:

Naim Bayraktar

CEO & Superintendent:

Mr. Alfredo Rubalcava

Agenda

	Purpose	Presenter	Time
I. Opening Items			4:00 PM
Opening Items			
A. Call the Meeting to Order			1 m
B. Pledge of Allegiance			1 m
C. Record Attendance and Guests			1 m
D. Approval of Agenda	Vote		1 m
E. Public Comments			5 m
II. Closed Session			4:09 PM
A. Public Announcement of Closed Session	FYI		1 m
B. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1) Magnolia Science Academy – Orange County v. Placentia-Yorba Linda Unified School District, Case No. 652560			30 m
C. Report Out of Closed Session	FYI		1 m
III. Action Items			4:41 PM
A. Approval of In Lieu of Prop 39 Facilities Use Agreement with Placentia Yorba Linda Unified School District	Vote	Patrick Ontiveros	15 m
IV. Closing Items			4:56 PM

	Purpose	Presenter	Time
A. Adjourn Meeting			1 m

Coversheet

Approval of In Lieu of Prop 39 Facilities Use Agreement with Placentia Yorba Linda Unified School District

Section: III. Action Items
Item: A. Approval of In Lieu of Prop 39 Facilities Use Agreement with Placentia
Yorba Linda Unified School District
Purpose: Vote
Submitted by:
Related Material: III_A_In Lieu of Prop 39 Facilities Use Agreement with PYLUSD.pdf



Agenda Item:	Action Item: III A
Date:	May 6, 2025
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Approval of In Lieu of Prop 39 Facilities Use Agreement with Placentia Yorba Linda Unified School District

Action Proposed:

Staff recommends that the Board approve the In Lieu of Prop 39 Facilities Use Agreement with Placentia Yorba Linda Unified School District to provide facilities for the Magnolia Science Academy – Orange County school for the 2025-26 and potentially 2026-27 school years.

Purpose:

To ensure that Magnolia Science Academy – Orange County has facilities to commence operations in the 2025-26 school year, and to resolve the currently pending litigation related to this matter, *Magnolia Science Academy – Orange County v. Placentia-Yorba Linda Unified School District*, Case No. 652560.

Background:

In November 2024, Magnolia Science Academy – Orange County submitted a Proposition 39 request to the Placentia-Yorba Linda School District for an allocation of facilities for the 2025-26 school year. The District denied the request. Magnolia filed suit against the District, as its denial of Magnolia’s Prop. 39 request was unlawful. The parties thereafter engaged in settlement discussions, with the result of those discussions being the In Lieu of Prop 39 Facilities Use Agreement being considered for approval.

Analysis:



The In Lieu of Prop 39 Facilities Use Agreement will provide Magnolia with seven classrooms, a restroom, and lunch tables on a portion of the District's Esperanza site, at 1830 Kellogg Avenue, to accommodate 120 TK/K-2 students for the 2025-26 school year, while Magnolia seeks private facilities. Magnolia also has the option to remain in occupancy of the same facilities for the 2026-27 school year for students in grades TK/K-3 if it has not yet secured a private facility. The District is agreeing to approve a zoning exemption for a private facility once identified by Magnolia, which will allow Magnolia to avoid having to seek entitlements for a private site, though Magnolia will still need to secure building permits and any other required approvals. Magnolia can terminate the FUA, and reinstate its Prop. 39 rights, if it is not able to locate a feasible private site.

Magnolia is not responsible for maintenance of the Esperanza site; the District will perform all maintenance of the Esperanza site.

Impact:

This FUA will provide facilities for the first, and potentially second, year of Magnolia's operations under its county-wide Orange County charter. While it will not allow Magnolia to grow in year two, it does provide an agreed-upon site and avoids the cost, time, and unpredictability of litigation. It also has the benefit of allowing for a zoning exemption for any private site Magnolia secures.

If approved by both Magnolia and the District, Magnolia will dismiss the lawsuit with prejudice.

Budget Implications:

Yearly pro rata share for 2025-26 of \$82,114.05. The pro rata share will be updated for 2026-27 if Magnolia remains in occupancy of the Esperanza site.

Exhibits:

- In Lieu of Prop 39 Facilities Use Agreement

**IN LIEU OF PROPOSITION 39 FACILITIES USE AGREEMENT BY AND AMONG
PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT,
MAGNOLIA SCIENCE ACADEMY – ORANGE COUNTY CHARTER SCHOOL, AND
MAGNOLIA EDUCATION & RESEARCH FOUNDATION AND**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the Placentia-Yorba Linda Unified School District, a public school district organized and existing under the laws of the State of California (“District”) and Magnolia Science Academy – Orange County Charter School, a California public charter school, and Magnolia Education & Research Foundation, a California non-profit public benefit corporation (hereinafter Magnolia Science Academy – Orange County Charter School and Magnolia Education & Research Foundation, are collectively and interchangeably referred to as the “Charter School”) as of the later of the date upon which it is approved by the governing boards of the District and the Charter School or the date upon which it is fully executed by the duly authorized representatives of the parties (the “Effective Date”). The District and Charter School are collectively referred to as “the Parties.”

RECITALS

WHEREAS, Charter School received approval of its Petition and Charter (“Charter”) from the Orange County Department of Education;

WHEREAS, Magnolia Science Academy – Orange County Charter School is operated and governed by Magnolia Education & Research Foundation. Throughout this Agreement and any appendices or exhibits hereto, any and all references to Magnolia Science Academy – Orange County Charter School, Magnolia Education & Research Foundation, and/or the Charter School, by any name or designation, shall apply with full force and effect to the school itself and the nonprofit corporation, to the extent that they are separate entities, and for all purposes related to this Agreement, both the school and the corporation shall be fully obligated to comply with and be responsible and liable for Charter School’s obligations, duties, and responsibilities pursuant to this Agreement;

WHEREAS, on or about November 1, 2024, the Charter School submitted to the District a request for facilities (the “Proposition 39 Request”) under the provisions of Education Code Section 47614 and its implementing regulations set forth in Title 5 of the California Code of Regulations (“5 C.C.R.”) Section 11969.1 *et seq.* (collectively “Proposition 39”) for the 2025-2026 school year;

WHEREAS, the District and Charter School desire to enter into this Agreement in lieu of complying with Proposition 39 procedures and requirements;

WHEREAS, the Parties agree Charter School will occupy a portion of the District’s Esperanza Site, located at 1830 Kellogg Dr, Anaheim, California 92807 (“Esperanza Site” shall refer to the total site, “Subject Property” shall refer to that portion to be used by the Charter School and includes teaching stations, specialized classroom space, and non-teaching station space; and “Shared Space” shall refer to that portion within the Esperanza Site offered to the Charter School for shared use), as marked and depicted in Exhibit “A” hereto and incorporated herein by this reference, for the 2025-2026 academic year, pursuant to the conditions set forth below;

WHEREAS, assuming Charter School's request meets the statutory requirements of Government Code Section 53094, the District agrees to subsequently consider and take action to approve Charter School's request for a zoning exemption related to a specific non-District property within the District's boundaries in advance of Charter School's 2026-2027 school year;

WHEREAS, the Parties desire to set forth the terms and conditions herein, pursuant to which the Charter School will occupy and use facilities at the Esperanza Site for the 2025-2026 school year and potentially 2026-2027 school year, and Charter School's right to request and/or use District facilities for the term (as defined below) of this Agreement.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Parties agree as follows:

1. Use of the Subject Property. District agrees to allow Charter School use of the Subject Property, for the sole purpose of operating the Charter School educational program as set forth in the Charter, which shall also include Charter School's Saturday School held between 8 a.m. and 1 p.m. and other special events throughout the school year, and associated uses such as after-school programs. Charter School's right to use of the Subject Property shall be for the 2025-2026 school year, beginning on August 1, 2025, and shall conclude on June 30, 2026. All maintenance and operations services to be provided by the District under this Agreement shall be provided subject to regularly scheduled District working hours. Charter School hereby acknowledges and agrees that it is in the process of acquiring a non-District private facility within the District's boundaries. If, by May 1, 2026, Charter School notifies the District in writing pursuant to Section 18, that it needs additional time at the Subject Property, the District agrees to allow Charter School continued use of the Subject Property, for the entirety of the 2026-2027 school year subject to the same terms and conditions of this Agreement, with the exception of an updated calculation to the fees being charged to Charter School pursuant to 5 CCR Section 11969.7.

A. Term. The term of this Agreement shall commence upon the Effective Date and shall expire and terminate on June 30, 2035 ("Term"), unless terminated earlier per the terms of this Agreement.

B. Reversion of Subject Property to District. Unless terminated earlier or extended as permitted per the terms of this Agreement, on July 1, 2026, the right to use and occupation of the Subject Property and the facilities and District equipment thereon, if any, shall revert to the District. Unless terminated earlier or extended as permitted per the terms of this Agreement, as of July 1, 2026, the District shall recoup the full rights and benefits of its ownership of the Subject Property, including, but not limited to, use of such Subject Property for District programs and services.

C. District Consideration and Action to Approve Charter School Requested Zoning Exemption. Charter School hereby acknowledges and agrees that it will be seeking to acquire non-District private facilities within the District's boundaries to house its entire educational program for the 2026-2027 school year and beyond. Pursuant to this understanding, assuming Charter School's non - District site meets all statutory requirements of Government Code Section 53094, the District agrees to consider and take action to approve Charter School's request for a zoning exemption of a non-District facility within District boundaries upon sixty (60) days of receipt of such request from Charter School. The District's failure to take such action because of Charter School's failure to find and/or locate a non-

District facility in advance of its 2026-2027 school year shall not be considered a default of the District's obligations and/or responsibilities under this Agreement. Upon the Effective Date of this Agreement, Charter School shall provide quarterly updates to the District regarding its efforts to find and/or locate a non-District facility. If the Charter School fails to find and/or locate a non-District facility that the Charter School determines in its reasonable discretion is financially feasible, suitable for occupancy, able to be improved and permitted by the start of the 2027-28 school year, and/or acceptable to Charter School for any other factors reasonably considered by Charter School by October 31, 2026 (or a later date if subsequently agreed to by both the District Superintendent or designee and the Charter School), and/or District does not approve a zoning exemption by such date, Charter School shall have the right to terminate this Agreement upon providing written notice pursuant to Section 18.

D. Civic Center Act. Except as otherwise stated in this Agreement, after 6:30 pm during the week and all day on weekends and holidays, the Subject Property shall be subject to use by the public pursuant to the Civic Center Act (Education Code Section 38131 *et seq.*) and/or any joint use or recreational program use that has been deemed appropriate by the District. Charter School and District shall meet prior to the beginning of each semester to schedule Charter School activities directly related to the Charter School's educational program (such as back to school nights, board meetings, school plays, and similar) during the times otherwise subject to use pursuant to the Civic Center Act or other use deemed appropriate by the District. For any use not scheduled at the beginning of the semester, or for any use not directly related to the Charter School's educational program, as provided for in the Charter, Charter School must submit a facilities request through the District's online system. The Charter School shall not pay any additional costs for its use of the Subject Property related to its program as contemplated by its Charter pursuant to this process. Civic Center Act use requests, for use of the Subject Property by users other than Charter School, shall be evaluated and handled by the District, but coordinated with the Charter School as appropriate. The District will consult with Charter School prior to scheduling any Civic Center Act use of space allocated to Charter School's exclusive use and shall ensure that no uses are scheduled when the Charter School has, either at the meeting at the beginning of the semester or through the District's online system, already scheduled and been approved for use of the requested space (which approval shall be granted unless the space has already been reserved through the Civic Center Act). Charter School shall direct all Civic Center Act requests for use of the Subject Property to the District's Director, Use of Facilities, Paul Juarez, who can be contacted at (714) 985-8745 and pjuarez@pylud.org. All proceeds derived from the use of the Subject Property pursuant to the Civic Center Act or as otherwise provided for in this Section 1.D shall be the property of the District and the District shall be responsible for cleaning and repairing the Subject Property after each Civic Center Act use.

E. Drill Notice. In the event that Charter School conducts a fire, earthquake, or other emergency drill, Charter School shall provide District with reasonable prior notice of the time and nature of the drill and confirm that a District representative is aware of the time and nature of said drill.

F. Security/Safety Notification. In the event either Party becomes aware of an emergency situation (including, but not limited to, a threat posed by an intruder and/or an emergency situation that requires institution of a lockdown) occurring on the Subject Property and/or the Esperanza Site, the Party shall immediately notify the other Party. Prior to the Charter School occupying the Subject Property, the Parties shall exchange contact information to be used for the purposes of such notification.

G. Full and Complete Satisfaction. Charter School agrees this Agreement constitutes full and complete satisfaction of any obligation of the District to provide facilities, including furnishings and equipment, to Charter School under Education Code Section 47614 and the Proposition 39 regulations, and/or any successor laws and/or regulations for the 2025-2026 school year and/or any extension for the 2026-27 school year if requested by Charter School under the provisions set forth in this Agreement. Charter School agrees that by accepting this Agreement it certifies that the District has fully and completely satisfied any obligation of the District to provide facilities, including furnishings and equipment, to the Charter School under Proposition 39 or successor provisions for the 2025-2026 school year and/or any extension for the 2026-27 school year if requested by Charter School under the provisions set forth in this Agreement. The Charter School waives and forever releases the District from any claim that the Charter School, or any successor entity, may have against the District regarding any allegation that the District has taken action to impede the Charter School from expanding its enrollment to meet pupil demand for the 2025-2026 school year and/or any extension for the 2026-27 school year requested by Charter School under the provisions set forth in this Agreement. Furthermore, the Charter School waives any rights it may have to object subsequently to the District's perceived failure to offer facilities, including furnishings and equipment, in accordance with applicable law and waives any rights it may have to challenge those aspects of the District's offer of facilities and/or offer in-lieu of facilities, including furnishings and equipment, that the Charter School believes violate the substantive or procedural requirements of Proposition 39 and its implementing regulations or successor provisions for the 2025-2026 school year and/or any extension for the 2026-27 school year if requested by Charter School under the provisions set forth in this Agreement. The Charter School shall not be entitled to additional or alternative facilities from the District pursuant to Proposition 39 or any successor statute, regulation, or other provision of law for the 2025-2026 school year, and/or any extension for the 2026-27 school year if requested by Charter School under the provisions set forth in this Agreement, irrespective of the Charter School's in-District student enrollment or whether Charter School has enrollment growth.

Effective upon the District's final approval of the zoning exemption as specified in this Agreement, and the running of all applicable statutes of limitations to challenge the zoning exemption, as well as the expiration of the statute of limitations for any challenges under CEQA for the CEQA process undertaken by the Charter School, without the filing of a challenge, or if a challenge is filed, upon the entry of any final judgment upholding the zoning exemption and/or the CEQA process, it shall be deemed that the District has made full and complete satisfaction of any obligation of the District to provide facilities, including furnishings and equipment, to Charter School under Education Code Section 47614 and the Proposition 39 regulations, and/or any successor laws and/or regulations for the Term of this Agreement, regardless of the Charter School's in-District enrollment or average daily attendance. Only in the event this Agreement expires or is terminated in accordance with the requirements hereof, and subject to, and in accordance with the terms of Section 1.G.i. herein, is the Charter School's waiver of Proposition 39 voided and the Charter School may request facilities from the District under Proposition 39 or successor statute for any subsequent school year after the termination.

i. Should this Agreement terminate prior to June 30, 2035, the Charter School shall have no right to District facilities other than as provided for in Proposition 39 or any successor or applicable provisions of law. If the Charter School desires to use District facilities the Charter School may submit a facilities request and pursue such facilities in accordance with the requirements of Proposition 39 or successor provision unless the Parties agree otherwise in writing prior to the deadline for submitting

such a Proposition 39 facilities request; given the necessity of complying with the Proposition 39 timelines, notwithstanding anything herein to the contrary, the Charter School may submit a timely Proposition 39 request prior to the termination of this Agreement for an allocation of facilities in the subsequent school year.

H. Negotiated Agreement. Charter School acknowledges and understands that this is a negotiated agreement between the Parties exclusively for the Term of this Agreement, including the amount and type of space, furnishings, and equipment being provided for Charter School's use. Nothing in this Agreement shall serve as a precedent, shall indicate that the amount and type of space and equipment being provided for Charter School's use is necessary or required for Charter School's in-District or total enrollment, and/or shall be used as evidence of Charter School's needs or entitlement to space pursuant to the formal application of Proposition 39 including its Implementing Regulations. Nor shall anything in this Agreement entitle Charter School and/or obligate the District in the future to provide facilities and/or equipment to accommodate out-of-District students who may enroll in the Charter School.

I. District and Esperanza References. Under no circumstances may the Charter School or any of its board members, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors and/or assigns obscure, remove, paint over, permanently conceal or otherwise alter in any way any sign, decal, mural, mascot or other reference, including but not limited to references to "Esperanza," "Placentia-Yorba Linda Unified School District" and/or any other District, City or third-party program on the Subject Property ("Esperanza /District Reference"). Charter School must specifically communicate this to its on-site staff. In the event that any Esperanza /District Reference is damaged or obscured in any way during the Charter School's use of the Subject Property by Charter School or its board members, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors, and/or assigns, Charter School shall be responsible for all costs associated with the full restoration of the Esperanza /District Reference.

J. Signs and Murals. Charter School shall not have the right to place, construct, or maintain any sign, advertisement, awning, banner, mural or other external decorations on the improvements that are a part of the Subject Property without District's prior written consent, which shall not be unreasonably withheld or delayed, but may be reasonably conditioned. Subject to District's approval as described herein, and subject to any other applicable laws or regulations, the Charter School at its sole cost, may install signage customarily used by other schools in the District at the Subject Property, as well as wayfinding signage on the Esperanza Site for Charter School pick-up, drop-off, events and safety. Upon vacating the Subject Property, Charter School shall remove any and all signage placed on the Subject Property and/or the Esperanza Site and restore the Subject Property and/or Esperanza Site to its original condition.

K. Allocation of Facilities. The allocation of classrooms and space at the Subject Property is based upon an assumption of 120 TK-2 students in 2025-26 and 120 TK-3 students in 2026-27 (if the Charter School extends its use of the Subject Property as provided for in this Agreement) for in-person instruction at the Subject for the Term of the Agreement. Upon request from the District, the Charter School will report actual ADA that the Charter School reports for apportionment purposes. Such requested reports must include, and separately designate, in-District and total ADA and in-District and total classroom ADA. Additionally, the District may request backup documentation confirming in-District ADA in a manner that is reasonably acceptable to the District at any time, including, but not

limited to, copies of the documentation used by the Charter School to establish each student's residency within the District but shall not request documentation that creates an unreasonable burden on Charter School families.

L. Early Termination. This Agreement shall terminate prior to June 30, 2030, for any of the reasons stated in this Agreement, and/or the revocation or expiration for any reason of Charter School's Charter, except that in the case of a revocation or non-renewal of the Charter School's Charter, this Agreement shall not terminate until the Charter School has exhausted all of its statutory rights to appeal said revocation or non-renewal, has failed to timely appeal such revocation or non-renewal, or the term of this Agreement expires, whichever occurs first.

2. Fees. The Parties agree that the Charter School's pro rata share of cost for the Subject Property ("Pro Rata Share") is Ten Dollars and Ninety-Five Cents (\$10.95) per square foot for the 2025-2026 school year. The Parties agree that the total square footage subject to this Agreement is Seven Thousand Four Hundred Ninety-Nine (7,499) square feet for the 2025-2026 school year. The total annual cost for use of the Subject Property will be calculated at Ten Dollars and Ninety-Five Cents per square foot for a total of Seven Thousand Four Hundred Ninety-Nine (7,499) square feet equals a total of Eighty-Two Thousand One Hundred Fourteen Dollars and Five Cents (\$82,114.05). Charter School Shall be charged and make payment to the District at the monthly rate of Seven Thousand Four Hundred Sixty-Four Dollars and Ninety-One Cents (\$7,464.91), which is one-eleventh of the total annual fee ("Monthly Fee") for the 2025-2026 school year. The Pro Rata Share is inclusive of all utility costs (excluding telephone and internet services), custodial services, groundskeeping services, and all routine and major maintenance for which the District is responsible pursuant to this Agreement. Charter School must make payment of the Monthly Fee by 4:30 p.m. of the fifth (5th) calendar day of the month. Late payments shall be subject to a four percent (4%) late fee though this late payment penalty does not excuse the late payment nor indicate that such late payment is not a breach of Charter School's obligations hereunder. The District may deduct any late payments (including the late fee) from any revenues of the Charter School that are passed through the District and from the Charter School's in lieu of property tax payments from the District. In the event the Charter School's payment is a month or more late, or should the Charter School have three or more late payments in a fiscal year, the Charter School will be considered in breach of this Agreement and the District may terminate the Agreement, including any use of the Subject Property by the Charter School by providing 10 days' written notice. As specified above, the provisions of Section 1.G shall survive any such termination for such breach and Charter School may not request District facilities pursuant to Proposition 39 for any period that would have been within the Term of this Agreement.

3. Internet and Telephone Services. Charter School shall obtain its own telephone and internet service provider but may use the internet and telephone infrastructure existing at the Subject Property, but the District makes no representations about the quality or suitability of existing internet and telephone infrastructure. Charter School shall assume sole responsibility for obtaining, upkeep, and maintenance of all Charter School telephone systems, internet service and access, data lines, content filters and firewalls, computer usage and use/access policies, and related equipment, software and hardware.

To support Charter School's technology needs, the District shall provide timely physical access to all existing terminations, panels, and communication equipment rooms necessary to complete

internet and telephone installation and setup. This includes access to existing cabling routes, switch closets, MDF/IDF rooms, and any other applicable service points within the Subject Property.

The District shall coordinate with Charter School's IT vendor to enable installation during the summer setup period (prior to the 2025–2026 school year) and will not unreasonably withhold access that could delay timely connection or configuration.

All installed cabling, switches, and related equipment added by the Charter School shall be the sole responsibility of the Charter School to maintain, configure, and service. Charter School shall assume sole responsibility for obtaining, upkeep, and maintenance of all Charter School telephone systems, internet service and access, data lines, content filters and firewalls, computer usage and access policies, and related equipment, software, and hardware.

Upon expiration or termination of the Agreement, Charter School shall remove its equipment and restore any modified infrastructure to its original condition, including the safe removal of cabling and patching of access points, unless otherwise agreed in writing by the District.

The District will zone the currently existing Public Address (PA) system at the Esperanza Site to the Subject Property for real-time announcements for Charter School. The PA system can also be used for lockdown notifications and schedule and emergency signaling.

The District shall ensure that the PA system and above-referenced capabilities fully covers the Subject Property assigned for Charter School exclusive use and integrates into the District's broader emergency notification framework, where applicable. The District shall complete installation, operational testing, and basic staff training on PA system operation no later than Charter School's first day of instruction for the 2025–2026 school year.

To maintain secure ingress and egress control for the Charter School's assigned facilities, the District shall:

- Maintain existing surveillance cameras and give permission to Charter School install systems to monitor Charter School-designated entry points, exits, and outdoor activity areas.

Charter School shall be granted appropriate access permissions and operational control interfaces (such as codes, fob access, camera system access, and alarm notifications) necessary to monitor and supervise their areas safely and effectively during all operating hours.

All district installed systems shall remain District property and shall be maintained by the District unless otherwise mutually agreed in writing. Upon expiration or termination of the Agreement, District shall retain ownership and operational responsibility for all security infrastructure installed.

4. Taxes. Charter School shall be responsible for all taxes associated with its use of the Subject Property. In the event possessory interest taxes are assessed, Charter School shall be solely responsible for the payment of all Charter School's possessory interest taxes, if any, during the term of the Agreement. Pursuant to Section 107.6 of the California Revenue and Taxation Code, District hereby notifies Charter School that: (i) the Subject Property is subject to possessory interest taxes, and that such taxes shall be paid by Charter School; and (ii) Charter School may be subject to the payment of property taxes levied on the possessory interest obtained by Charter School. The Parties

acknowledge that during the term of this Agreement, Charter School shall be solely responsible for any and all possessory interest taxes and related charges and expenses (collectively, “Possessory Interest Taxes”) imposed with respect to the Subject Property, and shall indemnify, defend and hold harmless District against all possessory interest taxes. This statement is intended to comply with Section 107.6 of the Revenue and Taxation Code.

5. Maintenance. Facilities provided to the Charter School shall remain the property of the District. At its sole expense, Charter School shall be responsible for all equipment or technology purchased by the Charter School.

The ongoing operations and maintenance of the facilities, including major maintenance and any items that would previously have been considered deferred maintenance under Education Code Section 17582, shall be the responsibility of the District. This includes fire alarm, HVAC, mobile maintenance, electrical, plumbing, roofing, exterior and interior painting, and floor systems, which maintenance and repairs shall be consistent with the standards and schedules at other District school sites. The District shall also provide custodial and groundskeeping services. The Subject Property will be maintained and receive groundskeeping services in a similar manner and pursuant to a similar schedule as other District school sites. Charter School and District shall meet prior to the beginning of the school year to discuss the groundskeeping services that the District will provide. In the event that the Charter School believes that maintenance and/or repairs are needed, Charter School must follow the procedures to request maintenance/repairs as required by the District, including the procedures for obtaining emergency work, which is of such importance that immediate action is required to prevent a safety or health hazard, or prevent significant damage to District property. The District shall determine, consistent with the District’s policies and standards applicable at other District school sites, whether and how such maintenance and/or repairs shall be performed. Charter School shall not undertake and/or engage in any maintenance, repairs, and/or, groundskeeping (including but not limited to tree trimming/removal) beyond ordinary custodial services.

Notwithstanding the District’s maintenance obligations, Charter School shall be responsible for the cost of and shall pay for any repairs, replacements, or services of any character whatsoever that are occasioned or are made necessary by reason of the Charter School’s negligence or misuse of the Subject Property or otherwise caused by Charter School’s use of the Subject Property beyond ordinary wear and tear. Charter School shall immediately notify the District in the event repairs, replacements, or services of any character whatsoever are necessary, including when caused by reason of the Charter School’s negligence or misuse of the Subject Property.

The District reserves the right to implement a different process and/or procedure for submission of maintenance/repair requests, in which case it will provide notice to the Charter School of the changes to the process. The District will need to access the Subject Property during normal District hours of operation, which may coincide with Charter School’s hours of operation, in order to perform maintenance and repairs. District staff shall be allowed to access the Subject Property during Charter School’s hours of operation, provided that such entries do not unreasonably interfere with the operation of the Charter School or unreasonably interrupt instruction to students.

6. Installation of Improvements by Charter School. Charter School shall not construct or install any improvements (as defined in Civil Code 660) on the Subject Property or otherwise alter the Subject Property without the prior written consent of District, and, if required, the Division of the State

Architect (“DSA”). District’s approval of any improvements, including the construction schedule, work hours, and modifications, shall be at District’s sole and absolute discretion, and District may disapprove of such improvements for any or no reason. Notwithstanding the foregoing, the Charter School shall be entitled to install non-permanent furnishings, equipment and materials (specifically picnic tables, portable outdoor furniture, age-appropriate playground and physical education equipment and movable instructional tools for outdoor or flexible space) with the District’s consent, which will not be unreasonably withheld, conditioned or delayed. Unless otherwise specified in this Agreement, in each case in which prior written consent of the District is required under this Section 6 or any other provision of this Agreement, such consent shall be obtained exclusively from the District’s Superintendent or designated representative, and consent obtained from any other source shall be invalid. Contractors retained by Charter School with respect to the construction or installation of improvements shall be fully licensed and bonded as required by law and must maintain levels of casualty, liability and workers’ compensation insurance and performance and payment bonds consistent with District construction requirements for similar or like projects. The construction or installation of improvements shall be performed in a sound and workmanlike manner, in compliance with all applicable laws, including, but not limited to, building codes, fingerprinting requirements, and prevailing wage laws, if prevailing wage requirements are applicable to the project. District or District’s agent shall have a continuing right at all times during the period that improvements are being constructed or installed to enter the premises and to inspect the work. Charter School shall indemnify, defend, and hold harmless District, its directors, officers, and employees from any loss, damage, claim, cause of action, cost, expense, or liability arising out of or caused by any violation by the Charter School or its directors, officers, employees, or contractors of any applicable federal, state, or local statute, ordinance, order, governmental requirement, law, or regulation that applies to any work, including, without limitation, any labor laws and/or regulations requiring that persons performing work on any improvements be paid prevailing wage.

Charter School shall deliver to District, promptly after Charter School’s receipt thereof, originals or, if originals are not available, copies of any and all of the following instruments and documents pertaining to any testing, construction, repair, or replacement of improvements on the Subject Property: (a) plans and specifications for the subject improvements; (b) test results, physical condition and environmental reports and assessments, inspections, and other due diligence materials related to the subject improvements; (c) permits, licenses, certificates of occupancy, and any and all other governmental approvals issued in connection with the subject improvements; (d) agreements and contracts with architects, engineers, and other design professionals executed with respect to the design of the subject improvements; (e) construction contracts and other agreements with consultants, construction managers, general and other contractors, and equipment suppliers pertaining to the construction, repair, or replacement, as the case may be, of the subject improvements; and (f) all guaranties and warranties pertaining to the construction, repair or replacement, as the case may be, of the subject improvements.

Charter School shall not permit any liens or claims to stand against the Subject Property for labor or material furnished in connection with any work performed by Charter School. Upon reasonable and timely notice of any such lien or claim delivered to Charter School by District, Charter School may bond and contest the validity and the amount of such lien, but Charter School shall immediately pay any judgment rendered, shall pay all proper costs and charges, and shall have the lien or claim released at its sole expense. Additionally, Charter School may not use or operate the improvements until the project is closed-out and certified by DSA, if applicable, and/or final approval

is received from any applicable agency. Charter School shall provide evidence of closeout and certification or approval, in a form reasonably acceptable to the District.

7. Provision of Facilities. The facilities to be provided by the District to the Charter School for the Applicable Years are as follows:

A. The District shall provide the Charter School exclusive use of the areas identified in Exhibit “A” as Subject Property specifically: H1, H2, H3, H4, H5, H6, H7, and the student restrooms next to Building C, lunch tables, all which are located on the West Campus of the Property. The District will install fencing at its sole cost and expense around the Subject Property prior to Charter School’s first day of instruction for the 2025-2026 school year.

All restrooms shall comply with the California Building Code for an Educational Occupancy, and the District shall provide appropriately sized toilets and fixtures for the Charter School’s students, including its Transitional Kindergarten and Kindergarten students.

The District will remove all District furnishings and equipment from all classrooms and leave walls empty of District decorations or other signs at least 10 days prior to Charter School’s first day of instruction for the 2025-2026 school year.

The District will install a covered lunch area in the Subject Property for Charter School student meal service and outdoor eating, as well as other outdoor activities.

B. The District and Charter School shall have nonexclusive, shared use of the parking lot and limited use of green space as identified in Exhibit “A” as Shared Space. With respect to the green space on the Subject Property, Charter School’s use shall be subject to and limited by current uses by Esperanza High School and any local community and/or recreational uses and/or programs. Notwithstanding the foregoing, the Charter School shall at a minimum have access to the Shared Space (i.e. green space and blacktop space) identified and marked on Exhibit “A” Monday through Friday from 9-9:20a.m. 11-11:40 a.m., and 1:00 p.m. to 2:00 p.m. In addition, the Charter School shall have access to the Shared Space (i.e. green space and blacktop space north of the fence) for its after-school program Monday through Thursday from 3:00 p.m. to 4:30 p.m.

The Charter School will have daily supervised access via the Glenview Avenue fence for student arrival, dismissal, and staff/family access. The Charter School will manage supervision and coordinate access times consistent with District safety protocols.

C. The Charter School’s use of specific spaces/facilities under this Agreement will remain within the maximum occupancy/capacity limits of the specific spaces within the Subject Property as mandated by all appropriate local and state authorities and building codes.

D. Prior to Charter School taking occupation of and/or use of the Subject Property, Charter School must adopt a School Safety Plan in full compliance with the requirements of Education Code Section 47605(c)(5)(F), and provide the District a copy of the minutes from the Charter School Board meeting at which Charter School’s School Safety Plan was adopted. Charter School shall update the School Safety Plan by annually by March 1, and provide a copy of the agenda by which the Board will take that action on or before March 1 each year. Charter School shall provide the District with a copy

of the minutes from the Charter School Board meeting at which it is updated within one week of the Charter School Board's approval of the minutes.

8. Notice of Damage, Injury, Accident, or Claims. Charter School shall, as soon as reasonably possible, notify the District of any damage, injury, accident, or claim that occurs on the Esperanza Site or Subject Property during Charter School's use. In no event shall Charter School's notice to District be more than 24 hours after the event of damage, injury, accident, or claim. Notice shall be provided in writing in accordance with Section 18 hereof and also via telephone.

9. Security. The Parties acknowledge that the Charter School is responsible for ensuring the security of the Subject Property through security systems and devices, including, but not limited to, any locks, gates, and/or security systems already existing on the Subject Property. Charter School shall at all times use said alarm system in accordance with District standards. Charter School shall be solely responsible for contracting with any security service firm for alarm and monitoring services it may choose to implement for the remainder of the Subject Property. The Charter School is required at all times to maintain the security of the Subject Property including, but not necessarily limited to, by the proper use of all District provided security systems devices. No locks or keys shall be changed without first obtaining approval from the District's Director of Maintenance & Operations. Within five (5) working days after new alarm codes, locks, and/or keys have been changed or added, the Charter School shall provide new alarm codes, locks, and/or keys to the District's Director of Maintenance & Operations. Contact information can be found in the District's maintenance handbook and on the District's website. Under no circumstance is the District responsible for any loss Charter School may suffer at the Subject Property, including, but not limited to, in the multi-use building notwithstanding the use of the District's contracted alarm system. The District is responsible for ensuring the security of the remainder of the Esperanza Site through security systems and devices, including, but not limited to, any existing locks and gates.

10. Conduct of Officers, Employees, Contractors, Volunteers, and Invitees. Charter School and District shall ensure that all of their respective officers, employees, contractors, volunteers, invitees, and all others in attendance for the purposes of or related to each Party's respective use of the Esperanza Site have background and medical clearance as required by law and adhere to proper standards of public conduct and comply with all District policies. There is to be no consumption of intoxicating liquors or other controlled substances, smoking, vaping, gambling, quarreling, fighting, use of profane language, or indecent exposure on or near the Subject Property. In the event the District determines, in its reasonable discretion, that an officer, employee, contractor, volunteer, or invitee of Charter School is failing to adhere to proper standards of public conduct, is in violation of any applicable District Policies and/or Administrative Regulations, and/or is in any way materially disrupting the activities of the District's employees, students, and/or invitees, or other lawful users/occupants of the Esperanza Site, the District reserves the right to remove said individual and/or require Charter School to remove said individual from the District's Esperanza Site. The District shall then identify its specific concerns to the Charter School in writing and meet with the Charter School to discuss its decision to require removal of the individual from the Esperanza Site, in order to identify good faith solutions to the District's concerns. The District may prohibit future access to the Esperanza Site, as allowed by applicable law and consistent with the relevant District policies. The Charter School shall also notify the District of any officer, employee, contractor, volunteer, or invitee of the District that the Charter School determines is failing to adhere to proper standards of public conduct, is in violation of any applicable District Policies and/or Administrative Regulations, and/or is in any way

materially disrupting the activities of the Charter School's employees, students, and/or invitees, or other lawful users/occupants of the Subject Property and/or Esperanza Site. In the event the District determines, in its reasonable discretion, that such individual is failing to adhere to proper standards of public conduct, is in violation of any applicable District Policies and/or Administrative Regulations, and/or is in any way materially disrupting the activities of the Charter School's employees, students, and/or invitees, or other lawful users/occupants of the Subject Property or Esperanza Site, the District shall remove said individual from the Subject Property and/or Esperanza Site and/or take other appropriate actions to resolve the interference or disruption. The Charter School shall then identify its specific concerns to the District in writing and meet with the District to discuss its decision to seek removal of the individual from the Esperanza, in order to identify good faith solutions to the Charter School's concerns. The Parties agree that it is the intent of this provision to protect the health and safety of both District and Charter School students, and any other students who may use the Esperanza Site, and that the Parties will work together to identify solutions that achieve this goal.

11. Condition of Subject Property. The District is not aware of any defect in or condition of the Subject Property that would prevent its use for the Charter School's purposes. The District has not received any notice of violation of statute, ordinance, regulation, order, or holding from any state or federal agency with jurisdiction over the Subject Property that calls into question the appropriateness or sufficiency of the Subject Property for the intended purpose. The District, at its expense, shall comply with all applicable laws with respect to its use and/or occupancy of the Subject Property during the Term of this Agreement. Charter School, at its expense, shall comply with all applicable laws, regulations, rules, and orders with respect to its use and occupancy of the Subject Property, including, without limitation, those relating to health, safety, noise, environmental protection, zoning conditions, waste disposal, and water and air quality. The Charter School shall not be responsible for any and all environmental conditions that existed prior to the Charter School's occupancy of the Subject Property, so long as such environmental conditions are not exacerbated by the Charter School's negligence or willful misconduct. The District shall remain responsible for compliance with the Americans with Disabilities Act, the Fair Employment and Housing Act ("FEHA"), and other applicable building code standards for any existing compliance issues prior to the date of execution of this Agreement or that are not triggered by any modifications, improvements, and/or changes in the use of the facilities or Subject Property made by or on behalf of the Charter School. The Charter School shall only assume responsibility for compliance with the Americans with Disabilities Act and FEHA access rights to the extent of any modifications, improvements, and/or changes in the use of the facilities or Subject Property made by or on behalf of the Charter School. Should any modifications, improvements, and/or changes in the use of the facilities or Subject Property made by or on behalf of the Charter School change or affect the character of any existing improvements, Charter School shall be responsible for bringing said existing improvements into compliance with the Americans with Disabilities Act, FEHA, and other applicable building code standards.

The District makes no representation or warranty regarding the condition of the Esperanza Site and/or Subject Property with respect to any public health concern (defined as an officially declared health emergency or outbreak of infectious disease that poses a direct and immediate risk to the health and safety of facility users, as determined by the applicable local, state, or federal public health authority; this term does not include routine seasonal illnesses, general public health advisories, or non-communicable health conditions) and shall not be responsible or liable for any harm or damage related to any public health concern incurred by Charter School or any Charter School official, staff, student, or guest entering the Esperanza Site and/or Subject Property at the invitation/request of, with the

permission of, and/or on behalf of the Charter School, except where caused by the District's gross negligence or willful misconduct. By executing this Agreement, Charter School hereby accepts sole responsibility to take all steps necessary to comply with any law, regulation, or guidance related to its use of the Esperanza Site and/or Subject Property to address any public health concern throughout the term of the Agreement including, but not limited to, implementing mask requirements, social distancing protocols, and providing extra sanitation throughout the Subject Property. Charter School is solely responsible for determining any public health concern laws, regulations, and/or guidelines applicable to its use of the Esperanza Site and/or Subject Property and ensuring compliance throughout the term of the Agreement, which may include temporarily limiting or stopping use of the Esperanza Site and/or Subject Property based on current or future orders by the federal, state, or local government and implementing safety procedures including, but not limited to, requiring face masks, implementing social distancing procedures, conducting "deep cleaning" in high traffic areas, and providing extra sanitary supplies for anyone entering the property. Charter School shall require and ensure that its officers, employees, contractors, volunteers, invitees, and all others in attendance for the purposes of or related to Charter School's use of the Esperanza Site comply with all laws and/or federal, state, or local public health orders, guidance, or requirements relative to any public health concern and/or any other pandemic or public health matter. Charter School shall communicate any public health concern notices in accordance with requirements of Cal/OSHA, Orange County Health Care Agency (OCHCA), and/or California Department of Public Health (CDPH). By entering into this Agreement, District is not making any implied or explicit suggestion or warranty that the Esperanza Site and/or Subject Property is protected from any public health concern or otherwise safe for use.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Esperanza Site and/or Subject Property due to the Charter School's use and/or occupancy thereof, Charter School, at its sole expense, shall be obligated to clean all the property affected, including, if applicable, any properties in the vicinity of the Subject Property, to the satisfaction of District and any governmental agencies having jurisdiction over the Subject Property or any other properties affected by the discharge, leakage, spillage, emission, or pollution. If the Charter School fails to take steps to clean the property(ies) or otherwise fails to comply with any requirements regarding the cleanup, remediation, removal, response, abatement or amelioration of any discharge, leakage, spillage, emission, or pollution of any type, or fails to pay any legal, investigative, and/or monitoring costs, penalties, fines, and/or disbursements, the District reserves the right to take over the required action and to take all necessary steps to recoup any and all costs associated therewith from the Charter School, which shall remain a liability of Charter School until paid in full.

Upon termination or expiration of the Agreement, Charter School shall return the Subject Property and any then-existing improvements to the District in clean, good order, condition, and repair, ordinary wear and tear excepted, free and clear of all liens, claims, and encumbrances. Charter School shall remove from the Subject Property all of Charter School's personal property and trade fixtures. All property not so removed shall be deemed abandoned by Charter School and Charter School shall be responsible for any costs incurred by the District for the removal of such abandoned property.

12. Title to Subject Property. The Parties acknowledge that title to the Subject Property is held by the District and shall remain in the District's name at all times.

13. Insurance. The District will maintain its current levels of insurance on the structures on the Subject Property. Parties agree that self-insurance through a Joint Powers Authority shall satisfy

District's obligations under this Section 13. District shall not be responsible for insuring any of the Charter School's personal property or persons (including without limitation students or members of staff). Charter School shall procure and maintain, for the duration of this Agreement, insurance coverage as set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, with insurance carriers that are admitted or authorized non-admitted insurers by the State of California and with a rating equivalent to an A:VII by A.M. Best Company. The insurance and/or coverage required by this Agreement shall be endorsed to name the District, the District Board and Board members, the Superintendent, District officers, committees, boards, and administrators, employees, agents, representatives, volunteers, successors, and assigns as additional insureds. The District must be listed as the certificate holder. The policy number/s on the certificates of insurance must match those on the endorsements. Charter School may use a self-insurance and/or joint powers authority mechanism to meet the described insurance requirements.

Each policy or memorandum of coverage required to be maintained by Charter School above shall be endorsed to provide that thirty (30) days' prior written notice of suspension, recession, voiding, exhaustion, cancellation, non-renewal, or change in coverage, scope, or amount of any policy be given to the District by the insurer and Charter School by U.S. Mail, certified, or by personal delivery, and if Charter School's insurance company does not provide notice of cancellation to additional insureds, Charter School shall provide the District with notice of cancellation no more than three (3) business days after it receives any such notice from its insurance company, and to establish that coverage for anything other than structures is primary and that any insurance or self-insurance held by the District, its officials, employees, and agents shall be excess and shall not contribute to it. The District's property insurance shall be primary. Upon receipt of notice that any policy of insurance or memorandum of coverage required by the foregoing provisions of this Agreement will be suspended, exhausted, rescinded, voided, canceled, reduced in coverage or in limits, or non-renewed, or materially changed for any reason, the Parties will discuss the Charter School's plan to ensure its ongoing compliance with its insurance obligations as set forth in this Agreement, and Charter School shall provide proof of such coverage prior to the date on which the coverage was to be changed. If, for any reason at any time any policy of insurance or memorandum of coverage required by the provisions of this Agreement is suspended, rescinded, voided, exhausted, terminated, canceled, significantly reduced in coverage or in limits, non-renewed, or materially changed for any reason, the Charter School shall suspend operations at the Subject Property until such policy of insurance and/or memorandum of coverage is restored, which Charter School shall restore within seven (7) business days. The District reserves the right to terminate this Agreement, by providing written notice of termination, which shall be effective upon providing notice pursuant to Section 18, should Charter School fail to restore and/or provide the insurance or memorandum of coverage required by this Agreement within said seven (7) business days.

District's insurance shall be primary for claims for damage to the Subject Property's physical structures caused by the actions of third parties, except to the extent that the third party's actions arose as a result of the negligence, intentional disregard, or malfeasance of the Charter School or the third parties were present at the Subject Property at the invitation of Charter School, on behalf of Charter School, or related to Charter School's use of the Subject Property.

All rights of subrogation against the District for injury (including death), damage or loss arising from performance or nonperformance of the District pertaining to this Contract are waived. Waiver of subrogation to be provided.

Any waiver or modification of these insurance requirements can only be made with the prior written approval of the District's Superintendent or their designee.

The coverage and limits required hereunder shall not in any way limit the liability of the Charter School nor are the insurance requirements herein intended to represent adequate or sufficient coverage for the Charter School's risks hereunder.

By no later than June 1, 2025, and by July 1 and January 2 annually thereafter, and at any other time a request is made by the District for such documents, Charter School shall provide District with duplicate originals and endorsements of each policy of insurance and/or each memorandum of coverage required by the foregoing provisions of this Agreement, including all declarations, forms, and endorsements. This documentation shall be received and **approved in writing** by the District at least fifteen (15) days prior July 1, 2025, and at least fifteen (15) days prior to the expiration/renewal date of each policy/memorandum of coverage, and at any other time that a policy of insurance and/or memorandum of coverage is changed. Should the Charter School fail to timely provide and obtain approval of the required proof of insurance prior to the commencement of the Term of this Agreement or prior to the expiration/renewal date or at any other time that a policy of insurance and/or memorandum of coverage is changed, Charter School shall suspend operations at the Subject Property until such proof has been submitted to and approved in writing by the District. The duplicate originals and original endorsements required by this provision shall be signed by a person authorized by the insurer and/or joint powers authority to bind coverage on its behalf. The procuring of such insurance and/or coverage or the delivery of duplicate originals and endorsements evidencing the same shall in no way be construed as a limitation of the obligation(s) of the Charter School to defend, indemnify, and hold harmless the District, the District Board and Board members, the Superintendent, District officers, District appointed groups, committees, boards, and any other District appointed body, and administrators, employees and attorneys, agents, representatives, volunteers, successors, and assigns.

14. **Indemnification.** With the exception of any liability, claims, or damages caused by the gross negligence or willful misconduct of the District, the Charter School shall indemnify, hold harmless, and defend the District, its trustees, officers, employees, and agents against and from any and all claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions, and costs, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against the District, its trustees, officers, employees, and agents, that may be asserted or claimed by any person, firm, or entity for any injury, death, or damage to any person or property occurring in, on, or about the Esperanza Site and/or Subject Property after the Charter School's occupancy of the Subject Property, arising from, or in connection with, the Charter School's use of the Esperanza Site and/or Subject Property or from the conduct of its business, including conduct of its board of directors, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors, and/or assigns or from any activity, work, or other things done, permitted or suffered by Charter School in or about the Esperanza Site and/or Subject Property. Charter School's obligation to defend the District and the other indemnitees identified herein is not contingent upon there being an acknowledgement or determination of the merit of any claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions, and/or costs. The Charter School shall also defend, indemnify and hold harmless District and its Board, employees, and agents from any harm, claim, liability, or damage arising out of, caused by, or from any person claiming to have contracted, or demonstrating contraction of, any public health concern, or any related sickness or ailment as the result of entering the Esperanza Site and/or Subject

Property at the invitation/request of, with the permission of, and/or on behalf of the Charter School, and/or related to Charter School's operations at the Subject Property, and any claimed violation of any rule, regulation, or guidance related to any public health concern arising from the Charter School's use of the Esperanza Site and/or Subject Property.

With the exception of any liability, claims, or damages caused by the gross negligence or willful misconduct of the Charter School, the District shall indemnify, hold harmless, and defend the Charter School, its trustees, officers, employees and agents against and from any and all claims, demands, actions, causes of action, suits, losses, liability, expenses, penalties, obligations, errors, omissions, and costs, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against the Charter School, its trustees, officers, employees, and agents, that may be asserted or claimed by any person, firm, or entity for any injury, death, or damage to any person or property occurring in, on, or about the Subject Property after the Effective Date, arising from the District's failure to maintain, repair, or keep in good repair the Subject Property, or in connection with, the District's use of the Subject Property, including conduct of its board of trustees, administrators, employees, agents, representatives, volunteers, subcontractors, invitees, successors, and/or assigns or from any activity, work, or other things done, permitted, or suffered by District in or about the Esperanza Site and/or Subject Property.

This Section 14 shall survive the termination or expiration of this Agreement.

15. Damage and Destruction of Facilities.

A. Damage Caused by Charter School. If the Subject Property is damaged by any casualty the cause of which is the gross negligence of the Charter School, its officers, employees, agents, contractors, volunteers, students, or invitees the Charter School shall be solely responsible for all costs for the repair or replacement of the Subject Property, including all improvements, equipment, and furnishings. Such repair/replacement shall be completed by the District and/or its contractors at the Charter School's expense. The Charter School shall continue to have access to any undamaged/usable portion of the Subject Property pursuant to the terms of this Agreement during the period of repair/replacement. This Agreement shall continue in full force and effect including the provisions of Section 1.G, except that Charter School shall be entitled to proportionate reduction of all fees and payments while such restoration takes place, such proportionate reduction to be based upon the extent to which the restoration efforts interfere with Charter School's business on the Subject Property.

If the Subject Property is totally destroyed (defined as the destruction of more than forty percent (40%) of the usable classroom space) the cause of which destruction is the gross negligence of the Charter School, its officers, employees, agents, contractors, volunteers, students, or invitees, or if the Subject Property cannot be restored pursuant to the preceding paragraph within one hundred twenty (120) schooldays after the commencement of the work in the opinion of a registered architect or engineer approved by District, notwithstanding the availability of Charter School's insurance proceeds, then this Agreement may be terminated effective the date of the damage, but the provisions of Section 1.G shall survive any such termination and Charter School shall not be entitled to any District facilities pursuant to Proposition 39 during any period that would have remained in the Term of this Agreement.

B. Partial Damage. If the Subject Property is damaged by any casualty that is covered by applicable insurance, the cause of which casualty is not the gross negligence of the Charter School, its officers, employees, agents, contractors, volunteers, students, or invitees and the Charter School still has access to at least sixty percent (60%) of the usable classroom space, then the Subject Property shall be restored provided insurance proceeds are available to pay for the cost of restoration, and provided such restoration can be completed within one hundred twenty (120) schooldays after the commencement of the work in the opinion of a registered architect or engineer approved by District. In such event, this Agreement shall continue in full force and effect, except that Charter School shall be entitled to proportionate reduction of all fees and payments while such restoration takes place, such proportionate reduction to be based upon the extent to which the restoration efforts interfere with Charter School's business on the Subject Property. The District will use best efforts to provide the Charter School temporary housing to accommodate Charter School's 120 TK-2 students, taking into account the overall impact on District facilities and needs of District and Charter School students, as soon as possible on the Subject Property or another school site for any part of the Charter School program that is displaced by the partial damage and/or the repair work at the Subject Property, subject to and contingent upon the Parties entering into a subsequent agreement governing Charter School's use of any alternative District facilities. If the cause of such casualty causing partial damage is not the negligence or intentional act of the District, or its officers, employees, contractors, agents, volunteers, students, or invitees, but is caused by a third party or by act of God, both the District and the Charter School shall tender the cost of restoring the Subject Property to their respective insurance carriers, and the proceeds of any coverage shall be contributed to the costs of the repair.

C. Total Destruction. If the Subject Property is totally destroyed (defined as the destruction of more than forty percent (40%) of the usable classroom space) the cause of which destruction is not the gross negligence of the Charter School, its officers, employees, agents, contractors, volunteers, students, or invitees or the Subject Property cannot be restored as required by Section 15.B, notwithstanding the availability of insurance proceeds, then this Agreement may be terminated effective the date of the damage. The District will use best efforts to provide Charter School with a school facility or facilities sufficient to accommodate Charter School's 120 TK-2 students, taking into account the overall impact on District facilities and needs of District and Charter School students, as soon as possible after the effective date of the damage to limit any interruption in Charter School's educational program, subject to, and contingent upon the Parties entering into a subsequent agreement governing Charter School's use of any alternative District facilities. If the cause of such total destruction is not the negligence or intentional act of the District, or its officers, employees, contractors, agents, volunteers, students, or invitees, but is caused by a third party or by act of God, both the District and the Charter School shall tender the cost of restoring the Subject Property to their respective insurance carriers, and the proceeds of any coverage shall be contributed to the District towards compensation for the destruction.

16. Cooperation to Address Any Traffic Concerns. Charter School agrees to cooperate with District, the City of Anaheim, and the neighborhood surrounding the Subject Property, to address concerns that may arise regarding traffic near the Subject Property during student drop-off and pick-up times during the school day, brought about by operations of the Charter School. Charter School will monitor traffic conditions surrounding the Subject Property and will be proactive in taking steps to maximize safety and minimize any congestion affecting the surrounding community. Uses

contemplated under this Agreement will remain within the maximum occupancy/capacity limits of the specific spaces within the Subject Property as mandated by all appropriate local and state authorities and building codes. Charter School administration and staff shall park first in the designated parking spaces within the Subject Property rather than in the surrounding neighborhood.

17. Force Majeure. In the event the District determines there are unsafe and/or dangerous conditions that pose a threat to life or property due to causes beyond its reasonable control, including but not limited to fires, flood, storm, explosions, earthquakes, telecommunications outages, acts of God, war, governmental action, pandemics, and epidemics (“Force Majeure Events”), District shall notify Charter School of its determination within five (5) business days. Charter School and District shall agree to meet within two (2) business days to discuss next steps regarding use and/or operation of the Subject Property. In the event District and Charter School mutually agree to a Force Majeure Event closing of the Subject Property, the District shall not be deemed in default of any provision of this Agreement, as long as the District’s nonperformance is caused by a Force Majeure Event. The Charter School shall not be obligated to pay any usage fee or other costs during the time that the Subject Property is closed due to a Force Majeure Event. However, should the Charter School voluntarily choose (meaning not mandated by law and/or the condition of the Subject Property) not to use the Subject Property during a Force Majeure Event, the Charter School shall continue to remain obligated to pay any usage fee and/or other costs required under this Agreement. Once District and Charter School mutually agree to reopen the Subject Property, the terms and conditions of this Agreement shall reinstate and apply in full force and effect, but such event shall not serve to extend the Term of this Agreement.

18. Notice. Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and personally delivered or either deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or sent via email, addressed as follows, unless otherwise explicitly specified pursuant to the terms of this Agreement:

If to the District:

Placentia-Yorba Linda Unified School District
Attention: Superintendent
1301 E. Orangethorpe Avenue
Placentia, CA 92870
rgray@pylusd.org

With a concurrent copy to:

Sukhi Ahluwalia, Esq.
Suparna Jain, Esq.
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive, Suite 300
Cerritos, California 90703
Email: SAhluwalia@aalrr.com
SJain@aalrr.com

If to the Charter School:

Magnolia Public Schools
Attn: Alfredo Rubalcava
250 E. 1st. Street, Suite 1500
Los Angeles, CA 90012
Email: arubalcava@magnoliapublicschools.org

With a concurrent copy to:

Sarah J. Kollman, Esq.
Young Minney & Corr, LP
655 University Avenue, Suite 150 Sacramento,
CA 95825
Email: skollman@ymclegal.com

Any notice personally given shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next 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. Any notice given by email shall be effective upon actual receipt, and “actual receipt” shall mean delivery to the recipient's email inbox. However, any e-mail notice delivered after 4:00 p.m. on any weekday, at any time on a weekend (Saturday or Sunday), or at any time on a federal, State, or District holiday or period when the District Office is closed, the e-mail notice shall be deemed to have been served as of noon the next business day on which the District Office is open. However, should delivery to the recipient's email address be delayed or prevented due to issues or defects in the operation of the recipient Party's email/IT systems, actual receipt shall mean 30 minutes after sending, subject to the extension of time for delivery outside of business hours or on weekends/holidays. Any Party may change the address or persons to which notices are to be sent to it by giving written notice of such change of address or persons to the other Parties in the manner provided for giving notice.

19. California Environmental Quality Act. Charter School acknowledges that the California Environmental Quality Act (“CEQA”) may require the District to undertake certain studies and/or seek certain exemptions with regard to any projects described herein. Charter School acknowledges that obtaining CEQA approval for a project may cause delays and/or require that a project be modified or abandoned.

20. No District Affiliation/Endorsement. Charter School shall not imply, indicate, or otherwise suggest that Charter School's use and/or any related activities are connected or affiliated with, or are endorsed, favored, or supported by the District. No signage, flyers, or other material may reference the District, any school name, logo, or mascot without the District's prior written consent, except that Charter School may indicate the physical address of the Charter School and the District's ownership of the Esperanza Site.

21. Subcontract and Assignment. Charter School may not assign or sublet this Agreement or any rights, benefits, liabilities, and/or obligations hereunder, to any person or business entity without District's express written consent, which consent shall be granted at District's sole and absolute discretion and, if granted, may be conditioned or delayed.

22. Independent Status. This Agreement is by and between two 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.

23. Entire Agreement of Parties. This Agreement, together with its attachments, constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. In the event of a conflict between this Agreement and the Charter School's Charter, this Agreement shall control. This Agreement may be amended or modified only by a written instrument executed by the Parties.

24. Legal Interpretation. This Agreement 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 Agreement shall be maintained in Solano County, California. The terms of the Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply. The Parties expressly understand and agree that this Agreement for use of the Subject Property is made pursuant to the requirements and authorization of Proposition 39, and is neither intended by the Parties, nor shall it be legally construed, to convey a leasehold, easement, or other interest in real property. Should either Party be compelled to institute arbitration, legal, or other proceedings against the other for or on account of the other Party's failure or refusal to perform or fulfill any of the covenants or conditions of this Agreement on its part to be performed or fulfilled, the Parties agree that the Agreement shall be interpreted as a license, and the rules and principles applicable to licenses shall govern such actions or proceedings, except that the District agrees to comply with the underlying Proposition 39 provisions set forth in this Agreement.

25. 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.

26. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

27. Counterparts. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document.

28. Captions. The captions contained in this Agreement are for convenience only and shall not in any way affect the meaning or interpretation hereof, be construed to limit or extend the meaning of this Agreement, nor serve as evidence of the interpretation hereof, or of the intention of the Parties hereto.

29. Severability. Should any provision of this Agreement be determined to be invalid, illegal, unenforceable, or contrary to law, statute, and/or ordinance, such provision shall be severed and shall be inoperative, and, provided that the fundamental terms and conditions of the Agreement remain legal and enforceable, the remainder of this Agreement shall not be affected thereby and shall continue as valid, legal, and enforceable.

30. Incorporation of Exhibits. Each exhibit attached hereto is incorporated herein and made a part hereof by reference.

31. Scanned/Electronic Signatures. This Agreement may be executed and transmitted to any other party by PDF or DocuSign or similar technology, which version of the Agreement shall be deemed to be, and utilized in all respects as, an original, wet-inked document. If one or more Parties choose to sign this Agreement with electronic signatures, such signatures will be obtained in compliance with the Uniform Electronic Transactions Act (Civil Code § 11633.1 *et seq.*) and Government Code Section 16.5 pertaining to digital signatures.

32. Board Approval. In accordance with Education Code Section 17604, this Agreement is not valid or an enforceable obligation against the District until approved or ratified by duly passed and adopted motion of the District's Governing Board of Education.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year set forth below.

PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT

By _____

Date _____

Its _____

**MAGNOLIA EDUCATION & RESEARCH FOUNDATION AND MAGNOLIA SCIENCE
ACADEMY – ORANGE COUNTY**

By _____

Date _____

Its _____



- : Existing
- : New
- II : Walk-through
- : Shared Space

EXHIBIT “B”

CHARTER SCHOOL INSURANCE REQUIREMENTS

- I. General Liability:
 - A. Commercial General Liability - \$5,000,000 per occurrence, \$50,000,000 aggregate For Bodily Injury, Personal and Advertising Injury and Property Damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01 10 93).
- II. Automobile Liability:
 - A. \$2,000,000 per accident for Bodily Injury and Property Damage.
 - B. Coverage to include “Owned, Non-Owned, and Hired” automobiles (“Any Autos”).
 - C. Coverage shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Symbol 1 (“Any Autos”).
- III. Workers’ Compensation and Employer’s Liability:
 - A. Certificate of Insurance indicating “statutory” limits, as required by the State of California.
 - B. Employer’s Liability - \$5,000,000 each accident for bodily injury by accident; \$5,000,000 each employee for bodily injury by disease; \$5,000,000 coverage period aggregate.
- IV. Property Insurance: Ø Limit: Replacement Value:
 - A. Certificate of Insurance evidencing coverage for all property owned and controlled by the Charter School that resides on the District’s premise(s).
- V. Sexual Abuse or Molestation Liability:
 - A. \$5,000,000 per occurrence, \$5,000,000 aggregate
- VI. Crime Insurance:
 - A. Money and Securities: \$1,000,000 per occurrence
 - B. Forgery and Alteration: \$1,000,000 per occurrence
 - C. Employee Dishonesty: \$1,000,000 per occurrence
- VII. Directors’ and Officers’ Liability/Educator’s Legal Liability (ELL):
 - A. \$2,000,000 minimum limit per occurrence or claim, \$2,000,000 aggregate.