



# Navigator Schools

## Governance Committee Meeting

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### Date and Time

Thursday March 26, 2026 at 3:30 PM PDT

### Location

Google Meet joining info

Video call link: <https://meet.google.com/dos-itsv-rxr>

Or dial: (US) +1 786-766-6942 PIN: 971 558 024#

More phone numbers: <https://tel.meet/dos-itsv-rxr?pin=1801620059787>

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This meeting will be held in compliance with the Brown Act.

Individuals in need of a disability-related accommodation, modification, or auxiliary aid/service, should direct requests [via e-mail](#) to Ami Ortiz, Director of Compliance & Operations.

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### Agenda

|                                     | Purpose | Presenter     | Time           |
|-------------------------------------|---------|---------------|----------------|
| <b>I. Opening Items</b>             |         |               | <b>3:30 PM</b> |
| Opening Items                       |         |               |                |
| <b>A. Call the Meeting to Order</b> |         | Nora Crivello | 1 m            |

|  | Purpose   | Presenter       | Time          |                |
|--|---|-----------------|---------------|----------------|
| Nora Crivello, Committee Chair, will call the meeting to order.                                  |   |                 |               |                |
| <b>B.</b>  | Record Attendance and Guests                        | Vote            | Nora Crivello | 1 m            |
| The Committee Chair will identify guests, take attendance via roll-call, and establish a quorum. |   |                 |               |                |
| <b>C.</b>  | Approve Minutes from Previous Meeting               | Approve Minutes | Tom Peraic    | 1 m            |
| Approve minutes for Governance Committee Meeting on February 19, 2026                            |   |                 |               |                |
| <b>D.</b>  | Public Comment                                      |                 | Nora Crivello | 3 m            |
| The Committee Chair will entertain public comments, if any.                                      |   |                 |               |                |
| <b>E.</b>  | Opening Comments from Committee Chair               |                 | Nora Crivello | 5 m            |
| Nora Crivello, Committee Chair, will provide opening comments.                                   |   |                 |               |                |
| <b>F.</b>  | Opening Comments from CEO & Superintendent          |                 | Caprice Young | 5 m            |
| Dr. Caprice Young, CEO & Superintendent, will provide opening comments.                          |   |                 |               |                |
| <b>II.</b>   | <b>Governance</b>                                   |                 |               | <b>3:46 PM</b> |
| <b>A.</b>  | Consideration of CRLA Sublease                      | Vote            | Caprice Young | 15 m           |
| The Committee will consider the proposed CRLA Sublease.  |   |                 |               |                |
| <b>B.</b>  | Consideration of Orange County Support Office Lease | Vote            | Tom Peraic    | 15 m           |
| The Committee will consider the proposed Orange County Support Office Lease.                     |   |                 |               |                |
| <b>C.</b>  | Ratification of Cariina Contract                    | Vote            | Caprice Young | 5 m            |
| The Committee will consider ratification of the Cariina contract.                                |   |                 |               |                |
| <b>D.</b>  | Consideration of EquityIN Contract                  | Vote            | Tom Peraic    | 5 m            |
| The Committee will consider the proposed EquityIN contract.                                      |   |                 |               |                |
| <b>III.</b>  | <b>Closing Items</b>                                |                 |               | <b>4:26 PM</b> |
| <b>A.</b>  | Schedule Next Committee Meeting                     | Discuss         | Tom Peraic    | 3 m            |
| The Governance Committee will discuss the date and time of its next meeting.                     |   |                 |               |                |

|   | Purpose | Presenter     | Time |
|---|---------|---------------|------|
| <b>B. Adjourn Meeting</b>               | Vote    | Nora Crivello | 1 m  |
| The Committee will adjourn the meeting. |         |               |      |

# Coversheet

## Approve Minutes from Previous Meeting

**Section:** I. Opening Items  
**Item:** C. Approve Minutes from Previous Meeting  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Governance Committee Meeting on February 19, 2026

APPROVED



## Navigator Schools

# Minutes

## Governance Committee Meeting

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### Date and Time

Thursday February 19, 2026 at 3:30 PM

### Location

Google Meet joining info

Video call link: <https://meet.google.com/bun-qqwx-hex>

Or dial: (US) +1 262-457-9471 PIN: 284 901 453#

More phone numbers: <https://tel.meet/bun-qqwx-hex?pin=9820178717402>

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### Committee Members Present

Ian Connell (remote), Nora Crivello (remote), Shara Hegde (remote)

### Committee Members Absent

*None*

### Guests Present

Caprice Young (remote), Tom Peraic (remote)

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## I. Opening Items

### A. Call the Meeting to Order

Nora Crivello called a meeting of the Governance Committee of Navigator Schools to order on Thursday Feb 19, 2026 at 3:34 PM.

### B. Record Attendance and Guests

### C. Approve Minutes from Previous Meeting

Ian Connell made a motion to approve the minutes from Governance Committee Meeting on 01-12-26.

Shara Hegde seconded the motion.

The committee **VOTED** unanimously to approve the motion.

### D. Opening Comments from Committee Chair

Nora Crivello, Committee Chair, waived opening comments.

### E. Opening Comments from CEO & Superintendent

Dr. Caprice Young, CEO & Superintendent, waived opening comments.

### F. Public Comment

There was no public comment.

## II. Governance

### A. Board Positions

The Board engaged in a general discussion concerning the recruitment and composition of the Governing Board.

### B. Safety Plan

Shara Hegde made a motion to recommend approval of the CSSP to the Board pending input from SSC site meetings at GPS, HPS, WPS, and HCC.

Nora Crivello seconded the motion.

The committee **VOTED** unanimously to approve the motion.

### C. Whistleblower Policy

Nora Crivello made a motion to recommend approval of the Whistleblower Policy to the Board.

Shara Hegde seconded the motion.

The committee **VOTED** unanimously to approve the motion.

#### **D. Conflict of Interest Policy**

Shara Hegde made a motion to recommend approval of the Conflict of Interest Policy to the Board.

Ian Connell seconded the motion.

The committee **VOTED** unanimously to approve the motion.

#### **E. Parent and Family Engagement Policy**

Nora Crivello made a motion to recommend approval of the Parent and Family Engagement Policy, pending any meaningful participation from any stakeholder.

Shara Hegde seconded the motion.

The committee **VOTED** unanimously to approve the motion.

### **III. Topical**

#### **A. Growth Plan Updates**

The Committee engaged in a general discussion concerning the Growth Plan. Committee Member Ian Connell pointed out that the agenda item was inadvertently identified as calling for a vote, after which there was 'general consent' by the Committee to treat the agenda item as a general discussion item (Roberts Rules of Order Section 4:58).

#### **B. Citrus Springs Sublease**

Ian Connell made a motion to approve the sublease as presented, and allow the CEO & Superintendent to negotiate final details of the sublease, including cost not to exceed \$870,000.

Shara Hegde seconded the motion.

The committee **VOTED** unanimously to approve the motion.

#### **C. Citrus Springs Affiliation Agreement**

This matter was removed from the agenda.

#### **D. Amendment to Legal Services Agreement**

Nora Crivello made a motion to approve the amendment to the Legal Services Agreement for Tom Peraic.

Ian Connell seconded the motion.

The committee **VOTED** unanimously to approve the motion.

### **IV. Closing Items**

#### **A. Schedule Next Committee Meeting**

The Committee discussed scheduling of its next meeting.

#### **B.**

## Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:00 PM.

Respectfully Submitted,  
Nora Crivello

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## Documents used during the meeting

- CSSP 2025\_2026 - REDACTED (02.19.26).pdf
- Whistleblower Policy (02.19.26).pdf
- Revised Conflict of Interest Policy (02.19.26).pdf
- Parent and Family Engagement Policy (02.19.26).pdf
- Growth Update 2026 02 19.pdf
- Springs Sublease - Grand Ave (Draft - 02.19.26).pdf
- Amendment to LSA (02.19.26).pdf

# Coversheet

## Consideration of CRLA Sublease

**Section:** II. Governance  
**Item:** A. Consideration of CRLA Sublease  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** Navigator\_CRLA Sublease (03.26.26).pdf

## SUBLEASE AGREEMENT

**THIS SUBLEASE AGREEMENT** (this “**Sublease**”) is made and entered into as of the \_\_\_\_\_ day of March, 2026 by and between CRLA Southern California, a California nonprofit public benefit corporation operating California Republic Leadership Academy Capistrano (“**Sublandlord**”), and Navigator Schools, a California nonprofit public benefit corporation (“**Subtenant**”), operating that certain charter school known as Orange County Prep.

**WHEREAS**, Red Hook Capital Partners IV LLC, a Delaware limited liability company, as landlord (“**Master Landlord**”), and Sublandlord, as tenant, entered into that certain Lease Agreement dated January 16, 2026 (the “**Master Lease**”), whereby Master Landlord leases to Sublandlord that certain real property located at 1937 and 2011 West Chapman Avenue, Orange, California, as more particularly described in the Master Lease and depicted on Exhibit A thereto (the “**Master Premises**”), upon the terms and conditions contained therein. All capitalized terms used herein and not otherwise defined herein shall have the same meaning ascribed to them in the Master Lease. A copy of the Master Lease is attached hereto as Exhibit A and made a part hereof.

**WHEREAS**, Sublandlord and Subtenant are desirous of entering into a sublease of a portion of the Master Premises, consisting of a portion of the building and land commonly known as 2011 West Chapman Avenue, Orange, California, as more clearly defined in Exhibit B (the “**Subleased Premises**”), on the terms and conditions hereafter set forth.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

1. **Demise**. Sublandlord hereby subleases to Subtenant and Subtenant hereby hires and subleases from Sublandlord the Subleased Premises, upon and subject to the terms, covenants and conditions hereinafter set forth.

2. **Sublease Term**. The term of this Sublease (the “**Term**”) shall commence on the Commencement Date as defined in the Master Lease (“**Sublease Commencement Date**”), and shall end, unless sooner terminated pursuant to the terms hereof, the June 30 of two (2) years later (with the Sublease Commencement Date currently anticipated to be July 1, 2027 and the Sublease Expiration Date currently anticipated to be June 30, 2029) (the “**Sublease Expiration Date**”), with two options to extend the Term, by one (1) year each (“**Option**”). Subtenant may exercise each of its options by providing Sublandlord with written notice at least six (6) months’ prior to the end of the then-current Term. However, if Subtenant does not exercise its first option, the second option is null and void. In the event that Sublease Commencement Date does not occur by October 1, 2028, then at any time thereafter, but prior to the Sublease Commencement Date, either party hereto may terminate this Sublease by delivery of written notice to the other party. If the Sublease is terminated pursuant to this Section, Sublandlord will refund to Subtenant all amounts paid to Sublandlord by Subtenant, including any Security Deposit and Rent, prior to, on or after the date this Sublease is fully executed by the Parties. Notwithstanding anything to the contrary contained herein, except to the extent expressly provided otherwise in this Sublease, the terms and conditions

of this Sublease shall be effective as of the date of the mutual execution and delivery of this Sublease by Sublandlord and Subtenant.

**3. Use.** The Subleased Premises shall be used and occupied by Subtenant only as a public charter school and related office purposes, and in compliance with all present and future applicable federal, state and local laws, statutes, codes, ordinances, rules, regulations, permits and permit conditions, governmental approvals and conditions of any such approvals and covenants of record, , including, without limitation, zoning regulations and compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes (collectively, “**Applicable Requirements**”), and (ii) the Master Lease, and for no other purpose whatsoever. Subtenant may accommodate a maximum of 430 students on the Subleased Premises, serving grades TK/K through 8. Subtenant (i) represents and warrants that its intended use of the Subleased Premises complies and shall continue to comply with all Applicable Requirements, (ii) acknowledges that Subtenant has performed its own due diligence as to, and has assumed the risk of, the legality of use of the Subleased Premises for the uses permitted and contemplated hereunder, and that Subtenant has not relied upon any representation, warranty or other statement or assurance by, or on behalf of, Sublandlord or its representatives as to such legality (and that none of Subtenant nor its representatives have made any such representation, warranty or other statement or assurance hereunder or otherwise), (iii) acknowledges and agrees that the legality of the uses permitted and contemplated hereunder shall not constitute a condition (either precedent or subsequent) to the effectiveness of this Sublease and the performance of Subtenant’s obligations hereunder, and (iv) releases Sublandlord from any claims and/or liabilities arising out of or in connection with the compliance (or lack of compliance) of Subtenant’s use of the Subleased Premises with Applicable Requirements. Notwithstanding the foregoing, Sublandlord shall have the obligation to pursue a certificate of occupancy and/or Premises CUP that will allow for Subtenant’s occupancy and/or use of the Subleased Premises during the Term, and if Subtenant determines during the Term that the certificate of occupancy and/or Premises CUP do not allow Subtenant’s occupancy and/or use of the Premises without additional or different approvals, permissions, permits, entitlements, improvements or repairs to the Premises, or another state agency determines that Subtenant may not occupy the Subleased Premises without additional permits, approvals or entitlements, or Subtenant’s authorizer either does not approve Subtenant’s move to the Subleased Premises or indicates it does not believe Subtenant may occupy the Subleased Premises without further approvals or permissions from Subtenant’s authorizer, Subtenant shall have the option to terminate this Sublease with thirty (30) days written notice to Sublandlord.

**4. Rent.**

(a) **Base Rental.** Beginning with the Sublease Commencement Date and thereafter during the Term of this Sublease and ending on the Sublease Expiration Date, Subtenant shall pay to Sublandlord monthly installments of base rent as set forth herein (“**Base Rent**”).

| Months | Monthly Base Rent |
|--------|-------------------|
| 1-12   | \$57,969.17       |

|                  |             |
|------------------|-------------|
| 13-24            | \$68,148.08 |
| 25-36 (Option 1) | \$78,874.25 |
| 37-48 (Option 2) | \$81,584.92 |

(b) **Prorations.** If the Sublease Commencement Date is not the first (1st) day of a month, or if the termination date of this Sublease is not the last day of a month, a prorated installment of monthly Base Rent (based on the actual number of days in the applicable month) shall be paid for the fractional month during which the Term commenced or terminated.

(c) **Additional Rent.**

(i) Commencing on the Sublease Commencement Date, Subtenant shall pay to Sublandlord on a monthly basis (i.e., concurrently with the payment of Base Rent) or at such other times as required under the Master Lease, its proportionate share of all amounts payable by Sublandlord to Master Landlord under the Master Lease, other than Base Rent, which include without limitation, Real Property Taxes payable pursuant to Section 12 of the Master Lease. Subtenant’s proportionate share shall be prorated on a square footage basis.

(ii) All amounts payable by Subtenant to Sublandlord under this Section 4(c) shall be referred to as “**Additional Rent.**” Base Rent and Additional Rent and all other sums due under this Sublease (including without limitation, late fees) shall hereinafter be collectively referred to as “**Rent.**”

(d) **Payment of Rent.** Except as otherwise specifically provided in this Sublease, Rent shall be payable in lawful money without demand, and without offset, counterclaim, or setoff in monthly installments, in advance, on the first day of each and every month during the Term of this Sublease. All of said Rent is to be paid to Sublandlord at its office at the following address:

31711 San Juan Creek Road  
San Juan Capistrano, CA 92675

or at such other place or to such agent and at such place as Sublandlord may designate by notice to Subtenant.

(e) **Late Charge.** If Subtenant fails to pay any Rent or other charges within five (5) days after the same are due, or fails to make any other payment for which Subtenant is obligated under this Sublease, then Subtenant shall pay to Sublandlord a late charge equal to five percent (5%) of the amount so payable. Subtenant acknowledges that late payments will cause Sublandlord to incur costs not contemplated by this Sublease, the exact amount of which costs are extremely difficult and impracticable to calculate. The parties agree that the late charge described above represents a fair and reasonable estimate of the extra costs incurred by Sublandlord as a result of such late payment. Such late charge shall not be deemed a consent by Sublandlord to any

late payment, nor a waiver of Sublandlord’s right to insist upon timely payments at any time, nor a waiver of any remedies to which Sublandlord is entitled hereunder. In addition, all amounts payable by Subtenant to Sublandlord hereunder, exclusive of the late charge described above, if not paid within five (5) days after such amounts are due, shall bear interest from the due date until paid at less or the rate of ten percent (10%) per annum or the highest amount permitted by law.

**5. Security Deposit.**

(a) General. Subtenant has deposited or concurrently herewith is depositing with Sublandlord an amount equal to one monthly installment of Base Rent(the “**Security Deposit**”) as security for the full and faithful performance of every provision of this Sublease to be performed by Subtenant. If Subtenant breaches any provision of this Sublease (including without limitation the payment of Rent and any breach of the incorporated provisions of the Master Lease causing the Sublandlord to forfeit any portion of Sublandlord’s security deposit with the Master Landlord), Sublandlord may, if, after the expiration of any applicable notice and cure period, the Subtenant’s default remains uncured, use all or any part of the Security Deposit for the payment of any rent or any other sums in default, or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant’s default. If any portion of said deposit is so used or applied, Subtenant shall, within five (5) business days after written demand therefor, deposit cash with Sublandlord in an amount sufficient to restore the Security Deposit to its full amount. Subtenant agrees that Sublandlord shall not be required to keep the Security Deposit in trust, segregate it or keep it separate from Sublandlord’s general funds, but Sublandlord may commingle the Security Deposit with its general funds, and Subtenant shall not be entitled to interest on the Security Deposit.

(b) Return of Security Deposit. At the expiration of the Term or earlier termination of this Sublease, if applicable, and provided there exists no default by Subtenant hereunder, the Security Deposit or any balance thereof shall be returned to Subtenant; provided, however, that Sublandlord may retain from said Security Deposit (i) any and all amounts estimated by Sublandlord to cover the anticipated costs to be incurred by Sublandlord to remove any signage provided to Subtenant under this Sublease and any other items required to be removed by Subtenant under this Sublease, and not so properly removed by Subtenant, and to repair any damage caused by such removal, and not so properly repaired by Subtenant, and (ii) any and all amounts permitted by law (in which case any excess amount so retained by Sublandlord shall be returned to Subtenant within thirty (30) days after such removal and/or repair, any such necessary removal and/or repair to be performed by Sublandlord as promptly as reasonably practicable).

**6. Incorporation of Terms of Master Lease.**

(a) This Sublease is subject and subordinate to the Master Lease. Subject to the modifications set forth in this Sublease, the terms of the Master Lease are incorporated herein by reference. If the term of the Master Lease terminates or expires, whether by natural expiration or due to the act, omission or election of any party thereto, then the Term of this Sublease will also terminate or expire simultaneously therewith.

(b) For the purposes of incorporation herein, the terms of the Master Lease are subject to the following additional modifications:

(i) In all provisions of the Master Lease (under the terms thereof and without regard to modifications thereof for purposes of incorporation into this Sublease) requiring the approval or consent of Master Landlord, Subtenant shall be required to obtain the approval or consent of both Sublandlord and Master Landlord.

(ii) In all provisions of the Master Lease requiring Sublandlord, as tenant, to submit, exhibit to, supply or provide Master Landlord with evidence, certificates, or any other matter or thing, Subtenant shall be required to submit, exhibit to, supply or provide, as the case may be, the same to both Master Landlord and Sublandlord. In any such instance, Sublandlord shall use their reasonable discretion to determine if such evidence, certificate or other matter or thing shall be satisfactory.

(iii) Sublandlord's obligations to restore or rebuild any portion of the Subleased Premises after any destruction or taking by eminent domain shall be as required by the Master Lease.

(iv) Notwithstanding anything contained in the Master Lease or this Sublease to the contrary, Subtenant shall have no rights with respect to extension or early termination of the Master Lease or this Sublease.

(c) Notwithstanding the foregoing, the following Paragraphs of the Master Lease are all specifically excluded from this Sublease and shall not be deemed incorporated herein or be a part hereof: Section 6 of the Master Lease, Section 7 of the Master Lease, and each of Exhibits B, D, and E to the Master Lease.

**7. Subtenant's Obligations.** Subtenant covenants and agrees that all obligations of Sublandlord under the Master Lease shall be done or performed by Subtenant with respect to the Subleased Premises, except as otherwise provided by this Sublease, and Subtenant's obligations shall run to Sublandlord and Master Landlord as Sublandlord may reasonably determine to be appropriate or be required by the respective interests of Sublandlord and Master Landlord. Subtenant agrees to indemnify, hold harmless and defend (through counsel reasonably acceptable to Sublandlord) Sublandlord and Master Landlord, and their respective direct and indirect principals, owners, managers, directors, officers, employees, agents and affiliates, from and against any and all claims, damages, losses, costs, expenses and liabilities, including reasonable attorneys' fees, asserted as a result of (a) Subtenant's failure to perform or observe any terms or conditions of this Sublease, (b) the non-performance, non-observance or non-payment of any of Sublandlord's obligations under the Master Lease which, as a result of this Sublease, became an obligation of Subtenant, except where Subtenant has made payment to Sublandlord for any such obligation, including but not limited to Rent, and Sublandlord has not thereafter made payment to the appropriate party for that obligation (c) by reason of any injuries to person or property occurring in, or about, the Subleased Premises during the time of Subtenant's possession of the Subleased Premises, or any work done at the direction of or with the knowledge of Subtenant in or to the Subleased Premises (including any liens arising therefrom), or any act or omission, on the part of Subtenant and/or any Subtenant Party (as defined below), (d) Subtenant's or any Subtenant Party's use and/or occupancy of the Subleased Premises, (e) any negligent act or omission or willful misconduct of Subtenant, its employees, agents or representatives, and (f) on account of the operation and parking of Subtenant's or Subtenant Party's vehicles (collectively,

“**Vehicles**”) at the Subleased Premises, including without limitation, any theft or damage to any Vehicles or any cargo, contents or other property carried in or on any Vehicles while the Vehicles are at the Subleased Premises. Subtenant shall not do, nor permit to be done, any act or thing which is, or with notice or the passage of time would be, a default under this Sublease or the Master Lease. “**Subtenant Party**” means, collectively, (1) each of Subtenant’s agents, contractors, employees, invitees and students, and (2) any assignee, subtenant, licensee or concessionaire of Subtenant and any assignee, subtenant, licensee or concessionaire of any such assignee or subtenant of Subtenant, and the respective agents, contractors, employees and invitees of each of the foregoing. The indemnification obligations in this Section 7 shall survive the expiration or early termination of this Sublease.

Subtenant shall, during the Term and at its sole cost and expense, cause the Subleased Premises to comply with all Applicable Requirements, and maintain all aspects of the Subleased Premises (excluding the Shared Areas) except for those responsibilities of Master Landlord pursuant to the Master Lease and of the Sublandlord pursuant to below.

Sublandlord shall, at its sole cost and expense, maintain, repair, and keep in place at all times during the Term the structural, electrical, plumbing, roofing, walls, and HVAC systems serving the Sublease Premises. Any necessary or appropriate repairs, maintenance or replacements of any kind or nature (including, without limitation, capital expenditures) to any such systems, any other systems at the Premises, the building roof and roof membrane, the foundation, the parking lot and landscaping shall be performed by the Master Landlord or the Sublandlord and Subtenant shall not be responsible for same unless such repairs, maintenance, or replacements are necessitated by the negligence, misconduct, or intentional acts of Subtenant’s or its students, families, employees, contractors, agents or invitees, or its use of the Subleased Premises or Master Premises beyond reasonable wear and tear.

Except where caused by Sublandlord’s negligence, intentional acts, misconduct or breach of this Sublease, Sublandlord shall not be liable for injury to Subtenant’s business or loss of income therefrom however occurring. Subtenant further agrees that except where caused by Sublandlord’s negligence, intentional acts, misconduct or breach of this Sublease, Sublandlord shall not be liable for injury to the person of Subtenant, Subtenant’s invitees, employees, agents or contractors or damage to Subtenant’s personal property, trade fixture or improvements 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, sprinklers, wires, appliances, plumbing, heating, ventilation, air conditioning, or lighting fixtures, or from any other cause, whether damage or injury results from conditions arising upon the Subleased Premises or upon other portions of the property of which the Subleased Premises are a part, or from other sources or places appurtenant to the Subleased Premises and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Subtenant. No constituent shareholder, member, partner, manager or director of Sublandlord, nor any trustee, director, officer, employee, beneficiary, shareholder, member, manager, partner or agent of Sublandlord shall be personally liable in any manner under or in connection with this Sublease. Notwithstanding anything to the contrary contained in this Sublease or the Master Lease, in no event shall Sublandlord be liable for any special, punitive or consequential damages.

**8. Sublandlord's Obligations.** Sublandlord agrees that Subtenant shall be entitled to receive all services and repairs to be provided by Master Landlord to Sublandlord for the Subleased Premises under the Master Lease. Subtenant shall look solely to Master Landlord for all such services and shall not, under any circumstances, seek nor require Sublandlord to perform any of such services, nor shall Subtenant make any claim upon Sublandlord for any damages which may arise by reason of Master Landlord's default under the Master Lease. Any condition resulting from a default by Master Landlord shall not constitute an eviction, actual or constructive, of Subtenant and no such default shall excuse Subtenant from the performance or observance of any of its obligations to be performed or observed under this Sublease, or entitle Subtenant to receive any reduction in or abatement of the Rent provided for in this Sublease. Sublandlord covenants and agrees with Subtenant that Sublandlord will timely pay all Base Rent and Additional Rent payable by Sublandlord as and when due pursuant to the Master Lease to the extent that failure to perform the same would adversely affect Subtenant's use or occupancy of the Subleased Premises.

**9. Default by Subtenant.** In the event Subtenant shall be in default of any covenant of, or shall fail to honor any obligation under this Sublease, Sublandlord shall have available to it against Subtenant all of the remedies available (a) to Master Landlord under the Master Lease in the event of a similar default on the part of Sublandlord thereunder or (b) at law or in equity; provided, that that, with respect to any notice and cure period provided for Sublandlord defaults under the Master Lease, if the nature of the default committed by Subtenant causes, or could reasonably be expected to cause, Sublandlord to be in default under the Master Lease, then the applicable notice and cure period provided for such default under the Master Lease shall be deemed shortened by one (1) business day (so that Subtenant shall have such lesser time to cure such default than Sublandlord has to cure such default under the Master Lease). All of Sublandlord's rights and remedies hereunder shall be cumulative, with the exercise of one or more rights or remedies not to impair Sublandlord's right to exercise any other right or remedy.

**10. Hazardous Materials.**

(a) **Restrictions Regarding Hazardous Materials.** Except for the use, storage and handling of such de minimis cleaning agents, pesticides or maintenance materials reasonably and customarily used in the ordinary course of Subtenant's operations at the Subleased Premises and at all times in strict accordance with applicable laws, including all Environmental Laws (as defined below), Subtenant agrees that neither it, nor any Subtenant Party shall cause or permit any Hazardous Materials (as such term is defined below) to be brought, used, generated, stored, transported, treated, handled, released or disposed of in or about the Master Premises and/or Subleased Premises. Subtenant further covenants and agrees that: (a) it will not Release (as such term is defined below), or permit any Release of, any Hazardous Materials on the Subleased Premises; (b) it will not alter or disturb existing asbestos or otherwise cause any existing asbestos to become friable; and (c) its use, storage, handling, transportation and off-site disposal of any cleaning agents, pesticides, cleaning solutions or janitorial and maintenance materials used in the ordinary course of Subtenant's operations at the Subleased Premises will be in strict conformance with all Environmental Laws and manufacturer's instructions.

(b) **Definitions.** For purposes of this Sublease, the following definitions shall apply: "**Hazardous Materials**" shall mean any substance, including constituents thereof, waste, pollutant, contaminant, chemical or material which is toxic, explosive, corrosive, flammable,

infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, including without limitation, asbestos, asbestos containing materials, lead, polychlorinated biphenyls, petroleum and its derivatives, byproducts and other hydrocarbons, or any other material or substance which is or becomes regulated by one or more “**Governmental Authorities**” (defined herein as any federal, state, or local governmental or regulatory authority, agency, court or quasi-governmental authority). The term “**Hazardous Materials**” include any material or substance which is (i) listed or defined as a “hazardous waste,” “extremely hazardous waste,” “restricted hazardous waste,” “hazardous substance” or “toxic substance” under all existing and future applicable laws, rules, regulations and orders of any Governmental Authority, or (ii) presently, or in the future, becomes designated as a hazardous or toxic waste or substance or words of similar import pursuant to the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Clean Air Act, the Oil Pollution Act of 1990, or any similar federal or state statutes (the “**Environmental Laws**”). “**Release**” means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

(c) **Environmental Indemnity.**

(i) Subtenant shall indemnify, hold harmless and defend (through counsel reasonably acceptable to Master Landlord or Sublandlord, as applicable) Master Landlord and Sublandlord, and their respective direct and indirect principals, owners, managers, directors, officers, employees, agents and affiliates, from and against any and all loss, cost, damage, expense (including reasonable attorneys’ fees), claim, cause of action, judgment, penalty, fine or liability arising from the use, generation, storage, transportation, handling, Release or disposal of Hazardous Materials by Subtenant or any Subtenant Party, in, on or about the Subleased Premises.

(ii) Sublandlord shall indemnify, hold harmless and defend (through counsel reasonably acceptable to Subtenant) Subtenant, and their respective direct and indirect principals, owners, managers, directors, officers, employees, agents and affiliates, from and against any and all loss, cost, damage, expense (including reasonable attorneys’ fees), claim, cause of action, judgment, penalty, fine or liability arising from the use, generation, storage, transportation, handling, Release or disposal of Hazardous Materials by any party or parties prior to Subtenant’s occupancy and use of the Subleased Premises.

(iii) The indemnification obligations in this Section 10(c) shall survive the expiration or early termination of this Sublease.

(d) **Notification.** Subtenant agrees to notify Sublandlord in writing within five (5) days of (i) the occurrence of any Release of Hazardous Materials in, on or about the Master Premises or Subleased Premises, or (ii) Subtenant’s receipt of any notice (whether written or oral), of any inquiry, test, investigation, information request, cleanup requirement, enforcement proceeding, or environmental audit by or against Subtenant with respect to the Master Premises or Subleased Premises concerning the use, generation, storage, transportation, handling, Release or disposal of Hazardous Materials.

(e) **Surrender of Subleased Premises.** Upon the expiration or sooner termination of this Sublease, Subtenant shall surrender the Subleased Premises free and clear of any and all Hazardous Materials caused or permitted to be in, on or under the Subleased Premises by Subtenant or any Subtenant Party. Subtenant shall remove, at its sole cost and expense, all Hazardous Materials introduced to the Master Premises or Subleased Premises by Subtenant or any Subtenant Party in complete compliance with all Environmental Laws.

**11. Insurance.** Throughout the Term, Subtenant shall, at its sole cost and expense, maintain the following insurance:

(a) Rental interruption insurance to cover loss, total or partial, of rental income to Sublandlord for any reason whatsoever, in an amount sufficient to pay the maximum Rent and average Additional Rent under the Sublease for a period of at least twelve (12) months.

(b) Commercial general liability insurance with respect to the Subleased Premises and the operations of or on behalf of Subtenant in, on or about the Subleased Premises, including but not limited to: bodily injury, product liability (if applicable), blanket contractual, and broad form property damage liability coverage in an amount not less than \$3,000,000.00 per occurrence and \$5,000,000.00 in the aggregate.

(c) Workers' compensation insurance necessary to comply with California state law.

(d) Child abuse (including, but not limited to, sexual, physical, and verbal) and molestation insurance in commercially reasonable amounts, whether included in Lessee's commercial general liability insurance policy(ies) or as stand-alone coverage.

(e) Subtenant shall maintain Personal Property Insurance coverage on all of Subtenant's personal property, for full replacement cost coverage with a deductible not to exceed \$5,000 per occurrence.

Prior to the Sublease Commencement Date, and then at each annual renewal, Subtenant shall deliver to Sublandlord the insurance policies (or certificates thereof) specified herein, naming Sublandlord, Master Landlord, Master Landlord's lender(s), and any other party required to be named pursuant to the Master Lease as additional insureds thereunder, such insurance to otherwise be in compliance with the requirements of the Master Lease. All policies of insurance required to be carried by Subtenant shall provide that the policy shall not be subject to cancellation, termination or change except after ten (10) days (or such longer period as may be specified in the Master Lease) prior written notice to Sublandlord.

**12. Quiet Enjoyment.** So long as Subtenant pays all of the Rent due hereunder and performs all of Subtenant's other obligations hereunder, Sublandlord shall do nothing to affect Subtenant's right to peaceably and quietly have, hold and enjoy the Subleased Premises.

**13. Notices.** Anything contained in any provision of this Sublease to the contrary notwithstanding, Subtenant agrees, with respect to the Subleased Premises, to comply with and remedy any default in this Sublease or the Master Lease which is Subtenant's obligation to cure, within the period allowed to Sublandlord under the Master Lease, even if such time period is

shorter than the period otherwise allowed therein due to the fact that notice of default from Sublandlord to Subtenant is given after the corresponding notice of default from Master Landlord to Sublandlord. Sublandlord agrees to forward to Subtenant, promptly upon receipt thereof by Sublandlord, a copy of each notice of default received by Sublandlord in its capacity as tenant under the Master Lease. Subtenant agrees to forward to Sublandlord, promptly upon receipt thereof, copies of any notices received by Subtenant from Master Landlord or from any governmental authorities. All notices, demands and requests shall be in writing and shall be sent either by hand delivery or by a nationally recognized overnight courier service (e.g., Federal Express), in either case return receipt requested, to the address of the appropriate party. Notices, demands and requests so sent shall be deemed given when the same are received. Notices to Sublandlord shall be sent to the attention of:

California Republic Leadership Academy  
31711 San Juan Creek Rd.  
San Juan Capistrano, CA 92675  
Attn: \_\_\_\_\_

with a copy to Master Landlord as follows:

c/o Red Hook Capital Partners IV LLC  
2120 E. Grand Avenue, Suite #135  
El Segundo, CA 90245  
Attention: Craig Underwood Notices to Subtenant shall be sent to the attention of:

Navigator Schools  
650 San Benito Street, Suite 230  
Hollister, CA 95023  
Attn: \_\_\_\_\_

**14. Broker.** Sublandlord and Subtenant represent and warrant to each other that no brokers were involved in connection with the negotiation or consummation of this Sublease. Each party agrees to indemnify the other party, and hold such other party harmless, from and against any and all claims, damages, losses, expenses and liabilities (including reasonable attorneys' fees) incurred by the other party as a result of a breach of this representation and warranty by the indemnifying party. The provisions of this section shall not apply to brokers with whom Sublandlord has an express written broker agreement with respect to this Sublease, if any.

**15. Condition of Subleased Premises; Surrender.** The Subleased Premises will be delivered during the Term of this Sublease by Sublandlord to Subtenant free of debris and in broom-clean condition, with all systems (HVAC, plumbing, electrical, fire/life safety, fiber optic) in good working order and suitable for school occupancy as of the Sublease Commencement Date, including without limitation, zoning regulations and compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes. Subtenant acknowledges that it is not authorized to make or do any alterations or improvements in or to the Subleased Premises except as permitted by the provisions of this Sublease and the Master Lease and that it must deliver the Subleased Premises to Sublandlord on the Sublease Expiration Date in the

condition required by this Sublease and the Master Lease. Upon the expiration of the Sublease Term or earlier termination of this Sublease, Subtenant shall surrender the Subleased Premises (i) in broom clean condition, in good condition and repair, and otherwise in substantially the same condition delivered on the Sublease Commencement Date (reasonable wear and tear excepted), (ii) with all of Subtenant's personal property removed, (iii) with any damage to the Subleased Premises caused by Subtenant or any Subtenant Party repaired in compliance with Applicable Requirements, and (iv) as otherwise may be required to comply with the conditions of Section [] of the Master Lease. In the event that Subtenant shall make any alterations or improvements to the Subleased Premises, then Subtenant shall, prior to the expiration of the Term of this Sublease (or the earlier termination of this Sublease), bring the Subleased Premises back to its existing condition as of the date of this Sublease, including, without limitation, the repair of any damage caused by such restoration except that Subtenant shall not be required to remove any permitted or code-compliant improvements it made during the Term and any ADA-compliant upgrades or upgrades made as required by the Premises CUP.

**16. Termination of the Lease.** If for any reason the Master Lease shall terminate (whether by operation of law or otherwise), prior to the Sublease Expiration Date, this Sublease shall automatically be terminated and Sublandlord shall not be liable to Subtenant by reason thereof unless said termination shall have been caused by the default of Sublandlord under the Master Lease, and said Sublandlord default was not as a result of, or caused by, a Subtenant default hereunder. Upon termination of the Sublease pursuant to this Section, which termination is not as a result of, or caused by, a Subtenant default hereunder, Sublandlord shall return the Security Deposit, less any amounts previously deducted, and any prepaid Rent accruing or attributable to any period following effective date of termination and any prepaid Additional Rent accruing or attributable to any period following effective date of termination to Subtenant, and Subtenant shall be released from all remaining obligations under the Sublease except for those that survive the expiration or earlier termination of this Sublease or the Master Lease.

**17. Alterations and Improvements.** Subtenant shall not make any material alterations or improvements to the Subleased Premises without first obtaining both Master Landlord's and Sublandlord's prior written consent, which may be granted or withheld in Master Landlord's or Sublandlord's sole and absolute discretion, as applicable.

**18. Limitation of Estate.** Subtenant's estate shall in all respects be limited to, and be construed in a fashion consistent with, the estate granted to Sublandlord by Master Landlord. Subtenant shall stand in the place of Sublandlord and shall defend (through counsel reasonably acceptable to Sublandlord), indemnify and hold Sublandlord harmless with respect to all covenants, warranties, obligations, and payments made by Sublandlord under or required of Sublandlord by the Master Lease with respect to the Subleased Premises. In the event Sublandlord is prevented from performing any of its obligations under this Sublease by a breach by Master Landlord of a term of the Master Lease, then Sublandlord's sole obligation in regard to its obligation under this Sublease shall be to use reasonable efforts in diligently pursuing the correction or cure by Master Landlord of Master Landlord's breach.

**19. Subordination, Non-Disturbance and Attornment Agreement.** Subtenant enters into and accepts this Sublease subordinate to all mortgages, trust deeds, ground leases, or other secured financing or leasehold interests which may now and/or hereafter exist or be executed upon

or with respect to the Subleased Premises, the premises under the Master Lease, and/or any real property on which the building is situated and/or the improvements at any time thereon. Except as otherwise set forth herein, provided Subtenant is not in default under the Sublease, this Sublease is continuing in effect, Sublandlord is not in default under the Master Lease, and the Master Lease is continuing in effect, Subtenant's use and/or possession of the Subleased Premises shall not be disturbed, and Subtenant shall continue to have all of the rights afforded to it pursuant to this Sublease; Subtenant agrees to attorn to the new Master Landlord and/or Sublandlord under the Lease and/or this Sublease upon any such transfer of title.

**20. Choice of Law.** This Sublease shall be governed by and construed and enforced in accordance with the laws of the State in which the Subleased Premises are located without regard to conflicts of law principles thereof.

**21. Holding Over.** Holding over by Subtenant is specifically prohibited and Subtenant shall have no right to retain possession of the Subleased Premises following the expiration or earlier termination of the Term. If Subtenant fails to vacate the Subleased Premises on or prior to the expiration or earlier termination of this Sublease in the condition required pursuant to this Sublease, then, in addition to any other right or remedy of Sublandlord under this Sublease at law or in equity, after ten (10) business days' notice from Sublandlord to Subtenant, (a) the Base Rent shall be increased to an amount equal to one hundred twenty five percent (125%) of the Base Rent immediately prior to such period of holding over (provided that the payment thereof shall not constitute, or be deemed to constitute any extension of the term hereof, nor shall the same limit or otherwise affect Sublandlord's right to dispossess Subtenant from the Subleased Premises or exercise Sublandlord's other rights and remedies hereunder), (b) Subtenant shall indemnify, hold harmless and defend (through counsel reasonably acceptable to Master Landlord or Sublandlord, as applicable), Master Landlord, Sublandlord, and their respective direct and indirect principals, owners, managers, directors, officers, employees, agents and affiliates, from and against any and all loss, cost, damage (including, without limitation, consequential damage), expense (including reasonable attorneys' fees), claim, cause of action, judgment, penalty, fine or liability arising from Subtenant's gross negligence and willful misconduct related to such failure, and (c) Subtenant shall immediately pay (or reimburse Sublandlord for) any amounts payable by Sublandlord to Master Landlord pursuant to the Master Lease on account of such failure.

**22. Assignment of Sublease.** Subtenant shall not assign or sublet the Subleased Premises without the prior written consent of Master Landlord and Sublandlord and Subtenant's compliance with Paragraph 12 of the Master Lease.

**23. Parking.** The parties hereto agree that Subtenant shall have the same rights and obligations of Sublandlord (in its capacity as "Lessee" under the Master Lease) with respect to parking upon the Subleased Premises as are set forth in the Master Lease (with respect to the Master Premises).

**24. Attorneys' Fees.** In the event of the bringing of any action or suit by Sublandlord or Subtenant against the other party hereunder to enforce any provisions of this Sublease, the prevailing party shall be entitled to have and recover from the other party hereto, in addition to damages, equitable or other relief, all costs and expenses of the action or suit and any appeals therefrom, including reasonable attorneys' fees and court costs and costs of expert witnesses, and

fees incurred to enforce any judgment therefrom. This provision with respect to attorneys' fees incurred to enforce a judgment shall be severable from all other provisions of this Sublease, shall survive any judgment, and shall not be deemed merged into the judgment.

**25. Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Sublease and this Sublease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Sublandlord to Subtenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Sublease. This Sublease, including, without limitation, the terms of the Master Lease incorporated herein, and the exhibits and schedules attached hereto, contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Subleased Premises and shall be considered to be the only agreements between the parties hereto and their representatives and agents. None of the terms, covenants, conditions or provisions of this Sublease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Sublease.

**26. Counterparts; Electronic signatures.** This Sublease may be executed in counterparts, each of which shall constitute an original, and all of which, together, shall constitute one document. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto on this Sublease which are delivered by facsimile, telecopier or electronic mail transmission as constituting a duly authorized, irrevocable, actual, current delivery of this Sublease with original ink signatures of each person and entity.

**27. Certified Access Specialist CASp.** Subtenant specifically acknowledges and agrees that neither Master Landlord, nor Sublandlord makes any representation or warranty with respect to the inspection of the Subleased Premises or the Master Premises by a Certified Access Specialist ("CASp"), including whether or not the Subleased Premises or the Master Premises have undergone inspection by a CASp, and that Sublandlord hereby disclaims, and Subtenant hereby waives, any liability against Sublandlord with respect or otherwise relating to a CASp inspection of the Subleased Premises and/or the Master Premises. To the extent that Sublandlord has any right under the Master Lease or applicable law to cause the Subleased Premises or the Master Premises to undergo a CASp inspection, upon Subtenant's written request to Sublandlord, Sublandlord shall use commercially reasonable efforts (which shall not include legal proceedings or any obligation on Sublandlord to incur any cost or expense in connection therewith) to exercise such right; provided, that all costs and expenses incurred in connection therewith shall be the sole responsibility of Subtenant and Subtenant shall indemnify Sublandlord against all claims (including, but not limited to, reasonable attorney's fees) arising out of Sublandlord's exercise of such right. This Section 26 is included in this Sublease solely for the purpose of complying with California Civil Code Section 1938 and shall not in any manner affect Sublandlord's and Subtenant's respective responsibilities for compliance with construction-related accessibility standards as provided under the Master Lease.

**28.** Sublandlord Representations. Sublandlord warrants and represents that it has the authority to enter into this Sublease; and that Master Landlord has consented to this Sublease, subject to the terms and conditions of that certain Consent to Sublease of even date herewith by and among Master Landlord, Sublandlord, and Subtenant.

[No further text on this page]

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**IN WITNESS WHEREOF**, the parties have entered into this Sublease as of the date first written above.

**SUBLANDLORD:**

CRLA Southern California,  
a California nonprofit public benefit corporation

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

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

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

**SUBTENANT:**

Navigator Schools,  
a California nonprofit public benefit corporation

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

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

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

DRAFT

**EXHIBIT A**

**COPY OF MASTER LEASE**

**[See Attached]**

**EXHIBIT B**

**MAP OF SUBLEASE PREMISES**

**[See Attached]**

# Coversheet

## Consideration of Orange County Support Office Lease

**Section:** II. Governance  
**Item:** B. Consideration of Orange County Support Office Lease  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** Office County Support Office Lease (03.26.26).pdf



**COMMERCIAL OFFICE  
BUILDING LEASE**

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- D. Rules and Regulations
- E. Guaranty of Lease

**OFFICE BUILDING LEASE**

**1. PARTIES.** This Office Building Lease (this "Lease"), dated for reference purposes only, March 5, 2026 is made by and between, Creskide Plaza Investment Co. ("Landlord"), and Navigator Schools, a California nonprofit corporation ("Tenant").

**2. PREMISES.**

(a) Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain office space (the "Premises") indicated on Exhibit "A" attached hereto and reference thereto made a part hereof, the Premises being agreed, for the purpose of this Lease, to have an area of approximately 1,292 rentable square feet (the "Rentable Area"), being identified as Suite 103 and being situated on the First (1<sup>st</sup>) floor of that certain office building known as 505 North Tustin Avenue, Santa Ana, California 92705 (the "Building").

(b) This Lease is subject to the terms, covenants and conditions herein set forth and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of said performance.

(c) Tenant acknowledges that the exterior demising walls of the Premises and the area between the finished ceiling of the Premises and the slab of the Building floor there above have not been leased to Tenant and the use thereof together with the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through, under or above the Premises in locations which will not materially interfere with Tenant's use of the Premises are hereby reserved by Landlord.

**3. TERM.** The term of this Lease (the "Term") shall be for Thirty-Six (36) months and Zero (0) days, commencing on the First (1<sup>st</sup>) day of April, 2026 (the "Commencement Date") and ending on the Thirty-First (31<sup>st</sup>) day of March, 2029, subject to earlier termination as provided herein. As used herein, "Lease Year" shall mean each consecutive twelve (12)-month period beginning with the Commencement Date, except that if the Commencement Date is other than the first day of a calendar month, then the first Lease Year shall be the period from the Commencement Date through the date twelve (12) months after the last day of the calendar month in which the Commencement Date occurs, and each subsequent Lease Year shall be the period of twelve (12) months following the last day of the prior Lease Year.

**4. POSSESSION.**

(a) If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, nor shall the expiration date of the Term be in any way extended, but in that event, all rent shall be abated during the period between the Commencement Date and the time when Landlord delivers possession. The foregoing notwithstanding, if Landlord's failure to deliver possession on or before the Commencement Date is attributable, in whole or in part, to any action or inaction by Tenant (including Tenant's failure to timely supply any information required from Tenant hereunder or the furnishing by Tenant of inaccurate or erroneous estimates, specifications, dates or other information) there shall be no abatement of rent, and Landlord shall be entitled to full performance by Tenant (including payment of rent) starting on the Commencement Date.

(b) In the event that Landlord shall permit Tenant to occupy the Premises prior to the Commencement Date, such occupancy shall be subject to all the provisions of this Lease (including the payment of rent). Said early possession shall not advance the termination date hereinabove provided.

**5. BASE RENT.**

(a) Tenant agrees to pay to Landlord as base rent (the "Base Rent"), without prior notice, offset, deduction or demand, for the Premises the sum of Two Thousand Five Hundred Nineteen and No/100 Dollars (\$2,519.00), in advance, on or before the first day of the first full calendar month of the term hereof and a like sum on or before the first day of each and every successive calendar month thereafter during the Term, except that the first month's rent shall be paid upon execution hereof. Base Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based upon a thirty (30) day month. All rent shall be paid to Landlord in lawful money of the United States of America, which shall be legal tender at the time of payment, at such place as Landlord may from time to time designate in writing.

(b) Notwithstanding anything to the contrary contained in Section 5(a) above of this Lease, the Base Rent shall increase annually on the first day of the second year of the Term and on the same day of each year thereafter as set forth below:

- (i) For Lease Year 2: Two Thousand Six Hundred Twenty and No/100 Dollars (\$2,620.00)
- (ii) For Lease Year 3: Two Thousand Seven Hundred Twenty-Five and No/100 Dollars (\$2,725.00)
- (iii) For Lease Year 4: \_\_\_\_\_
- (iv) For Lease Year 5: \_\_\_\_\_

The increase in the Base Rent shall be in addition to, and not in lieu of, the Additional Rent as set forth in Section 7 below.

**6. SECURITY DEPOSIT.** Tenant has paid or will pay to Landlord concurrently with the execution and delivery hereof by Tenant the sum of Two Thousand Nine Hundred Ninety-Eight and No/100 Dollars (\$2,998.00) (the "Security Deposit") as security for the full and faithful performance of the terms hereof by Tenant. Landlord shall not be required to keep the Security Deposit separate from its general funds and Tenant shall not be entitled to interest thereon. If an Event of Default occurs, including, but not limited to, an Event of Default relating to the payment of rent and/or vacating the Premises prior to the expiration date of this Lease, Landlord may, but shall not be required to, use, apply or retain all or any part of the

Security Deposit for the payment of any rental sums or any other sum in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of such Event of Default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of such Event of Default, including without limitation, unamortized commissions, tenant improvement costs and expenses and costs and attorneys' fees incurred by Landlord to recover possession of the Premises following an Event of Default. The Security Deposit shall not be deemed an advance payment of rent or a measure of Landlord's damages for any Event of Default, nor shall it be a bar or defense to any action that Landlord may at any time commence against Tenant. Tenant hereby waives the provisions of Civil Code Section 1950.7 and all other provisions of applicable law, now or hereafter in effect, which (a) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (b) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, and agrees for purposes of the foregoing "rental sums" shall include prospective rent that would have been payable by Tenant but for the early termination of this Lease due to an Event of Default. If any portion of the Security is so used or applied, Tenant shall, within five (5) days after receipt of written demand therefore, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount and Tenant's failure to do so shall constitute an Event of Default. If Tenant shall fail to fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit may be applied against any amounts owed by Tenant to Landlord at the expiration or termination of this Lease and any balance thereof (if any) shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) upon Tenant's vacating of the Premises, accompanied by a reasonable summary of how any or all of the Security Deposit was applied by Landlord.

## 7. ADDITIONAL RENT.

(a) Tenant agrees to pay as additional rent (the "Additional Rent") for the Premises the amount by which Tenant's proportionate share of all Direct Expenses (as defined below) incurred by Landlord in the operation of the Building exceeds Tenant's proportionate share of Direct Expenses incurred in the Base Year (as defined below). Tenant's proportionate share (hereinafter "Expense Percentage") shall be the percentage obtained by dividing the average Rentable Area of the Premises for such year or portion thereof by the total Rentable Area of the Building for the same period, and shall initially be Two Point Three Six percent (2.36%). Tenant acknowledges Landlord's rights to make changes or additions to the Building from time to time pursuant to Section 10(a) below, in which event the total Rentable Area within the Building may be adjusted.

(b) Prior to the commencement of the Term and of each calendar year thereafter, Landlord shall give Tenant a written estimate of Direct Expenses and Tenant's proportionate share thereof for the ensuing year or portion thereof. Tenant shall pay to Landlord, in equal monthly installments, in advance, the amount by which Tenant's proportionate share set forth in Landlord's notice exceeds Tenant's proportionate share of Direct Expenses incurred in the Base Year (as defined below). If Landlord has not furnished its written estimate of Direct Expenses and Tenant's proportionate share thereof by the time set forth above, Tenant shall continue to pay cost reimbursements at the rates established for the prior calendar year of the Term, if any; provided that when the new estimate is delivered to Tenant, Tenant shall, at the next monthly payment date, pay any accrued cost reimbursements based upon the new estimate. Landlord shall endeavor to furnish to Tenant, within one hundred fifty (150) days after the end of each calendar year, a statement showing in reasonable detail the actual Direct Expenses for such period in accordance with Section 7(d) below, and the parties shall make any payment or allowance necessary to adjust Tenant's estimated payment to Tenant's proportionate share as shown by such annual statement. Any amount due from Tenant shall be paid within ten (10) days after receipt of such statement. Any amount due to Tenant shall be credited against installments next coming due under this Section 7. Even though the Lease has terminated and Tenant has vacated the Premises, when the final determination is made of the actual Direct Expenses and Tenant's proportionate share thereof for the calendar year in which the Lease terminates, Tenant shall upon notice from Landlord make any payment required from Tenant within ten (10) days after receipt of such statement; conversely, any overpayment made in the event expenses decrease shall be rebated by Landlord to Tenant. However, in lieu thereof, Landlord may deliver a reasonable estimate of the anticipated reconciliation amount to Tenant prior to the expiration of the Term, in which event the appropriate party shall fund that amount by the termination date.

(c) If at any time during any calendar year of the Term the amount(s) and/or the rates for any item(s) of Direct Expenses are increased to a rate(s) or amount(s) in excess of the rate(s) or amount(s) used in calculating the estimated Direct Expenses for such calendar year, Tenant's estimated share of such Direct Expenses shall be increased for the month in which such increase becomes effective and for succeeding months by Tenant's Expense Percentage of such increase. Upon receipt of notice of such increase in rate or amount, Landlord shall give Tenant written notice of the amount or estimated amount of increase, the month in which effective and Tenant's monthly share thereof. Tenant shall pay such increase to Landlord as part of Tenant's monthly payments of estimated Direct Expenses as provided in Section 7(b) above, commencing with the month in which effective.

(d) As used herein, the term "Base Year" means the calendar year in which the Term commences, the term "Comparison Year" means the applicable calendar year during the term after the Base Year and the term "Direct Expenses" shall include all costs of operation, management and maintenance of the Building and the project of which the Building is a part (the "Project"), and shall include the following costs by way of illustration but not limitation: real and personal property taxes and vehicle taxes and fees; general and special assessments; costs and expenses incurred in contesting the amount or validity of any property tax by appropriate proceedings; water and sewer charges; insurance premiums, including the cost of rental insurance; license, permit, and inspection fees; heat; light; power; janitorial and security services; fire protection; labor; salaries; air conditioning; gardening and landscaping; maintenance and repair (including repairs pursuant to Section 11 below); painting; trash removal; depreciation of operational equipment for the Project; supplies; materials; equipment; tools; property management costs and fees; all fees, assessments and other amounts paid by Landlord of the type described in Section 29 below; the cost of any capital improvements made to the Project by Landlord which are intended to maintain the quality, appearance or safety of the Building and/or Project or upgrade Building and/or Project security, reasonably calculated to reduce Direct Expenses, and/or are required under any governmental law or regulation not applicable to the Building and/or Project or not in effect as of the Commencement Date, such cost to be amortized over such reasonable period as Landlord shall determine and to include a return on capital at the rate of ten percent (10%) per annum on the unamortized balance or at such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing such capital improvements; the cost of providing a management office at the Project and the cost of providing a manager and support staff to operate such office and the Project; and an amount to cover Landlord's indirect administrative and overhead expense. The term "property taxes" as used herein shall include (i) all real estate taxes and personal property taxes and other taxes, charges and assessments, unforeseen as well as foreseen, which are levied with respect to the Project, and any improvements, fixtures and equipment and other property of Landlord, real or personal, located in the Project and used in connection with the operation of the Project and the land upon which situated, (ii) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes, other than taxes covered by Section 18 below, and (iii) any service or other fees collected by governmental agencies in addition to or in lieu of property taxes for services provided by such agencies. The term "property taxes" as used herein shall also include any rental, excise, sales, transaction privilege, or other tax or levy, however denominated, imposed upon or measured by the rental reserved hereunder or on Landlord's business of leasing the Premises, excepting only net income taxes.

(e) If the Building is not at least 95% leased during any portion of any calendar year, Landlord may, using sound accounting practices, adjust Direct Expenses that are variable and therefore increase as leasing and occupancy of the Building increases to equal what would have been incurred by Landlord had the Building been 100% leased and occupied (an "Equitable Adjustment"). In no instance, however, shall Tenant pay more than the actual cost of the service for which an Equitable Adjustment is made. Landlord may incorporate the Equitable Adjustment in its estimates of Direct Expenses.

(f) The Base Rent, the Additional Rent and all other amounts required to be paid by Tenant hereunder are sometimes here in collectively referred to as, and shall constitute, "rent."

**8. USE.** Tenant shall use the Premises for general office purposes and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord which consent may be withheld in Landlord's sole and absolute discretion. The parties agree that any contrary use shall be deemed to cause material and irreparable harm to Landlord and shall entitle Landlord to injunctive relief in addition to any other available remedy. Tenant shall not increase the occupant density of the Premises in excess of one (1) person per two hundred fifty (250) square feet of Rentable Area within the Premises. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire insurance upon the Building or any of its contents, or cause cancellation of any insurance policy covering the Building or any part thereof or any of its contents. Tenant shall not do or permit to be done anything in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises. Without limiting the generality of the foregoing, Tenant shall not (a) obstruct or store anything in the common facilities (including service or exit corridors), (b) place a load upon any floor of the Premises which exceeds the floor load per square foot which such floor was designed to carry or (c) permit any objectionable sounds or odors to carry outside the Premises.

**9. COMPLIANCE WITH LAW.** Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to, required as a result of or affected by Tenant's improvements, particular use of the Premises or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

## **10. ALTERATIONS AND ADDITIONS.**

(a) Landlord shall have the right, at any time, to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets, and other public parts of the Building or the Project and upon giving Tenant reasonable notice thereof, to change the name, number or designation by which the Building or the Project is commonly known.

(b) Tenant shall not make any alterations, additions or improvements (collectively referred to as "Alterations") to the Premises without the prior written consent of Landlord. All such Alterations shall be made in conformity with plans therefore approved by Landlord in writing prior to the commencement of such Alterations and shall be performed by a tenant improvements contractor designated by Landlord. All such Alterations (except movable furniture, furnishings and trade fixtures) shall become the property of Landlord and shall be surrendered with the Premises, as a part thereof, at the expiration or earlier termination of the Term. All such Alterations shall, however, be made by Tenant at Tenant's sole cost and expense. Upon termination of this Lease, Tenant shall, upon demand by Landlord, at Tenant's sole cost and expense, forthwith remove any Alterations made by Tenant and designated by Landlord to be removed, and repair and restore the Premises to their original condition, reasonable wear and tear excepted. To the extent specifically requested in writing by Tenant, Landlord shall inform Tenant at the time Landlord consents to any Alteration whether Landlord requires removal of that Alteration at the expiration or earlier termination of this Lease. Any personal property left on or in the Premises at the expiration or earlier termination of this Lease may, at the option of Landlord, either be deemed abandoned and retained by Landlord, or be placed in storage at a public warehouse in the name, for the account and at the expense and risk of Tenant or otherwise disposed of by Landlord in the manner provided by law. Tenant releases Landlord of and from any and all claims and liability for damage to or destruction or loss of property left by Tenant upon the Premises at the expiration or earlier termination of this Lease and Tenant hereby indemnifies Landlord against any and all claims and liability with respect thereto. Tenant further waives all claims to all property (and the proceeds thereof) abandoned by Tenant and retained or disposed of by Landlord.

(c) All Alterations to the Premises made by Tenant shall comply with the plans therefore approved in advance by Landlord. Such plans and any specifications associated therewith shall be prepared by an architect or interior designer approved in advance by Landlord. Tenant shall obtain all required permits for such Alterations and shall perform all such Alterations in compliance with all applicable requirements of all governmental authorities having jurisdiction over the Premises and shall comply with all rules and regulations established by Landlord to ensure the safety, cleanliness and good order of the Building and the Project and its occupants, including but not limited to those relating to usage of elevators and loading docks, establishment of off-Premises staging areas, disposal of refuse and the hours of performing operations which result in the creation of noise, dust and odors. Except for cosmetic Alterations to the Premises not requiring a permit, Landlord shall be entitled to a supervision fee in the amount of ten percent (10%) of the cost of the Alterations. No such Alterations by Tenant shall incorporate therein any hazardous materials, as defined in Section 27 below. In addition, if required by Landlord, such Alterations shall be covered by a lien and completion bond satisfactory to Landlord.

(d) No antenna, satellite dish, microwave receiver or other receiving or transmission equipment shall be installed by Tenant in or on the roof of the Building or elsewhere in the Project except with the prior written consent of Landlord which consent may be withheld in Landlord's sole and absolute discretion. Any such installation by Tenant shall be only the particular equipment specifically approved by Landlord, shall be limited to the manner and location approved by Landlord and shall be subject to such terms and conditions as are provided by Landlord to Tenant at the time Landlord approves such installation.

**11. REPAIRS.**

(a) By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, ordinary wear and tear excepted. Tenant shall upon the expiration or sooner termination of this Lease surrender the Premises to Landlord in good condition, ordinary wear and tear excepted. All repairs shall be at least equal in quality to the original work, shall be made only by a licensed, bonded contractor approved in writing in advance by Landlord and shall be made only at the time or times approved by Landlord. Any contractor utilized by Tenant shall be subject to Landlord's standard requirements for contractors, as modified from time to time. Landlord may impose reasonable restrictions and requirements with respect to repairs, as provided in Section 10(b) above. Except as specifically provided in an addendum, if any, to this Lease, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building or the suitability or fitness of either for any purpose except as specifically herein set forth.

(b) Subject to the provisions of Sections 7, 11(a) and 22 hereof, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, air conditioning, heating, and electrical systems, installed or furnished by Landlord, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty of Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Section 22 below, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein. As a material inducement to Landlord's entering into this Lease, Tenant expressly waives any right to make repairs at Landlord's expense or to exercise any right to terminate this Lease relating to the repair and maintenance of the Building whether granted by law, statute, ordinance or otherwise now or hereafter in effect, including but not limited to California Civil Code Sections 1932(1), 1941, 1941.1 and 1942.

**12. LIENS.** Tenant shall keep the Premises, the Building and the Project free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant. In the event that Tenant shall not, within ten (10) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a proper lien release bond in accordance with California Civil Code Section 8424 or any successor statute, Landlord shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of or defense against the claim giving rise to such lien. All sums paid by Landlord and all expenses incurred by it in connection therewith shall create automatically an obligation of Tenant to pay an equivalent amount as Additional Rent, which Additional Rent shall be payable by Tenant within five (5) days after Tenant's receipt of Landlord's demand therefore with interest at the rate of twelve percent (12%) per annum (or the highest lawful rate allowable if less than twelve percent (12%)) (the "Default Rate") from date of payment by Landlord until paid by Tenant. Nothing herein shall imply any consent by Landlord to subject Landlord's estate to liability under any mechanics' or other lien law. Tenant shall give Landlord adequate opportunity and Landlord shall have the right to post in or on the Premises such notices of nonresponsibility as are provided for in the mechanics lien laws of the state of California.

**13. ASSIGNMENT AND SUBLETTING.**

(a) Tenant shall not, either voluntarily or involuntarily or by operation of law, assign, sublet, mortgage or otherwise encumber all or any portion of its interest in this Lease or in the Premises or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees without obtaining the prior written consent of Landlord, which consent shall be subject to the provisions of Sections 13(b) through 13(h) below. Any such attempted assignment, subletting, mortgage or other encumbrance without such consent shall be null and void and of no effect and, at Landlord's election, shall constitute an Event of Default.

(b) No assignment, subletting, mortgage or other encumbrance of Tenant's interest in this Lease shall relieve Tenant of its obligation to pay the rent and to perform all of the other obligations to be performed by Tenant hereunder. Each assignee, other than Landlord, shall be deemed to assume all obligations of Tenant under this Lease and shall be liable jointly and severally with Tenant for the payment of all rent, and for the due performance of all of Tenant's obligations, under this Lease. Such joint and several liability shall not be discharged or impaired by any subsequent modification or extension of this Lease. Moreover, any subletting by Tenant of any portion of the Premises shall be at a market rental rate and upon market terms. For this purpose, "market" shall mean a rental rate and terms comparable to the rental rate and terms then being offered by Landlord for the leasing of comparable space in the Building. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any subletting, assignment, mortgage or other encumbrance. Consent to one sublease, assignment, mortgage or other encumbrance shall not be deemed to constitute consent to any subsequent attempted subletting, assignment, mortgage or other encumbrance.

(c) If Tenant desires at any time to assign this Lease or to sublet the Premises or any portion thereof, it shall first notify Landlord of its desire to do so and shall submit in writing to Landlord (i) the name of the proposed subtenant or assignee; (ii) the nature of the proposed subtenant's or assignee's business to be carried on in the Premises, (iii) the terms and provisions of the proposed sublease or assignment and the proposed effective date thereof, (iv) such financial information as Landlord may reasonably request concerning the proposed subtenant or assignee, and (v) the minimum payment of One Thousand Dollars (\$1,000.00) required pursuant to Section 13(h) below. The submission pursuant to clause (iii) shall include a copy of any agreement, escrow instructions or other document which contains or memorializes the terms and provisions of the transaction for which Landlord's consent is required. Similarly, if Tenant desires to mortgage or encumber its interest in this Lease, Tenant shall first supply to Landlord in writing such information as to such transaction as may be reasonably requested by Landlord.

(d) As a condition to Landlord's consent to such assignment or subletting, Landlord shall be entitled to receive, in the case of a subletting, all rent (however denominated and paid) payable by the subtenant to Tenant in excess of that payable by Tenant to Landlord pursuant to the other provisions of this Lease and, in the case of an assignment, all consideration given, directly or indirectly, by the assignee to Tenant in connection with such assignment, less normal and usual costs incurred by Tenant in connection with such subletting or assignment. For the purposes of this Section 13(d), the term "rent" shall mean all consideration paid or given, directly or indirectly, for the use of the Premises or any portion thereof. The term "consideration" shall mean and include money, services, property or any other thing of value such as payment of costs, cancellation of indebtedness,

discounts, rebates and the like. "Nominal and usual costs" shall mean any broker's commission paid by Tenant to a broker independent of Tenant in connection with such sublease or assignment, reasonable legal fees incurred by Tenant in processing such assignment or subletting, out-of-pocket costs incurred by Tenant in advertising for an assignee or subtenant and out-of-pocket costs incurred by Tenant to remodel or renovate the area subject to such subletting or assignment (which costs shall not exceed the cost of providing building standard improvements for such assignee or subtenant and shall be amortized over the remaining Term of this Lease or, if shorter, over the term of the sublease). "Sublet" and "sublease" shall include a sublease as to which Tenant is sublessor and any sub-sublease or other sub-subtenancy, irrespective of the number of tenancies and tenancy levels between the ultimate occupant and Landlord, as to which Tenant receives any consideration, as defined in this Section 13(d), and Tenant shall require on any sublease which it executes that Landlord receive the profit from all sub-subtenancies, irrespective of the number of levels thereof. Any rent or other consideration which is to be passed through to Landlord by Tenant pursuant to this Section 13(d) shall be paid to Landlord promptly upon receipt by Tenant and shall be paid in cash, irrespective of the form in which received by Tenant from any subtenant or assignee. In the event that any rent or other consideration received by Tenant from a subtenant or assignee is in a form other than cash, Tenant shall pay to Landlord in cash the fair value of such consideration.

(e) At any time within thirty (30) days after Landlord's receipt of the last of the information specified in Section 13(c) above Landlord may by written notice to Tenant elect (i) to sublease the Premises or the portion thereof so proposed to be subleased by Tenant, or to take an assignment of Tenant's leasehold estate hereunder, or such part thereof as shall be specified in said notice, on the same terms as those stated in this Lease and in turn sublease or assign to the proposed subtenant or assignee on the same terms as those offered by Tenant to the proposed subtenant or assignee, as the case may be; or (ii) to terminate this Lease as to the portion (including all) of the Premises so proposed to be subleased or assigned, with a proportionate abatement in the rent payable hereunder. Tenant shall, at Tenant's own cost and expense, discharge in full any commissions which may be due and owing as the result of any proposed assignment or subletting, whether or not the Premises are recaptured pursuant hereto and rented by Landlord to the proposed tenant or any other tenant. If Landlord does not disapprove the proposed subletting or assignment in writing and does not exercise any option set forth in this Section 13(e) within said thirty (30) day period, Tenant may thereafter within ninety (90) days after the expiration of said thirty (30) day period enter into a valid assignment or sublease of the Premises or portion thereof, upon the terms and conditions set forth in the information furnished by Tenant to Landlord pursuant to Section 13(c) above. Provided, however, that any material change in such terms shall be subject to Landlord's consent as provided in this Section 13 and, provided further, that any amount to be paid by Tenant in connection with such subletting or assignment pursuant to Section 13(d) above shall be paid to Landlord upon and as a condition to consummation of such transaction.

(f) Landlord shall have the right to approve or disapprove any proposed assignee or sublessee. In exercising such right of approval or disapproval, Landlord shall be entitled to take into account any fact or factor which Landlord reasonably deems relevant to such decision, including, but not necessarily limited to, the following, all of which are agreed to be reasonable factors for Landlord's consideration:

(i) The financial strength of the proposed assignee or subtenant.

(ii) The proposed use of the Premises by such proposed assignee or subtenant and the compatibility of such proposed use with the quality of the other uses in the Building.

(iii) Any violation which the proposed use by such proposed assignee or subtenant would cause of any other rights granted by Landlord to other tenants of the Building or the Project.

(iv) Any adverse impact of the proposed use of the Premises by such proposed assignee or subtenant upon the parking or other services provided for Building or Project tenants generally.

(v) Whether there then exists an Event of Default or any non-payment or non-performance by Tenant under this Lease which, with the passage of time and/or the giving of notice, would constitute an Event of Default.

(vi) Whether the proposed assignee or subtenant is either an existing tenant or occupant of the Building or Project or a prospective tenant with whom Landlord has been actively negotiating to become a tenant at the Building or Project.

(vii) Whether the proposed assignee or subtenant is a public accommodation.

(viii) Whether the proposed assignee or subtenant is, in Landlord's good faith determination, appropriate for tenancy in a first-class office project.

Moreover, Landlord shall be entitled to be reasonably satisfied that each and every covenant, condition or obligation imposed upon Tenant by this Lease and each and every right, remedy or benefit afforded Landlord by this Lease is not impaired or diminished by such assignment or subletting. Landlord and Tenant acknowledge that the express standards and provisions set forth in this Lease dealing with assignment and subletting, including those set forth in this Section 13(f) above, have been freely negotiated and are reasonable at the date hereof taking into account Tenant's proposed use of the Premises and the nature and quality of the Building and the Project. No withholding of consent by Landlord for any reason deemed sufficient by Landlord shall give rise to any claim by Tenant or any proposed assignee or subtenant for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) or entitle Tenant to terminate this Lease or to any abatement of rent. Tenant's sole remedy shall be an action or proceeding to require Landlord's consent, whether by specific performance, injunction or declaratory judgment. Approval of any assignment of Tenant's interest shall, whether or not expressly so stated, be conditioned upon such assignee assuming in writing all obligations of Tenant hereunder.

(g) All options to extend, renew or expand, all exterior sign rights and all reserved, reduced cost or free parking rights, in each case if any, contained in this Lease are personal to Tenant. Consent by Landlord to any assignment or subletting shall not include consent to the assignment or transfer of any such rights or options with respect to the Premises or any other special privileges or extra services granted to Tenant by this Lease, any addendum or amendment hereto or any letter agreement. All such options, rights, privileges and extra services shall terminate upon such subletting or assignment unless Landlord specifically grants the same in writing to such assignee or subtenant.

(h) The voluntary or other surrender of this Lease by Tenant or a mutual cancellation hereof shall not work a merger, and shall at the option of Landlord, terminate all or any existing subleases or subtenancies or shall operate as an assignment to Landlord of such subleases or subtenancies. If Tenant is a corporation which is not required under the Securities Exchange Act of 1934 to file periodic informational reports with the Securities and Exchange Commission, or is an unincorporated association, limited liability company or partnership, the transfer, assignment or hypothecation of any stock or direct or indirect interest in such corporation, association, limited liability company or partnership in the aggregate in excess of twenty-five percent (25%) shall be deemed an assignment within the meaning and provisions of this Section 13. In addition, the sale of all or substantially all of the assets of Tenant (other than bulk sales in the ordinary course of business), the merger or consolidation of Tenant, or any other direct or indirect change of control of Tenant, including, without limitation, change of control of Tenant's parent company or a merger by Tenant or its parent company, shall be deemed an assignment within the meaning and provisions of this Section 13. Tenant agrees to reimburse Landlord, in no event less than One Thousand Dollars (\$1,000) for each proposed transfer, for Landlord's administrative time and reasonable costs and attorneys' fees incurred in connection with the processing and documentation of any such requested assignment, subletting, transfer, change of ownership or hypothecation of this Lease or Tenant's interest in and to the Premises.

(i) To the extent not prohibited by provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"), including Section 365(f)(1), Tenant on behalf of itself and its creditors, administrators and assigns waives the applicability of Section 365(e) of the Bankruptcy Code unless the proposed assignee of the Trustee for the estate of the bankrupt meets Landlord's standard for consent as set forth in this Section 13. If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations to be delivered in connection with the assignment shall be delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed to have assumed all of the obligations arising under this Lease on and after the date of the assignment, and shall upon demand execute and deliver to Landlord an instrument confirming that assumption.

(j) Tenant hereby irrevocably assigns to Landlord all of Tenant's interest in all rentals and income arising from any sublease of the Premises, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until an Event of Default occurs, Tenant shall have the right to receive and collect the sublease rentals. Landlord shall not, by reason of this assignment or the collection of sublease rentals, be deemed liable to the subtenant for the performance of any of Tenant's obligations under the sublease. Tenant hereby irrevocably authorizes and directs any subtenant, upon receipt of a written notice from Landlord stating that an Event of Default exists under this Lease, to pay to Landlord all sums then and thereafter due under the sublease. Tenant agrees that the subtenant may rely on that notice without any duty of further inquiry and notwithstanding any notice or claim by Tenant to the contrary. Tenant shall have no right or claim against the subtenant or Landlord for any rentals so paid to Landlord.

(k) In the event of the termination of this Lease, Landlord may, at its sole option, take over Tenant's entire interest in any sublease and, upon notice from Landlord, the subtenant shall attorn to Landlord. In no event, however, shall Landlord be liable for any previous act or omission by Tenant under the sublease or for the return of any advance rental payments or deposits under the sublease that have not been actually delivered to Landlord, nor shall Landlord be bound by any sublease modification executed without Landlord's consent or for any advance rental payment by the subtenant in excess of one month's rent. The general provisions of this Lease, including without limitation those pertaining to insurance and indemnification, shall be deemed incorporated by reference into the sublease despite the termination of this Lease.

(l) Tenant agrees that Landlord may, at its sole option, authorize a subtenant of the Premises to cure an Event of Default. Should Landlord accept such cure, the subtenant shall have a right of reimbursement and offset from and against Tenant under the applicable sublease.

#### 14. HOLD HARMLESS.

(a) Tenant shall indemnify, defend and hold Landlord, its affiliates and their respective directors, officers, shareholders, members, managers, partners, agents, employees, representatives, successors and assigns (the "Landlord Indemnified Parties") harmless against and from any and all claims, suits, proceedings, actions, liabilities, expenses, losses, costs, deficiencies, fines, penalties or damages of any kind or nature, including reasonable attorneys' fees and the cost of any environmental investigation, remediation or monitoring (collectively, "Claims"), arising out of or in connection with (i) Tenant's use of the Premises, Building, common facilities or parking facilities for the conduct of its business or from any activity, work, or other thing done, permitted or suffered by Tenant in or about the Premises, Building, common facilities or parking facilities; (ii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease; or (iii) any act, omission or negligence of Tenant, or any officer, agent, employee, guest, subtenant, assignee, licensee, contractor, subcontractor or invitee of Tenant (collectively, "Tenant Parties"). If any case, action or proceeding is brought against Landlord by reason of any such Claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumes all risk of damage to property or injury to persons, in or upon the Premises, Building, common facilities or parking facilities, from any cause other than Landlord's gross negligence, and Tenant hereby waives all claims in respect thereof against Landlord. Neither party shall be liable to the other for any unauthorized or criminal entry of third parties into the Premises, Building, parking facilities, common facilities and the approaches or entrances thereto, by or from any unauthorized or criminal acts of third parties, regardless of any breakdown, malfunction or insufficiency of security measures, practices or equipment of Landlord or Tenant.

(b) The Landlord Indemnified Parties shall not be liable for any damage to property entrusted to employees of the Building, nor for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property, or loss or interruption of business or income, resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building, or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the gross negligence of Landlord, its agents or employees. The Landlord Indemnified Parties shall not be liable to Tenant for interference with the light or other incorporeal hereditaments, loss of business by Tenant, nor shall the Landlord Indemnified Parties be liable for any latent defect in the Premises or in the Building. The Landlord Indemnified Parties shall not be liable to Tenant for any damages caused by the act or neglect of any third party and/or other tenant in the Project or their agents, employees or invitees. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment.

15. **SUBROGATION.** Landlord and Tenant each hereby waives any and all rights of recovery against the other, and (to the extent such parties have waived rights of recovery as to Landlord or Tenant, as the case may be) against any other tenant or occupant of the Building and the Project and

against the officers, employees, agents, representatives, customers and business visitors of such other party and of such other tenant or occupant of the Building and the Project for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under any policy of property insurance required to be carried by such waiving party pursuant to the provisions of this Lease (or any other policy of insurance carried by such waiving party in lieu thereof) at the time of such loss or damage. The foregoing waiver shall be effective whether or not a waiving party shall actually obtain and maintain the insurance which such waiving party is required to obtain and maintain pursuant to this Lease (or any substitute therefore). Landlord and Tenant shall, upon obtaining the policies of insurance which they are required to maintain under this Lease, give notice to their respective insurance carrier(s) that the foregoing mutual waiver of subrogation is contained in this Lease.

## 16. TENANT'S INSURANCE REQUIREMENTS.

(a) Tenant shall purchase and maintain, at its sole expense, the following insurance coverages written through insurance companies that are either admitted or approved in the latest List of Approved Surplus Line Insurers as published by the California Department of Insurance. Such insurance carriers shall have a rating of at least A IX in the latest edition of A. M. Best Company. All policies of insurance carried by Tenant shall contain a waiver of any rights of subrogation and all rights of recovery in favor of and against Landlord, its affiliated companies, and their respective directors, officers, partners, members, managers, shareholders, agents, and employees. The required insurance coverages must be evidenced by submitting an Evidence of Property Insurance ACORD Form 28 and a Certificate of Liability Insurance ACORD Form 25, with all required endorsements attached thereto at least ten (10) days prior to starting any work at or gaining access to the Premises and annually thereafter. Tenant agrees that if Tenant does not procure and maintain such insurance, Landlord may, at their sole discretion, procure said insurance on Tenant's behalf and charge Tenant the premium, plus a fifteen percent (15%) (or the highest lawful percentage allowable if less than fifteen percent (15%)) handling charge, payable upon demand. If, in the opinion of Landlord or Landlord's lender, the amount or type of injury and damage insurance coverage, or any other amount or type of insurance, at that time is not adequate or not provided for herein, Tenant shall either acquire or increase the insurance coverage as required by either Landlord or Landlord's lender.

(b) At all times during the Term and any extension thereof, Tenant shall, at its sole cost and expense, procure and maintain in full force and effect the following insurance policies:

### (i) Property Insurance.

(1) Commercial Property policy with special form and equipment breakdown causes of loss with a limit of insurance sufficient to cover one hundred percent (100%) of the replacement cost of (i) tenant improvements; (ii) trade fixtures, merchandise, (iii) any other business personal property, and (iv) Alterations as may be made by Tenant pursuant to provisions of Section 10 above and in which Tenant may have an insurable interest, and trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, with an inflation guard endorsement. The proceeds of such insurance for damage to the property described in subparagraph (i) shall be used for the repair or replacement of the property so insured. Arnel Commercial Properties shall be designated as a Loss Payee on Insurance Services Office ("ISO") Form CP 12 18, or its functional equivalent, under the Building Owner Loss Payable Clause in both the Special Form and the Equipment Breakdown policy if written by separate insurance companies. Landlord's lender, at Landlord's express written request, shall be included as Lender's Loss Payable or as directed by lender;

(2) Business Income policy with special form causes of loss and a limit of insurance sufficient for a minimum of twelve (12) months' loss of income.

(ii) Commercial General Liability Insurance. Commercial General Liability insurance issued on ISO occurrence form CG 00 01 covering bodily injury, personal and advertising injury, and property damage liability for the Premises and Tenant's business operations, including contractual liability, with limits in amounts not less than One Million Dollars (\$1,000,000) per Occurrence; Two Million Dollars (\$2,000,000) General Aggregate; and Two Million Dollars (\$2,000,000) Products-Completed Operations Aggregate; and Damage to Premises limit of Five Hundred Thousand Dollars (\$500,000). The Commercial General Liability policy shall include the following endorsements:

(1) General Aggregate Limit Per Location endorsement;

(2) Landlord, its affiliated companies, and their respective directors, officers, partners, members, managers, shareholders, agents, and employees shall be included as Additional Insureds ("Additional Insureds") using ISO Form CG 20 11, or its functional equivalent, either by specific endorsement naming these parties or as a blanket additional insured endorsement applicable "when required by written contract or agreement";

(3) Landlord's lender, at Landlord's express written request, shall be included as an Additional Insured;

(4) A Waiver of Subrogation endorsement by either specifically naming the Additional Insureds or as a blanket endorsement applicable "when required by written contract or agreement" and a waiver all rights of recovery in favor of and against the Additional Insureds;

(5) A Primary, Non-contributory endorsement by either specifically naming the Additional Insureds or as a blanket endorsement applicable "when required by written contract or agreement";

(6) A notice of cancellation for Landlord, not less than ten (10) days' notice prior to taking effect, due to non-payment of premium, and thirty (30) days' notice prior to taking effect for any other cause; thirty (30) days' notice of non-renewal.

(iii) Workers' Compensation Insurance. Workers' Compensation policy including statutory coverage and Employer's Liability coverage with of limits not less than One Million Dollars (\$1,000,000) for bodily injury per employee by accident, One Million Dollars (\$1,000,000) for bodily injury by disease for each employee, and One Million Dollars (\$1,000,000) policy aggregate for bodily injury by disease. The Workers' Compensation policy shall include a Waiver of Subrogation endorsement in favor Landlord, affiliated companies, and their respective directors,

officers, partners, members, managers, shareholders, agents, and employees. Such endorsement may be issued by either specifically naming these parties or as a blanket endorsement applicable "when required by written contract or agreement."

(iv) **Automobile Liability Insurance.** Business Automobile Liability policy using a standard ISO Business Auto CA 00 01 form with a limit of not less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage for all owned, hired and non-owned automobiles. The policy shall include Contractual Liability. The Business Auto coverage shall include the following endorsements:

(1) The Additional Insureds shall be included using ISO Form CA 20 48, or its functional equivalent, either by specific endorsement naming these parties or as a blanket additional insured endorsement applicable "when required by written contract or agreement";

(2) A Waiver of Subrogation endorsement by either specifically naming the Additional Insureds or as a blanket endorsement applicable "when required by written contract or agreement";

(3) A Primary, Non-contributory endorsement by either specifically naming the Additional Insureds or as a blanket endorsement applicable "when required by written contract or agreement";

(4) A notice of cancellation for Landlord, not less than ten (10) days' notice prior to taking effect, due to non-payment of premium and thirty (30) days' notice prior to taking effect for any other cause; thirty (30) days' notice of non-renewal.

## 17. SERVICES AND UTILITIES.

(a) Provided that no Event of Default exists, Landlord agrees to furnish to the Premises during recognized business hours of generally recognized business days, and subject to the rules and regulations of the Building (attached hereto and incorporated herein), electricity for normal lighting and fractional horsepower office machines, janitorial service, and heat and air conditioning required in Landlord's judgment for the comfortable use and occupancy of the Premises. Landlord may take into consideration the availability of energy resources and prudent energy conservation practices, including participation in any energy conservation association or other arrangement for voluntary cutback, load shedding and the like. Tenant shall cooperate with any such conservation programs or practices. No failure to furnish any of such services or utilities shall entitle Tenant to any damages, relieve Tenant of the obligation to pay the full rent reserved herein, or constitute or be construed as a constructive or other eviction of Tenant, except that rent and other charges shall abate from and after the eleventh (11th) business day to the extent the Premises are rendered uninhabitable for a period exceeding ten (10) consecutive business days. Notwithstanding the foregoing, Landlord shall not be liable for, and Tenant shall not be entitled to, any reduction of rent by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character, or by any other cause, similar or dissimilar, beyond the reasonable control of Landlord, or by the acts or omissions of Tenant, or any officer, agent, employee, guest, or invitee of Tenant. Landlord shall not be liable under any circumstances for a loss of or injury to property, however occurring, through or in connection with or incidental to failure to furnish any of the foregoing. If Tenant installs heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the air conditioning system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, and the cost of operation and maintenance thereof shall be paid by Tenant to Landlord upon demand by Landlord.

(b) Tenant shall not, without written consent of Landlord, use any apparatus or device in the Premises, including, but not without limitation thereto, electronic data processing machines, punch card machines, and machines using in excess of 120 volts, which will in any way increase the amount of electricity usually furnished or supplied for the use of the Premises as general office space; nor connect with electric current except through existing electrical outlets in the Premises, any apparatus or device, for the purpose of using electric current. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises as general office space, Tenant shall first procure the written consent of Landlord, which consent shall be within Landlord's sole discretion, to the use thereof and Landlord may cause a water meter or electrical current meter to be installed in the Premises, so as to measure the amount of water and electric current consumed for any such use. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefore by Landlord for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or electrical engineer.

(c) Any special equipment, apparatus, or device requested by Tenant and approved by Landlord shall be the responsibility of Tenant, including, but not limited to, costs of repair, operation, and maintenance.

(d) The costs of Building services shall be included in Direct Expenses and all charges with respect to utilities shall be included in Utilities Costs as defined above. Landlord may, but is not obligated to, provide additional services hereunder; provided, however, that if Landlord does provide such extra services, Tenant agrees to pay a reasonable administration fee for the provisions of such services.

## 18. PROPERTY TAXES.

(a) Tenant shall be liable for and shall pay thirty (30) days before delinquency all taxes, levies and assessments levied against any personal property or trade fixtures placed by Tenant in or about the Premises, and, when possible, Tenant shall cause such personal property and trade fixtures to be assessed and billed separately from the Building and the Premises. If any such taxes, levies and assessments on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or if the assessed value of the Building or the Project is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant and if Landlord pays the taxes, levies and assessments based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof, but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord, as Additional Rent, the taxes, levies and assessments so levied against Landlord, or the proportion of such taxes, levies and assessments resulting from such increase in the assessment, together with interest at the Default Rate from the date of payment by Landlord to the date of reimbursement by Tenant. Provided, however, that in any such event Tenant shall have the right, in the name

of Landlord and with Landlord's full cooperation but without any cost to Landlord, to bring suit in any court of competent jurisdiction to recover the amount of any such taxes, levies and assessments so paid under protest, any amount so recovered to belong to Tenant.

(b) If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the real property taxes and assessments levied against Landlord or the Building or Project by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 18(a) above. If the records of the County Assessor are available and sufficiently detailed to serve as a basis for determining whether said tenant improvements are assessed at a higher valuation than Landlord's "building standard," such records shall be binding on both Landlord and Tenant; otherwise the actual cost of construction shall be the basis for such determination.

**19. RULES AND REGULATIONS.** Tenant agrees to abide by all rules and regulations of the Building and the Project imposed by Landlord as set forth in Exhibit "D" attached hereto, as the same may be changed from time to time upon reasonable notice to Tenant. Any such change shall be effective upon delivery of a copy thereof to Tenant. These rules and regulations are imposed for the cleanliness, good appearance, proper maintenance, good order and reasonable use of the Premises, the Building and the Project, and as may be necessary for the enjoyment of the Building and the Project by all tenants and their clients, customers and employees. Landlord shall not be liable to Tenant for any violation of the rules and regulations or the breach of any covenant or condition in any lease or any other act or conduct by any other tenant, and the same shall not constitute a constructive eviction hereunder. One or more waivers by Landlord of any breach of the rules and regulations by Tenant or by any other tenant(s) shall not be a waiver of any subsequent breach of that rule or any other. Tenant's failure to keep and observe the rules and regulations shall constitute an Event of Default.

**20. HOLDING OVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof, with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental in the amount of one hundred fifty percent (150%) of the last monthly rental, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month to month tenancy. Any holding over without the express written consent obtained from Landlord by Tenant, shall not constitute a renewal or extension hereof or give Tenant any rights under this Lease. If Tenant shall hold over without the express written consent of Landlord, Landlord may, at its option treat Tenant as a tenant at sufferance only and subject to all of the terms and conditions herein contained, except that the monthly rental shall be two hundred percent (200%) of the total monthly rental applicable at the date of expiration, or at the then currently scheduled rent for comparable space in the Building without regard to any Tenant concessions, whichever is greater. If Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, defend and hold Landlord harmless from all loss or liability, including without limitation, any claims made by any succeeding tenant founded on or resulting from such failure to surrender. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a holdover hereunder or result in a renewal of this Lease.

**21. ENTRY BY LANDLORD.** Landlord reserves and shall at any and all times have the right to enter the Premises, inspect the same, supply janitorial service and any other service to be provided by Landlord to Tenant hereunder, to submit the Premises to prospective purchasers or tenants, to post notices of non-responsibility and to alter, improve or repair the Premises and any portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

**22. RECONSTRUCTION.**

(a) In the event the Premises or the Building in which the Premises are located are damaged by any peril covered by Landlord's All-Risk insurance:

(i) In the event of total destruction of the Building, (a) at Landlord's option within ninety (90) days thereafter, Landlord shall commence reconstruction, repair and restoration of the Building and continue the same diligently to completion, in which event this Lease shall remain in full force and effect; or (b) within said ninety (90) day period, Landlord shall elect not to so reconstruct, repair or restore in which event this Lease shall automatically be terminated as of the date of such casualty. In either event, Landlord shall give Tenant written notice of its intention within said ninety (90) day period.

(ii) In the event of partial destruction of the Building, or of total or partial destruction of the Premises, Landlord shall be responsible for repairing such damage and restoring the Building or the Premises, except in the circumstances hereinafter provided. If the Premises or the Building are damaged and (a) the repair or restoration thereof, in Landlord's opinion, cannot be completed within one hundred eighty (180) days of commencement of repair or restoration; or (b) the estimated cost thereof exceeds the insurance proceeds available for repair or restoration plus any amount which Tenant is obligated or elects to pay for such repair or restoration; or (c) the estimated cost of repair or restoration of the Premises or Building exceeds fifty percent (50%) of the full replacement cost of the Building; or (d) the Building cannot be restored except in a substantially different structural or architectural form than existed before the damage and destruction, Landlord shall have the option to either terminate this Lease or to repair or restore the Premises and/or the Building. In the event that Landlord elects to terminate this Lease, Landlord shall give notice to Tenant within ninety (90) days after the occurrence of such damage, terminating this Lease as of the date specified in such notice, which date shall not be less than thirty (30) nor more than sixty (60) days after giving of such notice. In the event such notice is given, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date specified in the notice and rent shall be paid up to the date of termination. Landlord shall refund to Tenant the rent theretofore paid for any period of time subsequent to such date.

(b) Upon any termination of this Lease under any of the provisions of this Section 22, the parties shall be released thereby, without further obligation to the other, from the date possession of the Premises is surrendered to Landlord, except for terms of this Lease that expressly survive termination or items which have accrued and are then unpaid.

(c) Unless the damage or destruction is caused by the negligence or willful misconduct of Tenant, or its employees or agents, or unless the Premises were unusable for a period of less than five (5) days, if the Premises are rendered totally or partially untenantable, Base Rent and Additional Rent shall abate during the period of reconstruction in the same proportion that the portion of the Premises rendered untenantable bears to the entire Premises. In no event shall Tenant be entitled to any compensation or damages for loss of use of the whole or any part of the Premises or for any inconvenience occasioned by any such destruction, rebuilding or restoration of the Premises, the Building or access thereto. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and any present and future laws and case decisions to the same effect.

(d) Notwithstanding any destruction or damage to the Premises or the Building, including the parking facilities and interior adjacent landscaped areas, Tenant shall not be released from any of its obligations under this Lease except to the extent and upon the conditions expressly stated in this Section 22. Notwithstanding anything to the contrary contained in this Section 22, should Landlord be delayed or prevented from repairing or restoring said damaged Premises for one (1) year after the occurrence of such damage or destruction, Landlord and Tenant shall each have the right to terminate this Lease, effective upon thirty (30) days prior written notice, so long as the damaged Premises shall not have been substantially repaired or restored prior to the expiration of such thirty (30) day notice period.

(e) In the event of partial destruction of the Premises or the Building due to any cause other than a peril covered by Landlord's All-Risk insurance, if Tenant is not obligated to, or does not elect to, pay for repair and restoration of same, Landlord shall have the option: (i) to repair or restore the Premises and the Building and this Lease shall continue in full force and effect; or (ii) to give notice to Tenant at any time within sixty (60) days after such partial destruction terminating this Lease as of the date specified in such notice, which date shall be no less than thirty (30) and no more than sixty (60) days after the giving of such notice.

(f) It is hereby acknowledged that if Landlord is obligated to, or elects to repair or restore as herein provided, Landlord shall be obligated to make repairs or restoration only of those portions of the Building and the Premises which were originally provided at Landlord's expense, and the repair and restoration of items not provided at Landlord's expense shall be the obligation of Tenant. Tenant understands that Landlord will not carry insurance of any kind on Tenant's furniture, furnishings, fixtures, equipment or other personal property, and that Landlord shall not be obligated to repair any damage thereto or replace the same.

(g) Notwithstanding anything to the contrary contained in this Section 22, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 22 occurs during the last twelve (12) months of the Term or any extension thereof.

**23. TENANT EVENT OF DEFAULT.** The occurrence of any of the following shall constitute an event of default under this Lease by Tenant ("Event of Default"):

(a) Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant hereunder at the time specified for payment. Landlord shall give Tenant three (3) days' written notice of default, which notice shall be in lieu of, and not in addition to, any notice required under Section 1161 *et seq.* of the California Code of Civil Procedure, as amended.

(b) The abandonment or vacation of the Premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence by Tenant from the Premises for ten (10) business days or longer.

(c) Any failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for twenty (20) days (except where a different period of time is specified in this Lease) after written notice by Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 *et seq.* of the California Code of Civil Procedure, as amended. If the nature of such default is such that the same cannot reasonably be cured within such twenty (20) day period Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.

(d) Tenant or any affiliate, successor or guarantor of Tenant makes or has made or furnishes or has furnished any warranty, representation or statement to Landlord in connection with this Lease, any guaranty of this Lease, or any other agreement to which Tenant and Landlord are parties, which is or was false or misleading in any material respect when made or furnished.

(e) The assignment, sublease, encumbrance or other transfer of this Lease by Tenant, either voluntarily or by operation of law, whether by judgment, execution, transfer by intestacy or testacy, or other means, without the prior written consent of Landlord.

(f) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days; or Tenant's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts.

**24. REMEDIES FOR EVENT OF DEFAULT.**

(a) In an Event of Default occurs pursuant to Section 23 above, then in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to so terminate this Lease then Landlord may recover from Tenant:

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

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

(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 Tenant proves reasonably could be avoided; plus

(iv) 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, including without limitation the unamortized balance of any tenant improvement allowance provided to Tenant by Landlord or of any tenant improvements constructed or paid for by Landlord at the commencement of the term hereof, which amount shall be deemed additional rent automatically due and payable hereunder upon the occurrence of an Event of Default by Tenant and shall be recoverable as rent in any unlawful detainer or other action arising out of or pertaining to such Event of Default, whether or not specified in any notice given by Landlord as a condition or prior to the commencement of any such action; and

(v) 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 California law.

(b) As used in Sections 24(a)(i) and 24(a)(ii) above, the "worth at the time of award" is computed by allowing interest at the Default Rate. As used in Section 24(a)(iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one (1) percent. Any sum, other than Base Rent, shall be computed on the basis of the average monthly amount accruing during the twenty-four (24) month period immediately prior to Event of Default, except that if it becomes necessary to compute such rent before the twenty-four (24) month period has occurred, then the computation shall be on the basis of the average monthly amount during the shorter period.

(c) In the event of any such Event of Default, Landlord shall also have the right, with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.

(d) In the event of the vacation or abandonment of the Premises by Tenant or in the event that Landlord shall elect to re-enter as provided above or shall take possession of the Premises pursuant to legal proceedings or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Lease as provided in this Section 24, Landlord may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. Election by Landlord to proceed pursuant to this Section 24(d) shall be made upon written notice to Tenant and shall be deemed an election of the remedy described in California Civil Code Section 1951.4 and, unless Landlord relets the Premises, Tenant shall have the right to sublet or assign subject to the prior written consent of Landlord. Such consent shall not be unreasonably withheld and shall be subject to all of the terms and provisions of Section 13 above.

(e) In the event that Landlord shall elect to so relet, then rentals received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue if any, shall be held by Landlord and applied in payment of future amounts as the same may become due and payable hereunder. Should the rent for such reletting, during any month for which the payment of rent is required hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefore by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(f) No re-entry or taking possession of the Premises by Landlord pursuant to this Section 24 shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of an Event of Default, Landlord may at any time after such reletting elect to terminate this Lease for any such Event of Default.

(g) In any action for unlawful detainer commenced by Landlord against Tenant by reason of an Event of Default hereunder, the reasonable rental value of the Premises for the period of the unlawful detainer shall be the amount of rent reserved in this Lease for such period. The rights and remedies reserved to Landlord herein, including those not specifically described, shall be cumulative and, except as otherwise provided by California statutory law in effect at the time, Landlord may pursue any or all of such rights and remedies, at the same time or otherwise.

(h) Tenant hereby waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Sections 473, 1174 or 1179, Civil Code Section 3275 or under any other present or future law, in the event this Lease is terminated by reason of any Event of Default.

(i) All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant fails to pay any sum of money, other than rent, required to be paid by it or fails to perform any other act on its part to be performed, and such failure continues beyond any applicable grace period set forth in the Section providing for such obligation (or if no grace period is set forth in such Section, then the applicable grace period pursuant to Section 23 above) (or in the case of an emergency, no

grace period shall be provided), then in addition to any other remedies provided herein Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part, including the removal of any offending signs. Landlord's election to make any such payment or perform any such act on Tenant's part shall not give rise to any responsibility of Landlord to continue making the same or similar payments or performing the same or similar acts. Tenant shall, within ten (10) days after written demand therefore by Landlord, reimburse Landlord for all sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the Default Rate, accruing from the date of such payment by Landlord; and Landlord shall have the same rights and remedies in the event of failure by Tenant to pay such amounts as Landlord would have following an Event of Default by Tenant in payment of rent.

## 25. LANDLORD DEFAULT; LANDLORD'S LIABILITY.

(a) Landlord shall not be deemed to be in default in the performance of any obligation under this Lease unless and until it has failed to perform the obligation within thirty (30) days after written notice by Tenant to Landlord specifying in reasonable detail the nature and extent of the failure; provided, however, that 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 deemed to be in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion. Tenant hereby waives any right to terminate or rescind this Lease as a result of any default by Landlord hereunder or any breach by Landlord of any promise or inducement relating hereto, and Tenant agrees that its remedies shall be limited to a suit for actual damages and/or injunction and shall in no event include any consequential damages, lost profits or opportunity costs.

(b) The liability of Landlord under this Lease shall be limited to Landlord's estate in the Premises and the Building. Notwithstanding anything to the contrary set forth herein, Tenant agrees to look solely to Landlord's interest in the Premises and the Building for the satisfaction of any liability, duty or obligation of Landlord with respect to this Lease or the relationship of Landlord and Tenant hereunder, and no other assets of Landlord shall be subject to any liability therefore. In no event shall Tenant seek and Tenant does hereby waive any recourse against the individual partners, members, directors, officers or shareholders of Landlord or any of their personal assets for such satisfaction.

26. **EMINENT DOMAIN.** If the whole of the Premises shall be taken, or such part thereof shall be taken as shall substantially interfere with Tenant's use and occupancy of the balance thereof, under power of eminent domain, or sold, transferred, or conveyed in lieu thereof, either Tenant or Landlord may terminate this Lease as of the date of such condemnation or as of the date possession is taken by the condemning authority, whichever date occurs later. If any part of the Building other than the Premises, including parking facilities and interior and adjacent landscaped areas, shall be so taken, sold, transferred or conveyed in lieu thereof, Landlord shall have the right, at its option, to terminate this Lease as of the date of such condemnation or as of the date possession is taken by the condemning authority. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that as long as the award made to Landlord is not diminished, nothing contained herein shall be deemed to give Landlord any interest in or require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and fixtures belonging to Tenant and removable by Tenant at the expiration of the term hereof, as provided hereunder, or for the interruption of, or damage to Tenant's business or for relocation expenses recovered against the condemning authority. In the event of a partial taking, or a sale, transfer, or conveyance in lieu thereof, which does not result in a termination of this Lease, Landlord shall, to the extent of any funds received from the condemning authority for repair or restoration, restore the Premises substantially to their condition prior to such partial taking and thereafter, rent shall be abated in the proportion which the square footage of the part of the Premises so made unusable bears to the amount of area rented immediately prior to the taking. No temporary taking of a part of the Premises or of the Building, including parking facilities and interior and adjacent landscaped areas, shall give Tenant any right to terminate this Lease or to any abatement of rent hereunder. Tenant waives the provisions of California Code of Civil Procedure Section 1265.130 and any present and future laws and case decisions to the same effect.

## 27. HAZARDOUS MATERIALS.

(a) Without limiting the generality of Sections 8 and 9 above, Tenant covenants and agrees that Tenant, its employees, agents and other third parties entering upon the Project at the request or invitation of Tenant shall not bring into, maintain upon, generate, produce, use, store, dispose of or release or discharge in or about the Project any hazardous or toxic substances or hazardous waste, as more fully defined below (collectively, "hazardous materials"). The foregoing covenant shall not extend to substances typically found or used in applications of the type permitted by this Lease so long as (i) such substances are maintained only in such quantities as are reasonably necessary for Tenant's operations in the Premises, (ii) such substances and all equipment which generates such substances are used strictly in accordance with the manufacturers' instructions therefore, (iii) such substances are not disposed of in or about the Project in a manner which would constitute a release or discharge thereof, and (iv) all such substances and all equipment which generates such substances are removed from the Project by Tenant upon the expiration or earlier termination of this Lease. Any introduction, use, storage, generation, maintenance, production, disposal, release or discharge by Tenant of hazardous materials in or about the Project as is permitted pursuant to this Section 27 shall be carried out in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Moreover, no hazardous waste resulting from any operations by Tenant shall be stored or maintained by Tenant in or about the Project for more than thirty (30) days prior to removal by Tenant. In no event shall Tenant install any chemical storage tank in or about the Project. Tenant shall, annually within thirty (30) days after Tenant's receipt of Landlord's written request therefore, provide to Landlord a written list identifying any hazardous materials then maintained by Tenant in the Project, the use of each such hazardous material and the approximate quantity of each such hazardous material so maintained by Tenant, together with written certification by Tenant stating, in substance, that neither Tenant nor any person for whom Tenant is responsible has released or discharged any hazardous materials in or about the Project.

(b) In the event that Tenant proposes to conduct any use or to operate or store any equipment which will or may utilize or generate a hazardous material other than as specified in Section 27(a) above, Tenant shall first in writing submit such use, storage or equipment to Landlord for approval. No approval by Landlord shall relieve Tenant of any obligation of Tenant pursuant to this Section 27, including the removal, clean-up and indemnification obligations imposed upon Tenant by this Section 27. Tenant shall, within five (5) days after receipt thereof, furnish to Landlord copies of all notices or other communications received by Tenant with respect to any actual or alleged release or discharge of any hazardous material in or about the Premises, the Building or the Project and shall, whether or not Tenant receives any such notice or communication, notify Landlord in writing of any discharge or release of hazardous material by Tenant or anyone for whom Tenant is responsible in or about the Premises, the Building or the Project.

(c) Upon any violation of the foregoing covenants, Tenant shall be obligated, at Tenant's sole cost, to clean-up and remove from the Project all hazardous materials introduced into the Project by Tenant or any third party for whom Tenant is responsible. Such clean-up and removal shall

include all testing and investigation required by any governmental authorities having jurisdiction and preparation and implementation of any remedial action plan required by any governmental authorities having jurisdiction. All such clean-up and removal activities of Tenant shall, in each instance, be conducted to the satisfaction of Landlord and all governmental authorities having jurisdiction. Landlord's right of entry pursuant to Section 21 above shall include the right to enter and inspect the Premises for violations of Tenant's covenants herein.

(d) Tenant shall indemnify, defend (with counsel selected by Landlord) and hold harmless Landlord and the Landlord Indemnified Parties from and against any and all Claims incurred by such indemnified persons, or any of them, as the result of (i) the introduction into or about the Project by Tenant or any Tenant Party of any hazardous materials, (ii) the usage, storage, maintenance, generation, production, disposal, release or discharge by Tenant or any Tenant Party of hazardous materials in or about the Project, (iii) the discharge or release in or about the Project by Tenant or any Tenant Party of any hazardous materials, (iv) any injury to or death of persons or damage to or destruction of property resulting from the use, introduction, maintenance, production, storage, generation, disposal, disposition, release or discharge by Tenant or any Tenant Party of hazardous materials in or about the Project, and (v) any failure of Tenant or any Tenant Party to observe the foregoing covenants of this Section 27. Payment shall not be a condition precedent to enforcement of the foregoing indemnification provision. If any claim for indemnification is made by Landlord hereunder, or if Tenant is required hereunder to perform any remedial activity pursuant to this Section 27, Landlord agrees to grant to Tenant such access to portions of the Project as is reasonably necessary for the purpose of effecting a remediation of the occurrence giving rise to such claim for indemnification or duty of remediation.

(e) In the event that Tenant is required by any governmental authority to maintain any hazardous materials license or permit in connection with any use conducted by Tenant or any equipment operated by Tenant in, on or about the Premises, copies of such license or permit, each renewal or revocation thereof, and any communication relating to suspension, renewal or revocation thereof shall be furnished to Landlord within five (5) days after receipt thereof by Tenant. Tenant shall also, from time to time upon request by Landlord, execute such affidavits concerning Tenant's best knowledge and belief regarding the presence of hazardous materials in the Premises. Compliance by Tenant with the provisions of this Section 27(e) and Section 27(b) above shall not relieve Tenant of any other obligation of Tenant pursuant to this Section 27.

(f) The violation of the foregoing covenants shall constitute an Event of Default and Landlord shall be entitled to exercise all remedies available following an Event of Default, including, but not limited to, those set forth in Section 24 above. Without limiting the generality of the foregoing, Tenant expressly agrees that upon any such violation Landlord may, at its option, (i) immediately terminate this Lease, or (ii) continue this Lease in effect until compliance by Tenant with its clean-up and removal covenant notwithstanding any earlier expiration date of the Term. No action by Landlord hereunder shall impair the obligations of Tenant pursuant to this Section 27.

(g) As used in this Section 27, the term "hazardous materials" shall mean any hazardous materials, hazardous wastes or hazardous or toxic substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 *et seq.*) and California Health and Safety Code Section 25316, including such hazardous or toxic substances or wastes as are identified, defined or listed elsewhere where such identifications, definitions or lists are incorporated into such acts or section by reference, as well as all products containing such hazardous substances or wastes. By its signature to this Lease, Tenant confirms that it has conducted its own examination of the Premises and the Project with respect to hazardous materials and accepts the same "AS IS" and with no hazardous materials present thereon.

**28. OFFSET STATEMENT.** Tenant shall at any time and from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing, (a) 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 rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults by Landlord under this Lease, or specifying each default if any are claimed, and (c) setting forth all further information that Landlord may reasonably require. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. In the event Tenant does not provide Landlord with an offset statement as required in this Section 28 within the ten (10) day period mentioned therein, Tenant shall be deemed to have acknowledged all of the matters set forth herein.

## **29. TRAFFIC AND ENERGY MANAGEMENT.**

(a) Tenant agrees to cooperate and use its reasonable efforts to participate in governmentally mandated and voluntary traffic management programs generally applicable to businesses located in, Costa Mesa, California or to the Project and, initially, shall encourage and support van and car pooling by office workers and service employees and shall use reasonable efforts to encourage and support staggered and flexible working hours for employees to the extent permitted by the requirements of Tenant's business. Neither this Section 29 nor any other provision in this Lease, however, is intended to or shall create any rights or benefits in any other person, firm, company, governmental entity or the public.

(b) Tenant agrees to cooperate and use its reasonable efforts to comply with any and all guidelines or controls imposed upon either Landlord or Tenant by federal or state governmental organizations or by any energy conservation association to which Landlord is a party concerning energy management.

(c) All costs, fees and assessments and other charges paid by Landlord to any governmental authority or voluntary association in connection with any program of the types described in this Section 29, and all costs and fees paid by Landlord to any governmental authority, voluntary association or third party pursuant to or to implement any such program, shall be included in Direct Expenses for the purpose of Section 7 above, whether or not specifically listed in such Section.

**30. SUBSTITUTE PREMISES.** Landlord reserves the right without Tenant's consent, on thirty (30) days' written notice to Tenant, to substitute other premises within the Project for the Premises, provided that the substituted premises: (a) contain at least the same Rentable Area as the Premises, (b) contain comparable tenant improvements, and (c) are made available to Tenant at the then current rental rate for such space, in no event to exceed the rental specified herein. Landlord shall pay all reasonable moving expenses of Tenant incidental to such substitution of premises. Such reasonable moving expenses shall be limited to (i) physical movement of Tenant's furniture, furnishings, equipment, books and files from the Premises to the substituted premises, (ii) installation and hook-up charges for Tenant's telephone and PBX equipment, (iii) relocation and installation of photocopy and

word processing equipment located in the Premises, and (iv) a reasonable supply of new stationery and business cards, not in excess of a 60-day supply, if Tenant's stationery and business cards in use at the date of Landlord's notice identify Tenant's suite number(s).

### 31. COMMON FACILITIES; PARKING.

(a) Tenant shall have the non-exclusive right, in common with Landlord and other tenants and occupants of the Project and their employees, agents and business visitors, to the use of all common facilities which constitute a part of the Project, subject to such reasonable rules and regulations relating to such use as Landlord may from time to time establish. Common facilities located within the Building include any building lobby, elevators, restrooms, stairways and stairwells, elevator lobbies and common entrances, corridors, passageways and serviceways which are not located within the premises of Tenant or another tenant of the Building. Common facilities located outside of the Building include landscaping, hardscaping and any fountains adjacent to the Building, any parking structure serving the Building (the "Parking Structure"), all sidewalks, driveways, vehicle and pedestrian entrances and accessways, loading docks, truck tunnels, truck parking and truck turn-around areas, vehicle and pedestrian ramps serving the Project, and any pedestrian walkway connecting the Building and the Parking Structure. The common facilities located outside of the Building but included within the definition of the Project are those areas which are depicted on Exhibit "B" attached hereto. Landlord may make changes at any time and from time to time to the common facilities, and no such change shall entitle Tenant to any abatement of rent. Landlord shall at all times have the sole and exclusive control of the common facilities. To the extent that any common facilities located outside of the Building are maintained jointly or for the common benefit of Landlord and the owners of adjacent structures, (i) Tenant's non-exclusive right of use of such common facilities shall be in common with Landlord, other tenants and occupants of and visitors to the Project and the owners, tenants, occupants of and visitors to such other structures, and (ii) Direct Expenses for purposes of Section 7 above shall include only that portion of the Direct Expenses of such common facilities as are allocated to the Project from time to time by agreement among Landlord and the owners of such other structures.

(b) Tenant shall keep all common facilities free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operations. Nothing herein shall affect the right of Landlord at any time to remove any persons not authorized to use the common facilities or to prevent the use of such facilities by unauthorized persons. Landlord reserves the right, from time to time, to (i) make alterations in or additions to the common facilities, including without limitation, constructing new structures or changing the location, size, shape and/or number of the driveways, entrances, parking spaces, parking areas, loading and unloading areas, landscape areas and walkways, (ii) close temporarily any of the common facilities of the Project for maintenance or other purposes as long as reasonable access to the Premises remains available, (iii) designate property to be included in or eliminate property from the common facilities of the Project, and (iv) use the common facilities of the Project while engaged in making alterations in or additions or repairs to the Project.

(c) Tenant shall have such parking rights in and to parking spaces, if any, as are set forth in the Agreement for Parking attached hereto as Exhibit "C." All agreements by Tenant and Tenant's employees for monthly usage of spaces in any parking structure shall, if so requested by Landlord, be made directly with the operator of the parking structure.

**32. AUTHORITY OF PARTIES.** Each individual executing this Lease on behalf of Landlord and Tenant represents and warrants that the execution and delivery of this Lease on behalf of the party for whom such person is executing is duly authorized, that he or she is authorized to execute and deliver this Lease and that this Lease is binding upon such party in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of its organizational documents or an appropriate certificate authorizing or evidencing the execution of this Lease. Failure of Tenant to provide such resolution or such authorization or evidence shall not, however, relieve Tenant of its obligations pursuant to this Lease.

### 33. GENERAL PROVISIONS.

(a) **Plats and Riders.** Clauses, plats, and riders, if any, signed by Landlord and Tenant and endorsed on or affixed to this Lease are a part hereof.

(b) **Waiver.** No waiver by Landlord of any provision of this Lease or of any breach by Tenant hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, unless done in writing signed by Landlord. Tenant's delivery of keys to any employee or agent of Landlord shall not operate as a termination of this Lease or a surrender of the Premises unless done pursuant to a written agreement to such effect executed by Landlord. The acceptance of any rent by Landlord following a breach of this Lease by Tenant shall not constitute a waiver by Landlord of such breach (other than the failure to pay the particular rent so accepted) or any other breach unless such waiver is expressly stated in writing signed by Landlord. The acceptance of any payment from a debtor in possession, a trustee, a receiver or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure an Event of Default under Section 23(f) above or waive the provisions of Section 13 above.

(c) **Notices.** All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands by Landlord to Tenant shall be personally served on Tenant at the Premises or shall be sent by United States certified mail, return receipt requested, postage prepaid, addressed to Tenant at the Premises, or to such other places as Tenant may from time to time designate in a notice to Landlord. All notices and demands by Tenant to Landlord shall be personally served on Landlord at the office of the Building or shall be sent by United States certified mail, return receipt requested, postage prepaid, addressed to Landlord at the Office of the Building, or to such other person or place as Landlord may from time to time designate in a notice to Tenant. All notices shall be deemed effective upon receipt. If personally delivered, notices shall be deemed received at the time of delivery. If any notice is sent by mail, the same shall be deemed delivered and received on the date of receipt, refusal or non-delivery indicated on the return receipt. Any notice provided for herein may also be sent by any reputable overnight courier so long as written confirmation of delivery of such notice is obtained by the sender.

(d) **Joint Obligation.** If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several and the act of or notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, termination or modification of this Lease.

- (e) **Marginal Headings; Gender and Number.** The marginal headings and Section titles to the Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Whenever the context of this Lease requires, the words "Landlord" and "Tenant" shall include the plural as well as the singular, and words used in neuter, masculine or feminine genders shall include the others.
- (f) **Time.** Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.
- (g) **Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment in Section 13 above, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto. Nothing contained in this Section 33(g) is intended, or shall be construed, to grant to any person other than Landlord and Tenant and their successors and assigns any rights or remedies under this Lease.
- (h) **Late Charges.**
- (i) Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. In addition, any amount not paid when due shall bear interest at the Default Rate from the due date until paid. The parties hereby agree that such late charges and interest represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges and interest by Landlord shall in no event constitute a waiver of the Event of Default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event that any check or other payment device for rent, or any other charge hereunder, is returned due to insufficient funds or any other reason, Landlord may require all further payments to be made by money order, cashier's check or in cash. In addition, the rent will be deemed late and the above mentioned provision shall apply. Tenant shall also pay Landlord an insufficient funds fee equal to what Landlord charges at that given time.
- (ii) Following each second consecutive installment of Base Rent that is not paid within five (5) days after said amount is due, Landlord shall have the option (a) to require that beginning with the first payment of Base Rent next due, Base Rent shall no longer be paid in monthly installments but shall be payable quarterly three (3) months in advance and/or (b) to require that Tenant increase the amount, if any, of the Security Deposit by one hundred percent (100%).
- (i) **Prior Agreements.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
- (j) **Inability to Perform.** Both Landlord and Tenant shall be excused from performing their obligations or undertakings provided in this Lease, in the event of, but only so long as the performance of any of those obligations are prevented or delayed, retarded or hindered by, an event of Force Majeure, but this Section 33(i) shall not apply to any obligation to pay money or perform any financial obligations hereunder. As used herein, "Force Majeure" shall mean acts of God, fire, earthquake, flood, explosion, actions of the elements, war, invasion, riot, sabotage, inability to procure or general shortage of labor, equipment, facility, materials or supplies in the open market, failure of transportation, strikes, lock outs, actions of labor unions, condemnation, requisition, laws, governmental action or inaction, orders of government or civil or military or naval authorities or any cause, whether similar or dissimilar to the foregoing, not within their reasonable control of, as applicable, Landlord or the Landlord Indemnified Parties, or Tenant or Tenant's agents, employees or agents.
- (k) **Attorneys' Fees.** In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover all costs and expenses including the fees of its attorneys in such action or proceeding in such amount as the court may adjudge reasonable as attorneys' fees. If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the Premises by reason of any act or omission of Tenant, then Tenant shall hold Landlord harmless from all costs, liabilities, damages and expenses by reason thereof, including attorneys' fees and all costs incurred by Landlord in such litigation.
- (l) **Transfer of Landlord's Interest.** In the event of any transfer of Landlord's interest in the Premises, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such transfer; and the transferee, of such transfer or any subsequent transfer of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such transferee, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease. It is intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership.
- (m) **Subordination, Attornment.** Without the necessity of any additional documents being executed by Tenant for the purpose of effecting a subordination and at the election of Landlord or any mortgages with a lien on the Building or ground lessor with respect to Building, this Lease is subject and subordinate to any and all ground or underlying leases, mortgages or deeds of trust which have been previously executed or may hereafter be executed and covering the Premises, the Building and the real property of which it is a part, or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof. Notwithstanding, Tenant agrees, within ten (10) days after Landlord's written request therefore, to (i) execute, acknowledge and deliver any and all documents or instruments requested by Landlord, or that are necessary or proper to assure the subordination of this Lease to any such mortgages, deeds of trust, or leasehold estates, and (ii) supply such financial information concerning Tenant as may be requested by any ground lessor or lender. Notwithstanding such subordination, Tenant's quiet enjoyment of the Premises will not be disturbed so long as Tenant pays rent and observes and performs all of the provisions of this Lease to be observed and performed by Tenant. Notwithstanding anything to the contrary set forth in this Section 33(m), Tenant hereby attorns and agrees to attorn

to (at the option of) any person, firm, or corporation purchasing or otherwise acquiring the building and the real property of which it is a part, at any sale or other proceeding or pursuant to the exercise of any other rights, powers, or remedies under such mortgages, or deeds of trust, or ground or underlying leases, as if such person, firm or corporation had been named as Landlord herein, provided that such person, firm, or corporation shall accept the Premises subject to this Lease. The provisions of this Section 33(m) to the contrary notwithstanding, and so long as no Event of Default exists hereunder, this Lease shall remain in full force and effect for the full term hereof.

(n) **Name.** Tenant shall not use the name of the Building or of the Project for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

(o) **Separability.** If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party or the deletion of which is consented to by the party adversely affected, shall prove to be invalid, void or illegal, the remainder of this Lease shall not be affected and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(p) **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.

(q) **Choice of Law/Venue.** This Lease shall be governed by and interpreted in accordance with the laws of the State of California. Should any litigation be commenced between the parties in connection with this Lease, such action shall be prosecuted in the applicable State Court of California in the county in which the Building is located.

(r) **Signs and Auctions.** Tenant shall not place any sign upon the Premises or Building or conduct any auction thereon without Landlord's prior written consent.

(s) **Negotiated Transaction.** This Lease has been negotiated at arm's length. Accordingly, the provisions of this Lease shall be deemed to have been drafted by all of the parties and any rule of law that would require interpretation of this Lease against the party that has drafted it is not applicable and is waived.

(t) **Non-Disclosure of Lease Terms.** Landlord and Tenant agree that the terms of this Lease are confidential and constitute proprietary information of the parties hereto. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate with other tenants. Each of the parties hereto agrees that such party, and its respective partners, officers, directors, employees, agents, real estate brokers and sales persons and attorneys, shall not disclose the terms and conditions of this Lease to any other person without the prior written consent of the other party hereto except pursuant to an order of a court of competent jurisdiction. Provided, however, that Landlord may disclose the terms hereof to any lender now or hereafter having a lien on Landlord's interest in the Project or any portion thereof, and either party may disclose the terms hereof to its respective independent accountants who review its respective financial statements or prepare its respective tax returns to any prospective transferee of all or any portions of their respective interests hereunder (including a prospective sublessee or assignee of Tenant), to any lender or prospective lender to such party, to any governmental entity, agency or person to whom disclosure is required by applicable law, regulation or duty of diligent inquiry and in connection with any action brought to enforce the terms of this Lease, on account of the breach or alleged breach hereof or to seek a judicial determination of the rights or obligations of the parties hereunder.

(u) **Quitclaim of Interest.** At the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord, within five (5) days after written demand from Landlord to Tenant, any quitclaim deed or other document which may be reasonably requested by any reputable title insurance company to remove this Lease as a matter affecting title to the Premises on a preliminary title report or title policy issued with respect to the Project.

(v) **Waiver of Jury Trial.** LANDLORD AND TENANT EACH ACKNOWLEDGE THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTIONS OF THE UNITED STATES AND THE STATE OF CALIFORNIA. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH PARTY EXPRESSLY AND KNOWINGLY WAIVES AND RELEASES ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE.

(w) **Survival of Indemnities.** The obligations of the indemnifying party under each and every indemnification and hold harmless provision in this Lease shall survive the expiration or earlier termination of this Lease to and until the last to occur of (i) the last date permitted by law for the bringing of any claim or action with respect to which indemnification may be claimed by the indemnified party against the indemnifying party under such provisions, or (ii) the date on which any claim or action for which indemnification may be claimed under such provision is fully and finally resolved and, if applicable, any compromise thereof or judgment or award thereon is paid in full by the indemnifying party and the indemnified party is reimbursed by the indemnifying party for any amounts paid by the indemnified party in compromise thereof or upon a judgment or award thereon and in defense of such action or claim, including reasonable attorneys' fees incurred.

(x) **No Representation By Landlord.** In no event shall the review, approval, inspection or examination by Landlord of any item to be reviewed, approved, inspected or examined by Landlord under the terms of this Lease be deemed to be an approval of, or representation or warranty as to, the adequacy, accuracy, sufficiency or soundness of any such item or the quality or suitability of such item for its intended use. Any such review, approval, inspection or examination by Landlord shall be for the sole purpose of protecting Landlord's interests in the Building and the Project under this Lease, and no third parties shall have any rights pursuant thereto.

(y) **Quiet Enjoyment.** Upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, and subject to the other provisions of this Lease, Tenant shall have the right of quiet enjoyment and use of the Premises for the Term without hindrance or interruption by Landlord or any other person claiming by or through Landlord.

(z) **Rentable/Usable Area.** The Rentable and Usable Area of the Premises has been determined based generally on the standards and methods for measuring rentable floor area in office buildings as promulgated from time to time by using BOMA and Landlord's guidelines. Tenant agrees that, absent manifest error, the Rentable Area shall be binding on Landlord and Tenant for purposes of this Lease.

(aa) **Changes Requested by Lender.** If, in connection with obtaining financing for the Building, the lender shall request reasonable modifications in this Lease as a condition to the financing, Tenant will not unreasonably withhold or delay its consent, provided that the modifications do not materially increase the obligations of Tenant or materially and adversely affect the leasehold interest created by this Lease.

(bb) **SDN List.** Tenant hereby represents and warrants that neither Tenant nor any officer, director, employee, partner, member or other principal of Tenant (collectively, "Tenant Principals") is listed as a Specially Designated National and Blocked Person ("SDN") on the list of such persons and entities issued by the U.S. Treasury Office of Foreign Assets Control (OFAC). In the event Tenant or any Tenant Principal is or becomes listed as an SDN, Tenant shall be deemed in breach of this Lease and Landlord shall have the right to terminate this Lease immediately upon written notice to Tenant.

(cc) **Construction-Related Accessibility Standard.** Pursuant to Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant and Tenant acknowledges that the Common Facilities located outside of the Building have not been inspected by a Certified Access Specialist (CASp). Common Facilities located outside of the Building do not meet all applicable Construction-Related Accessibility Standards. Landlord hereby discloses to Tenant and Tenant acknowledges that the remainder of the Project including, without limitation, the Premises and all Common Facilities located within the Building have not been inspected by a CASp. As used herein, "Construction-Related Accessibility Standard" shall have the meaning given such term in California Civil Code Section 55.52(a)(6) and "Certified Access Specialist" shall have the meaning given such term in California Civil Code Section 55.52(a)(3). Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: "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." If Tenant requests to perform a CASp inspection of the Premises, Tenant shall, at its sole cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord's option) to perform the inspection of the Premises at a time agreed upon by the parties. Tenant shall provide Landlord with a copy of any report or certificate issued by the CASp (the "CASp Report") and Tenant shall, at its sole cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, notwithstanding anything to the contrary in this Lease. Tenant agrees to keep the information in the CASp Report confidential except as necessary for the Tenant to complete such modifications.

(dd) **California SB 1103.** Tenant hereby irrevocably and unconditionally warrants and represents to Landlord that Tenant either (i) has six or more employees, including the owner, who may be part time or full time, or (ii) generally has sufficient access to loans, equity or other financial capital.

(ee) **Counterparts; Electronic Execution and Delivery.** This Lease may be executed electronically and in any number of counterparts, each of which constitutes an original and all of which, when taken together, shall constitute one and the same agreement. Further, electronic copies of the executed copies of this Lease may be delivered to the parties by facsimile transmission or email (including as an attachment in .PDF format) and, upon receipt, shall constitute originals and binding upon the parties hereto.

**34. BROKERS.** Tenant warrants that it has had no dealings with any real estate broker or agents in connection with the negotiation of this Lease excepting only Arnel Commercial Properties and it knows of no other real estate broker or agent who is entitled to a commission in connection with his Lease, and agrees to indemnify and hold Landlord harmless from any cost, expense or liability (including reasonable attorneys' fees) for any compensation, commissions or charges claimed by any other real estate broker or agent employed or claiming to represent or to have been employed by Tenant in connection with the negotiation of this Lease. The foregoing agreement shall survive the termination of this Lease.

*[Signature Page Follows]*

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

If this Lease has been filled in, it has been prepared for submission to your attorney for his approval prior to your execution thereof. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of the transactions relating thereon.

**"LANDLORD"**

Creekside Plaza Investment Co.,  
By Arnel Commercial Properties  
Its Agent

Address: 949 South Coast Drive, Suite 600  
Costa Mesa, CA 92626

By: \_\_\_\_\_  
David Cotellesse, Controller

By: \_\_\_\_\_  
Kevin P. Hauber, CEO

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

**"TENANT"**

Navigator Schools,  
A California nonprofit corporation

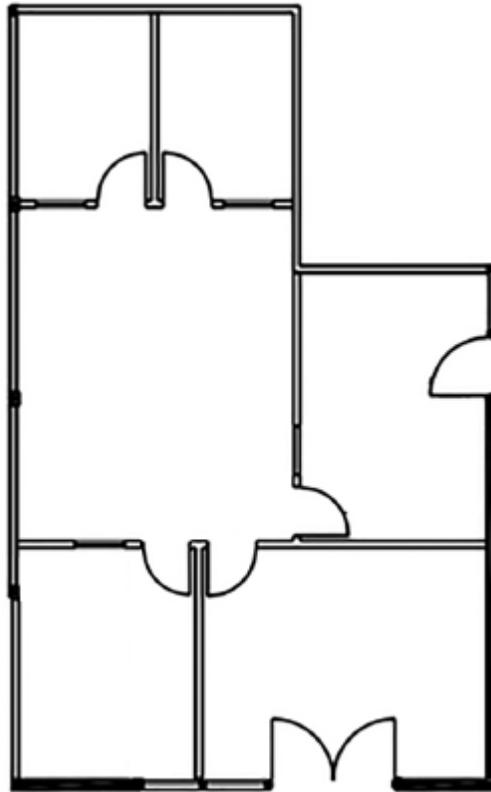
Address 505 North Tustin Avenue, Suite 103  
Santa Ana, CA 92705

By: \_\_\_\_\_  
Name: Noël Russell-Unterburger  
Title: Chief Financial Officer

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

**EXHIBIT A**

**DESCRIPTION OF PREMISES**



**505 North Tustin Avenue, Suite 103  
Santa Ana, CA 92705**

EXHIBIT B

SITE PLAN

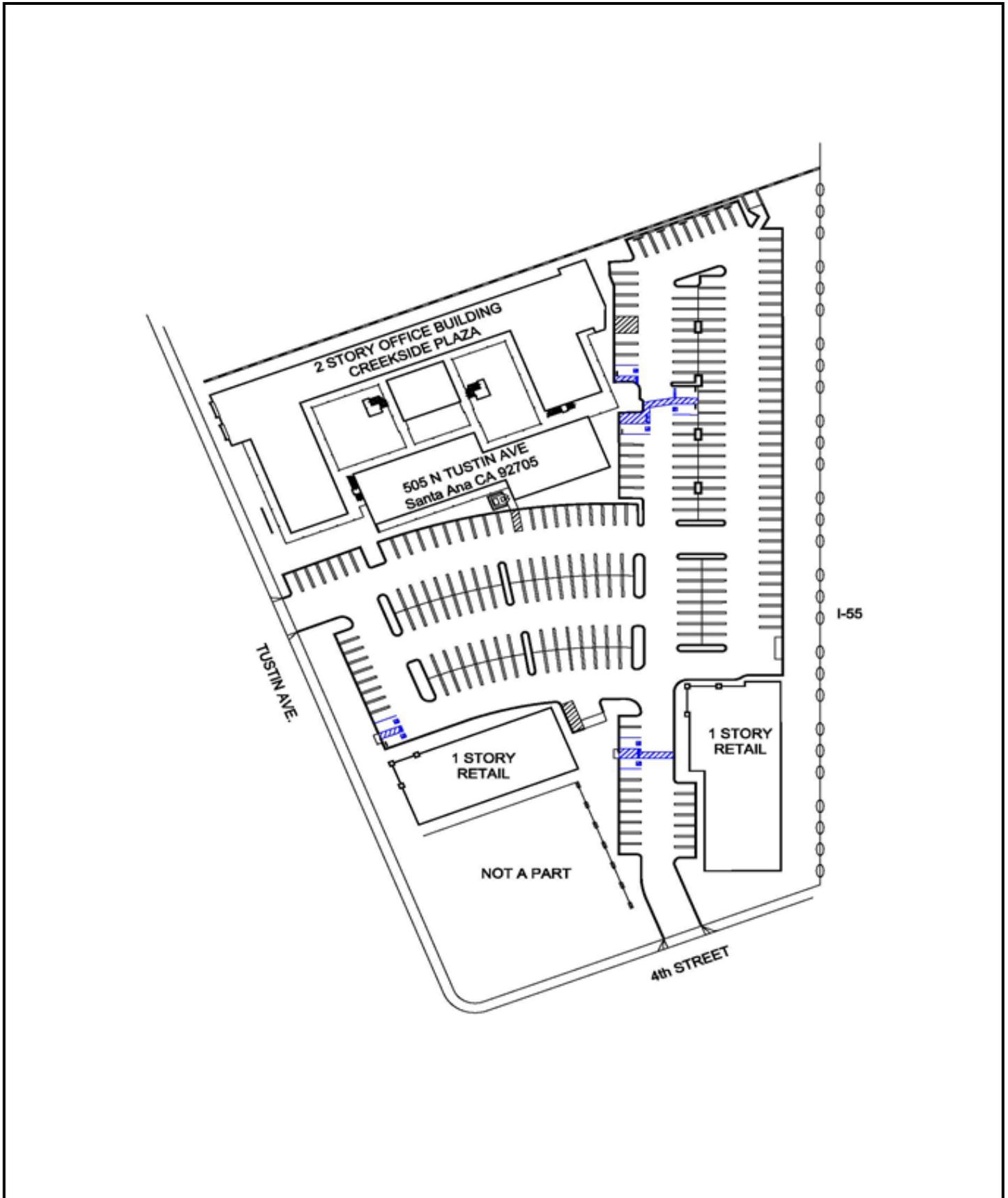


Exhibit B

## EXHIBIT C

## AGREEMENT FOR PARKING

THIS AGREEMENT FOR PARKING ("Parking Agreement") supplements that certain Commercial Office Building Lease (the "Lease") dated \_\_\_\_\_ 20\_\_\_\_\_, and executed concurrently herewith, by and between \_\_\_\_\_ ("Landlord"), and \_\_\_\_\_ ("Tenant"), which Lease is hereby incorporated by reference (except that in the event of any conflict between the provisions hereof and of the Lease, the provisions hereof shall prevail with respect to the subject matter hereof). Unless separately defined herein or unless the context otherwise requires, all initially capitalized terms used herein and not otherwise defined herein shall have the same meanings as in the Lease.

1. So long as no Event of Default exists under the Lease, Tenant shall be entitled to use and shall rent \_\_\_\_\_ (\_\_\_\_\_) parking spaces ("Spaces") within the Parking Structure identified on the Site Plan attached to the Lease as Exhibit "B" (the "Parking Facilities"), at the rental and under the terms and provisions of this Parking Agreement, for use by Tenant and Tenant's employees (the "Authorized Users") and subject to the terms and provisions of Section 31 of the Lease and neither the Authorized Users' use of Tenant's Spaces nor Landlord's receipt of Space rental therefore shall operate as a waiver of any of the terms, provisions or restrictions of Section 31. Should the Rentable Area of the Premises decrease or increase at any time, the number of Spaces to which Tenant may be entitled hereunder shall be reduced (or increased) proportionately to the reduction (or the increase) in the number of square feet of Rentable Area in the Premises (as determined by Landlord's architect). Landlord does hereby lease the Spaces to Tenant and Tenant does hereby take and hire the same from Landlord upon the terms and conditions as set forth in this Parking Agreement for and during the Term of the Lease. Should Tenant require more Spaces than the \_\_\_\_\_ (\_\_\_\_\_) Spaces being leased by Tenant hereunder, Landlord will satisfy such request if, and only if, Landlord determines that Spaces are available and if Landlord accommodates such request any such additional Spaces made available to Tenant by Landlord shall be occupied under a revocable license only, and Landlord shall have the right to revoke such license at any time upon five (5) days' advance written notice without incurring any liability to Tenant and without entitling Tenant to any rent abatement or other relief.
2. Tenant agrees that its rights and the rights of all persons in possession or holding under this Parking Agreement, are and shall remain subject and subordinate to (a) the effect of covenants, conditions restrictions, easements, mortgages or deeds of trust, any ground lease(s), if any, of record, any rights of way of record, and any other matters or documents of record; (b) the effect of any zoning laws of the City, County and State where the Office Building is situated; (c) all general and special taxes and assessments; (d) any Declaration of Restrictions, Grant of Easements or Reciprocal Easement Agreement (collectively, the "Declaration") and any amendments or modifications thereto; provided, however, if the Declaration is not of record as of the date hereof, then this Agreement shall automatically become subordinate thereto upon recordation thereof; and Tenant further agrees to execute and return to Landlord within ten (10) days after written demand therefore by Landlord, an agreement in recordable form subordinating this Parking Agreement to the Declaration and/or any amendment or modification thereof; and (e) disturbances, odors, and similar inconveniences which are commonly associated with parking facilities of the type and size of the Parking Facilities.
3. Tenant's initial rental rate for such Spaces in the Parking Facilities shall be \_\_\_\_\_ Unreserved Spaces at \_\_\_\_\_ (Dollars), (\$ \_\_\_\_\_) per Unreserved Space (as defined in Section 5 below) per month, and \_\_\_\_\_ Reserved Spaces at \_\_\_\_\_ (Dollars), (\$ \_\_\_\_\_) per Reserved Space (as defined in Section 5 below) per month, subject, however, to increase at any time (and from time to time) based upon the monthly rental rate then generally charged by Landlord for such type. Tenant may validate visitor parking by such method or methods as Landlord may approve at the validation rate from time to time established by Landlord as generally applicable to visitor parking for the Building. All stickers or other validation payment systems used shall be arranged for through (and all charges or payments in connection therewith made to) Landlord or Landlord's designated agent. Such monthly Space rental shall constitute Additional Rent under the Lease and shall be payable on the first day of each month in advance. Failure to make any such payments of Space rental when due (or any other breach by Tenant of this Parking Agreement) shall constitute a breach by Tenant under the Lease and shall entitle Landlord to (a) exercise all remedies of Landlord provided under the Lease following an Event of Default thereunder and/or (b) cancel all of Tenant's parking privileges hereunder (and in such event all Spaces used by Tenant and its Authorized Users shall be subject to charge at prevailing daily rates). No deductions or allowances from the monthly Space rental will be made for any days Tenant (or any of its Authorized Users) does not use the Parking Facilities.
4. Use of the Parking Facilities may be controlled from time to time in various manners, including, without limitation, the installation of ticket dispensers, control gates and/or the issuance of parking stickers regulating those persons authorized to use portions and/or all of the Parking Facilities. Tenant shall comply with, and cooperate with Landlord and/or Landlord's designated agent for the Parking Facilities in the use of such parking control systems.
5. The Spaces to be used by Tenant and its Authorized Users and visitors may be designated by Landlord from time to time in any one or more areas of the Parking Facilities and be of any type and neither Tenant nor its Authorized Users or visitors shall at any time have any right to require or demand parking in any particular area or type of parking unless Landlord has in advance designated such area or particular Spaces for such purposes. Tenant acknowledges that Landlord or its property manager may from time to time establish designated areas (within the Parking Facilities) for parking by tenants and their Authorized Users ("Tenant Parking"). Such Tenant Parking may be designated by unreserved spaces ("Unreserved Spaces") or reserved spaces ("Reserved Spaces") or other procedures (each of which category may be subject to different rental rates) and Tenant agrees to abide by such designations and rates. Landlord specifically reserves the right to designate any portion of the Parking Facilities for the exclusive use and enjoyment of any one or more particular tenants (and/or their authorized users and/or visitors).
6. In furtherance of such restrictions as Landlord may designate from time to time respecting Tenant Parking, Tenant shall furnish to Landlord and/or Landlord's designated agent (as directed by Landlord) the motor vehicle license plate number(s) of itself and of all of its Authorized Users within fifteen (15) days after Landlord's written request therefore. If Landlord designates a particular area for Tenant Parking and Tenant and/or its Authorized Users fail to park their motor vehicles in such spaces (as evidenced by the license plate of such car or by its failure to display an appropriate sticker or from other appropriate indications), Landlord and/or Landlord's designated agent may tow away such motor vehicle parked in unauthorized spaces or areas at Tenant's expense and/or attach violation stickers or notices to any such motor vehicle(s). Additionally, if any such motor vehicle violates such restrictions on three or more occasions during a single year, Landlord may revoke or suspend all parking privileges of the person or persons responsible for such violations.

7. Landlord specifically reserves the right to change the driveways, size, configuration, design, layout and all other aspects of the Parking Facilities at any time and Tenant acknowledges and agrees that Landlord and/or Landlord's designated agent may, without incurring any liability to Tenant and without any abatement of rent under the Lease, from time to time close off or restrict access to the Parking Facilities for purposes of permitting or facilitating any such construction, alteration or improvements.

8. Tenant shall abide by all parking rules and regulations including, without limitation, those attached hereto as Exhibit "C-1" and all other rules and regulations pertaining to the operation, use and enjoyment of the Parking Facilities adopted by Landlord. Tenant shall cooperate with Landlord in seeing that Tenant's Authorized Users and visitors also comply with all such rules and regulations. Landlord reserves the right to modify and/or adopt such other reasonable and nondiscriminatory rules and regulations for the Parking Facilities as it deems necessary for the orderly operation thereof. Landlord and/or Landlord's designated agent may refuse to permit any person who violates such rules and regulations to use the Parking Facilities and any violation of such rules and regulations shall subject the violator's car to removal at the violator's expense and without notice to violator or Tenant.

9. Tenant may not sublease, assign or otherwise transfer any rights under this Parking Agreement, except that Tenant shall be entitled to exercise its rights under this Parking Agreement to permit the parking in Tenant's Spaces by Tenant's Authorized Users. Tenant shall be entitled to validate its visitor parking pursuant to all the terms and provisions of this Parking Agreement, provided that such Authorized Users and visitors shall be entitled to use the Parking Facilities only in connection with the use and enjoyment of Tenant's Premises.

10. Landlord shall be entitled to include any and all sums or charges payable by Landlord in connection with the Parking Facilities in Landlord's Direct Expenses, as defined in the Lease, for all purposes (except that any Net Profit realized pursuant to the operation of the Parking Facilities shall be retained by Landlord as its sole and separate property and shall not be offset against any Direct Expense of Landlord). Landlord at all times shall retain the right to issue and charge for (and retain as Landlord's sole property, without deduction or offset against any of Landlord's Direct Expenses) validations for visitor parking respecting the Building as set forth in Section 3 above.

11. Tenant agrees that it shall be fully responsible for all acts of its Authorized Users and visitors and any breach of this Parking Agreement by any such Authorized Users or visitors shall constitute a breach by Tenant hereunder. Tenant shall pay directly for all Space rental due hereunder (whether used by or designed for Tenant or its Authorized Users) and Landlord shall not be obligated to accept payment therefore by persons other than Tenant. Tenant further agrees to cooperate with Landlord in all ways reasonable to insure that all such Authorized Users and visitors use the Parking Facilities under the terms and provisions set forth in this Parking Agreement.

**"LANDLORD"**

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

By: Arnel Commercial Properties,  
Its Agent

By: \_\_\_\_\_  
David Cotellesse, Controller

By: \_\_\_\_\_  
Kevin P. Hauber, CEO

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

**"TENANT"**

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

a \_\_\_\_\_

By: \_\_\_\_\_  
Name, Title

By: \_\_\_\_\_  
Name, Title

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

**EXHIBIT C-1**

**PARKING RULES AND REGULATIONS**

1. Cars must be parked entirely within painted stall lines.
2. All directional signs and arrows must be observed; "Stop signs" and "traffic signs."
3. All posted speed limits for the parking areas shall be observed. If no speed limit is posted for an area, the speed limit shall be 5 miles per hour.
4. 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 such other areas as may be designated by Landlord.
5. Handicap and visitor stalls shall be used only by handicapped persons or visitors, as applicable.
6. Parking stickers or any other device or form of identification supplied by Landlord from time to time (if any) shall remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable and any device in the possession of an unauthorized holder will be void. There will be a replacement charge payable by a tenant or persons designated by such tenant equal to the amount posted from time to time by Landlord for loss of any magnetic parking cards or any parking sticker or other device.
7. Every parker is required to park and lock his or her own car. All responsibility for damage to cars or persons is assumed by the parker.
8. Loss or theft of parking identification devices must be reported to Landlord, and a report of such loss or theft must be filed by the parker at that time. Any parking identification devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen devices found by the parker must be reported to Landlord immediately to avoid confusion.
9. Parking spaces are for the express purpose of parking one automobile per space. Washing, waxing, cleaning, or servicing of any vehicle by the parker and/or such person's agents is prohibited. The parking areas shall not be used for overnight or other storage for vehicles of any type. There shall be no parking of trucks, motorhomes or any oversized vehicles of any kind by Tenant or Tenant guest.
10. Landlord reserves the right to refuse the issuance of parking identification or access devices to any tenant and/or such tenant's agents or representatives who willfully refuse to comply with the Parking Rules and/or all applicable governmental ordinances, laws or agreements.
11. Tenant shall acquaint its employees with the Parking Rules, as they are in effect from time to time. Landlord is not responsible for lost or stolen items, burglaries or damage to vehicle.
12. Any monthly rate for rental of a parking space shall be paid one month in advance prior to the first day of each such month. Failure to do so will automatically cancel parking privileges, and a charge of the prevailing daily rate will be due. No deductions or allowances from the monthly rate will be made for days a parker does not use the parking facilities.
13. Each parker shall pay a reasonable deposit for any parking card issued to such person. Such deposit shall be paid at the time the parking card is issued and shall be forfeited if the parking card is lost. Such deposit shall be returned, without interest, at the time such person ceases to utilize the parking facilities, upon surrender of the parking card. A reasonable replacement charge shall be paid to replace a lost card and an amount in excess of the initial deposit may be charged as the replacement fee.
14. Tenant and its employees, agents and business visitors shall be entitled to use vehicle parking spaces in accordance with the city building code/ parking ratio for this project, which shall not exceed the maximum ratio of four (4) parking spaces per 1,000 square feet of Leased space, on an unreserved and unassigned basis. Such parking usage shall be in common with Landlord and other tenants and occupants of the Project and their employees, agents and business visitors.

**EXHIBIT D****RULES AND REGULATIONS**

The following Rules and Regulations shall be in effect at the Building. Landlord reserves the right to adopt reasonable modifications and additions hereto. In the case of any conflict between these regulations and the Lease, the Lease shall be controlling.

1. Except with the prior written consent of Landlord, Tenant shall not conduct any retail sales in or from the Building, or any business other than that specifically provided for in the Lease. Tenant shall not disturb, solicit or canvass any occupant of the Building and shall cooperate to prevent same.
2. Landlord reserves the right to prohibit personal goods and services vendors, suppliers, purveyors, petitioners, proselytizers or other similar persons from access to the Building except upon such reasonable terms and conditions, including but not limited to a provision for insurance coverage, as are related to the safety, care and cleanliness of the Building, the preservation of good order thereon, and the relief of any financial or other burden on Landlord occasioned by the presence of such persons or the sale by them of personal goods or services to a tenant or its employees. If reasonably necessary for the accomplishment of these purposes, Landlord may exclude a particular vendor, supplier, purveyor, petitioner, proselytizer or other similar person entirely or limit the number of such persons who may be present at any one time in the Building. The term "personal goods or services vendors" means persons who periodically enter the Building of which the Premises are a part for the purpose of selling goods or services to a tenant, other than goods or services which are used by a tenant only for the purpose of conducting its business on the Premises. "Personal goods or services" include, but are not limited to, drinking water and other beverages, food, barbering services, and shoeshining services.
3. The sidewalks, halls, passages, elevators, stairways, courtyard, fountains, benches, entrances and exits to and from the building and other common facilities (collectively, "Common Areas") shall not be obstructed by any tenant or used by it for any purpose other than for ingress to and egress from their respective premises. The halls, passages, entrances, elevators, stairways, balconies, janitorial closets and roof are not for the use of 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 shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals only for the purpose of conducting its business on the Premises (such as clients, customers, office suppliers and equipment vendors, and the like) unless such persons are engaged in illegal activities. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally. No tenant and no employees of any tenant shall go upon the roof of the Building without the prior written consent of Landlord. The Common Areas are to be used for entering and exiting the building, the restrooms and specific tenant suites only. No part of the Common Area may ever be used as a waiting room, outdoor lobby, playground or entertainment area by any tenant or its guests, clients and invitees.
4. The sashes, sash doors, windows, glass lights, solar film and/or screen, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilet rooms, water and wash closets and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage, resulting from the violation of this rule shall be borne by the tenant who, or whose clerks, agents, employees, or visitors, shall have caused it.
5. No sign, advertisement or notice visible from the exterior of the Premises or Building shall be inscribed, painted or affixed by Tenant on any part of the Building or the Premises without the prior written consent of Landlord, and then only through a person or entity approved by Landlord in advance. If Landlord shall have given such consent at any time, whether before or after the execution of this Lease, such consent shall in no way operate as a waiver or release of any of the provisions hereof or of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by Landlord and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Landlord with respect to each and every such sign, advertisement or notice other than the particular sign, advertisement or notice, as the case may be, so consented to by Landlord.
6. In order to maintain the outward professional appearance of the Building, all window coverings to be installed at the Premises shall be subject to Landlord's prior approval. If Landlord, by a notice in writing to Tenant, shall object to any curtain, blind, tinting, shade, screen or other item attached to, or hung in, or used in connection with or visible from, any window or door of the Premises, such use of such curtain, blind, shade or screen shall be forthwith discontinued by Tenant. No awnings shall be permitted on any part of the Premises.
7. Tenant shall not do or permit anything to be done in the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire insurance on the Building, or on the property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them. Tenants shall have no open flames of any kind such as candles, incense burners, etc. Tenant shall not conflict with the regulations of the Fire Department or the fire laws, or with any insurance policy upon the Building, or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority. Tenant shall keep suite entry doors closed at all times. Tenant shall not bring into, or permit or suffer in, the Building or the Project, any weapons or firearms of any kind.
8. No safes or other objects larger or heavier than the freight elevators of the Building are limited to carry shall be brought into or installed in the Premises. Landlord shall have the power to prescribe the weight, method of installation and position of such safes or other heavy objects, and may further require, at Tenant's expense, the reinforcement of any flooring on which such equipment may be placed and/or an engineering study to be performed to determine whether the equipment may safely be installed in the Building and the necessity of any reinforcement. The moving of safes shall occur only between such hours as may be designated by, and only upon previous written notice to, the manager of the Building, and the persons employed to move those objects in or out of the Building must be acceptable to Landlord. No freight, furniture or bulky matter of any description shall be received into the Building or carried into the elevators except during hours and in a manner approved by Landlord. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
9. Landlord shall clean the Premises as provided in the Lease and, except with the written consent of Landlord, no person or persons other than those approved by Landlord will be permitted to enter the Building for such purpose. Tenant shall not cause unnecessary labor by reason of Tenant's

carelessness and indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant or its employees for loss or damage to property in connection with the provision of janitorial services by third party contractors.

10. No tenant shall sweep or throw or permit to be swept or thrown from the Premises any dirt or other substance into any of the corridors, or halls or elevators, or out of the doors or windows or stairways of the Building, and Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals, firearms, whether loaded or unloaded, or birds be brought into or kept in or about the Project. The Building is a non-smoking building. Smoking or carrying lighted cigars or cigarettes in any buildings located in the Project, including the Building and the elevators of the Building, is prohibited. Landlord reserves the right to designate certain areas of the Project outside the buildings to be used by smokers.

11. Except for the use of U.L. approved microwave ovens and coffee makers for Tenant's personal use, no cooking shall be done or permitted by Tenant on the Premises, nor shall the Building be used for storage of merchandise, washing clothes, lodging or any improper, objectionable or immoral purpose. Any pipes or tubing used by Tenant to transmit water to an appliance or device in the Premises must be made of copper or stainless steel, and in no event shall plastic tubing be used for that purpose.

12. Tenant shall not use or keep in the Building any kerosene, gasoline, or inflammable fluid or any other combustible or illuminating material, or use any method of heating or air conditioning other than that supplied by Landlord.

13. All cost associated with Tenant's telephone and computer systems including installation (the running of all telephone lines from the central telephone room to Tenant's suite and all lines within Tenant's suite), repairs, and removal shall be at Tenant's sole cost and expense. If Tenant desires additional telephone, telegraph, telecommunication, burglar alarm, electric or similar connections, Landlord will direct electricians as to where and how the wires are to be introduced and such wires shall be installed in accordance with all applicable requirements of all governmental authorities having jurisdiction of the Premises. No boring or cutting for wires or otherwise shall be made without directions from Landlord. Upon termination of the Lease, Tenant shall, upon demand by Landlord, at Tenant's sole cost and expense, forthwith remove any wiring installed by Tenant in the Building and designated by Landlord to be removed, and repair and restore the Premises and the Building to their original condition. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not install any alarm or other security systems, door bells, exterior cameras, call boxes, card identification access systems, electronic guard systems, mobile paging systems or other access controls without the prior written consent of Landlord. All such alterations shall be subject to the terms of the Lease.

14. Each tenant, upon the termination of its tenancy, shall deliver to Landlord all the keys to offices, rooms and toilet rooms, and security access card/keys which shall have been furnished such tenant or which such tenant shall have had made, and in the event of loss of any keys so furnished, shall pay Landlord therefore.

15. No tenant shall mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises, except to install normal wall hangings. No tenant shall lay linoleum or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except by a paste, or other material which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any such linoleum or other similar floor covering to the floor, as well as the method of affixing carpets or rugs to the Premises shall be subject to reasonable approval by Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by the tenant by whom, or by whose agents, clerks, employees or visitors, the damage shall have been caused.

16. No furniture, packages or merchandise will be received in the Building or carried up or down in the elevators, except between such Building hours and in such elevators as shall be designated by Landlord.

17. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m., access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the building watchman, if any, in charge and has a pass or is properly identified. Landlord shall in no case be liable for damages for the admission to or exclusion from the Building of any person whom Landlord has the right to exclude under Rule 3 above. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right but shall not be obligated to prevent access to the Building during the continuance of the same by closing the doors or otherwise, for the safety of the tenants and protection of property in the Building. Landlord reserves the right to exclude or expel from the Building 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 the rules and regulations of the Building.

18. Tenant shall be responsible for protecting the Premises from theft, which includes keeping doors and other means of entry closed and securely locked before leaving the Building and Tenant shall exercise extraordinary care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity, gas or air shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord.

19. Tenant shall not alter any lock or install a new or additional lock or any bolt on any door or windows of the Premises without the prior written consent of Landlord. If Landlord shall give its consent, Tenant shall in each case promptly furnish Landlord with a key for any such lock.

20. Tenant shall not install equipment, such as but not limited to electronic tabulating or computer equipment, requiring electrical or air conditioning service in excess of those to be provided by Landlord under the Lease.

21. No bicycle, or shopping cart, or other vehicle or any animal shall be brought into the Premises or the halls, corridors, elevators or any part of the Building by Tenant.

22. Landlord shall have the right to prohibit the use of the name of the Building or Project or any other publicity by Tenant which in Landlord's opinion tends to impair the reputation of the Building or Project or their desirability for other tenants, and upon written notice from Landlord, Tenant will

refrain from or discontinue such publicity. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.

23. Tenant shall not erect any satellite dish or antenna on the roof or exterior walls of the Premises, Building, or Project or within the Premises that is visible from outside the Premises without the prior written consent of Landlord.

24. Generally recognized business hours are Monday through Friday, 8:00 a.m. through 6:00 p.m., excluding legal holidays.

25. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

26. No smoking shall be allowed by Tenant in the Premises nor any other part of the Building and Tenant shall ensure that all of its employees, agents, guests, and any other persons associated with Tenant in the Building shall at all times comply with all nonsmoking regulations, laws and ordinances applicable to the Building.

27. The costs of operating, maintaining and repairing any supplemental air conditioning unit serving only the Premises shall be borne solely by Tenant. Such costs shall include all metered electrical charges as described in the Lease, together with the cost, as reasonably estimated by Landlord, to supply cooling water or other means of heat dissipation for the unit. Should Tenant desire to install such a unit, the plans and specifications must be submitted in advance to Landlord and approved in writing by Landlord. Such installation shall be at Tenant's sole expense and shall include installation of a separate meter for the operation of the unit. Landlord may require Tenant to remove at Lease expiration any such unit installed by or for Tenant and to repair any resulting damage to the Premises or Building.

28. Landlord shall provide janitorial services five (5) days per week, equivalent to that furnished in comparable buildings; provided, however, that Tenant shall pay for any additional or unusual janitorial services required by reason of any nonstandard improvements in the Premises, including without limitation wall coverings and floor coverings installed by or for Tenant, or by reason of any use of the Premises other than exclusively as offices. The cleaning services provided by Landlord shall also exclude microwaves, refrigerators, eating utensils (plates, drinking containers and silverware), and interior glass partitions. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish, to the extent that they exceed the refuse and rubbish usually attendant with general office usage.

**EXHIBIT E****GUARANTY OF LEASE**

For value received and in consideration of \_\_\_\_\_ Creekside Plaza Investment Co. \_\_\_\_\_ ("Landlord"), entering into a Lease dated, \_\_\_\_\_, 20\_\_\_\_ (the "Lease"), of the property described on Exhibit "A" attached to the Lease, with \_\_\_\_\_ ("Tenant"), the undersigned ("Guarantor"), guarantees the full and faithful performance by Tenant of all of the provisions, obligations, agreements and covenants on the part of Tenant to be performed under the Lease within the time and in accordance with the terms of the Lease, including, without limitation, the obligation to pay base rent, additional rent, percentage rent, and other charges required to be paid by Tenant under the terms of the Lease and to pay all damages that may result from the non-performance thereof by Tenant. Unless separately defined herein or unless the context otherwise requires, all initially capitalized terms used herein and not otherwise defined herein shall have the same meanings as in the Lease. Guarantor further agrees as follows:

1. \_\_\_\_\_ Separate action or actions may be brought and prosecuted against Guarantor whether action is brought and prosecuted against Tenant or any successor or assignee of Tenant, or whether Tenant, or any successor or assignee be joined in any such action or actions. Guarantor may be joined in any action with any of the foregoing parties.
2. \_\_\_\_\_ Guarantor authorizes Landlord, without notice or demand, from time to time, in its absolute discretion, and without prejudice to or in any way affecting, limiting, or lessening the liability of Guarantor hereunder, to: (a) renew, compromise, grant extensions of time or other indulgences, accelerate, modify, discharge, release any party or parties, or otherwise change the time for payment of any rents or other sums due by the terms of the Lease, or any of the other obligations of Tenant as provided therein; (b) take and hold security for the performance of the Lease or this Guaranty, and exchange, enforce, waive and release any such security; and (c) apply such security and direct the order or manner of sale thereof as Landlord in its discretion may determine.
3. \_\_\_\_\_ Landlord may without notice assign this Guaranty in whole or in part. Upon any transfer or sale of the subject real property, or the assignment of the Lease, or upon the transfer of the Lease by will or inheritance or otherwise by law, this Guaranty shall pass to and may be enforced by any such transferee, it being the intention of Landlord that this Guaranty has a marked effect on the future value of the Lease.
4. \_\_\_\_\_ Guarantor waives any right to require Landlord to: (a) proceed against Tenant, its successor, assignee or subtenant; (b) proceed against or exhaust any security held from Tenant, its successor, assignee or subtenant; or (c) pursue any other remedy in Landlord's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Tenant or by reason of the cessation from any cause whatsoever of the liability of Tenant. Until all indebtedness or other obligations of Tenant to Landlord shall have been paid in full, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which Landlord now has or may hereafter have against Tenant, and waives any benefit of, and any right to participate in, any security now or hereafter held by Landlord. Guarantor waives as defenses to the obligations hereunder the pleading or defense of any statute of limitations. Any partial payment, performance or other circumstance which operators to toll any statute of limitations as to Tenant shall operate to toll the statute of limitations as to Guarantor under this Guaranty. Guarantor waives all presentments, demands for performance, notices of non-performance, protests, notices of protest, notices of dishonor, notices of sales, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new or additional indebtedness. Guarantor waives the provisions of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 3433.
5. \_\_\_\_\_ If Tenant is a corporation, it is not necessary for Landlord to inquire into the corporate powers of Tenant or the officers, directors, or agent acting or purporting to act on Tenant's behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.
6. \_\_\_\_\_ Guarantor agrees to pay all reasonable attorneys' fees and other costs and expenses which may be incurred by Landlord in the enforcement of or attempt to enforce this Guaranty, whether by action at law or otherwise.
7. \_\_\_\_\_ This is a continuing guaranty which shall remain in effect throughout the Term of the Lease, including the period of any renewals, extensions, or holding over. This is a guaranty of payment and performance and not of collection only.
8. \_\_\_\_\_ Within ten (10) days after request therefore by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Guarantor, Guarantor agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to Landlord, certifying the requested information, including among other things the dates of commencement and termination of the Lease, the amounts of security deposits, and that the Lease and this Guaranty are in full force and effect (if such be the case), and that there are no differences, offsets, or defaults of Landlord, or noting such differences, offsets, or defaults as actually exist. Guarantor shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.
9. \_\_\_\_\_ Guarantor agrees that in the event Tenant shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or similar relief under any present or future provision of the Federal Bankruptcy Code, or any other act for the relief of debtors or any similar acts or law, or if such a petition filed by creditors of Tenant shall be approved by a Court, or if Tenant shall seek a judicial readjustment of the rights of its creditors under any present or future federal or state law or if a receiver of all or part of Tenant's property and assets is appointed by any state or federal court, and in any such proceeding the Lease shall be terminated or rejected, or the obligations of Tenant thereunder shall be modified, Guarantor will immediately (a) pay to Landlord, or its successors or assigns, an amount equal to all unpaid rent and other amounts accrued under the Lease to the date of such termination, rejection or modification, plus (b), at the option of Landlord, its successors and assigns, either (i) pay to Landlord, or its successors or assigns, an amount equal to the then cash value of the rent which would have been payable under the Lease for the unexpired portion of Term of the Lease if it had not been terminated, rejected or modified, less the then cash rental value of the premises which are the subject of the Lease for such unexpired portion of the Term of the Lease, taking into consideration the Lease as modified, if such is the case, or (ii) if the Lease is terminated or rejected, execute and deliver to Landlord, or its successors or assigns, a new lease with Guarantor as tenant for the balance of the term and upon the same terms and conditions as the terminated or rejected Lease, and will pay to Landlord interest on the amounts which become payable and are

designated in (a) and (b)(i) above at the Default Rate from the date of such termination, rejection or modification to the date of payment, including any period of time after any breach or default by Guarantor hereunder.

10. ——— So long as any of the obligations guaranteed hereunder shall be owing to Landlord, Guarantor shall not, without the prior written consent of Landlord, commence or join with any other party in commencing any bankruptcy, reorganization or insolvency proceedings of or against Tenant. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to Tenant. As an example and not in any way of limitation, a subsequent modification of the obligations guaranteed hereunder in any reorganization case concerning Tenant shall not affect the obligation of Guarantor to pay and perform such obligations in accordance with their respective original terms. If claim is ever made upon Landlord for repayment of any amount or amounts received by Landlord in payment of the obligations under the Lease and Landlord repays all or any part of said amount, then, notwithstanding any revocation or termination of this Guaranty or the cancellation of the Lease, Guarantor shall be and remain liable to Landlord for the amount so repaid to the same extent as if such amount had never originally been received by Landlord.

11. ——— Guarantor assume(s) the responsibility to keep informed of the financial condition of Tenant and all other circumstances bearing upon the risk of non-payment or non-performance by Tenant under the Lease, and agree(s) that absent a request for such information by Guarantor, Landlord shall have no duty to advise Guarantor of information known to Landlord regarding such condition or circumstances. If Guarantor is a natural person, liability of Guarantor under this Guaranty shall not be terminated by the death of Guarantor, and all obligations of Tenant existing prior to the death of Guarantor or thereafter accruing shall survive and be payable by any surviving Guarantor, if any, or the estate of Guarantor. This Guaranty shall bind Guarantor, and the respective successors, assigns, heirs and personal representatives of Guarantor. If Guarantor consists of more than one person or entity, liability of Guarantor pursuant to this Guaranty shall be joint and several. Any married person executing this Guaranty agrees that recourse may be had against community assets and against such person's separate property for the satisfaction of the obligations hereby guaranteed.

12. ——— Guarantor agrees that this Guaranty supersedes any prior negotiations, discussions or communications between Guarantor and Landlord and contains the entire agreement between Guarantor and Landlord with respect to the matters covered herein. Guarantor further agrees that this Guaranty is made and executed under and shall be construed in accordance with the laws of the State of California, that the Courts of the State of California shall have jurisdiction of any action brought upon this Guaranty and that venue may be placed in the Superior Court of the County of Orange with service of process in accordance with the California Code of Civil Procedure as then in effect.

13. ——— All notices required or permitted pursuant to this Guaranty shall be in writing and shall be delivered in accordance with the terms of the Lease to Landlord at its address pursuant to the Lease or to Guarantor at the address set forth below Guarantor's signature.

**"GUARANTOR"**

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

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

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

# Coversheet

## Ratification of Cariina Contract

**Section:** II. Governance  
**Item:** C. Ratification of Cariina Contract  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** (25-26)Cariina Agreement (Dec25-Jun29) signed.pdf

**CARIINA ORDER FORM**

|  |  |
|--|--|
| <b>Customer:</b> Navigator Schools   | <b>Contact:</b> Caprice Young  |
|  | <b>Phone:</b> (831) 217-4880   |
|  | <b>E-Mail:</b> caprice.young@navigatorschools.org  |
| <b>Services:</b> Cariina offers a software platform to help administrators manage their operations systems. The Cariina platform allows administrators to keep track and gather key data points in their systems. (the “Service(s)”).  |  |
| <p><b>Services Fees:</b> \$2.00 per student per month. 12 months. The pricing for Year 1 is based on enrollment of 2,700 students.</p> <p>There is a one-time onsite \$15,000 Implementation and Training Fee.</p> <p>Cariina reserves the right to adjust the invoice total, should the enrollment materially change.</p> | <p><b>Initial Service Term:</b> December 3, 2025 –June 30, 2029.</p> <p>Notwithstanding anything to the contrary found herein, the CUSTOMER, shall have the option to terminate this agreement by notifying Company by email for any reason, at any time up to the close of business on March 31, 2026. Thereafter, such termination for convenience right shall expire.</p> |
| <b>Implementation Services:</b> Company will use commercially reasonable efforts to provide Customer the services described in the Statement of Work attached as <b>Exhibit A</b> hereto (“Implementation Services”).  |  |
| <b>Payment Terms:</b> Payment for 12 months of services shall be rendered to Cariina by <b>Navigator Schools</b> on or before July 1, 2026. Payment in full for services, in subsequent years, shall be rendered to Cariina by <b>Navigator Schools</b> on or before July 1. The Implementation Fee is due April 15, 2026. |  |

**SAAS SERVICES AGREEMENT**

This SaaS Services Agreement (“Agreement”) is entered into on this December 3, 2025 (the “Effective Date”) between **Cariina, Inc.**, a corporation organized in Delaware, with its principal place of business in Boston, Massachusetts (“Company”), and the Customer listed above (“Customer”). This Agreement includes and incorporates the above Order Form, as well as the attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different terms of any related purchase order or similar form even if signed by the parties after the date hereof.

**Cariina, Inc.**

**Navigator Schools**

*Matthew Barron*

*Caprice Young*

By: Matthew Barron

By: Dr. Caprice Young

Title: Cofounder and Chief Executive Officer

Title: CEO & Superintendent

**TERMS AND CONDITIONS**

**SAAS SERVICES AND SUPPORT**

1. Subject to the terms of this Agreement, Company will use commercially reasonable efforts to provide Customer the Implementation Services attached hereto as **Exhibit A**.

maintaining any equipment and ancillary services needed to connect to, access or otherwise use the  
 As part of the registration process, Customer will identify an administrative user name and password for Customer’s Company account. Company reserves the right to refuse

registration of, or cancel passwords it deems inappropriate.

2. Subject to the terms hereof, Company will provide Customer with reasonable technical support services in accordance with the terms set forth in Exhibit B.

## 2. RESTRICTIONS AND RESPONSIBILITIES

- 2.1. Customer will not, directly or indirectly: reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the Services or any software, documentation or data related to the Services (“Software”); modify, translate, or create derivative works based on the Services or any Software (except to the extent expressly permitted by Company or authorized within the Services); use the Services or any Software for time-sharing or service bureau purposes or otherwise for the benefit of a third-party; or remove any proprietary notices or labels. With respect to any Software that is distributed or provided to Customer for use on Customer premises or devices, Company hereby grants Customer a non-exclusive, non-transferable, non-sublicensable license to use such Software during the Term only in connection with the Services.

- 2.2. Customer represents, covenants, and warrants that Customer will use the Services only in compliance with Company’s standard published policies as well as all applicable laws and regulations. Customer hereby agrees to indemnify and hold harmless Company against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorneys’ fees) in connection with any claim or action that arises from an alleged violation of the foregoing or otherwise from Customer’s use of Services. Although Company has no obligation to monitor Customer’s use of the Services, Company may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of the foregoing.

- 2.3. Customer shall be responsible for obtaining and

Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, “Equipment”). Customer shall also be responsible for maintaining the security of the Equipment, Customer account, passwords (including but not limited to administrative and user passwords) and files, and for all uses of Customer account or the Equipment with or without Customer’s knowledge or consent.

- 2.4 Customer shall be responsible to enforce the proper usage of the Company’s service to any third-party bus providers working with the customer. The Company is not responsible for any non-compliance of the third party providers.

## 3. CONFIDENTIALITY; PROPRIETARY RIGHTS

- 3.1. Each party (the “Receiving Party”) understands that the other party (the “Disclosing Party”) has disclosed or may disclose business, technical or financial information relating to the Disclosing Party’s business (hereinafter referred to as “Proprietary Information” of the Disclosing Party). Proprietary Information of Company includes non-public information regarding features, functionality and performance of the Service. Proprietary Information of Customer includes non public data provided by Customer to Company to enable the provision of the Services (“Customer Data”). The Receiving Party agrees:
  - (i) to take reasonable precautions to protect such Proprietary Information, and
  - (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information that the Receiving Party can document (a) is or becomes generally available to the public, or (b) was in its possession or known by it prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to it without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party or (e) is required to be disclosed by law.

- 3.2. The Company shall not own the right, title and interest in and to the Customer Data, nor any data that is based on or derived from the Customer Data and provided to Customer as part of the Services. Company shall own and retain all right, title and interest in and to (a) the

Services and Software, all improvements, enhancements or modifications thereto, (b) any software, applications, inventions or other technology developed in connection with Implementation Services or support, and (c) all intellectual property rights related to any of the foregoing.

3.3. Notwithstanding anything to the contrary, Company shall have the right to collect and analyze data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom), and Company will be free (during and after the term hereof) to use such information and data to improve and enhance the Services and for other development, diagnostic and corrective purposes in connection with the Services and other Company offerings. Customer identifies Company as having legitimate educational interest in Customer Data and shall comply with all provisions and associated regulations of the Family and Educational Rights and Privacy Act ("FERPA".) No rights or licenses are granted except as expressly set forth herein.

#### 4. TERM AND TERMINATION

4.1. Subject to earlier termination as provided below, this Agreement is for the Initial Service Term as specified in the Order Form (collectively, the "Term"), unless either party requests renewal at least thirty (30) days prior to the end of the then-current term.

#### 5. WARRANTY AND DISCLAIMER

Company shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Implementation Services in a professional and workmanlike manner. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Company or by third-party providers, or because of other causes beyond Company's reasonable control, but Company shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption. HOWEVER, COMPANY DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES AND IMPLEMENTATION SERVICES ARE PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED,

INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

#### 6. INDEMNITY

Company shall hold Customer harmless from liability to third parties resulting from infringement by the Service of any United States patent or any copyright or misappropriation of any trade secret, provided Company is promptly notified of any and all threats, claims and proceedings related thereto and given reasonable assistance and the opportunity to assume sole control over defense and settlement; Company will not be responsible for any settlement it does not approve in writing. The foregoing obligations do not apply with respect to portions or components of the Service (i) not supplied by Company, (ii) made in whole or in part in accordance with Customer specifications, (iii) that are modified after delivery by Company, (iv) combined with other products, processes or materials where the alleged infringement relates to such combination, (v) where Customer continues allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement, or (vi) where Customer's use of the Service is not strictly in accordance with this Agreement. If, due to a claim of infringement, the Services are held by a court of competent jurisdiction to be or are believed by Company to be infringing, Company may, at its option and expense (a) replace or modify the Service to be non-infringing provided that such modification or replacement contains substantially similar features and functionality, (b) obtain for Customer a license to continue using the Service, or (c) if neither of the foregoing is commercially practicable, terminate this Agreement and Customer's rights hereunder and provide Customer a refund of any prepaid, unused fees for the Service.

#### 7. LIMITATION OF LIABILITY

7.1 NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE COMPANY AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL EQUIPMENT AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OR CORRUPTION OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND COMPANY'S REASONABLE CONTROL; OR (D) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER

CLAIMS, EXCEED THE FEES PAID BY CUSTOMER TO COMPANY FOR THE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7.2 The Company shall not be held liable for the misuse of its platform by Customer and it will be compensated for any consequences of the inadequate use of the Company's service. The following use cases, including but not limited, are examples of the inadequate use of the platform: the use of the platform while the vehicle is in motion; the use of the platform for unassigned students; and the loss or theft of data, account information, or passwords.

**8. MISCELLANEOUS** If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement is not assignable, transferable or sublicensable by Customer except with Company's prior written consent. Company may transfer and assign any of its rights and obligations under this Agreement without consent. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both parties, except as otherwise provided herein. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Customer does not have any authority of any kind to bind Company in any respect whatsoever. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions. All employees and representatives of Company who will be present on any Customer school campus shall complete, execute, and return the Contractor Certification of Criminal Background Clearance, Tuberculosis (TB) Clearance, and Credential Verification attached hereto as **Exhibit C**. Signatures may be exchanged by DocuSign or other such similar service.

## **EXHIBIT A**

### **Statement of Work**

The Company will be responsible for the implementation of the Cariina platform which is property of the Company. The system's prime objective is to allow administrators to oversee and manage their operations systems.

To accomplish this objective, the Company will provide each parent with their own account to have access to the Cariina Parent application. The Company will also provide each relevant faculty member with access to the Cariina Faculty application.

For the functional use of the platform a **Navigator Schools** staff member will have to be signed in to their Cariina Faculty application and the parent must have their account set up and logged in.

For the Cariina Administrator Platform to function completely and effectively, all faculty members, parents, and students must comply with the proper usage of their Cariina platform.

## **EXHIBIT B**

### **Support Terms**

Company will provide Technical Support to Customer via both telephone and electronic mail on weekdays during the hours of 7:00 am through 7:00 pm Eastern Time, with the exclusion of Federal Holidays (“**Support Hours**”).

Customer may initiate a helpdesk ticket during Support Hours by calling [(+1) 617-777-2379] or any time by emailing [support@cariina.com].

Company will use best efforts to respond to all Helpdesk tickets within one (1) business day.

**Exhibit C**

**Contractor Certification of Criminal Background Clearance,  
Tuberculosis (TB) Clearance, and Credential Verification**

**In accordance with California fingerprint and criminal background clearance, TB risk assessment/clearance requirements, and credentialing requirements per Education Code sections 45125.1 et seq., 49406, and 47605(I)**

***TO CONTRACTOR: PLEASE CHECK ALL APPROPRIATE BOXES AND SIGN BELOW.***

**CLEARANCE AND CREDENTIAL REQUIREMENTS SATISFIED:**

- A. CONTRACTOR hereby certifies to NAVIGATOR that it has completed the criminal background check requirements of Education Code Section 45125.1, that it has determined that none of its employees that may come into contact with NAVIGATOR students has been convicted of a violent felony listed in Penal Code Section 667.5(c) or a serious felony listed in Penal Code Section 1192.7(c), and that the CONTRACTOR requests and receives subsequent arrest notifications for all such employees from the California Department of Justice to ensure ongoing safety of students.
  
- X  B. CONTRACTOR hereby certifies to NAVIGATOR that it has required and verified that all employees who may have contact with students have undergone a risk assessment and/or been examined and determined to be free of active tuberculosis as required in Education Code Section 49406. CONTRACTOR requires all new employees to provide a certificate of tuberculosis clearance dated within the 60 days prior to initial employment and CONTRACTOR maintains current TB clearances for all such employees.
  
- X  C. CONTRACTOR hereby certifies to NAVIGATOR that it has required and verified that all CONTRACTOR employees whose assignment at NAVIGATOR requires a teaching or substitute credential or license holds a current, valid credential or license appropriate for the assignment as required by Education Code Section 47605(I).

**WAIVER JUSTIFICATION:**

- D. CONTRACTOR and all of its employees qualify for a waiver of the Department of Justice (DOJ) fingerprint and criminal background clearance requirements for the following reason(s) permitted by Education Code Section 45125.1 et seq.
  - CONTRACTOR and its employees will have NO CONTACT with pupils. (No school-site services will be provided.)
  - CONTRACTOR, which will be providing construction, reconstruction, rehabilitation, or repair of a school facility where the employees of the CONTRACTOR may have contact, other than limited contact, with pupils, shall ensure the safety of the pupils by one or more of the following methods: [Education Code Section 45125.2 (a)]

**Check all methods to be used:**

- 1) Installation of a physical barrier at the worksite to limit contact with students
- 2) Continual supervision and monitoring of all employees of CONTRACTOR by an employee of CONTRACTOR who has not been convicted of serious or violent felony ascertained by the DOJ
- 3) Surveillance of employees of the CONTRACTOR by school personnel
- The services provided by the CONTRACTOR are for an "EMERGENCY OR EXCEPTIONAL SITUATION" ONLY, such as when pupil health or safety is immediately endangered or when emergency repairs are needed to make the school facilities safe and habitable. [Education Code Section 45125.1(b)]

**By signing below, under penalty of perjury, I certify that the information contained on this certification form is accurate. I understand that it is the CONTRACTOR'S sole responsibility to maintain, update, and provide the NAVIGATOR with current and complete information along with the employee list, throughout the duration of services.**

*Matthew Barron*

Matthew Barron

CEO

2025-12-04

Authorized Contractor Signature

Printed Name

Title

Date

# Coversheet

## Consideration of EquityIN Contract

**Section:** II. Governance  
**Item:** D. Consideration of EquityIN Contract  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** EquityIN - Amended ICA (03.26.26).pdf

## **AMENDED INDEPENDENT CONTRACTOR AGREEMENT**

This Amended Independent Contractor Agreement (“Agreement”) is entered into and made effective on September 1, 2025 (“Effective Date”), by and between Navigator Schools (“NAVIGATOR”), a California nonprofit public benefit corporation, whose principal place of business is 650 San Benito Street, Ste. 230, Hollister, CA 95023, and EquityIN (“Contractor”, sometimes collectively referred to with NAVIGATOR as the “Parties”), whose principal place of business is 4240 Annandale Drive, Stockton, CA 94219; tel: (559) 804-0184; email address: [equityinus@gmail.com](mailto:equityinus@gmail.com).

In consideration of the mutual promises contained herein, the Parties agree as follows:

1. **Services.** During the Term (as defined in Section 2.2 below) of this Agreement, Contractor agrees to provide services to NAVIGATOR as described in **Exhibit A** attached hereto (the “Services”). Contractor will perform the Services in a diligent, careful, thorough, and professional manner consistent with customary practice and in compliance with applicable law. Contractor may use Contractor’s employees or subcontractors to perform the services under this Agreement, subject to the conditions set forth in Section 5, 6, and 7, below.

2. **Compensation and Term.**

2.1 Contractor shall perform the Services at the rate of \$10,000.00 per month. NAVIGATOR will reimburse Contractor for reasonable out-of-pocket expenses incurred by Contractor in connection with performance of the Services at cost (unless otherwise specified in **Exhibit A.**) Contractor must obtain NAVIGATOR prior written authorization for any expenses that equal \$100.00 (one hundred dollars and no cents) or more.

2.2 The term of this Agreement will begin on the Effective Date and will terminate on March 31, 2026 (“Term”). Either party may provide notice of termination of this Agreement at any time and for any reason with ten (10) days prior written notice to the other party. This Agreement may be terminated by either party for cause immediately upon the occurrence of any of the following events with written notice to the other party: (a) the bankruptcy or insolvency of either party; (b) the sale of business of either party, subject to Section 8.7 herein; (c) the death or dissolution of Contractor; (d) Contractor is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities pursuant to Title 2 of the Code of Federal Regulations Part 200; (e) breach of any term or condition in this Agreement; or (f) any other reason in NAVIGATOR’S sole and unfettered discretion that renders Contractor’s ability to perform services impractical or inconsistent with NAVIGATOR operation of California public charter schools. Upon termination, no further performance, including payment pursuant to Section 2 and its subsections above, will be required of either party, except that NAVIGATOR must pay any fees due for authorized services rendered and for authorized expenses specified in **Exhibit A.**

3. **Invoices and Payment.** Contractor shall provide monthly invoices for services performed following the month in which services were performed. NAVIGATOR reserves the right to dispute invoice entries pursuant to Section 8.4 below. NAVIGATOR shall make payment to Contractor for all sums due on approved invoices within 30 (thirty) days thereafter.

4. **Intentionally Omitted.**

5. **Proprietary Information.**

5.1 Contractor acknowledges that, in connection with providing the Services under this Agreement, Contractor may have access to and use of NAVIGATOR' proprietary, confidential and trade secret information. The information furnished by NAVIGATOR for use by Contractor is confidential to the fullest extent allowable by law. Proprietary and/or trade secret information of NAVIGATOR is the property of NAVIGATOR and includes, but is not limited to, information concerning NAVIGATOR's employees, students, vendors, and independent contractors, and to any other information reasonably understood to be confidential or proprietary to NAVIGATOR ("Proprietary Information".)

5.2 Contractor will maintain in confidence, and will cause its employees and subcontractors to maintain in confidence, and it will not, directly or indirectly, disclose or use, and cause its employees and subcontractors to not, directly or indirectly, disclose or use, either during or after the term of this Agreement, any Proprietary Information, except to the extent necessary to perform the Services. Upon termination of this Agreement, or at the request of NAVIGATOR before termination, Contractor will deliver to NAVIGATOR all Proprietary Information that is in Contractor's possession or under Contractor's control.

6. **Protected Information.**

6.1 **Student Information.** If Contractor shall have access to student education records ("Student Records") that may contain information in the form of personally identifiable information ("PII"), Contractor acknowledges that pursuant to the Family Educational Rights and Privacy Act 20 U.S.C. §1232g, and its implementing regulations 34 C.F.R. Part 99 ("FERPA"), it will be designated as a "school official" with "legitimate educational interests" in the Student Information and PII and agrees to abide by all associated FERPA requirements, including but not limited to, use of the Student Information or PII for the purpose of fulfilling its duties under this Agreement. Contractor will not use or disclose, and will cause its employees and subcontractors to not use or disclose, Student Information or PII, except as necessary to perform the Services or as required by law.

6.2 **Health Information.** Contractor acknowledges that, from time to time during the Term of this Agreement, Contractor may acquire or have access to Protected Health Information (as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and rules promulgated thereunder (the "HIPAA Rules") of NAVIGATOR students ("PHI"). Contractor will not use or disclose, and will cause its employees and subcontractors to not use or disclose, PHI, except as necessary to perform the Services or as required by law.

7. **Contractor's Representations and Warranties.** Contractor represents and warrants that (a) Contractor has the qualifications, licenses (if required by law) and ability to perform the Services in a competent and professional manner; (b) should Contractor provide services to NAVIGATOR students, Contractor shall adhere to all applicable law and NAVIGATOR policies, including, but not limited to, certifying compliance with the requirements of California Education Code Section 45125.1 et seq., and shall fill out and return the Criminal

Background Check and Tuberculosis Clearance Certification, on an annual basis, attached hereto as **Exhibit B**; (c) Contractor shall keep its staff/volunteer roster current and shall update NAVIGATOR as soon as practicable upon any changes, additions, or renewed clearances; (d) should Contractor provide services at NAVIGATOR school sites, Contractor's employees shall adhere to the school site's policy regarding signing in and out upon entry and exit, respectively; and (e) Contractor's personnel that currently serve or will serve NAVIGATOR students are trained, and accept full responsibility, to act as mandated child abuse reporters pursuant to California law, including, but not limited to, the Child Abuse and Neglect Reporting Act (Cal. Penal Code § 11164 et seq.)

## 8. **General Provisions**

8.1. **Relationship of Parties.** Contractor is an independent contractor retained by NAVIGATOR to provide the Services and represents that it is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Services. Contractor is not an agent, partner, principal, or employee of NAVIGATOR and has no authority to bind NAVIGATOR by contract or otherwise and shall be free from the control and direction of NAVIGATOR in connection with the performance of the Services. Contractor has the sole right to control and direct the means, manner and method by which the Services required by this Agreement will be performed. Contractor shall furnish all materials, equipment, and supplies used to provide the Services required by this Agreement. Contractor shall not be entitled to any benefits accorded to NAVIGATOR's employees, including, but not limited to, vacation time, sick time, PTO time, worker's compensation, or disability.

8.2. **Contractor's Representations.** Contractor hereby represents that: (a) they are free from the control and direction of NAVIGATOR in connection with the Services hereunder, both under this Agreement for the performance of Services and in fact; (b) Contractor is performing services that are outside of the usual course of NAVIGATOR'S business which is the operation of California public charter schools; and (c) Contractor is routinely doing work in an independently established trade, occupation, or business that is of the same type as the Services being performed hereunder.

8.3. **Choice of Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles. Any legal proceeding to interpret or enforce this Agreement will be brought in Santa Clara County, California. Each party acknowledges, consents and agrees to venue and jurisdiction in Santa Clara County, California.

8.4. **Attorneys' Fees.** In the event arbitration, suit, or action is instituted to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party all costs of suit, including reasonable attorney's fees, in addition to all other sums allowed by law.

8.5. **Resolution of Disputes.** In the event of any dispute, the Parties shall use good faith efforts to settle the dispute and shall negotiate with each other to attempt to reach a solution satisfactory to each party. If the Parties do not reach such a solution within (60) days, then Parties shall try to resolve the dispute by mediation in Santa Clara County, California with costs

to be shared equally by the Parties. If mediation is unsuccessful, the Parties agree to submit the dispute to final, binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules before a single arbitrator in Santa Clara County, California. The arbitrator will have the authority to assess arbitration costs and expenses against either or both parties. The decision in the arbitration will be binding on all parties, and judgment on any arbitration award may be entered in any court of competent jurisdiction.

8.6. **Indemnification.** Contractor shall hold NAVIGATOR and NAVIGATOR's directors, officers, employees, agents, and volunteers harmless from, and indemnify each of them from and against, any and all claims, losses, damages, liabilities, penalties, fines, costs, expenses, and attorney's fees, arising out of or related to the provision of Services hereunder, except to the extent caused by the willful conduct or sole negligence of a NAVIGATOR director, officer, employee, agent, or volunteer. This provision shall survive the termination of this Agreement.

8.7. **Intentionally Omitted.**

8.8. **Miscellaneous.** Neither party will assign or otherwise transfer this Agreement in whole or in part without the prior written consent of the other party; provided, however, that NAVIGATOR may, without the consent of Contractor, assign this Agreement in connection with a merger or other similar change of control. This Agreement, including any and all exhibits and amendments, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any and all other oral and written understandings or agreements, including but not limited to, the "Independent Contractor Agreement" dated September 3, 2024 (incorrectly identifying the date of the document as September 3, 2024 instead of correctly identifying it as September 3, 2025,) the "Scope of Work – Branding Agreement" dated June 2025, and the "Contract Amendment" dated September 19, 2025. No waiver of any provision of this Agreement will be deemed a waiver of any other provision, nor will any waiver constitute a continuing waiver. Any amendment to this Agreement must be executed, in writing, by each party. In the event that a court of competent jurisdiction holds any term or provision of this Agreement invalid, void, or unenforceable, then the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any notice or other communication given or made under this Agreement will be in writing and will be delivered personally or by a nationally recognized overnight courier (prepaid, specifying next-day delivery), addressed each Party as per their respective addresses as listed. Notice shall be deemed effective upon delivery. Either party shall be excused from performance, without penalty, for delay in, or failure of, performance if such delay or failure is caused by force majeure. "Force majeure" means an occurrence that is beyond the control of the party affected, including but not limited to, fire, earthquake, strike, civil disorder, war, pandemics, and quarantines. This Agreement may be executed in counterparts and together constitute one instrument. Counterparts may be delivered to a party by scan/email and shall be considered an original signature.

*[Signatures to Follow on Next Page]*

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

“CONTRACTOR”

\_\_\_\_\_  
By: John Ramirez, Jr.  
Its: Chief Executive Officer

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

“NAVIGATOR”

\_\_\_\_\_  
By: Caprice Young, Ed.D  
Its: Chief Executive Officer &  
Superintendent

DRAFT

**Exhibit A**

Community Engagement Services

The community engagement work will include supporting Navigator Schools personnel in developing and forming long-lasting relationships with major community stakeholders in Monterey County for the purpose of generating access to resources and services for the students and families of Navigator Schools. These community partners are anticipated to include organizations providing housing, health services, food and other assistive services, law enforcement, probation, children and family protective services, community philanthropy, educational services, afterschool services, labor and employment services, economic development, business and commerce partnerships, communities of faith, elected officials' offices, and other supportive partnerships.

DRAFT

**Exhibit B**

**CLEARANCE AND CREDENTIAL REQUIREMENTS SATISFIED:**

- A. CONTRACTOR hereby certifies to NAVIGATOR that it has completed the criminal background check requirements of Education Code Section 45125.1, that it has determined that none of its employees that may come into contact with NAVIGATOR students has been convicted of a violent felony listed in Penal Code Section 667.5(c) or a serious felony listed in Penal Code Section 1192.7(c), and that the CONTRACTOR requests and receives subsequent arrest notifications for all such employees from the California Department of Justice to ensure ongoing safety of students.
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**WAIVER JUSTIFICATION:**

- D. CONTRACTOR and all of its employees qualify for a waiver of the Department of Justice (DOJ) fingerprint and criminal background clearance requirements for the following reason(s) permitted by Education Code Section 45125.1 et seq.
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**Check all methods to be used:**

- 1) Installation of a physical barrier at the worksite to limit contact with students
- 2) Continual supervision and monitoring of all employees of CONTRACTOR by an employee of CONTRACTOR who has not been convicted of serious or violent felony ascertained by the DOJ
- 3) Surveillance of employees of the CONTRACTOR by school personnel
- The services provided by the CONTRACTOR are for an “EMERGENCY OR EXCEPTIONAL SITUATION” ONLY, such as when pupil health or safety is immediately endangered or when emergency repairs are needed to make the school facilities safe and habitable. [Education Code Section 45125.1(b)]

**By signing below, under penalty of perjury, I certify that the information contained on this certification form is accurate. I understand that it is the CONTRACTOR’S sole responsibility to maintain, update, and provide the NAVIGATOR with current and complete information along with the employee list, throughout the duration of services.**

|  |                     |              |             |
|--|---------------------|--------------|-------------|
|  | <b>JOHN RAMIREZ</b> | <b>Owner</b> |             |
| <b>Authorized Contractor<br/>Signature</b> | <b>Printed Name</b> | <b>Title</b> | <b>Date</b> |