

Palisades Charter High School

Special Board Meeting

Date and Time

Thursday March 13, 2025 at 5:00 PM PDT

Location

Join from PC, Mac, iPad, or Android:

<https://go.palihigh.org/SpecialBoTLive>

Phone one-tap:

+16694449171,,85091435950# US

+16699009128,,85091435950# US (San Jose)

Join via audio:

+1 669 444 9171 US

+1 669 900 9128 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 689 278 1000 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US
+1 507 473 4847 US
Webinar ID: 850 9143 5950
International numbers available: <https://palihigh-org.zoom.us/j/85091435950>

*REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY:
Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board of Palisades Charter High School may request assistance by contacting the Main Office at (310) 230-6623 at least 24 hours in advance.*

*SUPPORTING DOCUMENTATION:
Supporting documentation is available at the Main Office of the School, located at 15777 Bowdoin Street, Pacific Palisades, CA 90272, (Tel: 310- 230-6623) and may also be accessible on the PCHS website at <http://palihigh.org/boardrecords.aspx>.*

*ALL TIMES ARE APPROXIMATE AND ARE PROVIDED FOR CONVENIENCE ONLY:
Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice. All items may be heard in a different order than listed on the agenda.*

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:00 PM
Opening Items			
A. Call the Meeting to Order		Sara Margiotta	
B. Record Attendance and Guests			2 m
C. Public Comment			30 m
<i>"Public Comment" is available to all audience members who wish to speak on any agenda item or under the general category of "Public Comment." "Public Comment" is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not respond or take action. These presentations are limited to two (2) minutes per person. A member of the public who requires the use of a translator in order to receive the same opportunity as others to directly address the Board shall have twice the</i>			

	Purpose	Presenter	Time
<i>allotted time to speak, and the total allocated time shall be appropriately increased as well. Govern Code § 54954.3(b)(2).</i>			
<p>Google Form Public Comment Procedure: A Google form is available 24 hours prior to the meeting for Public Comment. Please refer to the Dewey Dolphin email or copy/paste this link https://forms.gle/kSsxkvL6T9GgXpdEA. Your comment will be read aloud by the Board Vice Chair. Public comments submitted through the Google form will be read after the public comments presented live at the meeting. General public comments not read after 30 minutes will be included in the meeting minutes. Due to public meeting laws, the Board can only listen to your comment, not respond or take action. Comments are limited to two (2) minutes per person, and one cannot cede their time to another. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall have twice the allotted time to speak, and the total allocated time shall be appropriately increased as well. Govern Code § 54954.3(b)(2).</p>			
D.	Announce items for closed session, if any.	Sara Margiotta	1 m
II.	Closed Session		5:33 PM
A.	Conference with Real Property Negotiators Property: Colorado and 4th Street, Santa Monica Agency Negotiators: Pam Magee Negotiating Parties: Seritage Growth Properties and INVESCO Under Negotiation: Price and Terms of Payment	Vote	30 m
III.	Open Session		6:03 PM
A.	Return to Open Session	FYI	Sara Margiotta 1 m
B.	Report Out on Action Taken In Closed Session, If Any.	FYI	Sara Margiotta 1 m
IV.	Interim Learning Location Presentation		6:05 PM
A.	Interim Learning Location Presentation	FYI	Dr. Pam Magee, Rafael Negroe, Joseph Lin 30 m
V.	Approvals		6:35 PM

	Purpose	Presenter	Time
A. Relocation Plan	Vote	Dr. Pam Magee, Rafael Negroe, Joseph Lin	5 m
B. Lease (302 Colorado Ave. Santa Monica, CA 90401)	Vote	Rafael Negroe, Joseph Lin	5 m
C. Gensler Contract	Vote	Rafael Negroe, Joseph Lin	5 m
D. Request for Modifications	Vote	Rafael Negroe, Joseph Lin	5 m
E. CW Driver Contract	Vote	Rafael Negroe, Joseph Lin	5 m
F. Willscot Contract	Vote	Rafael Negroe, Joseph Lin	5 m
VI. New Business / Announcements			7:05 PM
A. Announcements / New Business	FYI	Sara Margiotta	1 m
Monthly Board Meeting: Tuesday, March 18, 2025 at 5:00pm via Zoom			
VII. Closing Items			7:06 PM
A. Adjourn Meeting	FYI	Sara Margiotta	1 m

Coversheet

Relocation Plan

Section:	V. Approvals
Item:	A. Relocation Plan
Purpose:	Vote
Submitted by:	
Related Material:	PCHS - Prime Contract Exhibits.pdf

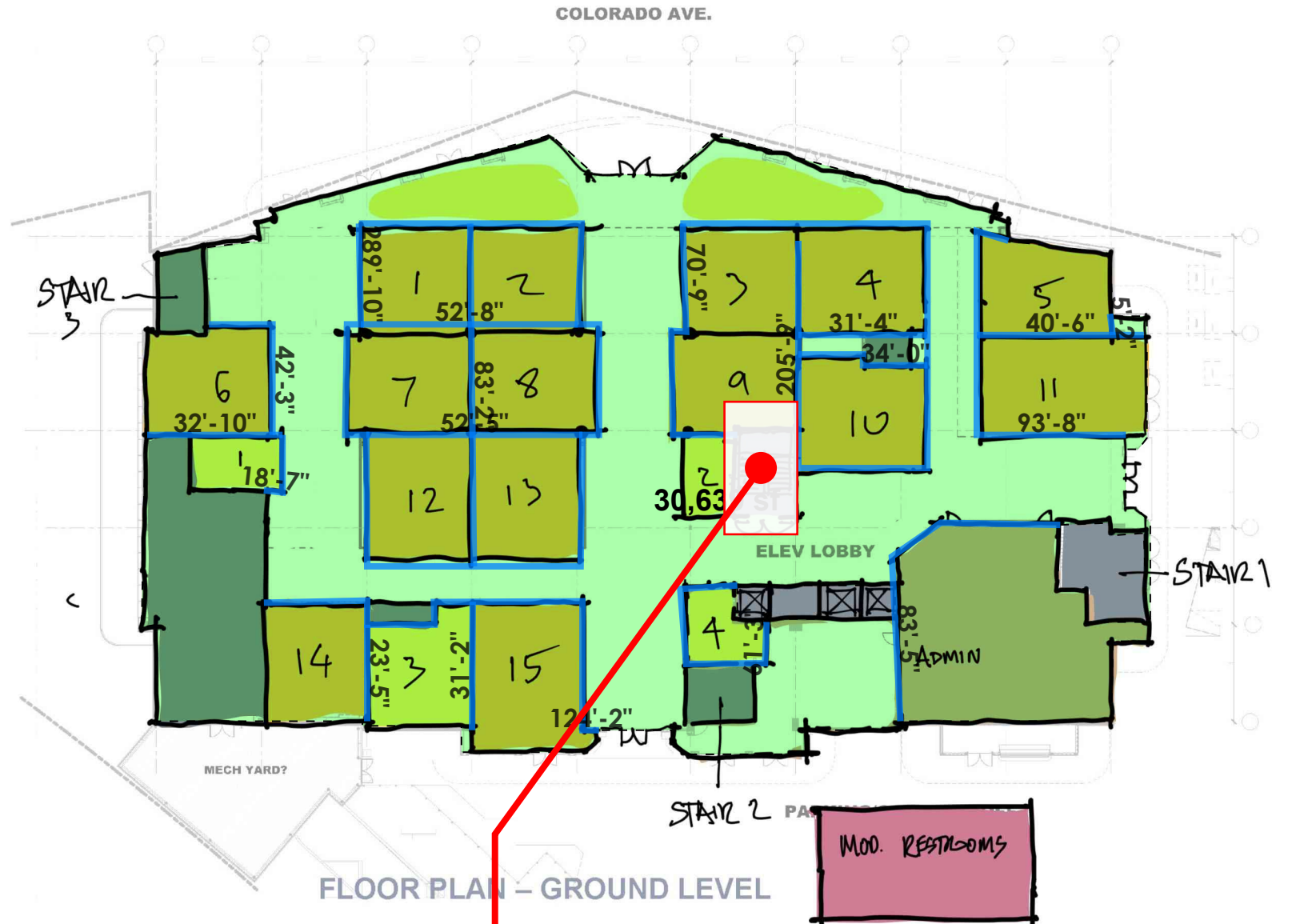
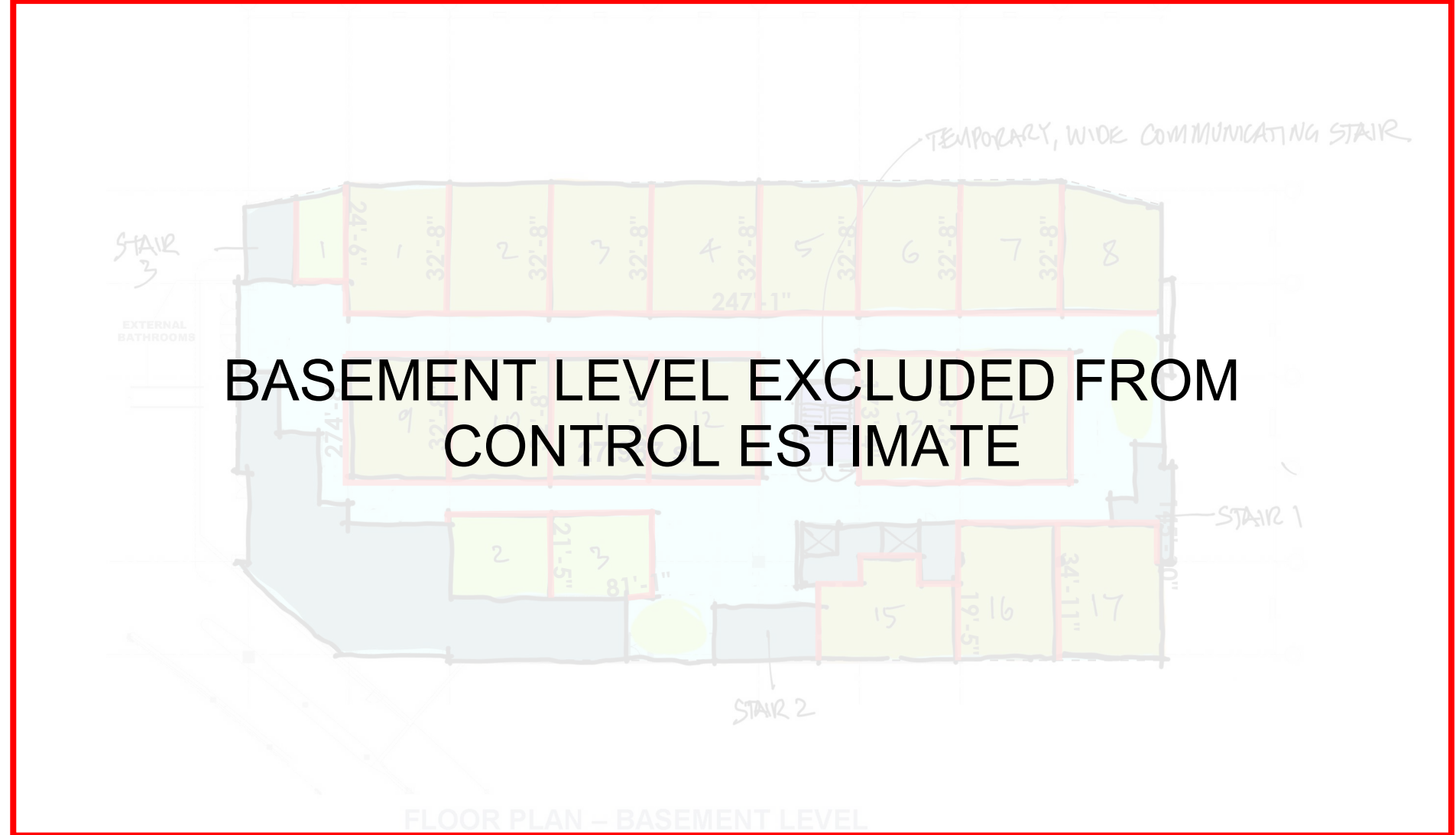
PACIFIC PALISADES HIGH SCHOOL TEMPORARY CLASSROOM PROJECT

EXHIBIT B

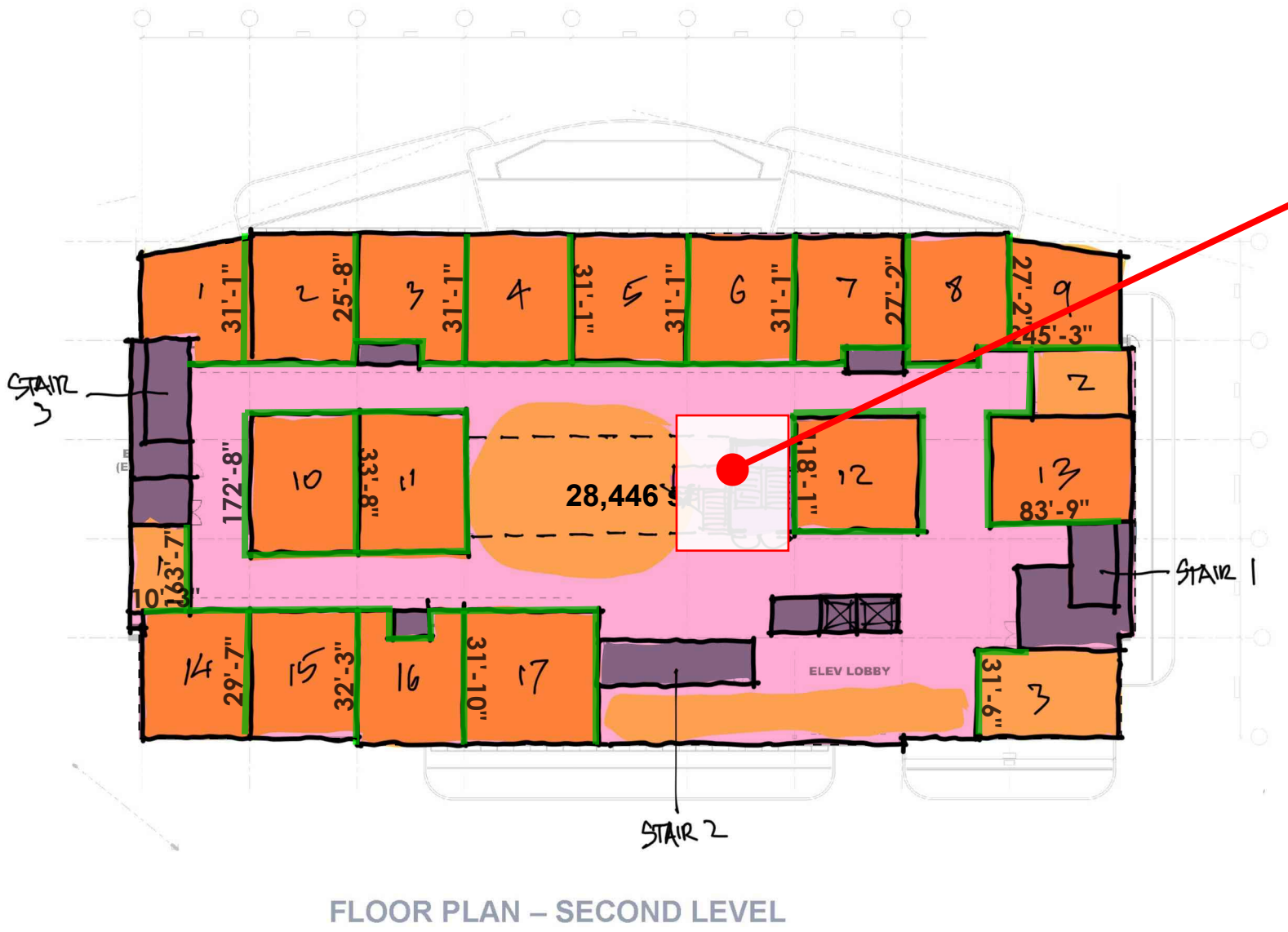
DRAWINGS

3/10/2025





CIRCULATING STAIR & SLAB REMOVAL IS NOT INCLUDED



PACIFIC PALISADES HIGH SCHOOL TEMPORARY CLASSROOM PROJECT

EXHIBIT C

COST MATRIX

3/10/2025





COST MATRIX

Exhibit C

	Description	Direct Cost of Work	General Conditions	General Requirements	Paid by Owner
1	Project Manager - Assistant PM, PM, Senior PM,		X		
2	Project Executive		X		
3	Project Superintendent - SUP, Senior Super		X		
4	Director of Field Operation/General Superintendent		X		
5	Project Engineer		X		
6	Scheduler/Project Planner		X		
7	Safety Director & Safety Managers		X		
8	Field Engineer		X		
9	Estimating Change Orders		X		
10	Accountant		X		
11	Jobsite Computer & Data Costs		X		
12	Independent Surveyor	X			
13	Safety Officer		X		
14	Jobsite Laborer/Carpenter	X			
15	Wages of Construction Labor	X			
16	Subcontract Costs	X			
17	Material	X			
18	Equipment	X			
19	Small Tools – Purchase	X		X	
20	Small Tools – Rental	X		X	
21	Protection of installed work	X			
22	Jobsite Offices			X	
23	Office Supplies		X		
24	Storage Trailer and Tool Shed			X	
25	Office Furniture and Equip			X	
26	Copy machine and Printer		X		
27	Postage/UPS/FedEx		X		
28	Project Photographs, Video & 3D Photos			X	
29	Temporary Toilets				X
30	Project Sign			X	
31	Scaffolding	X			
32	Temporary Fencing and Enclosures			X	
33	Barricades			X	
34	Safety Railing and Nets			X	
35	Drinking Water/Cooler/Cup/Coffee	X	X		
36	Safety/First Aid Supplies			X	
37	Security Guards				X
38	Telephone Installation	X			
39	Telephone Monthly Charges				X
40	Electric Power Installation	X			
41	Electric Power Distribution Wiring	X			
42	Electric Power Monthly Charges				X
43	Water Service – Installation	X			
44	Water Service - Monthly Costs				X
45	Periodic Job Site Clean-Up	X		X	
46	Final Clean	X			
47	Dump Permits and Fees	X		X	
48	Trash Removal and Hauling	X		X	
49	Flagman and Traffic Control	X		X	
50	Dust Control	X		X	
51	SWPPP/BMP	X			
52	SWPPP Inspection				X
53	Insurance premium for trade contractor	X			
54	Insurance deductible				X
55	Printing plans and specifications	X		X	
56	Testing and Inspection				X
57	Fees- Building Permit				X
58	Business Licenses and Fees	X			
59	Scaffold Systems	X			
60	Forklift Rental	X			
61	Forklift Operator	X			
62	Fuel, Repairs, Maintenance, Service	X			
63	Legal - General and Pertaining to Project		X		
64	Travel and Subsistence		X		
Fixed Non-Auditable					
65	Subcontractor Default Insurance (Fixed %)			1.25%	
66	Premium for Builders Risk Insurance (Actual Cost)			Actual Cost	
67	Contractors General Liability Insurance (Fixed %)			0.91%	
68	Contractors Overhead & Profit			2.00%	

PACIFIC PALISADES HIGH SCHOOL TEMPORARY CLASSROOM PROJECT

EXHIBIT D

CONTRACTOR'S STIPULATED LABOR RATE SCHEDULE

3/10/2025



**"CONFIDENTIAL"****BILLING RATES****Pacific Palisades Charter School***Effective Thru June, 2025*

LABOR CLASSIFICATION	RATE	OVERTIME	PREMIUM TIME
PRINCIPAL IN CHARGE	196	196	196
PROJECT EXECUTIVE	191	191	191
PROJECT DIRECTOR	165	165	165
SENIOR PROJECT MANAGER	158	158	158
PROJECT MANAGER	140	140	140
ASSISTANT PROJECT MANAGER	105	105	105
SENIOR PROJECT ENGINEER	84	84	84
PROJECT ENGINEER	73	73	73
ASSISTANT PROJECT ENGINEER	41	41	41
SENIOR SUPERINTENDENT	176	176	176
SUPERINTENDENT	156	156	156
ASSISTANT SUPERINTENDENT	113	113	113
FIELD ENGINEER	79	79	79
VICE PRESIDENT OF FIELD OPERATIONS	0	0	0
GENERAL SUPERINTENDENT	170	170	170
DIRECTOR OF PROJECT PLANNING	139	139	139
SENIOR PROJECT PLANNER	137	137	137
PROJECT PLANNER (SCHEDULER)	125	125	125
VICE PRESIDENT OF ESTIMATING	225	225	225
CHIEF ESTIMATOR	170	170	170
SENIOR ESTIMATOR	137	137	137
ESTIMATOR	91	91	91
ASSISTANT ESTIMATOR	68	68	68
ESTIMATING ADMINISTRATOR	82	94	120
OPERATIONS ADMINISTRATIVE ASSISTANT	71	82	104
SENIOR PROJECT COORDINATOR	80	92	117
PROJECT COORDINATOR	51	59	75
PROJECT ACCOUNTANT	60	69	88
ASSISTANT CONTROLLER/PAYROLL MANAGER	100	100	100
SENIOR PROJECT ACCOUNTANT	88	88	88
BIM / CONSULTANT	115	115	115
BIM / VDC COORDINATION MANAGER	115	115	115
DIRECTOR OF BIM SERVICES	135	135	135
DIRECTOR OF CONSULTING SERVICES	153	153	153
SAFETY DIRECTOR	160	160	160
FIELD SAFETY MANAGER	114	114	114
SENIOR LABOR COMPLIANCE	74	74	74
LABOR COMPLIANCE	72	72	72
SOFTWARE ENGINEER	0	0	0
CONSTRUCTABILITY REVIEWER	95	95	95
INTERN	0	0	0
CERTIFIED PAYROLL SPECIALIST	69	79	101
FIELD LABOR			
CARPENTER FOREMAN	87	100	128
CARPENTER JOURNEYMAN	86	99	126
CARPENTER APPRENTICE 4TH PERIOD	72	83	106
CARPENTER (1ST PERIOD)	80	92	117
LABORER FOREMAN	85	98	124
LABOR JOURNEYMAN	81	93	118
CONSTRUCTION WORKER	38	44	56
LABOR LIGHT COMMERCIAL <20,000,000	56	65	82
TRUCKING & DELIVERIES	69	79	101

The above rates will be charged including an increase of 5% per year in subsequent calendar years. These rates include all payroll burden per company policy but do not include contractual markups. These rates have been mutually agreed upon and final and will not be subject to any audit provisions.

PACIFIC PALISADES HIGH SCHOOL TEMPORARY CLASSROOM PROJECT

EXHIBIT E

CONTROL ESTIMATE

3/10/2025





Palisades Charter High School

Temporary Education Space - 64 Classrooms NO Basement

Executive Summary

Control Estimate - 03/10/2025

Square Footage	80,269
----------------	--------

Hard Construction Costs					
Item	Bid Package	Description of Work	Subcontractor	Proposal Amount	Cost per SF
	01A	Final Cleaning Allowance	EXCLUDED	\$ -	\$0.00
	01C	Survey	EXCLUDED	\$ -	\$0.00
	03A	Structural Concrete	EXCLUDED	\$ -	\$0.00
	05B	Misc. Metals	EXCLUDED	\$ -	\$0.00
	08A	Doors, Frames & Hardware Allowance	EXCLUDED	\$ -	\$0.00
	08C	Glazed Door Adjustments Allowance	TBD	\$ 45,000	\$0.56
	09A	Walls 8' & 10' Single Layer Drywall Allowance	Raymond	\$ 1,400,000	\$17.44
	09C	Acoustical Ceiling & Wall Treatments	EXCLUDED	\$ -	\$0.00
	09D	Float Concrete at Elevators Allowance	TBD	\$ 125,000	\$1.56
	09E	Painting & Wall Covering	EXCLUDED	\$ -	\$0.00
	10B	Code Interior Signage Allowance	TBD	\$ 52,500	\$0.65
	10C	Fire Extinguishers & Cabinets Allowance	TBD	\$ 9,600	\$0.12
	21	Fire Protection Allowance	TBD	\$ 105,000	\$1.31
	22	Plumbing	EXCLUDED	\$ -	\$0.00
	23	HVAC Classroom Spaces only Allowance	ACCO	\$ 565,750	\$7.05
	26A	Electrical/Fire Alarm/Wifi/Light Low Voltage Allowance	AJ Kirkwood	\$ 4,218,600	\$52.56
	32C	AC Paving	EXCLUDED	\$ -	\$0.00
	33	Temp. Toilets - Allowance	TBD	\$ 104,500	\$1.30
	34	General Requirements Allowance	TBD	\$ 235,130	\$2.93
1	Hard Construction Cost Totals			\$ 6,861,080	\$85.48
Allowances, GCs, GRs, District Controlled Contingency					
2	Contingency		4.20%	\$ 288,165	\$3.59
3	General Conditions			\$ 650,000	\$8.10
Sub Totals				\$ 938,165	\$11.69
Bonds and Insurance, Subcontractor Default Insurance					
4	Subcontractor Default Insurance		EXCLUDED	\$ -	\$0.00
5	Builders Risk			\$ 39,125	\$0.49
6	Insurance		0.91%	\$ 71,329	\$0.89
Sub Totals				\$ 110,454	\$1.38
Soft Construction Costs					
7	Overhead & Profit		2.00%	\$ 158,194	\$1.97
Total ROM Cost				\$ 8,067,894	\$100.51
OWNER BUDGET					
8	Current Pali High Budget			\$ 10,000,000	\$124.58
9	Rental of Sears			\$ (1,200,000)	-\$14.95
10	Design Cost			\$ (250,000)	-\$3.11
11	Restroom Trailers			\$ (275,000)	-\$3.43
12	Owner Contingency		2.00%	\$ (200,000)	-\$2.49
13	Available Construction Funds			\$ 8,075,000	\$100.60
DELTA TO BUDGET					
14	Cost Delta			\$ 7,106	\$0.09

*Items in red above are excluded from the scope and carry no dollar value.

PACIFIC PALISADES HIGH SCHOOL TEMPORARY CLASSROOM PROJECT

EXHIBIT F

CONTRACTOR'S QUALIFICATIONS AND EXCLUSIONS

3/10/2025





QUALIFICATIONS & EXCLUSIONS

EXHIBIT F

Qualifications (Scope Inclusions & Assumptions)

1. Contract Type & Payment Terms

- All work will be performed on a Time and Material Basis.
- Invoices will be submitted weekly or biweekly.
- Payments should be processed within 14 calendar days due to the fast-paced nature of work.

2. Work Hours & Shifts

- Work hours will be from 5:00 AM - 9:30 PM based on two shifts.
- Shift schedules may adjust based on project progress.

3. Structural Attachments

- Subcontractors will use a mix of attachment methods to the structural decks.
- No additional reinforcement to the structural will be made for attaching, walls, kickers, lighting, fire sprinklers, conduit, piping, MC cable, diffusers, Fan Coil Units, etc.

4. Temporary Walls & Construction

- Temporary walls will be constructed using 3 5/8" metal studs, spaced 24" on center, with heights ranging from 8' to 10'.
- Walls will be secured with shot pins and braced to the structure above every 8'.
- A single layer of 5/8" drywall will be installed on both sides with a Level 3 finish.
- Walls will not have any acoustic or fire rating.

5. Fire Alarm & Fire Suppression

- A code-compliant Notifier Fire Alarm System (utilizing the existing system) will be provided and as-built by AJK/West Coast Fire.
- An allowance is included for fire suppression modifications if required by the AHJ.

6. Electrical & Lighting

- Electrical wiring will be MC cabling and run exposed in ceiling spaces.
- Low-voltage cabling will be free-air within ceiling spaces.
- Each classroom will have:
 - Four duplex electrical outlets.
 - One teacher station outlet.
 - A single power connection point for the television.
- Lighting:
 - Each classroom will have six 2'x4' light fixtures.
 - Corridors will have the same fixtures.
 - Lighting will be controlled at the floor level only (no daylighting or dimming).
 - Emergency lighting will be powered by the existing inverter.
 - Code-minimum exit signs will be provided.

7. Telecom & Data

- A WiFi network will be provided for teacher and student use.
- Wireless Access Points (WAPs) will be installed by the contractor, but all programming will be handled by the owner.



8. HVAC Scope

- Installation of six (6) 16-ton VRF heating and cooling systems.
- Each floor will receive two (2) 16-ton systems.
- Each system includes:
 - One (1) 16-ton condensing unit.
 - Two (2) 8-ton fan coil units (FCUs).
 - Pre-insulated line sets to connect FCUs to CUs.
 - Round spiral metal ductwork for supply air distribution.
 - Multiple supply grilles.
- FCUs will be controlled by locally mounted thermostats, with conditioning provided only in classrooms (not in corridors or other spaces).

9. Existing Conditions & Modifications

- Existing stairwells will remain as-is.
- No modifications will be made to the building's fire ratings.

10. Project Completion & Retention

- All work included will be left in place.
- No retention will be held due to the nature of the project.

Exclusions

1. Building Modifications & Circulation

- No additional interior vertical circulation or conveying systems (e.g., stairs or elevators) will be provided.
- Elevator modifications or work of any kind is excluded.

2. Construction Scope Exclusions

- Subcontractor Default Insurance (SDI), Subguard and/or Sub Bonds are excluded
- Prime Contractor Payment and Performance Bond is excluded
- Demolition and removal of work is excluded
- Permitting is excluded. The onsite architect will document as-built conditions, and plans will be submitted retroactively by the Owner & Architect to the AHJ for approval.
- Title 24 & Green Code compliance is excluded.
- 3rd Party Testing & Inspection is excluded. The AHJ will have inspectors onsite for oversight.
- SWPPP costs & inspections are excluded.
- Utility consumption costs are excluded.

3. Materials & Finishes Exclusions

- All flooring is excluded. Existing flooring will be left as-is, except for the Ground Level, which will need covering for ADA compliance (an allowance is included for concrete floating around stairwells and elevators).
- Furniture will be provided and installed by the Owner.
- No acoustical treatments are included.
- Projection screens and projectors are not included (rough-in for televisions is included, but televisions will be by the owner).
- No painting, window treatments, millwork, or finish carpentry.
- No lockers, marker boards, or smoke curtains.



- No skylights (or modifications to the existing) are included.
- No final cleaning of the space is included
- No Doors/Frames/Hardware are included. All rooms will have an opening
- All costs for modular rentals & setup are excluded. (Restroom hook-up to power/water/sewer is included as an allowance.)

4. Technology & Specialty Systems Exclusions

- DAS/ERRS systems are excluded.
- No additional low-voltage scope beyond the included WiFi network and Wireless Access Points.
- No additional fireproofing, fire stopping, or safing beyond the allowance for fire suppression system modifications.

5. Project Management & Documentation Exclusions

- No submittals will be provided.

6. Parking & Site Conditions

- Parking costs are excluded. It is assumed that all parking will be onsite.

Coversheet

Lease (302 Colorado Ave. Santa Monica, CA 90401)

Section:	V. Approvals
Item:	B. Lease (302 Colorado Ave. Santa Monica, CA 90401)
Purpose:	Vote
Submitted by:	
Related Material:	PCHS Summary of Basic Lease.pdf

LEASE

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE		DESCRIPTION						
1.	"Tenant":	Palisades Charter High School, a California nonprofit benefit corporation						
2.	"Landlord":	Mark 302 Property Owner LLC, a Delaware limited liability company						
3.	"Effective Date":	March __, 2025.						
4.	"Premises";	All of the square feet in the Building, as depicted on <u>Exhibit A.</u>						
5.	"Project":	The Building and all common areas, improvements, and parking related thereto as set forth on <u>Exhibit A.</u> attached hereto.						
	"Building":	The Building located at 302 Colorado Avenue, Santa Monica, California 90401.						
6.	"Lease Term":	Six (6) full calendar months, commencing on the Lease Commencement Date, unless sooner terminated per this Lease.						
6.1	"Option Term":	Three (3) options to extend the Lease Term for a period of two (2) months each, as more particularly set forth in <u>Section 1.3</u> of this Lease.						
7.	"Lease Commencement Date":	The Effective Date.						
8.	"Rent"							
8.1	"Base Rent":							
		<table> <tr> <th>Period During Lease Term</th><th>Annual Base Rent</th><th>Monthly Installment of Base Rent</th></tr> <tr> <td>Months 1 – 12</td><td>\$2,400,000</td><td>\$200,000</td></tr> </table>	Period During Lease Term	Annual Base Rent	Monthly Installment of Base Rent	Months 1 – 12	\$2,400,000	\$200,000
Period During Lease Term	Annual Base Rent	Monthly Installment of Base Rent						
Months 1 – 12	\$2,400,000	\$200,000						
8.2	"Rent Payment Address":	<u>[TO BE DESIGNATED BY LANDLORD]</u> _____ _____.						
9.	"Permitted Use":	Tenant may use the Premises for the operation of Palisades Charter High School consistent with the previous operations of Tenant.						
10.	"Security Deposit":	\$400,000						
11.	"Brokers":	None						

12. Amount Due Upon Lease Execution: \$200,000, as first month's Base Rent
 \$400,000, as Security Deposit
 \$600,000 Total

ARTICLE 1 - PREMISES; LEASE TERM

1.1 **Premises.** Landlord hereby (i) leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord and (ii) grants the exclusive use of the Project (except as specified herein) to Tenant, in each case, for the Lease Term specified herein. Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises or Project, and Tenant accepts the Premises, Building and Project in their as-is condition. Notwithstanding anything to the contrary set forth in this Lease, except for Tenant's obligations under Section 5.1, below, Tenant shall not access the roof of the Building and Tenant shall not access or use the "Nursery" as shown on **Exhibit A**. Neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's Permitted Use. Tenant shall have the exclusive right to use all of the Project (other than to access the roof of the Building and to access or use the "Nursery" as shown on **Exhibit A**) (those portions of the Project that are outside of the Building shall be known as the "Common Areas"). Landlord makes no representation to Tenant as to whether or not the Permitted Use is allowed under current zoning ordinances, regulations and Applicable Laws, or the fitness or suitability of the Premises for the Permitted Use. Tenant shall have the right to seek such governmental approvals as are necessary for the use of the Premises and the Project for the Permitted Use, provided that Tenant shall not take any action or inaction that affects the entitlements for the Project, including its permits or certificates of occupancy, from any governmental entity, including the City of Santa Monica and the Coastal Commission.

1.2 **Confirmation of Lease Term.** At any time during the Lease Term, Landlord may deliver to Tenant a notice as a confirmation only of the Lease Commencement Date, Lease Term and other information reasonably determined by Landlord, which Tenant shall execute and return to Landlord within ten (10) days of receipt thereof. Tenant's failure or refusal to sign the same shall constitute an acknowledgement by Tenant that the information set forth therein is accurate.

1.3 **Option Term.** Landlord hereby grants to the originally named Tenant herein ("**Original Tenant**") three (3) options to extend the Lease Term for the entire Premises for a period of two (2) full calendar months each (the "**Option Terms**" and each, an "**Option Term**"), which options shall be exercised only by written notice delivered by Tenant to Landlord (the "**Option Exercise Notice**") not later than the date that occurs forty-five (45) days prior to the scheduled expiration of the initial Lease Term, or the first Option Term or the second Option Term, as applicable. Upon the proper exercise of such option to extend, the Lease Term, as it applies to the Premises, shall be extended for the applicable Option Term upon the same terms and conditions, including without limitation, the same Rent. The rights contained in this Section 2.2 shall be personal to Original Tenant and may be exercised by Original Tenant only (and not by any assignee, sublessee or other "Transferee," as that term is defined in Section 14.1 of this Lease, of Tenant's interest in this Lease).

ARTICLE 2 - RENT

2.1 **Base Rent.** Tenant shall pay Base Rent, without prior notice or demand, to Landlord or Landlord's agent using the Rent Payment Address information set forth in Section 8.2 of the Summary, at such place as Landlord may from time to time designate in writing, by a check or electronic funds transfer, in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any payment of Rent is for a period which is shorter than one calendar month, the Rent for any such fractional calendar month shall be prorated based on the actual number of days in such calendar month.

2.2 **Additional Rent.** All amounts payable by Tenant to Landlord pursuant to this Lease (other than Base Rent) are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent, and the Additional Rent are herein collectively referred to as "**Rent**". Tenant's obligations to pay Rent shall survive the expiration or earlier termination of the Lease Term. Unless another time period is provided in this Lease, Tenant shall pay Landlord for all costs and Additional Rent due under this Lease within thirty (30) days of receipt of a request therefor.

2.3 **Taxes and Other Charges for Which Tenant Is Directly Responsible.** Tenant shall be liable for and shall pay before delinquency, taxes levied against Tenant's Property. Tenant shall also reimburse Landlord for

any such taxes on Tenant's Property that are levied against Landlord or resulting from any increase in the assessed value of Landlord's property by the inclusion therein of a value placed upon Tenant's Property. Notwithstanding any contrary provision herein, Landlord may charge Tenant directly and Tenant shall pay prior to delinquency as Additional Rent any (i) gross receipts or other rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the parking facilities, and taxes or assessments due to any type of ballot measure, including without limitation any initiative adopted by voters or a local agency, or a state proposition approved by voters; (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises; or (iv) any amount of operating expenses that Landlord is charged for that relate to Tenant's use of the Project or Tenant's operation of the Project. Landlord may charge Tenant the estimated amount of taxes and other charges for which Tenant is directly responsible pursuant to this Section 2.3 on a monthly basis, provided that Landlord shall reconcile the amount actually paid by Tenant with the amount that Tenant should have paid, as part of the Statement following the end of each Expense Year. Notwithstanding the content of this Lease, Landlord shall pay, at its sole cost, all "Tax Expenses," as that term is defined in Exhibit C, attached hereto, and all insurance that Landlord carries pursuant to Section 8.3 of this Lease.

2.4 **Late Payment.** If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount; provided, however, with regard to the first such failure during the Lease Term, Landlord will waive such late charge to the extent Tenant cures such failure within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at the Interest Rate. For purposes of this Lease, the "**Interest Rate**" shall be an annual rate equal to the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published weekly (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus four (4) percentage points, but not higher than the highest rate permitted by Applicable Law. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

ARTICLE 3 – USE OF PREMISES

Tenant shall use the Premises solely for the Permitted Use and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant shall operate its business in the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (i)) the "**Rules and Regulations**" on Exhibit D, as modified and/or supplemented by Landlord from time-to-time, (ii) any law, statute, ordinance or other rule, directive, regulation, guideline, zoning, Building code or other requirement of any governmental entity or governmental agency now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"), (iii) all current or future (recorded and unrecorded) ground leases, easements, licenses, operating agreements, declarations, restrictive covenants, covenants, conditions and restrictions affecting the Project (and any portion thereof), reciprocal easement agreements, parking licenses, and any agreements with transit agencies affecting the Project and (iv) any entitlements, permits, or certificates of occupancy related to the Project (collectively, "**Underlying Documents**"). This Lease, Tenant's rights and obligations under the Lease, and Tenant's use of the Premises shall all be subject and subordinate to, the Underlying Documents and Tenant shall comply with all of the Underlying Documents. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such Underlying Documents.

ARTICLE 4 - UTILITIES AND SERVICES

Tenant agrees, at its own expense, to pay for all electricity, water, gas, telephone, cable, wireless internet and all other utilities and services (collectively, "**Utilities**") used by Tenant on the Project (including, without limitation, all sales, use and other taxes imposed thereon by any governmental authority and all hook-up fees and similar charges).

In the event that any Utilities are furnished to the Premises by Landlord, whether submetered or otherwise, then Tenant shall pay to Landlord the cost of such Utilities, including a reasonable administrative charge for Landlord's supervision. Tenant shall be solely responsible for performing all security services and janitorial services and other cleaning of the Premises, all in compliance with Applicable Laws. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises or the Project.

ARTICLE 5 - REPAIRS

5.1 **Tenant's Obligations.** Tenant shall, at Tenant's own expense, keep the following (collectively, "**Tenant's Repair Obligations**") in good order, repair and first-class condition at all times during the Lease Term, including making replacements and refurbishments as necessary: (i) except for the Base Building, the Premises, including all Improvements, Alterations, fixtures, equipment, show windows, interior windows and window coverings, Signs, exterior entrances, partitions, doors, lighting and plumbing fixtures and furnishings therein, and floor coverings, and any systems or equipment exclusively serving the Premises, (ii) all furniture, business and trade fixtures, equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property located in the Premises (collectively, "**Tenant's Property**"), (iii) Tenant's property, equipment and fixtures, if any, located outside of the Premises (collectively, "**Tenant's Off-Premises Equipment**") and (iv) all portions of the Project that are not part of the Nursery or the "Base Building", as defined in Section 5.2, below, including the Common Areas of the Project. At its sole cost, Tenant shall promptly comply with all Applicable Laws relating to Tenant's use of the Premises or Tenant's Repair Obligations (including the making of any Alterations required by Applicable Laws, obtaining all approvals and permits required for the operation of Tenant's business in the Premises and construction of any improvements in the Premises, and causing Tenant's vendors and service providers to comply with Applicable Laws in the performance of their duties at the Project).

5.2 **Landlord's Obligations.** Except to the extent the same is Tenant's obligation pursuant to Section 5.1 above, Landlord shall keep the following (collectively, "**Landlord's Repair Obligations**") in good order, repair and first-class condition at all times during the Lease Term, including making replacements and refurbishments as necessary: (i) exterior walls of the Building, (ii) foundation and roof of the Building, (iii) the structural portions of the floors of the Building (the areas of the Building described in subsection (i), (ii) and (iii) are, collectively, the "**Building Structure**"), and (iv) the systems and equipment serving the Building generally (and not exclusive to a particular tenant or its premises) (the areas of the Building described in this subsection (iv) are, collectively, the "**Building Systems**"). The Building Structure and Building Systems are, collectively, the "**Base Building**". Landlord shall comply with all Applicable Laws relating to Landlord's Repair Obligations, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, including Section 1 of this lease or is not related to Tenant obtaining or maintaining a certificate of occupancy for the Premises. If any repairs that are Landlord's Repair Obligations are required due to the negligence or willful misconduct of Tenant or its employees, agents or contractors or if any work required for compliance with Applicable Laws is triggered by Tenant's use of the Premises, Tenant's Repair Obligations or Tenant's Alterations or improvements, Landlord shall nevertheless make such repairs at Tenant's expense. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect. In the performance of Landlord's Repair Obligations or other obligations under this Lease, Landlord or its designee reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and/or any portion thereof.

ARTICLE 6 - ALTERATIONS

Tenant may not perform any of Tenant's Repair Obligations or otherwise make any improvements, alterations, additions or changes to the Premises or Tenant's Off-Premises Equipment (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which may be granted or withheld in Landlord's sole discretion. Landlord may impose, as a condition of its consent to any and all Alterations, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors set forth in a list provided by Landlord, or if no such list is provided, then such contractors as are reasonably approved by Landlord. Tenant shall construct and perform such Alterations in a good and workmanlike manner, in conformance with any and all Applicable Laws, rules and regulations, and pursuant to valid building permits, issued by the applicable governmental or municipal authority; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss

Landlord's design parameters and compliance with Applicable Law issues. Upon completion of any Alterations, Tenant shall deliver to Landlord reproducible copy of the "as built" and CAD drawings of the Alterations, to the extent applicable, as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations, and Tenant shall deliver to Landlord general releases and waivers of liens from all contractors and subcontractors who performed work or delivered materials in connection with the construction of the Alterations. Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses incurred in connection with Landlord's review of any Alterations and the plans therefor. Neither the performance of any Alterations nor use of the Premises by Tenant, shall be done in a manner that results in any labor disharmony, work stoppage, picketing, protest or labor dispute with any service or trade performing or seeking to perform at the Project, or any other interference with the business of Landlord (a "**Disruption**"). Tenant shall within twenty-four (24) hours stop the performance of any Alteration or use of the Premises if Landlord notifies Tenant that continuing such Alteration or use would or has resulted in a Disruption until such time that the Disruption has been resolved.

ARTICLE 7 - COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant (including, without limitation, any Alterations or improvements), and shall protect, defend, indemnify and hold Landlord harmless from and against any Losses arising out of same or in connection therewith. In connection with any Alterations or improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the recorder of the county in which the Project is located in accordance with Section 8182 of the Civil Code of the State of California or any successor statute. Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease.

ARTICLE 8 - INDEMNIFICATION AND INSURANCE

8.1 **Indemnification and Waiver.** Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subsidiaries, affiliates, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) (collectively, "**Losses**") incurred in connection with or arising from: (i) any causes in, on or about the Project; (ii) the use or occupancy of the Project by Tenant or any person claiming under Tenant, its Transferees, or the contractors, agents, employees, invitees, or visitors of Tenant or any such person (collectively, "**Tenant Parties**"); (iii) any activity, work, or thing done, or permitted or suffered by Tenant in or about the Project, including the placement of Tenant's Property or Tenant's Off-Premises Equipment; (iv) any acts, omission, or negligence of Tenant or Tenant Party; (v) any breach, violation or non-performance by Tenant or any Tenant Party of any term, covenant, or provision of this Lease, the Underlying Documents, or any Applicable Law, (vi) any act or omission of Landlord or any Landlord Party (in Landlord's or such Landlord's Party's sole discretion) in connection with Tenants' use of the Premises for the Permitted Use, including without limitation any ministerial acts reasonably necessary to permit Tenant to use the Project for the Permitted Use or to permit Tenant to construct the Tenant improvements or any Alterations or other improvements, or (vii) any variance or waivers of any building codes or other Applicable Laws that apply to the Building or Project; provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Landlord or any Landlord Party. Tenant shall pay such indemnified amounts as they are incurred by the Landlord Parties. This indemnification shall not be construed to deny or reduce any other rights or obligations of indemnity that a Landlord Party may have under this Lease or the common law. In the event that Tenant breaches any of its indemnity obligations hereunder: (a) Tenant shall pay to the Landlord Parties all Losses incurred as a result of said breach, and the reasonable value of time expended by the Landlord Parties as a result of said breach; and (b) the Landlord Parties may deduct and offset from any amounts due to Tenant under this Lease any amounts owed by Tenant pursuant to this section. The indemnification obligations under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant or any Tenant Party under workers' compensation acts, disability benefit acts, or other employee

benefit acts. Tenant waives any immunity from or limitation on its indemnity or contribution liability to the Landlord Parties based upon such acts. Tenant shall require its subtenants to provide similar indemnities to the Landlord Parties in a form reasonably acceptable to Landlord. In the event that any action or proceeding shall be brought against one or more Landlord Parties by reason of any claim, Tenant, upon request from the Landlord Party, shall resist and defend such action or proceeding on behalf of the Landlord Party by counsel appointed by Tenant's insurer (if such claim is covered by insurance without reservation) or otherwise by counsel reasonably satisfactory to the Landlord Party. The Landlord Parties shall not be bound by any compromise or settlement of any such claim, action or proceeding without the prior written consent of such Landlord Parties. The provisions of this Section 8.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability to the extent arising in connection with any event occurring prior to such expiration or termination.

8.2 **Tenant's Insurance.** Tenant shall comply with the insurance requirements set forth on **Exhibit E.**

8.3 **Landlord's Insurance.** Landlord shall maintain insurance against loss or damage with respect to the portions of the Project constituting Landlord's Repair Obligations (collectively, "**Landlord's Insured Property**") on an "all risk" or equivalent type insurance form, with customary exceptions, subject to such deductibles and self-insured retentions as Landlord may determine, in an amount equal to at least the replacement value of Landlord's Insured Property ("**Property Insurance**"). Such insurance shall be maintained with an insurance company selected by Landlord. Payment for losses thereunder shall be made solely to Landlord. Landlord may maintain such additional insurance with respect to the Project, including, without limitation, earthquake insurance, terrorism insurance, flood insurance, liability insurance and/or rent insurance, as Landlord may in its sole discretion elect. Landlord may also maintain such other insurance as may from time to time be required by a Mortgagee. Any or all of Landlord's insurance may be provided by blanket coverage maintained by Landlord or any affiliate of Landlord under its insurance program for its portfolio of properties, or by Landlord or any affiliate of Landlord under a program of self-insurance. In addition, Landlord shall have the right to elect to have Tenant maintain (and Landlord shall reimburse Tenant as set forth herein) the Property Insurance in lieu of Landlord. If Landlord elects to have Tenant maintain the Property Insurance, then Landlord and Tenant shall execute an amendment to this Lease setting forth the terms and conditions applicable to such insurance carried by Tenant, which amendment shall provide, without limitation, that (i) Landlord shall reimburse Tenant for the amount of the Property Insurance premiums (together with the reasonable fees of an insurance consultant or broker, if any, used to place the Property Insurance and consented to by Landlord, such consent not to be unreasonably withheld); provided that if Tenant maintains such Property Insurance under a blanket insurance policy covering the Project and other properties owned or leased by Tenant, then Landlord shall reimburse Tenant for a reasonable and equitable portion of Tenant's insurance premium applicable to the cost incurred by Tenant to maintain the Property Insurance, as mutually and reasonably agreed upon by Landlord and Tenant, (ii) if any portion of the Premises, Building or Project is damaged or destroyed by a cause that is required to be insured against by the Property Insurance carried by Tenant pursuant to this Section 8.3 (an "**Insured Casualty**"), then Tenant shall assign to Landlord all proceeds received or to be received by Tenant under the Property Insurance policy or policies on account of such Insured Casualty, and (iii) if Tenant, at the time of any Insured Casualty, is maintaining the Property Insurance as required pursuant to this Section 8.3, then Landlord shall be responsible for any deductibles.

8.4 **Waiver of Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such loss is the result of a risk insurable under policies of property damage insurance. Notwithstanding anything to the contrary contained in this Lease, the parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

ARTICLE 9 - CASUALTY AND CONDEMNATION

9.1 **Repair of Damage from Casualty.** Subject to the terms of this Article 9, if the Project (or portion thereof) is damaged by fire or other casualty ("**Casualty**") (i) Landlord shall promptly and diligently restore Landlord's Insured Property to substantially the same condition as existing prior to the Casualty, except for modifications required by Applicable Laws or the Underlying Documents, or any other modifications deemed desirable by Landlord and

(ii) Tenant shall promptly and diligently restore Tenant's Insured Property to substantially the same condition as existing prior to the Casualty, except for modifications required by Applicable Laws or the Underlying Documents, or any other modifications deemed desirable by Tenant and approved by Landlord pursuant to Article 5. Tenant's restoration work shall be performed pursuant to Article 5.

9.2 **Casualty Termination Rights.** Notwithstanding the terms of Section 9.1 of this Lease, Landlord may elect not to restore the Landlord's Insured Property and instead terminate this Lease by notifying Tenant in writing of such termination, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, if one or more of the following conditions is present: (i) restoration cannot reasonably be completed prior to the scheduled expiration of the initial Lease Term (or any Option Term, as applicable) (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any Mortgagee shall require that the insurance proceeds or any portion thereof be used to retire the Mortgage debt; (iii) the damage is not fully covered by Landlord's insurance policies. Notwithstanding the provisions of this Section 9.2, Tenant shall have the right to terminate this Lease under this Section 9.2 if each of the following conditions are satisfied: (a) the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) as a result of the damage, Tenant cannot reasonably conduct business from the Premises for a period of thirty (30) days; and, (c) as a result of the damage to the Project, Tenant does not occupy or use the Premises for the Permitted Use. Upon any such termination of this Lease pursuant to this Section 9.2, Tenant shall pay the Rent, properly apportioned up to such date of termination, and assign to Landlord all insurance proceeds payable to Tenant for Tenant's Insured Property (excluding insurance for Tenant's Property), and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of this Lease.

9.3 **Condemnation.** If the whole or any material part of the Premises shall be taken by power of eminent domain or condemned, this Lease shall terminate as of the date possession is required to be surrendered to the applicable authority. If the whole or any material part of the Project shall be taken by power of eminent domain or condemned, or if any adjacent property or street shall be so taken or condemned, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the right to terminate this Lease as of the date possession is required to be surrendered to the applicable authority by giving Tenant written notice thereof. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's Property. All Rent shall be apportioned as of the date of such termination. If Landlord elects not to exercise any termination right, or in case of temporary taking or a taking of an immaterial part of the Premises, this Lease shall continue in full force and effect and Rent shall be equitably reduced based on the proportion by which the rentable square footage of the Premises is reduced, such reduction in Rent to be effective as of the date the physical taking occurs.

9.4 **Waiver of Statutory Provisions.** The provisions of this Lease constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Project, and any statute or regulation of the state in which the Project is located and Tenant hereby waives any and all rights it might otherwise have pursuant to Sections 1932(2) and 1933(4) of the California Civil Code, and any modifications or other similar statute or regulation, now or hereafter in effect. Tenant also hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, and any modifications or other similar statute or regulation, now or hereafter in effect. Notwithstanding any contrary provision of this Article 9: (i) the closure of the Project, the Building, the common areas, or any part thereof to protect public health shall not constitute a Casualty or a taking or condemnation, either permanent or temporary, (ii) Casualty covered by this Article 9 shall require that the physical or structural integrity of the Premises, the Project, or portion thereof is degraded as a direct result of such occurrence, (iii) a Casualty shall not be deemed to occur merely because Tenant is unable to productively use the Premises in the event that the physical and structural integrity of the Premises is undamaged, (iv) a taking or condemnation, either permanent or temporary shall not include an action that requires Tenant's business or the Building or Project to close during the Lease Term, and (v) a taking or condemnation, either permanent or temporary shall not include an action taken for the purpose of protecting public safety (e.g., to protect against acts of war, the spread of communicable diseases, or an infestation), and no such governmental actions shall entitle Tenant to any compensation from Landlord or any authority, or Rent abatement or any other remedy under this Lease.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

10.1 **Transfers.** Except for an assignment of this Lease or a sublease of all or a portion of the Premises (each of the foregoing being referred to herein as a "**Transfer**" and any person or entity to whom any Transfer is made or sought to be made is referred to herein as a "**Transferee**"), Tenant shall not mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any other transfer of this Lease or any interest hereunder by operation of law or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than the Tenant Users (as defined in Article 17, below). Tenant shall not Transfer this Lease or its interest in any portion of the Premises without Landlord's prior written consent, which consent may be withheld by Landlord in its sole discretion. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be void and of no effect, and shall, at Landlord's option, constitute an Event of Default by Tenant under this Lease.

10.2 INTENTIONALLY OMITTED.

10.3 INTENTIONALLY OMITTED.

10.4 INTENTIONALLY OMITTED.

10.5 **Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, and (iii) no Transfer shall relieve Tenant from any liability under this Lease. Whether or not Landlord elects to terminate this Lease on account of any Event of Default by Tenant, in addition to any other rights and remedies of Landlord set forth in this Lease or at law or in equity, Landlord shall have the right, in Landlord's sole discretion to (i) terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or (ii) succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

10.6 **Additional Transfers.** For purposes of this Lease, the term Transfer shall also include (i) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) of the partners or members (as applicable), or transfer of more than fifty percent (50%) of partnership or membership interests (as applicable), within a twelve (12)-month period, or the dissolution of the partnership or limited liability company (as applicable) without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (a) the dissolution, merger, consolidation or other reorganization of Tenant or (b) the sale or other transfer of an aggregate of more than fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (c) the sale, mortgage, hypothecation or pledge of an aggregate of more than fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

10.7 **Transfer of Landlord's Interest.** Landlord has the right to transfer all or any portion of its interest in the Project and in this Lease, and in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease first accruing after the date of such transfer and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer, and Tenant shall attorn to such transferee. Notwithstanding the foregoing, in no event shall Landlord transfer all or any portion of its interest in the Project or in this Lease to any person or entity that appears on a "Government Lists," as that term is defined in Section 21.10 of this Lease, below.

ARTICLE 11 – HOLDING OVER; SURRENDER OF PREMISES; REMOVAL OBLIGATIONS

11.1 **Holding Over.** Landlord is actively seeking tenants and/or buyers for the Project. However, in the interest of further assisting the community in connection with the Los Angeles fires, Landlord is willing to lease the Project to Tenant on greatly below market terms and conditions, but given Landlord's primary business plans that

preceded this Lease, Tenant's departure and surrender of the Project pursuant to the terms of this Lease at the end of the Lease Term is extremely important to Landlord. Accordingly, Landlord and Tenant have agreed to the following terms of this Article 11. If Tenant holds over after the expiration or earlier termination of this Lease without the express written consent of Landlord, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case daily damages in any action to recover possession of the Premises shall be calculated at a daily rate equal to two hundred percent (200%) of the Base Rent and one hundred percent (100%) of all Additional Rent applicable during the last rental period under this Lease. Nothing contained in this Lease shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to vacate and deliver possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 11.1 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. Any holding over without Landlord's express written consent may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to vacate and deliver the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all Losses made by any succeeding tenant founded upon such failure to vacate and deliver, including lost profits and damages, resulting from such failure to vacate and deliver. Tenant agrees that any proceedings necessary to recover possession of the Premises, whether before or after expiration of this Lease, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorney's fees in connection therewith.

11.2 Surrender of Premises. If Tenant tenders payment of rent for any period beyond the expiration of this Lease by way of check (whether directly to Landlord, its agents, or to a lock box) or wire transfer, the cashing of such check or acceptance of such wire shall be considered inadvertent and not be construed as creating a month-to-month tenancy, provided Landlord refunds such payment to Tenant promptly upon learning that such check has been cashed or wire transfer received. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and, notwithstanding such delivery, Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

11.3 Removal Obligations. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Tenant. All Alterations shall be and become part of the Premises and/or Project and the property of Landlord. Tenant shall remove all of Tenant's Property prior to the expiration or earlier termination of this Lease. Furthermore, Landlord may, by written notice to Tenant at any time require Tenant, at Tenant's expense, prior to the expiration or earlier termination of this Lease, to remove any Alterations and repair any damage to the Premises or Project caused by such removal and restore the affected portion of the Premises to a safe and clean condition. If Tenant fails to complete such removal, repair and/or restoration obligations, then at Landlord's option, either (i) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Section 11.1, until such work shall be completed, or (ii) Landlord may do so and may charge the cost thereof, including a supervision fee, to Tenant.

ARTICLE 12

ESTOPPEL CERTIFICATES

12.1 Estoppel Certificates. Within ten (10) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate in such form as may be reasonably required by Landlord: (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any; (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if they are claimed); and (iii) containing such other factual matters reasonably requested by Landlord. Any such certificate may be relied upon by Landlord, any current or prospective Mortgagee, and purchaser of all or any portion of the Project. Tenant shall

execute and deliver whatever other instruments may be reasonably required for such purposes. If Tenant does not deliver to Landlord the certificate signed by Tenant within such required time period, Landlord may execute the certificate on Tenant's behalf, and Landlord, and any prospective purchaser, may conclusively presume and rely upon such statements therein. In such event, Tenant shall be estopped from denying the truth of the presumed facts. Tenant shall indemnify, protect, defend (with counsel reasonably approved by Landlord in writing) and hold Landlord harmless from and against any and all Losses attributable to any failure by Tenant to timely deliver any such estoppel certificate to Landlord.

12.2 Reconstruction Reporting Requirements. Landlord and Tenant hereby acknowledge that, as a result of the recent Los Angeles fires, during the Lease Term Tenant shall be performing certain remediation and reconstruction activities to the existing Palisades Charter High School campus located at 15777 Bowdoin St, Pacific Palisades, CA 90272 (collectively, the "**Reconstruction Project**"). Tenant hereby agrees to diligently pursue the Reconstruction Project in order to substantially complete the same prior to the Lease Expiration Date, and in connection therewith shall provide Landlord written monthly status reports setting forth the general status of the Reconstruction Project and detailing the portion of the Reconstruction Project completed and the portion not completed, as well as Tenant's then estimate of the date of substantial completion of the Reconstruction Project, as well as any other information regarding the status of the Reconstruction Project reasonably requested by Landlord.

ARTICLE 13 - SUBORDINATION

This Lease shall be subject and subordinate to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Project or any part thereof (each of the foregoing, a "**Mortgage**"), if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such Mortgages (each of the foregoing, a "**Mortgagee**"), require in writing that this Lease be superior thereto; provided, however, that in consideration of and a condition precedent to Tenant's agreement to subordinate this Lease to any future Mortgage, shall be the receipt by Tenant of a subordination non-disturbance and attornment agreement in a commercially reasonable form provided by such Mortgagee, which requires such Mortgagee to accept this lease, and not to disturb tenant's possession, so long as an event of default has not occurred and be continuing. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure or termination of any such Mortgage to attorn to the Mortgagee or any successors thereto upon any such foreclosure or termination, if so requested to do so by such Mortgagee, and to recognize such Mortgagee as the lessor under this Lease, provided such Mortgagee shall agree to accept this Lease (or enter into a new lease for the balance of the Lease Term upon the same terms and conditions) and not disturb Tenant's occupancy, so long as Tenant timely pays the Rent and observes and performs under this Lease. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such Mortgages. Landlord represents that there is no current Mortgagee of the Project.

ARTICLE 14 - EVENTS OF DEFAULT; REMEDIES

14.1 Events of Default. The occurrence of any of the following shall constitute an event of default of this Lease (each, "**Event of Default**") by Tenant:

14.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due, which failure is not cured within five (5) business days after written notice from Landlord that said amount was not paid when due, provided that if Tenant has previously received one (1) or more notices from Landlord during the Lease Term stating that Tenant failed to pay any amount required to be paid by Tenant under this Lease when due, then Landlord shall not be required to deliver any notice to Tenant and a default shall immediately occur upon any failure by Tenant to pay any rent or any other charge required to be paid under this Lease within three (3) days of when due; or

14.1.2 To the extent permitted by law, (i) Tenant being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general assignment by Tenant for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or

against Tenant of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant, unless possession is restored to Tenant within thirty (30) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

14.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 3, 7, 10, 12 or 13 of this Lease where, in each instance, such failure continues for more than three (3) days after notice from Landlord; or

14.1.4 The failure by Tenant to maintain any insurance required to be maintained by Tenant under this Lease where such failure continues for more than three (3) business days after notice of such failure from Landlord; or

14.1.5 Any other failure by Tenant to observe or perform under this Lease where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, no Event of Default shall be deemed to have occurred if Tenant diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of ninety (90) days after written notice thereof from Landlord to Tenant.

Any notices to be provided by Landlord under this Section 19.1 shall be in lieu of, and not in addition to, any notice required under Section 1161 et seq. of the Code of Civil Procedure, and may be served on Tenant in the manner allowed for service of notices under this Lease.

14.2 Remedies Upon Event of Default. Upon the occurrence of any Event of Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies (including, without limitation, during any eviction moratorium, to the extent allowed by Applicable Law), each and all of which remedies shall be distinct, separate and cumulative, without any notice or demand whatsoever.

14.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

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

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

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

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

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

The term "**rent**" as used in this Section 14.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 14.2.1(a) and (b), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 14.2.1(c), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

14.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any Event of Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

14.2.3 Landlord shall at all times have the rights and remedies, without prior demand or notice except as required by Applicable Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof. No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by Landlord of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

14.3 **Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant.

14.4 **Rights to Cure.** If Tenant shall fail to perform any of its obligations under this Lease, within the time period for such performance set forth in this Lease (or within a reasonable time if no period is specified), Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant, at Tenant's cost, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

14.5 **Landlord Default.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Except where the provisions of this Lease grant Tenant an express, exclusive remedy, or expressly deny Tenant a remedy, Tenant's exclusive remedy for Landlord's failure to perform its obligations under this Lease shall be limited to damages, injunctive relief, or specific performance; in each case, Landlord's liability or obligations with respect to any such remedy shall be limited as provided in Section 14.6.

14.6 **Exculpation.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Project, provided that in no event shall such liability limitation extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project or portion thereof. No owner, individual or otherwise, of any interest in Landlord or any Landlord Party

shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 14.6 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

ARTICLE 15 - COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 16 - SECURITY DEPOSIT

Concurrent with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit as security for the faithful performance by Tenant of all of its obligations under this Lease. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, the removal of property and the repair of resultant damage, Landlord may, without notice to Tenant, but shall not be required to apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default and Tenant shall, upon demand therefor, restore the Security Deposit to its original amount (including, without limitation, during any eviction moratorium, to the extent allowed by Applicable Law). Any unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within thirty (30) days following the expiration of the Lease Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have, under Section 1950.7 of the California Civil Code, any successor statute, and all other provisions of law, now or hereafter in effect. Tenant agrees that (i) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Article 16, above, and (ii) rather than be so limited, Landlord may claim from the Security Deposit (a) any and all sums expressly identified in this Article 16, above, and (b) any additional sums reasonably necessary to compensate Landlord for any and all Losses caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code.

ARTICLE 17 - PARKING

The parking areas within the Project (the "**Parking Area**") are available for the exclusive use by Tenant's employees, students, faculty, contractors, agents and visitors during the Lease Term (the "**Tenant Users**"). The Parking Area is solely for use by Tenant Users and the rights to use the Parking Area may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval in Landlord's sole discretion. Tenant's continued right to use the Parking Area is conditioned upon Tenant abiding by all Rules and Regulations and Landlord's rules specifically related to the Parking Areas. Subject to Applicable Laws, Tenant may install portable classrooms or other similar temporary structures in the Parking Area during the Lease Term provided the same are removed prior to the expiration or earlier termination of this Lease and the Parking Area is restored to the condition existing as of the date of this Lease, reasonable wear and tear excepted.

ARTICLE 18 - SIGNS

Tenant shall be entitled to have signage for the Premises as reasonably approved by Landlord, provided Tenant may not place any signage on any surface of the Building or any improvement.

ARTICLE 19 - ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to other Landlord Parties, and to prospective purchasers, Mortgagees or tenants; (iii) post notices of non-responsibility; or (iv) perform Landlord's Repair Obligations or otherwise comply with Applicable Laws, or for structural alterations, repairs or improvements to the Project. Notwithstanding anything to the contrary contained in this Article 19, Landlord may enter the Premises at any time, without prior notice, to (a) perform services required of Landlord; and (b) exercise any remedies under this Lease. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises, nor shall such entry subject Landlord to any liability or damages or entitle Tenant to any abatement of Rent. Tenant hereby acknowledges and agrees that, except in the event of an emergency, during all times that minors are present in the Premises, Landlord, its agents and invitees shall not access the Premises unless accompanied by a representative of Tenant, and Tenant shall use commercially reasonable efforts to ensure that a representative is available within one (1) business day following Landlord's request therefore.

ARTICLE 20 - NOTICES

All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (i) delivered by a nationally recognized overnight courier, or (ii) delivered personally to the appropriate address set forth in the signature blocks for this Lease, as such addresses may be modified. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. If Tenant is notified of the identity and address of Landlord's Mortgagee, Tenant shall give to such Mortgagee written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such Mortgagee shall be given a reasonable opportunity to cure such default (but in no event less than thirty (30) days following such Mortgagee's receipt of such notice) prior to Tenant's exercising any remedy available to Tenant. The party delivering Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail.

ARTICLE 21 - MISCELLANEOUS PROVISIONS

21.1 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 10 of this Lease.

21.2 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

21.3 **Modification of Lease.** Should any current or prospective Mortgagee require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant (other than to a *de minimis* effect) or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) days following a request therefor.

21.4 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

21.5 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

21.6 **INTENTIONALLY OMITTED.**

21.7 **Entire Agreement.** There are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. Any deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language. Each party has participated in the negotiation and drafting of this Lease; therefore, in the event of an ambiguity in, or dispute regarding the interpretation of, this Lease, the interpretation of this Lease shall not be resolved by any rule of interpretation providing for interpretation against the party who caused the uncertainty to exist or against the draftsman.

21.8 **INTENTIONALLY OMITTED.**

21.9 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

21.10 **Authority; Tenant Representation.** If Tenant is a corporation, limited liability company, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of formation and (ii) qualification to do business in California. Tenant hereby represents to Landlord that neither Tenant nor any members, partners, subpartners, parent organization, affiliate or subsidiary, or their respective officers, directors, contractors, agents, servants, employees, invitees or licensees (collectively, "**Tenant Individuals**"), to Tenant's current actual knowledge, appears on any of the following lists (collectively, "**Government Lists**") maintained by the United States government:

21.10.1 The two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons list can be found at <https://www.bis.doc.gov/index.php/the-denied-persons-list>; the Entity List can be found at <http://www.bis.doc.gov/entities/default.htm>);

21.10.2 The list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons, which can be found at <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>);

21.10.3 The two (2) lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties; the State Department List of Terrorists can be found at <https://www.state.gov/j/ct/rls/other/des/123085.htm>; the List of Debarred Parties can be found at <http://www.pmdtc.state.gov/compliance/debar.html>); and

21.10.4 Any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of the Office of Foreign Assets Control, United States Department of Treasury, or by any other government or agency thereof.

21.10.5 Should any Tenant Individuals appear on any Government Lists at any time during the Lease Term, Landlord shall be entitled to terminate this Lease by written notice to Tenant effective as of the date specified in such notice.

21.11 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

21.12 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT, OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

21.13 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that they know of no real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all Losses with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent occurring by, through, or under the indemnifying party.

21.14 **Counterparts; Signatures.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease. The parties hereto consent and agree that this Lease may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (i) to the extent a party signs this Lease using electronic signature technology, by clicking "SIGN", such party is signing this Lease electronically, and (ii) the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

21.15 **Confidentiality.** The business terms of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants; provided that Tenant shall be responsible for any breach of this Section 21.15 by any third party with whom it has shared confidential information.

21.16 **INTENTIONALLY OMITTED.**

21.17 **Hazardous Substances.** Tenant shall not cause or permit any hazardous materials or substances to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises or the Project by Tenant or any Tenant Parties. However, notwithstanding the preceding sentence, Landlord agrees that Tenant may use, store and properly dispose of commonly available household cleaners and chemicals to maintain the Premises and perform Tenant's routine operations (such as printer toner and copier toner). At any time following Tenant's

receipt of a request from Landlord, Tenant shall promptly complete an "environmental questionnaire" using the form then provided by Landlord.

21.18 **Project Identification.** Tenant shall not use, publish or distribute any pictorial or other representation of the Project (or portion thereof), or its name or logo by any means, without the prior written consent of Landlord. Landlord may designate a geographic descriptor or other name and/or logo for the Project or a portion of the Project (the "**Project Descriptor**"). Tenant shall not, without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion, use the Project Descriptor, nor shall Tenant do or permit the doing of anything in connection with Tenant's business or advertising that may confuse or mislead the public as to the relationship between Landlord and Tenant and/or between Tenant and an entity associated with the Project Descriptor, if applicable. Notwithstanding the foregoing, in the event Landlord, by written notice to Tenant, requires that Tenant use the Project Descriptor, Tenant shall, at all times from and after receipt of such notice, use the Project Descriptor to describe the location of the Premises in a manner consistent with Landlord's instructions in such notice. Without prior consent of Tenant, Landlord may use Tenant's name, trademark or logo to identify Tenant as a tenant of the Project and Tenant's location within the Project on directories, as well as marketing, offering and other written and electronic materials, including the Project website. Notwithstanding anything to the contrary in this Section 21.18, each party shall be permitted to issue a press release or other public communication regarding the execution of this Lease, provided that (a) prior to issuing such press release or other public communication, the releasing party shall give the other party a copy of such press release at least two (2) business days prior to issuing the same and shall coordinate reasonably with the other party regarding the timing and content of such press release or other public communication as it relates to content relating to this Lease or the other party, and (b) such press release or other public communication shall not contain any information regarding the terms of the Lease.

21.19 **INTENTIONALLY OMITTED.**

21.20 **INTENTIONALLY OMITTED.**

21.21 **INTENTIONALLY OMITTED.**

21.22 **Certified Access Specialist.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASP). As required by Section 1938I of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Landlord and Tenant hereby agree as follows: (i) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements; (ii) Tenant, at its sole cost, shall be responsible for making any improvements or repairs within the Premises to correct violations of construction-related accessibility standards; and (iii) if anything done by or for Tenant in its use or occupancy of the Premises shall require any improvements or repairs outside the Premises to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord for the cost to Landlord of performing such improvements or repairs.

(Signatures on following page)

IN WITNESS WHEREOF, an authorized representative of each of Landlord and Tenant has caused this Lease to be executed as of the Effective Date“

"LANDLORD":

Mark 302 Property Owner LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

[TO BE DESIGNATED BY LANDLORD] _____

With a copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

"TENANT":

PALISADES CHARTER HIGH SCHOOL,
a California nonprofit benefit corporation

By: _____
Name: _____
Its: _____

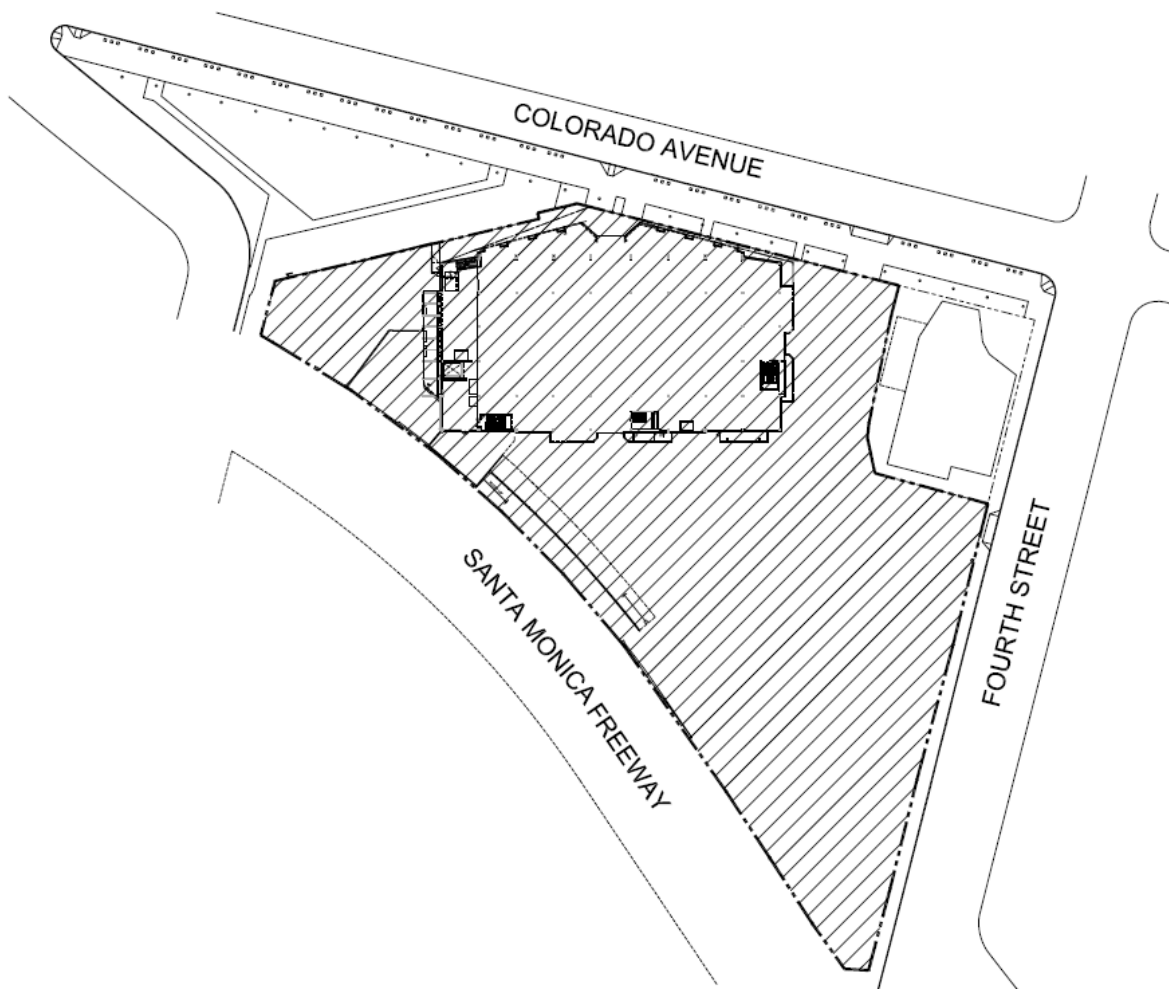
[TO BE DESIGNATED BY TENANT] _____


Attention: _____

EXHIBIT A

DEPICTION OF PROJECT

The purpose of this Exhibit is to show the approximate configuration and location of the Project. It shall not be deemed to be a warranty, representation or agreement on the part of Landlord that the Project will be, or will remain, as depicted hereon, or that the tenants shown hereon (if any) are now, or will be, in occupancy at any time during the Lease Term. The “Nursery” is located at the corner of Colorado Avenue and Fourth Street and is not crosshatched.



 DEMISED PREMISES


 0 20' 40' 80'
SCALE: 1" = 80'-0"

EXHIBIT B

INTENTIONALLY OMITTED

EXHIBIT C

"Tax Expenses" shall mean all federal, state, county or local governmental or municipal taxes, fees, charges or other impositions of every kind, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, any taxes or assessments relating to the Underlying Documents, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof; provided, however, any taxes and other charges for which Tenant is directly responsible pursuant to Section 2.3 of the Lease shall be paid by Tenant in accordance with said Section 2.3 and shall be excluded from Direct Expenses. Tax Expenses shall include, without limitation, any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election (**"Proposition 13"**) and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Shared Expense Area's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies.

EXHIBIT D

RULES AND REGULATIONS

1. The common areas (including all sidewalks, walks, plaza entries, corridors, ramps, staircases, elevators, and escalators) shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The common areas are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation, and interest of the Project and its tenants; provided, however, that nothing herein shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities.
2. The delivery or shipping of merchandise, supplies and fixtures to and from the Premises and Project shall be scheduled with Landlord in advance (which may include advanced scheduling of future deliveries that occur on a regular or daily basis), and done only at such times, in the areas, and through the entrances designated for such purposes by Landlord, and shall be subject to such additional reasonable rules and regulations as are necessary, in the judgment of Landlord, for the proper operation of the Building and Project.
3. No cooking shall be done or permitted on the Premises except that private use by Tenant of approved microwave ovens, equipment for brewing coffee, tea, hot chocolate, and similar beverages shall be permitted, provided that such use is in accordance with Applicable Laws.
4. No pets or animals shall be brought or kept in the Premises or the Project, except for "service" animals (as defined by the Americans with Disabilities Act, the Fair Employment and Housing Act, and their accompanying guidelines or other Applicable Laws).
5. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Project of any person in the case of invasion, mob, riot, public excitement, or other circumstances rendering such action advisable in Landlord's opinion. Landlord reserves the right to prevent access to the Project during the continuance of the same by such action as Landlord may deem appropriate, including, but not limited to, closing or locking doors, closing off parking garage access, and/or boarding up windows or exterior areas.
6. No curtains, draperies, blinds, shutters, shades, screens, coverings, or decorations shall be attached to, hung, or placed in, or used in connection with, any exterior facing window of the Project unless approved in writing by Landlord.
7. Tenant shall ensure that all water faucets, water apparatus, and utilities are shut off before Tenant or Tenant's employees leave the Premises so as to prevent waste or damage. For any failure or carelessness in this regard, Tenant shall be liable for repairing any damages sustained by other tenants or occupants of the Project or Landlord.
8. The toilet rooms, toilets, urinals, wash bowls, and other apparatus shall not be used for any purpose other than that for which they are constructed, no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage, or damage to the portions of the sewer line that are Landlord's responsibility, if any, resulting from the violation of this rule shall be borne by the tenants who, or whose employees or invitees, shall have caused it.
9. No tenant shall install any radio or television antenna, loudspeaker, or other device on the roof or exterior areas of the Project unless approved in writing by Landlord. No televisions, cameras, recording or audio devices shall be installed or used in such a manner as to cause a nuisance to any other tenant.

10. Neither Tenant nor any other Tenant Parties shall place, leave or discard any rubbish, paper, articles or objects of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Project. Landlord may levy a fine or other cleaning fee against Tenant for violations of the preceding sentence, in an amount determined by Landlord. Tenant shall deposit trash daily, or more often if reasonably required by Landlord, within the designated receptacles in the area designated by Landlord from time to time, which trash shall be sealed in plastic bags, and Tenant shall use a cart or other transport for such purposes to minimize the effects of any spills or breakage. All trash shall be deposited only during hours reasonably designated by Landlord, and Tenant shall not transport trash from the Premises to the designated trash area at any other time. Alternatively, Landlord shall have the option to require Tenant, at Tenant's cost, to use a trash porter service that shall be provided by Landlord to move Tenant's trash from the Premises to Landlord's designated trash area. All trash containers must be covered and stored in a manner to prevent the emanation of odors into the Premises, the Building or the Project. Tenant shall comply with any requirements of Landlord (or Applicable Law) pertaining to separation of "wet" and "dry" garbage. If Tenant's use requires such separation for "wet" and "dry" garbage, Landlord shall require that Tenant either (i) maintain a separate dumpster for Tenant's "wet" garbage, which shall be installed and maintained by Tenant at Tenant's sole cost and expense in accordance with Landlord's specifications (which specifications shall include, without limitation, the specific dimensions of such dumpster and the construction of an enclosure to screen such dumpster), or (ii) utilize a shared dumpster in common with other tenants of the Project for Tenant's "wet" garbage, which shall be installed and maintained by Landlord, subject to Tenant's payment to Landlord of Tenant's proportionate share of the cost of such installation and use. In addition to the foregoing, Tenant shall participate in any recycling program conducted by Landlord at the Building or Project. Notwithstanding the foregoing, upon written notice to Tenant, Landlord may require that Tenant procure and maintain at Tenant's sole cost and expense, a contract providing for the pickup and disposal of Tenant's refuse from the Premises, which contract shall be subject to Landlord's prior review and approval. If such a contract is required, Tenant shall no longer use Landlord's receptacles for disposal of Tenant's refuse. Landlord may levy a fine or other cleaning fee against Tenant for violations of this Subsection 10, in an amount determined by Landlord.
11. Tenant shall cause to be provided pest eradication and control services, as required by Landlord, with respect to the Premises. Tenant shall notify Landlord of the timing of such services and agrees to coordinate such services with any exterior pest control services maintained by Landlord.
12. Canvassing, soliciting, distribution of handbills, or any other written material and peddling in the Project are prohibited, and each tenant shall cooperate to prevent the same.
13. Except in a case of emergency, the requirements of tenants will be attended to only upon application in writing at the office of the Project or by e-mail transmitted to the office of the Project manager. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.
14. Tenant shall not conduct in or about the Project any fire sale, going out of business sale, auction, public or private, without the prior written approval Landlord.
15. Tenant shall not cause noises, vibrations, or odors to be generated from within the Premises that can be heard, felt or smelled from outside of the Premises. The Alterations shall include installation of reasonable sound isolation and other mitigation measures required by Landlord and applicable governmental authorities. Following construction of the Alterations, Tenant shall continue to comply with reasonable sound isolation and other control requirements of Landlord, including installation of additional sound and vibration dampeners, as necessary to reduce and eliminate noise and vibrations from the Premises.
16. Tenant shall not mark, paint, drill into, cut, string wires within, or in any way deface any part of the Project, without the prior consent of Landlord, and as Landlord may direct.
17. Tenant will not place objects on windowsills or otherwise obstruct any exterior facing window coverings. Notwithstanding the foregoing, Tenant shall have the right, to the extent the same is in compliance with all Applicable Laws, to install screening on the large window facing Colorado Avenue provided such screening

is removed prior to the expiration or earlier termination of this Lease and the window is restored to the condition existing as of the date of this Lease, reasonable wear and tear excepted.

18. Tenant will keep all fire doors and all smoke doors closed at all times in accordance with Applicable Laws.
19. Tenant shall not use any portion of the Premises for lodging.
20. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these rules and regulations.
21. Tenant shall not ride, park or lock any bicycle, motor driven cycle, powered scooter or other vehicles in, on or about the Premises, Building or Project except in those areas specifically designated by Landlord.
22. This is a non-smoking facility. Smoking, vaping and use of electronic cigarettes is prohibited within the confines of the Project.
23. Tenant shall notify Landlord or Landlord's designee for such purposes (which notice may be via electronic means, if designated by Landlord) of any theft, unauthorized solicitation or accident in the Premises or Project, or any emergency in the Project, immediately upon Tenant becoming aware of the same.
24. No alterations to doors, additional locks or bolts and no lock on any door shall be changed or altered. Notwithstanding the foregoing, Tenant may install additional padlocks (i.e., in addition to any existing locks) on the exterior doors of the Building; provided that Tenant delivers a copy of such keys to Landlord and removes all such additional locks prior to the expiration or earlier termination of this Lease. Tenant shall not make duplicate keys. All keys shall be returned to Landlord upon termination or expiration of this Lease, and Tenant shall provide Landlord with combinations for all safes, vaults and combination locks remaining with the Premises.
25. Tenant shall not use the Premises or permit the Premises to be used for photographic, multilith or multigraph reproductions, except in connect with its own business and not as a service for others without Landlord's prior written permission.

PARKING RULES AND REGULATIONS (IF APPLICABLE TO TENANT)

1. Every parker is required to park and lock his/her own vehicle. All responsibility for damage to or loss of vehicles is assumed by the parker and Landlord shall not be responsible for any such damage or loss by water, fire, defective brakes, the act or omissions of others, theft, or for any other cause.
2. Tenant and its employees shall only park in the parking structure on the level(s) of the Parking Area designated by Landlord. Tenant, Tenant's customers, invitees and its employees shall not park in the portions of Project or Parking Area which are reserved for specific tenants and invitees of the Project, or in any other parking areas that may be designated by Landlord from time to time.
3. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles; (c) where "no parking" signs are posted; (d) on ramps; (e) in cross-hatched areas; and (f) in reserved spaces and in such other areas as may be designated by Landlord.
4. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.
5. Landlord may refuse to permit any person who violates these rules to park in the Parking Area, and any violation of the rules shall subject the vehicle owner to one (1) warning and thereafter the vehicle shall be subject to removal, at such vehicle owner's expense, except that a violation of rules 3 or 4 shall be subject to the immediate removal of the vehicle without warning, at such vehicle owner's expense.

Tenant shall be responsible for the observance of the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees or guests. Provided Landlord acts in good faith pursuant to sound operating procedures and in a non-discriminatory manner, Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Project. In the event of any conflict or inconsistency between the foregoing Rules and Regulations and the Lease, the express terms and conditions of the Lease shall control.

In addition, these Rules and Regulations are subject to modification or supplementation from time to time based upon guidelines, rules and regulations (collectively, "**Guidelines**") provided by the Centers for Disease Control (CDC), Building Owners and Managers Association International (BOMA), Occupational Safety and Health Administration (OSHA) and other relevant authorities and organizations. To the extent such any Guidelines or Applicable Laws conflict with these Rules and Regulations or provide more stringent requirements than these Rules and Regulations, the Guidelines and Applicable Laws shall control until further notice from Landlord.

EXHIBIT E**TENANT'S INSURANCE REQUIREMENTS**

1. **Tenant's Insurance.** Tenant shall maintain in full force on or before the earlier of (i) the date on which any Tenant Party first enters the Premises for any reason or (ii) the Lease Commencement Date throughout the Lease Term of this Lease, and thereafter for so long as any of Tenant's Property remains on the Premises or any Tenant Party has access or use of the Premises, the following types and amounts of insurance.

1.1 **Commercial General Liability Insurance.** Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than:

Bodily Injury and	\$5,000,000 each occurrence
Property Damage Liability	\$5,000,000 annual aggregate
Personal Injury Liability	\$5,000,000 each occurrence
	\$5,000,000 annual aggregate
	0% Insured's participation

1.2. **Business Interruption.** Business interruption insurance required by this section shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than the twelve (12) months of Rent.

1.3. **Property Insurance.** Physical Damage Insurance covering Losses covered by so-called "special form causes of loss" (formerly known as "all risk") or equivalent type insurance coverage (including coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion) with respect to (i) Tenant's Property, (ii) the Alterations, and any other additions, alterations and improvements which exist in the Premises as of the Lease Commencement Date, and all Alterations, and (iii) Tenant's Off-Premises Equipment (items (i), (ii) and (iii) are collectively, "**Tenant's Insured Property**"), in an amount at least equal to the full replacement cost (subject to reasonable deductible amounts) of Tenant's Insured Property new without deduction for depreciation of the covered item and in amounts that meet any co-insurance clauses of the policies of insurance. Landlord and such additional persons or entities as Landlord may reasonably request shall be named as loss payees, as their interests may appear.

1.4. **Auto Liability Insurance.** Automobile liability insurance (covering any automobiles owned or operated by Tenant at the Project) in an amount not less than One Million Dollars (\$1,000,000) for each accident.

1.5. **Worker's Compensation; Employer's Liability Insurance.** Worker's compensation insurance as required by Applicable Laws; and employer's liability insurance. Such employer's liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident/employee/disease.

1.6 **Abuse or Molestation Liability Insurance.** Abuse or Molestation Liability insurance and Employment practices liability (EPLI) insurance, including without limitation discrimination insurance. Such Abuse or Molestation Liability insurance shall in an amount not less than \$1,000,000 each occurrence and \$3,000,000 annual aggregate.

1.7 Umbrella Liability Insurance providing excess liability coverage with respect to the commercial general liability, auto liability and employers liability policies described above with limits of at least Twenty Million Dollars (\$20,000,000) per occurrence and Twenty Million Dollars (\$20,000,000) general aggregate. Such insurance shall be written as follow form or with a form that provides coverage that is at least as broad as the primary insurance policies.

2. **Tenant's Work.** During such times as Tenant is performing Alterations, Tenant shall require its contractors, and their subcontractors of all tiers ("**Contractors**"), to obtain and maintain commercial general liability, automobile, workers compensation, employer's liability, builder's risk, and equipment/property insurance in such amounts as required of Tenant above. The amounts and terms of all such insurance are subject to Landlord's written approval, which approval shall not be unreasonably withheld.

3. **Transferees.** Tenant shall require its transferees to provide written documentation evidencing the obligation of such transferee to indemnify the Landlord Parties to the same extent that Tenant is required to indemnify the Landlord Parties pursuant to Section 8.1 of this Lease, and to maintain insurance that meets the requirements of this **Exhibit E**, and otherwise to comply with the requirements of this **Exhibit E** and Article 8. Tenant shall require all such transferees to supply certificates of insurance evidencing that the insurance requirements have been met and shall forward such certificates to Landlord on or before the earlier of (i) the date on which the transferee first enters the Premises or (ii) the commencement of the agreement providing for the Transfer. Tenant shall be responsible for identifying and remedying any deficiencies in such certificates or policy provisions.

4. **Form of Policies; Requirements For Insurance.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. All insurance required under this **Exhibit E** shall be maintained with responsible companies that are admitted to do business, and are in good standing, in the jurisdiction in which the Project is located and that have a rating of at least "A" and are within a financial size category of not less than "Class X" in the most current Best's Key Rating Guide or such similar rating as may be reasonably selected by Landlord. All such insurance shall be acceptable in form and content to Landlord. All insurance policies shall be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant, and contain a cross-liability endorsement or severability of interest clause acceptable to Landlord. No such policy shall contain any self-insured retention greater than \$25,000 for property insurance and \$25,000 for commercial general liability insurance. Any deductibles and such self-insured retentions shall be deemed to be "insurance" for purposes of the waiver in Section 8.4 of this Lease. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts of insurance based on such limits as are customarily carried with respect to similar properties in the area in which the Project is located. Tenant shall advise Landlord in writing of any termination or material change in any insurance required under this **Exhibit E** within five (5) days following Tenant's receipt of notice from the applicable insurance provider regarding the same. In the event Tenant shall fail to obtain or maintain any insurance meeting the requirements of this **Exhibit E**, or to deliver such policies or certificates as required by this **Exhibit E**, Landlord may, at its option, on five (5) days' notice to Tenant, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

5. **Additional Insureds.** All insurance required for Tenant and its Contractors under this **Exhibit E** or any other provision of this Lease, shall name Landlord, Landlord's managing agent, any Mortgagee, and such other persons as Landlord may reasonably request from time to time as additional insureds (collectively "**Additional Insureds**") by written endorsement. Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of the Additional Insureds. Such insurance shall also waive any right of subrogation against each Additional Insured. For the avoidance of doubt, each primary policy and each excess/umbrella policy through which Tenant and its Contractors satisfies its obligations under this Section must provide coverage to the Additional Insureds that is primary and non-contributory.

6. **Certificates Of Insurance.** On or before the date Tenant and its Contractors are first required to carry the applicable insurance, Tenant shall furnish Landlord with certificates evidencing the insurance coverage required by this Lease, and renewal certificates shall be furnished to Landlord at least annually thereafter, and at least ten (10) days prior to the expiration date of each policy for which a certificate was furnished. Upon request by Landlord, a true and complete copy of any insurance policy required by this Lease shall be delivered to Landlord within ten (10) days following Landlord's request.

7. **Tenant To Pay Premium Increases.** If, because of anything done, caused or permitted to be done, or omitted by Tenant (or its subtenant or other occupants of the Premises), the rates for liability, fire, boiler, sprinkler, water damage or other insurance on the Project or on the property and equipment of Landlord, or any contractor, subcontractor or other vendor of Landlord, shall be higher than they otherwise would be, Tenant shall reimburse Landlord and/or the contractor, subcontractor and vendors, in the Building for the additional insurance premiums

thereafter paid by Landlord or by any contractor, subcontractor, or other vendors, in the Building which shall have been charged because of the aforesaid reasons, such reimbursement to be made from time to time on Landlord's demand. In addition, because of Tenant's use of the Premises for non-general office use, Landlord, in its reasonable discretion, elects to obtain insurance that it does not currently maintain, or if any other contractor, subcontractor, or other vendor of Landlord, elects to obtain insurance that it does not currently or normally maintain, then Tenant shall reimburse Landlord or such contractor, subcontractor or other vendor, for the additional and/or increased insurance premiums thereafter paid by Landlord or such contractor, subcontractor, or other vendor, which shall have been charged because of the aforesaid reasons, such reimbursement to be made, from time to time, on Landlord's demand.

EXHIBIT E

-3-

Coversheet

CW Driver Contract

Section:	V. Approvals
Item:	E. CW Driver Contract
Purpose:	Vote
Submitted by:	
Related Material:	CW Driver Contract_PCHS Temp Classrooms.pdf

AIA® Document A103® – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee without a Guaranteed Maximum Price

AGREEMENT made as of the 10th day of March in the year 2025
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Palisades Charter High School, a California nonprofit public benefit corporation
15777 Bowdoin Street
Pacific Palisades, CA 90272

and the Contractor:
(Name, legal status, address and other information)

C.W. Driver, LLC
468 N. Rosemead Blvd.
Pasadena, CA 91107

for the following Project:
(Name, location and detailed description)

Palisades Charter High School – Temporary Classrooms
302 Colorado Ave, Santa Monica, CA 90401

The scope of Work includes a light renovation of three levels within the existing four-story building, while the basement remains unchanged. These renovations are intended solely for temporary use, allowing Palisades Charter High School to utilize the space for classroom purposes for less than one year. The removal of the Work and the restoration of the existing space to its prior (or any other) condition is not included in the Work.

The Architect:
(Name, legal status, address and other information)

M. Arthur Gensler Jr. & Associates, Inc.
500 S. Figueroa Street
Los Angeles, CA 90071

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A103™–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	THE WORK OF THIS CONTRACT
3	RELATIONSHIP OF THE PARTIES
4	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
5	CONTRACT SUM
6	CHANGES IN THE WORK
7	COSTS TO BE REIMBURSED
8	COSTS NOT TO BE REIMBURSED
9	DISCOUNTS, REBATES AND REFUNDS
10	SUBCONTRACTS AND OTHER AGREEMENTS
11	ACCOUNTING RECORDS
12	PAYMENTS
13	DISPUTE RESOLUTION
14	TERMINATION OR SUSPENSION
15	MISCELLANEOUS PROVISIONS
16	ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A INSURANCE

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, as modified by the parties, the General Conditions of the Contract, as modified by the parties, Drawings, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern, except for Exhibit F – Contractor’s Qualifications and Exclusions, which shall have the highest priority as to any included qualifications and exclusions. An enumeration of the Contract Documents, other than a Modification, appears in Article 16.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor’s skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the parties’

Init.

/

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. “The American Institute of Architects,” “American Institute of Architects,” “AIA,” the AIA Logo, and “AIA Contract Documents” are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents. The Owner shall promote harmony and cooperation among the Owner, Architect, Contractor and other persons or entities employed by the Owner for the Project and shall exercise its discretion under the Contract Documents reasonably, in good faith and in the best interest of the Project.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 4.1 The date of commencement of the Work shall be:

(Check one of the following boxes.)

- ☐ The date of this Agreement.
- ☒ A date set forth in a written notice to proceed issued by the Owner, provided that Owner has approved the classroom mock-up and directed Contractor to commence construction.
- ☐ Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

§ 4.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 4.3 Substantial Completion

§ 4.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:

(Check one of the following boxes and complete the necessary information.)

- ☒ Not less than fifty six (56) calendar days from the date of commencement of the Work. Contractor shall use all reasonable efforts to accelerate the Substantial Completion date set forth above but is not contractually bound to such earlier Substantial Completion date and cannot guarantee the same.

§ 4.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work

N/A

Substantial Completion Date

N/A

§ 4.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 4.3, liquidated damages, if any, shall be assessed as set forth in Section 5.1.6.

ARTICLE 5 CONTRACT SUM

§ 5.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the General Conditions Costs (as defined below) plus the Contractor's Fee.

§ 5.1.1 The Contractor's Fee:

(State a lump sum, percentage of Cost of the Work, or other provision for determining the Contractor's Fee.)

The Contractor's Fee shall be computed at Two Percent (2.00%) of the Cost of the Work and the General Conditions Costs.

§ 5.1.2 The method of adjustment of the Contractor's Fee for changes in the Work:

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

The Contractor's Fee for changes in the Work shall be computed at Two Percent (2.00%) of the Cost of the Work for such changes. Any changes that extend the Contract Time shall also include the additional general conditions and general requirements costs for the extended time and Contractor's Fee thereon.

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for its portion of the Work:

A Subcontractor's overhead and profit for its Work shall not exceed 15% combined.

§ 5.1.4 Rental rates for Contractor-owned equipment shall not exceed the standard rental rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit (\$0.00)
N/A	N/A	N/A

§ 5.1.6 Liquidated damages, if any:

(Insert terms and conditions for liquidated damages, if any.)

If Contractor fails without cause or excuse to complete the Work by the Substantial Completion date, subject to adjustments of the Contract Time as provided in the Contract Documents, Contractor acknowledges that Owner will, as a result, incur damages which are both difficult and impracticable to ascertain. Therefore, in the event Contractor shall fail to achieve Substantial Completion within the Contract Time, as such may be extended in accordance with the Contract Documents, Contractor agrees to pay Owner, as liquidated damages, and not as a penalty, and as a reasonable estimate of the amount of damages that Owner will incur due to such delay the following amounts: (a) if Substantial Completion occurs within thirty (30) days after the date required for Substantial Completion ("Grace Period"), there shall be no liquidated damages; (b) if Contractor fails to achieve Substantial Completion of the Work by the end of the Grace Period, then the liquidated damages shall be \$250.00 a day for each calendar day thereafter until Substantial Completion occurs. The liquidated damages set forth herein shall be Owner's sole and exclusive remedy for all damages related to any failure by Contractor to complete the Work within the Contract Time or by the Substantial Completion date. In no event shall the liquidated damages exceed 50% of Contractor's Fee received.

Contractor has included in the Contract Time and date of Substantial Completion herein, zero (0) working days allocated for delays relating to weather. The date of Substantial Completion, Contract Time and Contract Sum will be increased accordingly for all lost days due to weather impacts on a one for one day basis for such delays in excess of zero (0) working days.

§ 5.1.7

(Paragraphs deleted)

The Contractor's General Conditions Costs (as hereinafter defined) shall be paid to Contractor in the fixed and non-auditable lump sum amount of Six Hundred Fifty Thousand Dollars and No Cents (\$650,000.00). The General Conditions Costs will be billed and paid in four (4) equal payments, one payment every week for the first four (4) weeks, starting with Contractor's first Application for Payment once the Work has commenced. The "General Conditions Costs" are defined as only those items specifically indicated with an "X" in the column entitled "General Conditions" as set forth in Exhibit C – Cost Matrix. Items indicated in Exhibit C – Cost Matrix as "General Requirements" or "Direct Cost of the Work" are not included in the Contractor's General Conditions Costs and shall be paid to Contractor as a Cost of the Work. Further, Contractor's General Conditions Costs do not include additional general conditions costs due to Compensable Delays, which costs shall be a Cost of the Work. Notwithstanding anything to the contrary in the Contract Documents, and for the avoidance of doubt, the items indicated in Exhibit C – Cost Matrix as "Paid By Owner" shall be paid solely and directly by Owner, and are not a part of Contractor's Work under this Agreement, nor are they included in Contractor's Contract Sum

§ 5.2 Control Estimate

§ 5.2.1 The Contractor has prepared and submitted to the Owner, in writing, the Control Estimate which is attached hereto as Exhibit F – Control Estimate. The Control Estimate includes the estimated Cost of the Work, plus the General Conditions Costs plus the Contractor's Fee. The Control Estimate shall be used to track the actual Cost of the

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

Work plus the General Conditions Costs of the Work against the Control Estimate. The Contractor shall update the tracking of the Control Estimate with each Application for Payment. The Control Estimate does not constitute a Guaranteed Maximum Price as to the Work or as to any particular line item in, or the total of, the Control Estimate. Given the accelerated pace of the Work, and the evolving design being developed by Architect and others concurrently with the construction of the Work, the nature of the Work will be dynamic and subject to changes including, but not limited to those in location, sequencing, materials and methodology. Notwithstanding the foregoing, or anything to the contrary in the Contract Documents, all Work performed up to the full amount of the Control Estimate shall be deemed base scope of Work, and no such Work, or changes thereto, shall require authorization by Change Order, Construction Change Directive or otherwise in order to proceed or to be billed and paid. Until the Contract Sum expended equals the full amount of the Control Estimate, costs or increased costs for the items set forth in Article 7 of the Agreement that result from changes in the Work shall automatically become part of the Cost of the Work, and the Contractor's Fee shall be paid thereon. Contractor shall advise Owner in writing when the expended Contract Sum reaches 90% of the Control Estimate. When the Contract Sum equals the full amount of the Control Estimate, further changes to the Work which would cause the Contract Sum to exceed the Control Estimate shall require an executed Change Order or Owner issued Construction Change Directive. Should the Work remain incomplete at such time, and should Owner decline to execute Change Orders or issue Construction Change Directives sufficient to complete the Work, Contractor shall be entitled to terminate its Work under the Contract and shall recover from the Owner payment for all outstanding and unpaid Cost of the Work executed, Contractor's General Conditions Costs as well as Contractor's Fee on both, and other reasonable costs incurred by reason of such termination, including, but not limited to, costs attributable to termination of Subcontracts. Any such termination shall be deemed for the convenience of the parties and not for cause.

(Paragraphs deleted)

ARTICLE 6 CHANGES IN THE WORK – See Article 7 of the General Conditions

(Paragraphs deleted)

ARTICLE 7 COSTS TO BE REIMBURSED

§ 7.1 Cost of the Work

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. The Cost of the Work shall include only the items set forth in this Article 7 or as provided elsewhere in the Contract Documents.

§ 7.1.2 [INTENTIONALLY OMITTED]

§ 7.1.3 Costs of the Work shall be at rates not higher than the standard paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Subject to the terms of Exhibit D – Contractor's Stipulated Labor Rate Schedule, wages or salaries of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Subject to the terms of Exhibit D – Contractor's Stipulated Labor Rate Schedule, wages or salaries of the Contractor's supervisory and administrative personnel whether stationed at the site or elsewhere performing Work. These costs, exclusive of those due to Compensable Delays, are included in the Contractor's General Conditions Costs to the extent indicated as such per Section 5.1.7 of this Agreement and Exhibit C – Cost Matrix. The agreed wage and salary rates of Contractor's supervisory and administrative personnel set forth in Exhibit D – Contractor's Stipulated Labor Rate Schedule shall be used and shall be a Cost of the Work when calculating additional general conditions due to Compensable Delays to the Work.

(Paragraphs deleted)

§ 7.2.3 Subject to the terms of Exhibit D – Contractor’s Stipulated Labor Rate Schedule, wages or salaries of the Contractor’s supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work. These costs, exclusive of those due to Compensable Delays, are included in the Contractor’s General Conditions Costs to the extent indicated as such per Section 5.1.7 of this Agreement and Exhibit C – Cost Matrix. The agreed wage and salary rates of Contractor’s supervisory and administrative personnel set forth in Exhibit D – Contractor’s Stipulated Labor Rate Schedule shall be used and shall be a Cost of the Work when calculating additional general conditions due to Compensable Delays to the Work.

§ 7.2.4 Subject to the terms of Exhibit D – Contractor’s Stipulated Labor Rate Schedule, and as included in the rates therein, costs paid or incurred by the Contractor, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments, and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3. These costs, exclusive of those due to Compensable Delays, are included in the Contractor’s General Conditions Costs to the extent indicated as such per Section 5.1.7 of this Agreement and Exhibit C – Cost Matrix. The agreed wage and salary rates of Contractor’s supervisory and administrative personnel set forth in Exhibit D – Contractor’s Stipulated Labor Rate Schedule shall be used and shall be a Cost of the Work when calculating additional general conditions due to Compensable Delays to the Work.

§ 7.2.5 Since agreed rates for labor costs are provided in this Agreement, the rates shall be subject to the annual increases shown in Exhibit D – Contractor’s Stipulated Labor Rate Schedule.

§ 7.3 Subcontract Costs

Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner’s property at the completion of the Work or, at the Owner’s option, shall be sold by the Contractor. Any amounts realized from such sales, net of Contractor’s costs of sale, shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Contractor at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Contractor shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Contractor, or a related party as defined in Section 7.8, shall be subject to the Owner’s prior approval. The total rental cost of any such equipment may not exceed the purchase price of a comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Contractor’s site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location.

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. “The American Institute of Architects,” “American Institute of Architects,” “AIA,” the AIA Logo, and “AIA Contract Documents” are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

§ 7.6 Miscellaneous Costs

§ 7.6.1 Contractor's costs for the liability insurance required by this Agreement shall be calculated and paid at a fixed and agreed rate of 0.91% of the Cost of the Work (and on General Requirements and General Conditions Costs shown in Exhibit C – Cost Matrix), including on all changes in the Work. In addition, Contractor's costs for the builder's risk insurance required by this Agreement shall be paid by Owner, as a Cost of the Work, at the actual cost of the builder's risk insurance.

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Contractor.

§ 7.6.2 Sales, use, or similar taxes, including tariffs imposed by a governmental authority, that are related to the Work and for which the Contractor is liable or required to pay.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Contractor is expressly required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents, for which the Contractor is expressly required by the Contract Documents to pay; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

(Paragraph deleted)

§ 7.6.6 Costs for communications services, electronic equipment, and software, related to the Work. In addition, Contractor's costs for BIM coordination (if used) and to support its Work related computer systems shall be a Cost of the Work.

§ 7.6.7 Costs of document reproductions.

§ 7.6.8 Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Contractor, reasonably incurred by the Contractor after the execution of this Agreement in the performance of the Work.

§ 7.6.10 [INTENTIONALLY OMITTED]

§ 7.6.11 [INTENTIONALLY OMITTED]

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors, or suppliers, to the extent that such damaged or nonconforming Work was not caused by negligence of, or failure to fulfill a specific responsibility by, the Contractor, and only to the extent that the cost of repair or correction is not recovered by the Contractor from insurance, sureties, Subcontractors, suppliers, or others.

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of Section 7.8, the term "related party" shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Contractor; (2) any entity in which any stockholder in, or management employee of, the Contractor holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Contractor; and (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Contractor. Owner acknowledges that Contractor may have some services and/or Work performed through Elite Equipment Rentals which is a related party as defined herein. Provided that such costs are billed at rates not higher than the standard paid at the place of the Project, such transactions are deemed authorized per Section 7.8.2 without any further action required by Contractor or approval by Owner.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Contractor and a related party, the Contractor shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Contractor shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 10. If the Owner fails to authorize the transaction in writing, the Contractor shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 10.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include the items listed below:

- .1 **[INTENTIONALLY OMITTED];**
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Contractor or paid to any Subcontractor or vendor, unless the Owner has provided written approval;
- .3 Expenses of the Contractor's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be included in Article 7;
- .5 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs to the extent due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Contractor, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable; and
- .7 Any cost not described in Article 7 or elsewhere in the Contract Documents.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

§ 9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials, and equipment, net of the costs of such sales, shall accrue to the Owner, and the Contractor shall make provisions so that they can be obtained.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

§ 10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or other appropriate agreements with the Contractor. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

§ 10.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement. Due to the expedited nature of the Work, the Owner expressly acknowledges, agrees and authorizes Contractor to award Subcontracts and other agreements hereunder on the basis of cost plus a fee without further Owner approval, and without formal competitive bidding. The Contractor shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Contractor in Article 11.

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

(Paragraph deleted)

ARTICLE 11 ACCOUNTING RECORDS

The Contractor shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be reasonable and necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be reasonably satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Contractor's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other similar data relating to this Contract. The Contractor shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law. As Contractor's labor costs set forth in Section 7.2, the liability insurance costs set forth in Section 7.6.1 and its General Conditions Costs are based on agreed rates, percentages, or amounts, the scope of Owner's audit rights with respect to such costs are limited to confirming that the agreed stipulated rate, percentage or amount was used.

ARTICLE 12 PAYMENTS

§ 12.1 Progress Payments

§ 12.1.1 Based upon Applications for Payment submitted to the Owner by the Contractor, the Owner shall make progress payments on account of the Contract Sum, to the Contractor, as provided below and elsewhere in the Contract Documents.

§ 12.1.2 The period covered by each Application for Payment shall be weekly ending on the last day of the week.

§ 12.1.3 Provided that an Application for Payment is received by the Owner not later than the last day of a week, the Owner shall make payment of the amount to the Contractor not later than the last day of the following week. If an Application for Payment is received by the Owner after the application date fixed above, payment of the amount shall be made by the Owner not later than seven (7) days after the Owner receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 12.1.4 With each Application for Payment, the Contractor shall submit the Subcontractors' cost information including invoices, time and material tickets, and other evidence reasonably required by the Owner to make payment.

§ 12.1.5 Applications for Payment shall show the Cost of the Work actually incurred by the Contractor through the end of the period covered by the Application for Payment and for which the Contractor has made or intends to make actual payment prior to the next Application for Payment.

§ 12.1.6 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 12.1.6.1 The amount of each progress payment shall first include:

- .1 The Cost of the Work as described in Article 7 plus Contractor's General Conditions Costs per Section 5.1.7; and
- .2 The Contractor's Fee computed upon the Cost of the Work and General Conditions Costs described in the preceding Section 12.1.6.1.1 at the rate stated in Section 5.1.1.

§ 12.1.6.2 The amount of each progress payment shall then be reduced by:

- .1 **[INTENTIONALLY OMITTED]**
- .2 The amount, if any, for Work that remains uncorrected and for which the Owner has previously withheld a payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Owner may withhold payment, as provided in Article 9 of AIA Document A201–2017;

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

- .5 The shortfall, if any, indicated by the Contractor in the documentation required by Section 12.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and

§ 12.1.7 Retainage

§ 12.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Due to the expedited nature of the Work and the timing of payments to Contractor, no retainage shall be held by Owner.

(Paragraphs deleted)

§ 12.2 Final Payment

§ 12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract, except for the Contractor's responsibility to correct Work, as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 the Contractor has submitted a final accounting for the Cost of the Work and a final Application for Payment.

§ 12.2.2 Within 15 days of the Owner's receipt of the Contractor's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Contractor that it will not conduct an audit.

§ 12.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditor's findings to the Contractor. Any such audit by Owner shall be completed within thirty (30) days of Owner's notice of intent to conduct an audit.

§ 12.2.2.2 Within seven days after receipt of the written report described in Section 12.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 12.2.1 have been met, the Owner will either issue final payment to the Contractor, or notify the Contractor in writing of the Owner's reasons for withholding any portion of final payment as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 12.2.2 supersede those stated in Article 9 of AIA Document A201–2017.

§ 12.2.2.3 If the Owner's auditors report concludes that the Cost of the Work, as substantiated by the Contractor's final accounting, is less than claimed by the Contractor, the Contractor shall be entitled to request mediation of the disputed amount. A request for mediation shall be made by the Contractor within 60 days after the Contractor's receipt of a copy of the Owner's auditor's report. Failure to request mediation within this 60-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Contractor. Pending a final resolution of the disputed amount, the Owner shall pay the Contractor all undisputed amounts.

§ 12.2.3 [INTENTIONALLY OMITTED]

§ 12.2.4 If, subsequent to final payment, and at the Owner's request, the Contractor incurs costs, described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor for such costs, and the Contractor's Fee and additional general conditions and additional general conditions costs applicable thereto, on the same basis as if such costs had been incurred prior to final payment.

§ 12.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

The rate of interest shall be the prime rate published by the Wall Street Journal, plus (2.5%) per annum.

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

ARTICLE 13 DISPUTE RESOLUTION

§ 13.1

(Paragraphs deleted)

[INTENTIONALLY OMITTED]

§ 13.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

- ☒ [X] Arbitration pursuant to Section 15 of AIA Document A201–2017
- ☐ [] Litigation in a court of competent jurisdiction
- ☐ [] Other *(Specify)*

ARTICLE 14 TERMINATION OR SUSPENSION

§ 14.1 Termination

§ 14.1.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017, or as may otherwise be provided under the Contract Documents.

§ 14.1.2 Termination by the Owner for Cause

§ 14.1.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the Owner shall then only pay the Contractor an amount calculated as follows:

- .1 Take the Cost of the Work and General Conditions Costs incurred by the Contractor to the date of termination;
- .2 Add the Contractor's Fee computed upon the Cost of the Work and General Conditions Costs to the date of termination at the rate stated in Section 5.1.1; and
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, by the Owner under Article 14 of AIA Document A201–2017. The costs and damages hereunder of Owner for which Contractor may be liable shall not exceed Contractor's Fee received by Contractor.

§ 14.1.2.2 To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall, execute and deliver commercially reasonable papers and take commercially reasonable steps, including the legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may reasonably require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

§ 14.1.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:

(Insert the amount of or method for determining the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)

N/A

§ 14.2 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Contract Sum and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Contractor's Fee as described in Article 5 and Section 6.4 of this Agreement.

Init.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 15.2 The Owner's representative:
(Name, address, email address and other information)

Rafael Negroe
Director of Operations, Palisades Charter High School
15777 Bowdoin Street
Pacific Palisades, CA 90272
(310) 230-6623
rnegroe@palihigh.org

§ 15.3 The Contractor's representative:
(Name, address, email address and other information)

Robert "Jamie" Macartney
Project Executive, C.W. Driver, LLC
468 N. Rosemead Boulevard
Pasadena, CA 91107
(949) 322-7249
jmacartney@cwdriver.com

§ 15.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 15.5 Insurance

§ 15.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A103™–2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee without a Guaranteed Maximum Price, Exhibit A, Insurance, as modified by the parties, and elsewhere in the Contract Documents.

(Paragraph deleted)

§ 15.6

(Paragraphs deleted)

[INTENTIONALLY OMITTED]

§ 15.7 Other provisions:

.1 CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR (4) YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN TEN (10) YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, P.O. BOX 26000, SACRAMENTO, CALIFORNIA 95826.

.2 The Owner represents and warrants the following to the Contractor (in addition to any other representations and warranties contained in the Contract Documents), as a material inducement to the Contractor to execute this Agreement, which representations and warranties shall survive the execution and delivery of this Agreement, any termination of this Agreement, and the final completion of the Work: (i) the Owner's execution of this Agreement and performance of its obligations under the Contract Documents has been fully and properly authorized by Owner and is within the Owner's duly authorized powers; (ii) Owner has obtained, or will obtain, all necessary authorizations and

Init.

/

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

approvals for the Work and the Project by all governmental, public and quasi-public authorities having jurisdiction over the Work and the Project; (iii) Owner currently has, and shall maintain, sufficient financial capability to fully perform all of its obligations under the Contract Documents; (iv) the Work is a private work of improvement under all applicable law; (v) Owner shall not use any public funds for the Work which would render the Work a public work under any applicable law; and (vi) Owner currently holds, or prior to the commencement of the Work will hold, a legally valid and binding lease on the property upon which the Work is to be performed, and Contractor's Work under the Contract Documents is fully authorized by such lease. To the fullest extent permitted by law, Owner shall fully and immediately defend, indemnify and hold Contractor, its officers, directors, shareholders, members, related entities, employees and agents harmless from and against any and all claims, lawsuits, proceedings, damages, losses, costs and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from any inaccuracy or breach of the above-referenced warranties and representations, which indemnity shall survive the execution and delivery of this Agreement, any termination of this Agreement, and the final completion of the Work. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to an indemnitee under the Contract Documents or at law or equity.

.3 Contractor does not represent or warrant, and expressly disclaims any representation or warranty, that the Work, or any portion thereof, qualifies or will qualify for reimbursement or payment from any governmental, public, quasi-governmental agency or other third-party funding source.

.4 While Owner and Contractor intend the Work to be a private work of improvement, Owner has directed that payment for the Work shall be made at no less than the applicable prevailing wage rates, and Contractor and its Subcontractors shall track such payments.

.5 Owner acknowledges that Contractor is performing the Work, impacting existing Work-in-Place, at the Project. The Work-in-Place, which cannot be precisely described, is comprised of all design and construction improvements performed and in place at the property prior to the date of commencement of the Work (hereinafter "Work-in-Place"). Owner agrees that the Contractor, its Subcontractors, Sub-subcontractors, suppliers and their respective agents and employees ("Contractor Parties"), are hereby released from liability to, and shall not be jointly or individually liable to, the Owner, agents, successors or assigns (hereinafter referred to collectively as "Owner Parties") for any or all liabilities, injuries, claims, losses, costs, expenses (including attorneys' fees and legal costs) or damages whatsoever, arising out of the Work-in-Place including, but not limited to, injuries, claims, losses, costs, expenses or damages relating to: (i) defective design or construction of Work-in-Place; (ii) repair or replacement of Work-in-Place; and (iii) injury or damage to the Work caused by a defect(s) in the Work-in-Place.

.6 Owner hereby agrees to protect, defend, indemnify and hold harmless the Contractor Parties, from any and all injuries, claims, losses, costs, lawsuits, causes of actions, expenses (including attorneys' fees and legal costs), or damages whatsoever, arising out of the Work-in-Place including, but not limited to, injuries, claims, losses, costs, expenses or damages which Owner Parties, Contractor or any third party may now or hereafter assert that is caused by: (i) defective design or construction of Work-in-Place; (ii) repair or replacement of Work-in-Place; and (iii) injury or damage to Work caused by a defect(s) in the Work-in-Place.

.7 Each party hereto acknowledges that (i) each party hereto is of equal bargaining strength; (ii) each such party has actively participated in the preparation, and negotiation of the Contract Documents; (iii) each such party has had the opportunity to consult with such party's attorneys and advisors relative to entering into the Contract Documents, and (iv) any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of the Contract Documents, any portion hereof, any amendments hereto, or any exhibits attached hereto.

.8 This Agreement may be executed in counterparts, each of which shall be deemed an original, but such counterparts shall be deemed to constitute one and the same instrument; a digital or electronic (including .PDF) signature by a party may be relied upon by the other party as an original signature.

ARTICLE 16 ENUMERATION OF CONTRACT DOCUMENTS

§ 16.1 This Agreement is comprised of the following documents:

- .1 AIA Document A103™–2017, Standard Form of Agreement Between Owner and Contractor, as modified by the parties.
- .2 AIA Document A103™–2017, Exhibit A, Insurance, as modified by the parties.

Init.

AIA Document A103 – 2017. Copyright © 2001, 2007 and 2017. All rights reserved. "The American Institute of Architects," "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are trademarks of The American Institute of Architects. This document was produced at 08:21:33 PT on 03/11/2025 under Order No.4104248138 which expires on 06/29/2025, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail docinfo@aiacontracts.com.

User Notes:

(1933796651)

.3 AIA Document A201™–2017, General Conditions of the Contract for
(Paragraphs deleted)
Construction, as modified by the parties.

.4 Drawings – See Exhibit B

(Table deleted)

.5 Other documents, if any, listed below:

Exhibit C – Cost Matrix

(Table deleted)

Exhibit D – Contractor’s Stipulated Labor Rate Schedule

Exhibit E – Control Estimate

(Table deleted)

Exhibit F – Contractor’s Qualifications and Exclusions

(Paragraphs deleted)

This Agreement entered into as of the day and year first written above.

Palisades Charter High School

C.W. Driver, LLC

(Row deleted)

OWNER (Signature)

Dr. Pam Magee Executive Director

(Printed name and title)

(Paragraphs deleted)

CONTRACTOR (Signature)

(CA License No. 1009002)

Dana Roberts CEO

(Printed name and title)

Coversheet

Willscot Contract

Section:	V. Approvals
Item:	F. Willscot Contract
Purpose:	Vote
Submitted by:	
Related Material:	Willscot Contract_PCHS Temp Classrooms.pdf



March 12, 2025

**Pacific Palisades Charter High School
15777 Bowdoin St
Pacific Palisades, Ca, 90272**

**Attn: Rafael Negroe: rnegroe@palihigh.org
Director of Operations & Facilities**

The following Interim Housing proposal for Pacific Palisades Charter High School is based on the pricing, schedule and scope as outlined below per Wilscot Savanna Piggyback for DSA approved modular classrooms and restrooms as outlined below.

One Year Lease minimum of (20) 24' x 40' Classrooms and a total of (x7) 12'x40' Restroom modules in various configurations as proposed and per the attached proposal floor plans. (final site location & layout is pending and TBD)

Item I - 24x40, Monthly Lease Pricing, (per classroom)

- | | |
|-----------------------------------------------------------------------|-------------|
| A) 24'x40' classroom, ramp landing
with skirting monthly rental. | \$ 2,112.00 |
| B) New standard carpet and base.
(Includes discount from \$672.00) | \$ 560.00 |

24'x40' Monthly rental subtotal \$ 2,672.00 (each)
Total 1 year rental for (20) 24'x40' CI's \$641,280.00

Item I-A - 24x40 One Time Charge for D&I & T&R, (per classroom)

- | | |
|--------------------------------------|-------------|
| A) Standard Delivery to pad | \$ 6,000.00 |
| B) Standard Installation, w skirting | \$ 7,750.00 |
| C) Standard Dismantle | \$ 7,000.00 |
| D) Standard Return | \$ 6,000.00 |

24'x40' D&I subtotal \$ 13,750.00 (each)
24'x40' T&R subtotal \$ 13,000.00 (each)
Total D&I – T&R Cost (20) 24'x40' CI's \$535,000.00



Item II - 12x40 Restroom, Monthly Lease Pricing, (per 12' restroom module with fixtures)

- A) 12'x40' restroom module, ramp landing
with skirting monthly rental. \$ 4,516.00 (each)

**Total 1 year rental for
(7) various 12'x40' restroom modules. \$379,344.00**

Item II-A - 12x40 One Time Charge for D&I & T&R, (per classroom)

- B) Standard Delivery, (Incl ramps) \$ 6,000.00
C) Standard Installation, w skirting \$ 12,000.00
D) Standard Dismantle \$ 11,500.00
E) Standard Return, (Incl ramps) \$ 6,000.00

**12'x40' D&I subtotal. \$ 18,000.00 (each)
12'x40' T&R subtotal. \$ 17,500.00 (each)
Total D&I – T&R Cost (7) 12x40' Mods. \$248,500.00**

Item III – Project Total for (20) 24' x 40' DSA approved refurbished classrooms, and (x7) 12'x40' DSA approved restroom modules, (in various size configurations as outlined)

All classrooms & restrooms, Monthly Rental	\$ 85,052.00 (month)
(One-year rental total of \$ 1,020,624.00)	
Delivery, Installation, (Due upon classrooms delivery).	\$ 401,000.00
Dismantle & Return, (Due upon classrooms return).	\$ 382,500.00

General Note: Lease payments are monthly and will be invoiced along with delivery, installation prior to the scheduled deliveries.
New Lease contract Agreement will be provided for signature.
Proof of insurance required for value of classrooms prior to delivery.
Estimated Lease start date is May 1, 2025, as applicable.

Item IV – SPECIAL CONDITIONS AND RESTROOMS:

- A) Total restroom buildings included are, (4) 12'x40' BOY-GIRL Model,
(1) 12'x40' BOY-GIRL-JANITOR Model, & (1) 24' x40' Multipurpose Model consisting
of a total of (x7) 12'x40' restroom module sections with various layouts per attached
DSA approved proposal drawings.



- B) This Proposal is for a short-term emergency lease of DSA approved structures and will require local building authority's waiver and acceptance of DSA approved structures as proposed verses HCD trailers if applicable.**

Item V – Estimated 2025 Critical Path Schedule (Updated, based on a 2-7-25, or sooner, proposal execution).

- 3-13-25 - Receipt of executed Proposal
- 3-13-25 - Lock in buildings and begin preparation for delivery.
- 4-1-25 - Start delivery and installation.

Note: Actual delivery and installation TBD based on site readiness to receive modules and begin the installation process based on a TBD sequence of delivery for the site.

Item VI – Inclusions

- Standard continuous delivery and installation of Modular building modules, ramp-landing & wood foundation systems. (Based on a minimum 2' separation between classrooms)
- Prevailing wage site labor rates (Elite Modular and their sub-contractors are registered with the DIR) Standard work week hours (Monday – Friday).
- DSA approved classroom, ramp-landings & wood foundation drawings.
- Foundation skirting.
- Standard wood foundation system & metal ramp landing system, per drawings.
- Standard wall mount HVAC units (classrooms only)
- Standard lights and electrical.
- Standard new carpet & base. (sheet vinyl for restrooms)

Note: All building hardware, lights, interior & exterior colors per WS Modular standards, design, and DSA stockpile approved drawings.

Item VII – Exclusions

- AOR / Final DSA submittal, and final site & classroom building approvals, if applicable.
- On site DSA Inspection's and fees, as applicable.
- PSA, PLA, or other union work labor requirements.
- Unknown weekend, holiday, or non-standard work hours – All work and trades.
- Unknown City- County Permits or Traffic Control.
(If required at time of permit application and route approval).
- Access in-out of site for all equipment, trucking & workers.
- Unknown Crane, shuttle or staging of modules other than direct delivery onto pad from truck-trailer system.
- Level asphalt or dirt pad for classrooms with no more than 6" diagonal fall from front to rear of building, starting at the front corner opposite the door, based on Modular wood foundation requirements for minimum and maximum foundation heights.
- Foundation modifications required due to levelness of site pad and direction of slope.



- (If applicable, maintain all asphalt/dirt slopes from front of classroom to rear)
- Verification of site pad elevations and marking location of each classroom building corners prior to delivery.
 - Unknown additional cost related to site delays, pad elevations or readiness of site to receive buildings and start installation once schedule is confirmed.
 - Custom installation of wood foundation due to access between buildings or pad type other than dirt or asphalt.
 - Filler panels between buildings if required, by site contractor).
 - Connection and providing all site utilities to buildings.
 - Low voltage systems, components, wire, lighting control and programming (including fire alarm) within buildings.
 - All classroom signage.
 - Transition of ramp toe to grade for ramp and landing systems as required for site conditions.
 - Unknown remobilization, due to site contractor delays or access to pad and building areas.
 - Fire sprinklers or rated building (if required).
 - Fencing, furniture, storage, clear span structures. (quote can be provided separately)
 - Site wind or roof load design requirements exceeding proposed modular building standard wind - roof load per the DSA approved drawings as selected for this project.
 - Solar panels, design & systems. (If required by DSA)
 - WUI compliant buildings (if required).
 - Anything not specifically included is excluded.

If the above is acceptable, please execute below and return with your W-9, by EOD 3-13-2025.

Sincerely,
Williams Scotsmans Inc.

Lou Menezes

Lou Menezes
Strategic Account Manager
Ca Education

Jeremy Goldenetz

Jeremy Goldenetz

Director Of Business Development
CA Education

ACCEPTED _____ DATE _____

Lease Term: Monthly, 1-Yr Minimum.

BY _____

TITLE _____