
LEASE AGREEMENT

between

[*] LLC

a California limited liability company,
as Lessor

and

CAMINO NUEVO CHARTER ACADEMY,
a California nonprofit public benefit corporation,
as Lessee

for the use and occupation of the subject premises
in the operation of the charter school known as

[*]

dated as of March 1, 2023

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LEASE AGREEMENT

This LEASE AGREEMENT (“**Lease**”) dated, for reference purposes only, as of March 1, 2023, is made by and between [*], a California limited liability company (“**Lessor**”), and CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation (“**Lessee**”) (Lessor and Lessee being sometimes referred to herein collectively as the “**Parties**” and individually a “**Party**”). This Lease is for the use and occupancy of the subject Premises by Lessee in the operation of the charter school known as “[*],” CDS #19-64733-[*], or such other charter school as Lessee may operate on the Premises (the “**School**”). This Lease [amends and restates] [supersedes] [succeeds], effective as of the Commencement Date (as defined below) that certain Lease Agreement dated as of [*], (the “**Prior Lease**”) between the Parties.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged: the parties hereby agree as follows:

1. Basic Provisions.

1.1 Premises. The real property and improvements commonly referred to as [*], legally described on Exhibit A attached hereto, is referred to herein as the “**Premises**.”

1.2 Term. [Section [*] of the Prior Lease is hereby amended to provide that the term of the Prior Lease will expire on the date of the making of the Loan (as defined below) (the “**Commencement Date**”), provided that the rent payable under the Prior Lease for the month of March 2023 shall not be pro-rated.] The term of this Lease (the “**Term**”) shall commence on the expiration of the Prior Lease (the “**Commencement Date**”), and shall end on June 30, 20[*] (the “**Expiration Date**”). (See also Section 3 below.) In accordance with the terms of the Loan Agreement (as defined in Section 1.5 below), this Lease may be terminated by Lessee by Lessee’s depositing with the Master Trustee (as defined in Section 1.5 below) sufficient cash or securities to redeem or defease the entire principal amount of the Bonds (as defined in Section 1.5 below), together with accrued interest to the redemption date.

1.3 Extension Option. Not applicable.

1.4 Rent. During the Term, Rent, as described in Section 4.1, shall be payable by Lessee to Lessor.

1.5 The Bonds. The California School Finance Authority (“**Lender**”) is making loans (the “**Loan**”) to Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “**Borrower**”), pursuant to a Loan Agreement dated as of March 1, 2023, (the “**Loan Agreement**”), by and between Lender and the Borrower and approved by Lessor. The Loan will be funded by the proceeds of Lender’s Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2022B (Taxable) (collectively, the “**Bonds**”) to be issued pursuant to an Indenture (the “**Indenture**”) between Lender and U.S. Bank Trust Company, National Association, as Trustee (the “**Bond Trustee**”). In connection with the issuance of the Bonds, the Borrower, as the obligated group representative (the “**Obligated Group Representative**”), Lessor and other limited liability companies of which the Borrower is the sole member, as the initial members (“**Initial Members**”) of an obligated group (the “**Obligated Group**”), and U.S. Bank Trust

Company, National Association, as master trustee (the “**Master Trustee**”), will enter into a Master Indenture of Trust dated as of March 1, 2023, (the “**Master Indenture**”) and a related Supplemental Master Indenture for Obligation No. 1 dated as of March 1, 2023, (the “**Supplemental MTI No. 1**”) and, pursuant to Supplemental MTI No. 1, the Obligated Group Representative will issue its Obligation No. 1 in the par amount of the Bonds in favor of the Master Trustee. The Loan Agreement, the Indenture, the Master Indenture, the Supplemental Master Indenture for Obligation No. 1, Obligation No. 1, and any related documents and instruments are collectively referred to herein as the “**Bond Documents.**”

1.6 Refinancing of Loan. Upon any refinancing of the Loan, the term “Loan Agreement” shall thereafter refer to the agreement for the refinancing of the Loan, the term “Loan” thereafter shall refer to the refinancing loan, and the term “Lender” thereafter shall refer to the lender making the refinancing loan, but otherwise all of the terms, covenants and conditions of this Lease shall remain unmodified and in full force and effect.

1.7 The Intercept. In order to provide for secure and orderly payment of the Base Rent component of Rent and for the payment of the Bonds out of such Base Rent payments, on or before the Commencement Date Lessee shall deliver or cause to be delivered the Intercept Notice, substantially in the form set forth in Exhibit D attached hereto (the “**Intercept Notice**”), to the State Controller of the State of California (the “**State Controller**”). Amounts specified in the Intercept Notice for transfer to the Bond Trustee shall be limited to State Apportionments. Lessee shall, amend, supplement or restate the Intercept Notice and deliver such to the State Controller from time to time as necessary or appropriate to cause transfers to the Bond Trustee to pay any changed amount of Base Rent due under this Lease (including without limitation changes resulting from redemption or defeasance of Bonds prior to maturity) and to cure any delinquency in payment of such amounts, and shall deliver such amended, supplemented, or restated Intercept Notice to the State Controller not later than the twentieth (20th) calendar day of the month immediately preceding the month with respect to which such payment is due. Lessee will cooperate with the Bond Trustee in any manner the Bond Trustee may request in connection with amending, supplementing, or restating the Intercept Notice. If at any time, the Intercept Notice is amended, supplemented, or restated for any reason, Lessee shall promptly provide Lender and the Bond Trustee with a copy of such amended, supplemented, or restated Intercept Notice. The Intercept Notice may provide additional amounts payable to the Bond Trustee on account of Additional Rent, on account of rent or other amounts payable by or for the account of the School to affiliates of Lessor under separate agreements, or for other purposes set forth in the Indenture; provided, that Lessee shall not grant preference or any prior right of funding access or security in respect of the State Apportionment to any other payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code of the State of California. All deposits of moneys derived from payments by the State Controller pursuant to the Intercept Notice from time to time shall be made at the corporate trust office of the Bond Trustee set forth in the Intercept Notice. Lessee shall timely amend, supplement, or restate the Intercept Notice to require transfers to such other location as shall be designated in writing by the Bond Trustee to Lessee.

1.8 Capitalized Terms. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement, the Indenture, the Master Indenture or, if not defined therein, in the Supplemental Master Indenture for Obligation No. 1.

1.9 [Incentive Payment] [Tenant's Contribution]. On the date of the funding of the Loan, [Lessor shall pay to Lessee] [Lessee shall pay to Lessor] \$_____.

2. Premises.

2.1 Letting. Lessor hereby leases and hires to Lessee, and Lessee hereby Leases and hires from Lessor, the Premises, for the Term, at the Rent, and upon and subject to all of the terms, covenants and conditions set forth in this Lease.

2.2 Condition of Premises. Lessee currently occupies the Premises pursuant to the terms of the Prior Lease. On the Lease Commencement Date, Lessee accepts the Premises in its as-is condition.

3. Term.

3.1 Term. The Lease Commencement Date, Expiration Date and Term of this Lease are as specified in Section 1.2.

4. Rent; Additional Rent; Expenses.

4.1 Rent Defined. Subject to the terms of this Lease, “**Rent**” is defined as and shall consist of the sum of (i) Base Rent, (ii) Additional Rent, (iii) Extraordinary Monthly Rent, and (iv) Expenses (all as defined below), together with all other monetary obligations of Lessee to Lessor or to third parties arising under the terms of this Lease.

4.2 Base Rent. “Base Rent” is listed in Schedule B to this Lease. So long as the Loan is outstanding, during the term of this Lease, the “Base Rent” shall be payable in accordance with the schedule set forth in Exhibit B, subject to downward adjustment in the event of any redemption or defeasance of all or a portion of the Bonds or prepayment of all or a portion of the Loan. In the event of redemption or defeasance of all the Bonds prior to the Expiration Date such that no Bonds remain outstanding and prepayment of all of the Loan prior to the Expiration Date and without termination of this Lease, commencing on the first day of the first calendar month following such defeasance, redemption or full prepayment, the Base Rent shall be \$100.00 per month.

4.3 Additional Rent. Lessee shall be responsible for the payment of Additional Rent. Additional Rent shall be paid to Lessor on demand or, if such Additional Rent is ongoing and can be calculated on a periodic basis, on a monthly basis pursuant to a written schedule from time to time delivered by Lessor. The amount projected as Additional Rent during the Term, assuming no Extraordinary Monthly Rent, is as set forth on Exhibit B. “Additional Rent” shall consist of the following:

(a) All amounts required to reimburse Lessor, or satisfy Lessor's obligations, for any fees, expenses, taxes, indemnities, assessments or other payments that the Borrower is obligated to pay under the terms of the Loan Agreement, including, but not limited to, such amounts as described in the Loan Agreement.

(b) Any other amounts required to be paid by the Lessor in order for the Lessor to meet its obligations under the Bond Documents on a full and timely basis.

4.4 Extraordinary Monthly Rent. In the event that Lessee receives a notice (an “**Extraordinary Monthly Rent Notice**”) from either the Lessor or the Related Bond Trustee (as defined in the Master Indenture) stating the Related Bond Trustee has not received the payment of Rent with respect to a Related Project on or before that date that such required payment is due, then the Lessee shall pay the Extraordinary Monthly Rent to the Related Bond Trustee within three business days after the Lessee's receipt of the Extraordinary Monthly Rent Notice. Lessor covenants to immediately provide Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture. “**Extraordinary Monthly Rent**” means the amount set forth in such Extraordinary Monthly Rent Notice, which shall be Lessee's Proportionate Share of the Extraordinary Monthly Rent. “**Proportionate Share**” means the amount required to be paid by Lessee to ensure that all of the required Rent and School Loan Repayments with respect to all of the Related Projects have been timely made, said amount to be determined from time to time for each Obligated Group School in proportion to its respective share of Gross School Revenues attributable to the operation of such Obligated Group School. There is no assurance that the amount of Extraordinary Monthly Rent will be sufficient to cover any Rent not paid by any other Related Project. If payable, Extraordinary Monthly Rent shall be a component of Rent.

4.5 Expenses. Lessee shall be responsible for all Expenses, which Lessee shall pay directly to the providers of any of the items comprising Expenses prior to delinquency, or shall pay to or reimburse Lessor within thirty (30) days after receiving a statement from Lessor itemizing (with reasonable description) all charges included thereon. “**Expenses**” shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the Premises (referred to in this Section 4.5 as the “**Facility**”), as determined by standard accounting practices, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Facility, the aggregate of the “**Maintenance Expenses**” and the “**General Expenses**” set forth below:

(i) “**Maintenance Expenses**” means all costs of maintaining and repairing the Facility, the parking area, athletic fields and other portions of the Facility, deferred maintenance, installing or extending service systems and other built-in equipment, and improving the Facility, including without limitation all of the following:

a. All maintenance, replacement and repair costs of air conditioning, heating and ventilation equipment and systems, elevators (if any), landscaping, service areas, parking lots, athletic fields, building exteriors (including painting), signs and directories, repairing and replacing roofs, walls, structural components of the Facility, and cost of compliance with applicable laws (including any required upgrades or retrofitting).

b. Supplies, materials, labor, equipment, and utilities used in or related to the repair and maintenance of the Facility and such common areas.

c. Capital improvements made to the Facility (whether funded in full or amortized with reasonable financing charges) which may be required by any government authority or which will improve the operating efficiency of the Facility.

(ii) “**General Expenses**” means all of the following, to the extent not included in Maintenance Expenses:

- a. Gross receipts taxes, whether assessed against Lessor or assessed against Lessee and collected by Lessor.
- b. Water, sewage, and waste or refuse removal charges.
- c. Gas, electricity, telephone and other utilities.
- d. The cost of monthly or annual contracts for systems or services such as alarm systems, security systems, internet services, janitorial services or landscaping services.
- e. All janitorial, cleaning, landscaping, sweeping and repair services relating to the Facility.
- f. The costs of signs and directories.
- g. The cost of compliance with applicable laws.
- h. Reasonable costs incurred by Lessor for operating expenses, including the day-to-day management (if any), including the cost of management personnel (if any), together with any of Lessor’s administrative expenses such as state filings, preparation of tax returns or notices, and all taxes, charges, or fees in connection therewith to the extent related to the Facility.
- i. Real Property Taxes (as defined in Section 10.1 below) and personal property taxes (as described in Section 10.3 below), if any.
- j. Amounts required to be paid as deductibles in connection with any insurance required under the Bond Documents.
- k. Any other costs or expenses incurred by Lessor under this Lease, excluding depreciation of the Facilities.
- l. [Amounts payable under the Ground Lease that are the responsibility of the Lessor and not otherwise paid pursuant to any other provisions of this subsection.]

4.6 Property Tax. Lessee uses the Premises exclusively for public school purposes, and therefore the Premises may be exempt from ad valorem property taxes. Lessee shall be responsible for the application to the Los Angeles County Tax Assessor for such tax exemption on an annual basis. Lessor shall cooperate with Lessee in obtaining such exemption, and shall execute any application for a tax exemption for the Premises. Any tax refunds and/or tax exemptions received by or granted to Lessor, based on Lessee's tax exempt status during the term of this Lease, shall be credited toward Lessee's Expenses payable under this Lease.

4.7 Payment. All Rent required to be paid in monthly installments shall be paid as specified in Exhibit B. All Rent shall be paid in lawful money of the United States, without any abatement, deduction or offset whatsoever (except as specifically provided herein), and without any prior demand therefore. All Rent shall be paid to the Master Trustee for deposit in the Gross Revenue Fund (as that term is defined in the Bond Documents), and at such address as the Master Trustee notifies Lessee, or at such other place as Lessor may designate from time to time, with the approval of the Master Trustee as long as Lessor has any obligations pursuant to the terms of the Bond Documents. Notwithstanding the foregoing, Lessee shall receive a credit for Rent owed to Lessor to the extent the Bond Trustee receives monies on behalf of Lessee under the Intercept. Except for the month of March 2023, Rent for any period during the Term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Subject to the terms of the Bond Documents, and so long as any of the Bonds or the Loan remains outstanding, Lessee shall, through the Intercept Notice, cause the State Controller to transfer the portion of the State Apportionment described in the Intercept Notice and attributable to the School to the Bond Trustee for deposit in the Revenue Fund (as defined in the Indenture). Lessor shall have the right, but not the obligation, to collect and impound, in advance, any or all components of Expenses or other Rent based upon Lessor's reasonable estimate of Lessee's future liability for such amounts for any calendar year or other period selected by Lessor. At the end of the calendar year or other period with respect to which any such estimate was prepared, Lessor shall reconcile Lessee's actual obligation for such component of Expenses or other Rent and the estimated amounts previously paid by Lessee.

4.8 Late Charge and Interest on Rent in Default. If any Rent is not received by or on behalf of Lessor from Lessee within ten (10) calendar days after Lessor has notified Lessee in writing that payment has not been received by Lessor, then Lessee shall immediately pay to Lessor a late charge equal to five percent (5%) of such delinquent rent as liquidated damages for Lessee's failure to make timely payment, by paying such sum to the Master Trustee for deposit in the Gross Revenue Fund. In no event shall this provision for a late charge be deemed to grant to Lessee a grace period or extension of time within which to pay any rent or prevent Lessor from exercising any right or remedy available to Lessor upon Lessee's failure to pay any rent due under this Lease in a timely fashion. If any Rent remains delinquent for a period in excess of thirty (30) days then, in addition to such late charge, Lessee shall pay to Lessor interest on any rent that is not paid when due at the Default Interest Rate from the date such amount became due until paid by paying such sum to the Master Trustee by depositing the same in the Gross Revenue Fund.

4.9 Budgeting Rent. Without limiting the provisions of Exhibit C, Lessee covenants to take such action as may be necessary to include all such payments of Rent due hereunder in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent.

4.10 Accounting. Without limiting the provisions of Exhibit C, if Lessor requests in writing, Lessee agrees to provide Lessor with an annual, or more frequent, accounting of the Expenses paid for Lessee's most recent fiscal year.

4.11 Source of Rent Payments.

(a) Notwithstanding anything in this Lease to the contrary, Lessee's obligation to pay the Rent and the other monetary payments provided for in this Lease to any person or entity, including the Lessor, Lender, or Bond Trustee, and their respective successors and assigns, is limited to, and shall not exceed, Gross School Revenues (as defined in Exhibit C), if any, and under no circumstances shall Lessee be required to advance any moneys derived from any source of income other than, or pay Rent or any other monetary obligation under this Lease which is in excess of, the Gross School Revenues, nor shall any other funds or property of Lessee be liable for the payment of Rent or any other monetary obligation under this Lease, and such persons and entities shall look exclusively thereto for satisfaction of any claims hereunder. Lessor covenants that it shall not take recourse against Lessee with respect to the failure by Lessee to make any payment under this Lease except recourse to the Gross School Revenues.

(b) Nothing contained in this Section shall be construed to release Lessee from the performance of any of the agreements on its part herein contained, and in the event Lessee shall fail to perform any such agreements on its part, Lessor may institute such action against Lessee as Lessor may deem necessary to compel performance so long as such action does not abrogate the limitation of liability of Lessee contained in the first sentence of this Section. Lessee may, at Lessee's own cost and expense and in Lessee's own name or in the name of Lessor prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect Lessee's right of possession, occupancy and use hereunder, and in such event Lessor hereby agrees to cooperate fully with Lessee and to take such action necessary to effect the substitution of Lessee for Lessor in such action or proceeding if Lessee shall so request.

5. Mandatory Covenants.

5.1 Specific Covenants Related to the Loan. For so long as the Loan is outstanding and has not been defeased or for so long as any obligations under the Loan Agreement remain outstanding, the provisions of Exhibit C shall be applicable for the benefit of Lessor and the Lender.

6. Use.

6.1 Agreed Use. In addition to any other restrictions on Lessee's use of the Premises, the Property shall be used by Lessee for the School, for any related and ancillary school and educational purposes, any related administrative purposes, and any related incidental legal uses. Notwithstanding the foregoing, Lessee shall use and occupy the Premises only for "educational facilities" as defined in Section 17173(f) of the Education Code of the State of California in order to operate a charter school that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (the "**Code**") as an organization described in Code Section 501(c)(3) and that qualifies as an "educational organization" as described under Code Section 170(b)(1)(A)(ii); provided that Lessee shall not rent the Premises as residential rental property to others, or permit any Lessee to rent the Premises as residential rental property to others.

6.2 Hazardous Substances. Without limiting the generality of the foregoing, Lessee shall comply with all obligations and the Bond Documents related to Hazardous Substances and Environmental Regulations, to the extent applicable to the Premises or Lessee's use and occupancy thereof.

7. Maintenance; Repairs.

7.1 Lessee Fully Responsible. During the Term, except in cases of damage or destruction due to casualty loss, or in the event of Condemnation, and except in case of the initial construction of the Improvements, all repair, maintenance, restoration, retrofitting, construction or reconstruction with respect to the Improvements shall be the sole responsibility of Lessee, and Lessor shall have no duty to undertake any such repair, maintenance, restoration, retrofitting, construction or reconstruction, or to pay any costs of the same. Provided, however, that Lessor shall provide Lessee access to the moneys in the Repair and Replacement Fund, and to any moneys in the Insurance and Condemnation Proceeds Fund to the extent necessary or appropriate to pay the costs of or to reimburse Lessee for its obligations hereunder, in accordance with the terms and provisions of the Indenture related to the Repair and Replacement Fund and the Insurance and Condemnation Proceeds Fund.

7.2 Compliance With Applicable Requirements. If any applicable building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (the “**Applicable Requirements**”) require, during the Term, the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises, Lessee hereby agrees to undertake and complete such construction, alteration, remediation, reinforcement or other modification, and the costs therefor shall be incurred solely by Lessee.

7.3 Liens. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on, or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof.

7.4 Ownership of Improvements; Removal; Surrender; and Restoration.

(a) **Ownership.** All Improvements shall be the property of Lessor. Any additional improvements constructed and paid for by Lessee itself shall, at the expiration or termination of this Lease, at the option of Lessor, (i) be removed by Lessee or (ii) become the property of Lessor and be surrendered by Lessee with the Premises

(b) **Surrender and Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the parts, and surfaces thereof broom clean and free of debris, and in good operating order, condition, and state of repair, ordinary wear

and tear excepted. Lessee shall repair any damage occasioned by the installation, maintenance, or removal of any of its furnishings, and equipment. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire.

8. Insurance; Indemnity.

8.1 Liability. Lessee shall keep in force such liability insurance policies and in such amounts as required to meet the requirements of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.2 Premises. Lessee shall obtain and keep in force a policy or policies of property insurance in the name, and for the benefit, of Lessor, with loss payable to Lessor or, if required under the Bond Documents, to any lender, including the Bond Trustee and the Master Trustee, insuring loss or damage to the Premises. The amount of such insurance shall meet the requirements of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.3 Rental Interruption. Lessee shall also obtain and keep in force, for the benefit of Lessor, rental interruption insurance insuring Lessor for the amounts of Base Rent arising from an interruption of the payment of the Base Rent, Additional Rent and Expenses otherwise payable by Lessor hereunder covering a period of at least 12 months. The limits of such insurance shall be based upon the highest monthly amount of Base Rent and Additional Rent shown on Exhibit B, as revised from time to time. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

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

8.5 Indemnity. Except for Lessor's negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, partners, members, directors, and officers, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. The provisions of this Section 8.5 shall survive the termination of this Lease.

8.6 Exemption of Lessor from Liability. Unless caused by Lessor's negligence or willful misconduct, Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other sources or places.

8.7 Insurance Requirements of Bond Documents. The foregoing notwithstanding, for so long as the Loan is outstanding, Lessee shall be deemed to meet its insurance obligations as set forth in this Section 8.7 if it carries, and it hereby agrees to carry, the insurance required to meet the terms of the Bond Documents, as such requirements may change from time to time. Without limiting the foregoing, for so long as the Loan is outstanding, Lessee shall cause the Bond Trustee, Master Trustee and Lessor to be named as additional insureds on Lessee's liability insurance and Bond Trustee and Master Trustee as mortgagees and loss payees on property insurance policies.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Damage"** shall mean damage or destruction to the improvements on the Premises from fire or other casualty.

(b) **"Insured Loss"** shall mean Damage that was caused by an event required to be covered by the insurance described in Section 8, irrespective of any deductible amounts or coverage limits involved.

9.2 Damage. Subject to the terms of the Master Indenture, Lessor shall be entitled to any and all insurance proceeds that are available as a result of any Insured Loss, and shall make such insurance proceeds available to Lessee, which shall proceed to reconstruct the Improvements subject to such Damage to their condition existing immediately prior to the Damage, utilizing available insurance proceed and any amounts voluntarily contributed by Lessee. If Lessor elects not to undertake such restoration, Lessee may (i) if such damage is material, terminate this Lease by providing written notice to Lessor, and to the Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessee of Lessor's notice of its election not to undertake such restoration, or (ii) using available insurance proceeds, restore and rebuild the Premises, so long as the following conditions are met:

(a) The amount of insurance proceeds that are available for restoration, plus any funds that may have been deposited by Lessee, are sufficient to restore and rebuild the Premises to their character, condition and utility immediately prior to the casualty (or to such other condition as Lessee reasonably demonstrates will generate sufficient revenue for Lessee to meet its obligation to pay all Rent thereafter accruing);

(b) The amount of available proceeds of rental interruption insurance plus any funds deposited by Lessee equals an amount determined by Lessor to be sufficient to pay the Rent

accruing during the period between the date of such casualty and the date the restoration or rebuilding is substantially completed.

(c) The restoration or rebuilding is estimated by Lessor to be completed at least twelve (12) months prior to the Maturity Date of the Bonds.

(d) In lieu of making any deposit of funds as described above, Lessee shall have the right to provide other assurances of the payment of restoration costs and Rent acceptable to Lessor in its sole discretion, such as a letter of credit.

9.3 Damage—Uninsured Loss. If Damage that is not an Insured Loss occurs, (a) Lessee may repair such damage as soon as reasonably possible at Lessee's expense, in which event this Lease shall continue in full force and effect or, (b) if Lessee elects not to undertake such repair, and such Damage is material, Lessor or Lessee may terminate this Lease by providing written notice to the other party, and to Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessor of knowledge of the occurrence of such Damage.

9.4 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith, including California Civil Code Sections 1932(2) and 1933(4).

10. Real Property Taxes.

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

10.2 Payment of Taxes. Lessee shall timely file for exemption from any Real Property Taxes and shall maintain such exemption during the Term. In any event, Lessee shall pay, before the same become past due, the Real Property Taxes applicable to the Premises during the Term to the extent any such Real Property Taxes are charged, levied, assessed, or imposed.

10.3 Personal Property Taxes. Lessee shall timely file for exemption from any taxes fixtures, furnishings, equipment, and all personal property of Lessee and shall maintain such exemption during the Term. Lessee shall pay, prior to delinquency, all such taxes to the extent they are charged, levied, assessed, or imposed after an exemption for such taxes is filed as required hereunder.

11. Assignment and Subletting.

11.1 By Lessee. Lessee shall not sublease, assign, mortgage, pledge, hypothecate or encumber this Lease or any of Lessee's interest hereunder without the prior written consent of Lessor (which shall not be unreasonably withheld). Lessee acknowledges that, pursuant to the Bond Documents, Lessor may be required to obtain the Lender's approval to a sublease, assignment or other transfer of Lessee's interest in this Lease and that Lessor's disapproval shall be deemed reasonable if based on any such disapproval by Lender. Lessee acknowledges that the financing of the Premises through the Tax-Exempt Bonds may restrict the assignees which could be approved by Lessor. In addition, Lessee shall not Lease, assign, mortgage, pledge, hypothecate, or encumber this Lease unless it receives an Opinion of Bond Counsel confirming that such action will not result in use or operation of the Premises not in conjunction with a charter school under the Act.

11.2 By Lessor. Lessee acknowledges that Lessor's interest in the Premises are subject to a deed of trust in favor of the Master Trustee and that certain of the Lessor's rights under this Lease are assigned to the Master Trustee as security for the Bonds under the Master Indenture of Trust.

12. Default; Event of Default; Remedies.

12.1 Default; Event of Default. A “Default” is defined as a failure by Lessee to comply with or perform any of the terms, covenants or other obligations of Lessee under this Lease. An “Event of Default” is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

- (a) The abandonment of the Premises.
- (b) The failure of Lessee to make any payment of Rent required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond required hereunder, or to fulfill any obligation under this Lease that endangers or threatens life or property, where such failure continues for a period of ten (10) business days following written notice to Lessee.
- (c) Any material representation or warranty made in this Lease, or in any report, certificate, financial statement, or instrument furnished in connection with this Lease, proves to have been false or misleading when made, in any material respect, and is not promptly corrected.
- (d) Lessee violates or fails to observe or perform any covenant contained in Section 2 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (e) Lessee violates or fails to observe or perform any of the financial covenants of Lessee set forth in Section 3.3 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (f) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, other than those described in subparagraphs 12.1(a) through (e) above, where such

Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(g) The occurrence of any of the following events: (i) Lessee's making of any general arrangement or assignment for the benefit of creditors; (ii) Lessee's becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 90 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within sixty (60) days; provided, however, in the event that any provision of this subparagraph (g) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

12.2 Remedies. Upon the occurrence of any Event of Default, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy that Lessor may have by reason of such Event of Default:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees of Lessor and the Authorities, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Event of Default of this Lease shall not waive Lessor's right to recover damages under Section 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Section 12.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Section 12.1. In such case, the applicable grace period required by Section 12.1 and the unlawful detainer statute shall run concurrently, and the failure

of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default under this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue this Lease and Lessee's right to possession and recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect Lessor's interests, shall not constitute a termination of Lessee's right to possession.

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

12.3 Default Interest. Any monetary payment due Lessor hereunder not received by Lessor when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payments, shall bear interest computed at the rate of 10% per annum (but not in excess of the maximum rate allowed by law) ("**Default Interest Rate**") from the date when due as to scheduled payments, or the 31st day after it was due as to non-scheduled payments.

12.4 Lessor Self Help. If Lessee fails to perform any of its affirmative duties or obligations (other than compliance with the covenants and financial reporting requirements pursuant to Section 5 and Exhibit C), Lessor may, at its option, perform such duty or obligation on Lessee's behalf including, but not limited to, the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor.

13. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs, and Expenses thereafter shall be limited to those applying to the remaining Premises subject to this Lease. Subject to the terms of the Loan Agreement, in the event that there is a Condemnation of less than all of the Premises, and such portion so taken is material to Lessee's use and quiet enjoyment of the Premises as a whole, then all available Condemnation awards and/or payments shall be used first, to restore the remaining portion of the Premises to a usable whole, and second, to reduce the balance of any loan made to Lessor and secured by the Premises in proportion to the portion taken or sold. Any portion of the award and/or payment that remains after the foregoing purposes have been satisfied shall be the property of Lessor. Subject to the terms of the Loan Agreement, if the entirety of the Premises is taken, then the Condemnation awards and/or payments shall be the property of Lessor.

14. Estoppel Certificates. Each Party (as "**Responding Party**") shall within ten (10) days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such

additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

15. Definition of Lessor. The term “**Lessor**” as used herein shall mean the owner or owners at the time in question of the Lessor's interest under this Lease. Upon any transfer of such interest in the Premises, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the succeeding Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by Lessor shall be binding only upon Lessor as hereinabove defined.

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

17. Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease shall mean and refer to calendar days. “**Business Day**” means any day other than a Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Corporate Trust Office (as defined in the Indenture) is located are authorized or obligated by law or executive order to be closed.

18. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease. No member, officer, agent or employee of Lender or any director, officer, agent or employee of the Bond Trustee, Master Trustee, Lessor or Lessee shall be individually or personally liable for the payment of any amounts hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or this Lease.

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

20. No Prior or Other Agreements. Subject to the terms of the Bond Documents, this Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Each Party represents and warrants that the execution of this Lease will not, to the best of the Party's knowledge, constitute a violation under any material agreements to which such Party is a party.

21. Notices.

21.1 Notice Requirements. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (a) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (b) if mailed by first class mail, postage prepaid, six Business Days after deposit in the United States mail addressed to the appropriate notice address. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Days. The parties listed below may, by notice given hereunder, designate any further or different addresses to which

subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

21.2 Addresses.

Lessor: [*]
 c/o Camino Nuevo Charter Academy
 3435 W. Temple Street
 Los Angeles, CA 90026
 Attention: Chief Executive Officer

Lessee: Camino Nuevo Charter Academy
 3435 W. Temple Street
 Los Angeles, CA 90026
 Attention: Chief Executive Officer

Lender (during the time the Loan is outstanding):

 California School Finance Authority
 State Treasurer's Office
 304 S. Broadway, Suite 550
 Los Angeles, California 90013
 Attention: Executive Director

22. Waivers. No waiver by Lessor of the Default or Event of Default of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Event of Default by Lessee of the same or of any other term, covenant or condition hereof.

23. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 110% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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

25. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in the

County of Los Angeles; provided, that any litigation in which Lender is a party concerning this Lease shall be initiated in Sacramento County, California.

27. Lessor's Access; Showing Premises; Repairs. Lessor shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times after two (2) Business Days' prior notice for the purpose of inspecting the Premises, verifying compliance by Lessee with this Lease or exercising its self-help rights under Section 12.4.

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

29. Counterparts. This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. This Lease may be executed by the delivery of separately signed counterpart signature pages. A party's delivery by electronic transmission of the party's manually or electronically signed counterpart signature page to this Lease shall be deemed as effective as the party's physical delivery of a manually signed counterpart signature page.

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

31. Limitation of Rights to Parties. Except as otherwise provided herein, nothing in this Lease is intended or shall be construed to give to any person other than Lessor and Lessee any legal or equitable right, remedy or claim under or in respect of this Lease or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of Lessor and Lessee.

32. CASp Disclosure. California Civil Code Section 1938 requires Lessor to notify Lessee whether the Premises has undergone inspection by a Certified Access Specialist ("CASp"), as defined in California Civil Code Section 55.52. Lessor hereby states to Lessee that, as of the date this Lease is executed, the property of which the Premises is a part has not undergone such inspection. A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction related accessibility standards under California state law. Although California state law does not require a CASp inspection of the Premises, the Lessor may not prohibit Lessee from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Lessee, if requested by Lessee. 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.

(Signatures on next page)

(Signature page of Lease Agreement)

The Parties hereto have executed this Lease as of the day and year first above written.

LESSOR:

[*],
a California limited liability company

By: Grupo Nuevo Los Angeles,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
[Name]
[Title]

LESSEE:

CAMINO NUEVO CHARTER ACADEMY
a California nonprofit public benefit corporation

By: _____
Adriana Abich
Chief Executive Officer

EXHIBIT A

Legal Description of Premises

EXHIBIT B

Schedule of Base Rent and Additional Rent

Base Rent and Additional Rent for each month of the Term shall be payable monthly in advance on the 20th day of the preceding month in accordance with the following payment schedule.

EXHIBIT C

MANDATORY COVENANTS

Capitalized terms not otherwise defined in this Exhibit C shall have the meanings ascribed to such terms in the Lease Agreement to which this Exhibit forms a part (the “**Lease**”) and the Master Indenture.

1. **Lessee Covenants:** Lessee acknowledges that the Premises secure Lessor's obligations under the Bond Documents. Accordingly:

1.1 Lessee covenants and agrees that so long as any bonds or loans remain outstanding, Lessee shall maintain the Premises as a charter school facility providing educational services to students within the territorial limits required, if any, pursuant to Lessee's charter.

1.2 Lessee covenants and agrees to take all reasonable actions to maintain its current or any future charter (“**Lessee's Charter**”) for the School with a sponsoring entity and to take or cause to be taken any and all actions required to renew or extend the term of its charter with a sponsoring entity. As soon as practicable, Lessee shall provide Lessor with a copy of any notice received with regards to any sponsoring entity's intent to renew or extend the term of any such charter or any notice of any issues that if not corrected or resolved could lead to termination or nonrenewal of any such charter. If such charter is terminated or not renewed, Lessee shall use commercially reasonable efforts, and shall cooperate with Lessor, to assign this Lease to an entity that maintains a charter with a sponsoring entity. In addition, Lessee shall maintain accreditation status under the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the California Education Code) and related administrative rules and shall satisfy the student performance accountability standards stated in its application for its charter.

1.3 Lessee will permit the Lessor to discuss the affairs, finances and accounts of Lessee or any information the Lessor may reasonably request with appropriate officers of Lessee, and will grant the Lessor access to the facilities, books and records related to the Improvements or Lessee on any business day upon reasonable prior notice.

2. **Bondholder/Lender Protection Regarding Lessee Defaults:** At any time when there is a Security Instrument against the Premises, the following provisions shall apply:

2.1 Prior to exercising any right or remedy that would have the effect of terminating the Lease (or that would terminate the Lease if Lessee does not satisfy conditions, such as payment of delinquent Rents), the Lessor must give Lender written notice of default and an opportunity to cure (a) monetary defaults within ten (10) days after notice; and (b) all other defaults within the time allowed by the Lease for Lessee to perform.

2.2 Before any termination remedy may be exercised against Lessee, if any cure of a non-monetary default requires that Lender obtain possession of the Premises, then the time of Lender to cure shall be extended to ten (10) days after it has obtained possession, provided that Lessor has moved with all due diligence to exercise its remedies to obtain possession.

2.3 Before any termination remedy may be exercised against Lessee, if an Event of Default requires more time to cure than allowed above, then on demonstration that Lender has worked in good faith and with all due speed to cure the Default, Lender may extend the time to perform by another thirty (30) days.

2.4 Notwithstanding any other provision hereof, no lender shall have a liability or obligation to cure an Event of Default.

2.5 Lessee shall not take any action, or omit to take any action required of it by the Lease, that will impair or diminish the security of the existing Security Instruments, including any acts/omissions that will have a negative effect on the tax status of the Security Instrument.

3. **Lessee's Financial Covenants.** For purposes of this Exhibit C, all initially capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Master Indenture, provided that any such definitions therein pertaining to the financial or operational performance of the Lessor (defined therein as a “**Member**”) shall be construed when used herein to refer to the financial or operational performance of Lessee. For clarity, the financial covenants set forth below shall be applied pursuant and subject to the provisions below. With respect to any retention of an Independent Consultant hereunder, Lessee hereby covenants that Lessee shall comply with and shall be bound by the selection procedures set forth in the Bond Documents.

3.1 **Liquidity Covenant.** Lessee shall calculate Consolidated Days Cash on Hand for the Obligated Group Schools as of the last day of each Fiscal Year, commencing with the later of the (i) Fiscal Year ending June 30, [2023] and (ii) immediately succeeding Fiscal Year commencing after the effective date of the Lease, based upon its audited financial statements for such Fiscal Year and file such reports with Master Trustee. For each calculation date, the Obligated Group Schools will maintain Consolidated Days Cash on Hand as of the last day of each Fiscal Year equal to or greater than 45 days.

3.1.1 “**Cash and Cash Equivalents**” means the sum of cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower cost of market value) of the Obligated Group Schools.

3.1.2 “**Consolidated Days Cash on Hand**” means (i) the sum of Cash and Cash Equivalents of the Obligated Group Schools, as shown on Lessee’s audited financial statements for each Fiscal Year, and any State payments accrued to such Fiscal Year and scheduled to be received within two months following the end of such Fiscal Year (“**Cash on Hand**”); divided by (ii) the Average Daily Expenses for Obligated Group Schools (as calculated for the most recent Fiscal Year ending before such date).

3.1.3 “**Average Daily Expenses for Obligated Group Schools**” means (A) cash requirements during such Fiscal Year related to or payable from revenues attributable to the Obligated Group Schools (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of the Obligated Group Schools in the aggregate (i) all Operating Expenses for such Fiscal Year for the Obligated Group Schools, (ii) subordinated Support Office Management Fees, and (iii) the sum of the Base Rent and School

Loan Repayments payable under the Leases and School Loan Agreements, respectively for all Obligated Group Schools between Lessee and any Member of the Obligated Group for that year or any other year, divided by (B) 365.

3.1.4 Lessee will provide a certificate to the Lessor and Master Trustee at the time of delivery of its annual audited financial statements for each Fiscal Year indicating whether Lessee, on behalf of the Obligated Group Schools, has met the requirement set forth above. If the certificate indicates that such cash balance requirement has not been met, Lessee covenants to retain an Independent Consultant at the expense of Lessee, on behalf of the Obligated Group Schools, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant on behalf of the Obligated Group Schools more often than once during any 24 month period.

3.1.5 In the event the Obligated Group Schools fail to have such an amount on deposit, it will not be a default or Event of Default under the Lease.

3.2 **Consolidated Payment Coverage Ratio Covenant.** Lessee covenants and agrees to calculate for each Fiscal Year its Consolidated Payment Obligation Coverage Ratio based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the later of the (i) Fiscal Year ending [June 30, 2023] and (ii) Fiscal Year ending June 30 of the Fiscal Year in which the Lease is executed. Lessee also covenants to maintain its Net Operating School Revenue so that the Consolidated Payment Obligation Coverage Ratio at the end of each Fiscal Year is not less than 1.10 to 1.00; provided that, except as provided below, Lessee's failure to achieve the required Consolidated Payment Obligation Coverage Ratio will not constitute an Event of Default under any Lease or School Loan Agreement if Lessee promptly engages an Independent Consultant to prepare a report, to be delivered to Lessee, Landlord and Master Trustee within 45 days of engagement, with recommendations for meeting the required Consolidated Payment Obligation Coverage Ratio, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. Notwithstanding the foregoing, Lessee's failure to achieve a Payment Coverage Ratio of 1.00 to 1.00 will constitute an Event of Default under the Lease.

3.2.1 **"Expenses"** has the meaning set forth in Section 4.5 of this Lease.

3.2.2 **"Gross School Revenues"** means all revenue, income, receipts and money received by Lessee or on behalf of Lessee from all lawfully available sources attributable to its operation of the School and to any other charter school operated by Lessee in the properties subject to the Lease, including from any applicable district or county or from the State pursuant to the Charter School Law from any general purpose entitlement, revenue limit, or State educational

funding sources; but excluding gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for Rent payments or operating expenses. Any other income, revenue, receipts, contributions or other monies received by Lessee not specifically described in the immediately preceding sentence shall not constitute Gross School Revenues.

3.2.2 **“Management Agreement”** means any agreement between Lessee and a charter school, including charter schools operated or managed by Lessee, pursuant to which Lessee provides management services.

3.2.3 **“Net Operating School Revenue”** means Lessee’s Gross School Revenues minus its Operating Expenses; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group School Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

3.2.4 **“Obligated Group School Indebtedness”** means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the School and to any other charter school operated by Lessee at the Facility subject to the Lease.

3.2.5 **“Operating Expenses”** means except as provided below, all unrestricted expenses of the Lessee, attributable to operations of the School and to any other charter school operated by the Lessee at the Facility, including maintenance, repair expenses, utility expenses, equipment lease and other rental expense (excluding the Base Rent, School Loan Repayments, and the Extraordinary Monthly Rent, if any, but including Expenses and Additional Rent), Ground Rent (unless such Ground Rent is expressly subordinated to the payment of amounts due under the Related Supplement), administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Lessee, equipment leases and service contracts, taxes upon the operations of the Lessee not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the Lessors. “Operating Expenses” shall exclude, however, (i) all subordinated Support Office Management Fees, (ii) depreciation and amortization, (iii) one-time expenses, and (iv) any expenses which are treated as extraordinary in accordance with generally accepted accounting principles.

3.2.6 **“Support Office Management Fees”** means all support office management fees, if any, paid to Lessee in connection with management services provided and related to or payable from revenues attributable to the School and to any other charter school

operated by Lessee on the property subject to the Lease. This fee shall be subordinate to the payment of Rent due under the Lease.

3.3 **Limitations on Liens on Gross School Revenues.** Except as provided in the Lease, Lessee covenants and agrees that it will not create, assume or suffer to exist any lien upon or pledge of the Gross School Revenues, except Permitted Liens (as defined in the Master Trust Indenture).

3.4 **Use of Public Moneys.** Lessee covenants that it will not use any public money, assets, and funds for support of the public school system that it receives through apportionments from the State in a manner that conflicts with or constitutes on its part or on the part of the School a violation or breach of any California statute, rule or regulation governing the use of those moneys. In addition, Lender shall be a third party beneficiary under the Lease with respect to this provision of the Lease.

3.5 **Use of Intercept Moneys.** Lessee covenants that all funds subject to the Intercept shall only be transferred to a Related Bonds Trustee for Related Bonds issued by the California School Finance Authority.

3.6 **Subordination of Support Office Management Fees.** If a School enters into a Management Agreement for the payment of Support Office Management Fees to Lessee or any supporting organization of Grupo Nuevo Los Angeles under Internal Revenue Code Section 509(a)(3), or any of their respective affiliates, with respect to the School, Lessee shall amend any such Management Agreement for the School such that, so long as Bonds remain outstanding: (i) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be subordinate to its payment of operating expenses of the School, rent payments to Lessor under this Lease; (ii) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be suspended for any such time as the payment of Support Office Management Fees would cause Lessee to fail to meet any of the financial covenants contained in Sections 3.2 or 3.4 of the Master Indenture; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest. If Lessee has not engaged a separate manager with respect to the School, Lessee agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.

3.7 **Approval of Engagement of Independent Consultant.** Whenever the Lease provides for the retention or engagement of an Independent Consultant by Lessee, such Independent Consultant will be engaged in the manner as set forth herein.

Upon the selection by Lessee of an Independent Consultant as required under the provisions of the Lease, the Landlord will notify the Obligated Group Representative, who will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Outstanding Related Bonds of such selection. Such notice (which shall be provided by the Obligated Group Representative) will (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of the Lease that require

the Independent Consultant to be engaged, and (iii) state that the Holder of the Outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Landlord is required to cause the Lessee to engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have objected to the Independent Consultant selected, Lessee will select another Independent Consultant which may be engaged upon compliance with the procedures described herein.

3.8 **Pledge of Gross School Revenues.** To secure the payment and performance of its obligations under the Lease, Lessee hereby pledges to Lessor and grants Lessor a security interest in the Gross School Revenues. From time to time, Lessee may own or hold funds or other assets subject to a statutory, regulatory, grantor-imposed or donor-imposed restriction on use that prohibits the use of such funds or assets to satisfy the obligations of Lessee under the Lease and/or prohibits the encumbrance of such funds or assets to secure such obligations. The foregoing pledge and grant of security interest shall not encumber, attach to, or transfer, and the holder of any claims of Lessor under this Lease shall have no recourse under this Lease to, any funds or assets of Lessee to the extent that any transfer of such funds or assets to or for the benefit of such holder would violate any such restriction on the use of such funds or assets.

3.9 **Financial Reporting.** Lessee agrees to provide the Borrower, and upon written request of the Bond Trustee or Master Trustee, to the Bond Trustee or Master Trustee, the following information:

3.9.1 If Lessee is undertaking any construction at the Premises, not later than 60 days after the end of each fiscal quarter of Lessee, a construction progress report with respect to such construction, until such construction is substantially complete.

3.9.2 Quarterly unaudited financial information and operating data of the Obligated Group Schools not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023].

3.9.3 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a report of the Obligated Group Schools' quarterly enrollment data and waitlist data by grade for the previous fiscal quarter.

3.9.4 Prior to the end of each fiscal year, a copy of the annual budget of the Obligated Group Schools for the subsequent Fiscal Year.

3.9.5 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a year to date comparison of the revenue

and expenditures in the unaudited financial statements for such quarter to the annual budget for the applicable fiscal year.

3.9.6 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a copy of any recommendations of any Independent Consultant received in accordance with the Master Indenture pursuant to the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.7 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending [June 30, 2023], copies of the audited financial statements of Lessee and the Obligated Group Schools for the prior fiscal year prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

3.9.8 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2022, the certifications and calculations of the Days Cash on Hand for the Obligated Group Schools and the Payment Coverage Ratio for each School as described in the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.9 Such other information as may be reasonably requested by the Borrower, the Authority, the Trustee or the Master Trustee.

3.10 **Limitations on Obligated Group School Indebtedness.** Lessee covenants that it will not incur, assume or guarantee (“**incur**”) any Obligated Group School Indebtedness (secured or unsecured), except Obligated Group School Indebtedness with respect to purposes specifically benefiting Lessee, and except as provided below.

3.10.1 **Nonrecourse Indebtedness.** To the extent permitted by applicable law and if no Breach under the Leases, or an event that with the giving of notice or passage of time or both would constitute an Breach under the Leases, has occurred and is continuing, Lessee may incur or assume Nonrecourse Indebtedness (as defined below), but limited with Short-Term Indebtedness (as defined below), and Interim Indebtedness (as defined below) to a total aggregate principal amount outstanding at any time that is not in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) the maximum amount of advance apportionment and principal apportionment due to the Obligated Group Schools in any fiscal year that is deferred at any time or subject to deferral pursuant to Section 14041.6 of the California Education Code or Sections 16325.5 and 16326 of the California Government Code, or any subsequent legislation authorizing additional deferrals of such apportionments (collectively “**Maximum Deferred Apportionment**”).

3.10.2 **Short-Term Indebtedness.** Lessee may incur Short-Term Indebtedness (as defined below) for working capital purposes as in its judgment is deemed expedient, provided that in no event will Lessee incur Short-Term Indebtedness, together with outstanding Nonrecourse Indebtedness and Interim Indebtedness (as defined below) in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.3 **Interim Indebtedness.** Lessee may incur Interim Indebtedness (as defined below) as in its judgment is deemed expedient, provided that in no event will Lessee incur Interim Indebtedness, together with outstanding Nonrecourse Indebtedness and Short-Term Indebtedness, on a combined basis, is in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.4 **Facility Leases.** Obligated Group School Indebtedness consisting of leases for charter school facilities, the term of which do not exceed two years (including any term extension options), may be incurred without limitation. A lease for a charter school facility with a term exceeding two years (including any term extension options) shall not be considered Nonrecourse Indebtedness subject to the tests therefor set forth above, but may be incurred if an Independent Consultant selected by Lessee provides a written report to the Master Trustee (A) setting forth projections which indicate forecasted Payment Coverage Ratio for each of the fiscal years under the term of such lease, taking into account such lease, of not less than 1.10:1.00.

3.10.5 **Interim Indebtedness**” means all Obligated Group School Indebtedness having an original maturity less than or equal to five years and not renewable at the option of Lessee for a term greater than five years from the date of original incurrence or issuance.

3.10.6 **“Nonrecourse Indebtedness”** means all Obligated Group School Indebtedness with respect to which the obligee is prevented by applicable law or contractual arrangement from exercising recourse, or any other right or remedy exercisable by a creditor, against all or any part of the Premises or the Improvements in order to pay, satisfy or discharge all or any part of the Obligated Group School Indebtedness.

3.10.7 **“Short-Term Indebtedness”** means all Obligated Group School Indebtedness having an original maturity less than or equal to one year and not renewable at the option of Lessee for a term greater than one year from the date of original incurrence or issuance, provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes (“**RANS**”) will not be included or counted as Short-Term Indebtedness to the extent that the RANS are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANS.

EXHIBIT D

Form of Intercept Notice

Notice to the State Controller Pursuant to Education Code Section 17199.4

[Insert Date]

Re: California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023B (Taxable)

WHEREAS, GRUPO NUEVO LOS ANGELES (the “Borrower”) has entered into a Loan Agreement, dated as of [date], by and between the California School Finance Authority (the “Authority”) and the Borrower, providing for a loan (the “Loan”) for the acquisition and construction of charter school facilities to be owned by the Borrower and Leased to CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation, which operates [*], a school established pursuant to the Charter Schools Act of 1992, as amended, constituting Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code of the State of California (the “Lessee”) (CDS #19-64733-[*]; and

WHEREAS, the Authority has issued its above-referenced revenue bonds (the “Bonds”) to fund the Loan;

NOW THEREFORE, NOTICE IS HEREBY GIVEN PURSUANT TO SECTION 17199.4(a)(1) AND (4) OF THE EDUCATION CODE OF THE STATE OF CALIFORNIA TO THE STATE CONTROLLER OF THE STATE OF CALIFORNIA (the “State Controller”), that:

1. The governing board of the Lessee has elected, pursuant to a resolution adopted on January 17, 2023, and Section 17199.4(A)(1) and (4) of the Education Code, to direct the State Controller to make transfers at the times and in the amounts (or such lesser amounts as are available to transfer) in the “State Intercept” column set forth on Schedule I attached hereto, directly to Wilmington Trust, National Association, as trustee (the “Trustee”), for the Bonds. If the amount transferred on any transfer date is less than the amount in the “State Intercept” column set forth on Schedule I attached hereto, then such deficiency shall be added to subsequent transfers until no deficiency remains.

2. Transfers pursuant to paragraph 1 above shall be paid by wire transfer of immediately available funds to

U.S. Bank Trust Company, National Association
[Insert Address]

(Signature on next page)

(Signature page to intercept notice)

CAMINO NUEVO CHARTER ACADEMY,
as operator of
[*]

By: _____
Name: _____
Title: _____

Schedule 1

Intercept Payment Amounts and Dates

(Remainder of page intentionally left blank)