

LEASE AGREEMENT

LESSOR: MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
LESSEE: THREE RIVERS CHARTER SCHOOL
LEASED PREMISES: 1211 Del Mar Drive, Fort Bragg, California 95437, rooms 300-309

Index to Lease Terms

- 1) Description of Premises.
- 2) Term.
- 3) Option.
- 4) Rent.
- 5) Use.
- 6) Tenant Improvements.
- 7) Utilities.
- 8) Repairs/Custodial Services.
- 9) Acceptance of Premises As-Is; Surrender at End of Term.
- 10) Alterations and Improvements.
- 11) ADA Accessibility.
- 12) Removal of Lessee's Property at End of Term.
- 13) Assignment and Subletting.
- 14) Insurance.
- 15) Insurance Hazards.
- 16) Waste; Quiet Conduct.
- 17) Prohibited Uses; Compliance with Laws.
- 18) Drug-Free and Smoke-Free Workplace.
- 19) Entry by Lessor.
- 20) Hold Harmless from Litigation.
- 21) Holding Over.
- 22) Notices.
- 23) Effect of Exercise of Privilege of Lessor.
- 24) Vacating or Abandonment of Premises.
- 25) Destruction of Premises
- 26) Condemnation.
- 27) Remedies of Lessor on Default.
- 28) Attorneys' Fees on Default.
- 29) Signs.
- 30) Lawns; Fencing.
- 31) Subordination.
- 32) Real Estate Taxes.
- 33) Binding of Successors.
- 34) Integration.
- 35) Time is of the Essence.
- 36) Law.
- 37) Captions; Entire Agreement.
- 38) Employees.
- 39) COVID-19 Plans.

THIS IS A LEASE between Mendocino-Lake Community College District hereinafter referred to as Lessor, and the Three Rivers Charter School, hereinafter referred to as Lessee.

IT IS AGREED between the parties hereto as follows:

1. Description of Premises.

The Lessor hereby leases to the Lessee on the terms and conditions herein set forth, those certain premises located in Fort Bragg, California, the address of the leased premises being 1211 Del Mar Drive, Rooms 300 through 309, Fort Bragg, CA ("Premises"), along with joint use of outside areas at no additional cost, for Three Rivers Charter School.

This Lease excludes use by Lessee of any other rooms on the Premises. Lessor shall have the right to use or lease any of the facilities and property not being leased by Lessee pursuant to this Lease

2. Term.

The term of the Lease shall be from July 1, 2023, until and terminating on June 30, 2028.

Notwithstanding anything contained in this Lease to the contrary, in the event no funds or insufficient funds are appropriated and budgeted in any fiscal year by Lessee for rental payments due hereunder, Lessee will immediately notify the Lessor or its assignee of such occurrence and this Lease shall terminate on the last day of the fiscal period for which appropriations were received for such Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of rental payments herein agreed upon for which funds shall have been appropriated and budgeted or otherwise available.

In accordance with State of California Education Code 81378.1, this agreement is subject to renegotiation and may be rescinded after sixty (60) days' notice to the Lessee if the Governing Board determines at any time during the term of the agreement that the space subject to the agreement is needed for academic activities.

Either party may terminate this Lease with or without cause upon six (6) months prior written notice to the other party.

3. Option.

This Lease shall be subject to one option to extend the term of this Lease by two years from July 1, 2028 until June 30, 2030. To be effective, the exercise of this option must be mutually agreed to by Lessor and Lessee by no later than March 1, 2027.

4. Rent.

The annual rent for 4,815 square feet of said building, with access to outside areas at no additional costs, shall be sixty thousand dollars (\$60,000.00), payable in monthly installments of five thousand dollars (\$5,000.00). No property taxes are included in the rental amounts.

4.1 Late Charge. Rent is due and payable on the first day of each calendar month during the term of this Lease. For any payment received by or on behalf of Lessor more than ten (10) calendar days after its due date, Lessee shall also be assessed a late fee of ten percent (10%) of any such late Rent payment.

4.2 Rent Adjustment. Commencing with the first day of the second year of the Lease term (July

1, 2024), and upon each July 1st during the term, the monthly rent may be increased, at the Lessor's option, by a percentage that shall not exceed the Consumer Price Index for the Santa Rosa area as listed on the Bureau of Labor and Statistics website (https://www.bls.gov/regions/west/ca_santarosa_msa.htm).

5. Use.

The Premises are leased to the Lessee for the purpose of conducting an educational program.

Lessee shall be responsible for ensuring that the entire Premises are locked and secured prior to leaving Premises.

6. Tenant Improvements.

Lessee shall invest a minimum of \$400,000 into improving the Premises ("Lessee Improvements") by no later than December 31, 2024. Lessee shall submit to Lessor a list of proposed improvements for Lessor's review and approval, which Lessor shall not unreasonably withhold, condition or deny. Lessor shall review and respond to Lessee in writing with approval or denial of proposed tenant improvements with valid reasoning within 10 business days. Approval of the Lessor is implied if written response is not received within 10 business days.

The following amortization schedule of Lessee's \$400,000 investment in the Premises shall apply should the lease be terminated early by the Lessor. At no point shall the amortization schedule exceed the actual investment made by Lessee.

6/30/24= \$80,000

6/30/25= \$80,000

6/30/26= \$80,000

6/30/27= \$80,000

6/30/28= \$80,000

Lessor shall commit to additional facility improvements amounting in aggregate to a minimum of \$50,000 by no later than December 31, 2024.

7. Utilities.

The Lessor shall provide all gas and electrical utilities, garbage, water, and sewer services. Cost for these services is included in the Rent. Lessee shall be responsible for telephone, Internet, and data service.

8. Repairs/Custodial Services.

Lessee shall at all times maintain the leased Premises in good condition, including daily general clean-up and minor repairs, except for damage by unavoidable casualty and except for structural portions of the Premises which shall be maintained by Lessor.

Lessee will provide custodial services.

9. Acceptance of Premises As-Is; Surrender at End Term.

By entry hereunder, Lessee accepts the Premises as is. Lessee agrees on the last day of said term, or sooner termination of this Lease, to surrender unto Lessor all and singular said Premises, with said appurtenances in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted, and to

remove all of Lessee's signs from said Premises.

10. Alterations and Improvements.

All Lessor-approved improvements or alterations by Lessee shall be paid for by Lessee and Lessee shall be solely responsible for all such improvements or alterations. It shall be the obligation of the Lessee to obtain all necessary permits and approvals from appropriate government entities and to comply with all legal requirements governing such improvements or alterations. Any additions to, or alterations of, the said Premises, except unattached moveable furniture and trade fixtures, shall become at once part of the realty and belong to the Lessor. Lessee shall keep the demised Premises and the property in which the demised premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee.

11. ADA Accessibility.

Both Lessor and Lessee agree to work cooperatively to resolve any ADA accessibility issue that may arise during the term of the Lease. The Lessor has identified accessible pathways to the building and to accessible restrooms. Both parties are committed to ensuring reasonable accommodation is provided where appropriate.

12. Removal of Lessee's Property at End of Term.

Conditioned upon Lessee being in full and complete performance of all of the provisions of this Lease, Lessee may remove all unattached personal property it may own located on the demised Premises and the same shall be removed by Lessee at the expiration or termination of this Lease, or any renewal hereof, provided that the same may be removed without damage to the building, and if damage is caused by such removal, Lessee agrees to repair such damage at his own cost forthwith. This includes any personal property installed in outside areas. Any items permanently attached to the Premises by Lessee, which cannot be removed without damage to the demised Premises, shall become the property of Lessor upon termination of this Lease.

13. Assignment and Subletting.

No subletting of any portion of the premises shall be permitted without the prior express written consent of the Lessor.

14. Insurance.

Lessor shall take out and maintain throughout the period of this agreement fire insurance on the structure on the Premises and comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence, covering all bodily injury and property damage arising out of its operations under this Lease. Said policy shall name the Lessee as additional insured, and shall constitute primary insurance as to Lessee, its officers, officials, employees, and volunteers, so that any other policies held by Lessee shall not contribute to any loss under said insurance. . **A Certificate of Self-Insurance from Lessor, along with additional covered party endorsement will suffice for the above requirements.**

Lessee shall take out and maintain throughout the period of this agreement comprehensive general liability insurance with minimum limits of \$1,000,000 per occurrence, covering all bodily injury and property damage arising out of its operations under this agreement. Said policy shall name the Lessor as additional insured, and shall constitute primary insurance as to Lessor, its officers, officials, employees, and volunteers, so that any other policies held by Lessor shall not contribute to any loss under said insurance. **A Certificate of Self-Insurance from Lessee shall along with additional covered party endorsement suffice for**

the above requirements.

15. Insurance Hazards.

No use shall be made or permitted to be made of the said Premises, nor acts done, which will increase the existing rate of insurance upon the building in which said Premises may be located, or cause a cancellation of any insurance policy covering said building or any part thereof, nor shall the Lessee sell, or permit to be kept, used or sold, in or about the Premises, any article which may be prohibited by the standard form of fire insurance policies. The Lessee shall, at his sole cost and expense, comply with any and all requirements pertaining to said Premises of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering said building and appurtenances.

16. Waste; Quiet Conduct.

The Lessee shall not commit, or suffer to be committed, any waste upon the said Premises or any public or private nuisance, on the demised Premises.

17. Prohibited Uses; Compliance with Law.

Lessee agrees that the herein demised Premises shall not be used or be permitted to be used in whole or in part in violation of any of the laws, ordinances, regulations or rules of any public authority at any time applicable thereto. Lessee may not sell, serve, or permit the use of alcoholic beverages upon the Leased Premises. Lessee shall have no liability, however, for conditions that predate Lessee's occupancy.

18. Drug-Free and Smoke-Free Workplace.

Premises are designated as a Drug-Free and Smoke-Free Workplace. Lessee shall abide by and adhere to this policy.

19. Entry by Lessor.

The Lessee shall permit the Lessor and his agents to enter upon said Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which the said Premises are situated, or for the purpose of making repairs, alterations, or additions to any other portion of said building, and with such material as Lessor may deem necessary therefor.

20. Hold Harmless from Litigation.

Lessee agrees that if Lessor is involuntarily made a party defendant to any litigation concerning this Lease or the demised Premises or the Premises of which the demised Premises are a part by reason of any act or omission of Lessee and not because of any act or omission of Lessor that is found to be gross negligence or willful misconduct, then Lessee shall hold harmless the Lessor from all liability by reasons thereof, including reasonable attorney's fees incurred by Lessor in such litigation and all court costs. Lessor agrees that if Lessee is involuntarily made a party defendant to any litigation concerning this Lease or the demised Premises or the Premises of which the demised Premises are a part due to an act or omission of Lessor and not because of any act or omission of Lessee that is found to be gross negligence or willful misconduct, the Lessor shall hold harmless the Lessee from all liability by reason thereof, including reasonable attorney's fees incurred by Lessee in such litigation and all court costs.

21. Holding Over.

Any holding over after the expiration of said term, with the consent of the Lessor, shall be

construed to be a tenancy from month-to-month, at a rental of the then-current monthly rental rate, payable monthly in advance, and shall otherwise be on the terms and conditions herein specified, so far as applicable.

22. Notices.

Any notices, demands, or communication under or in connection with this Lease may be served upon Lessor by personal service, or by mailing the same by registered mail with the United States Postal Service, postage thereon fully prepaid, and directed to the Mendocino-Lake Community College District, Vice President of Academic Affairs, 1000 Hensley Creek Road, Ukiah, CA 95482 and may likewise be served on Lessee by personal service or by mailing the same by registered mail with the United States Postal Service, postage thereon fully prepaid, and directed to Three Rivers Charter School, Kimberly Morgan, School Director/Principal, 1211 Del Mar Drive, Suite 301, Fort Bragg, CA 95437, whether or not Lessee has departed from, abandoned, or vacated said Premises. Either Lessor or Lessee may change such addresses by notifying the other party in writing as to such new address as Lessee or Lessor may desire used and which same shall continue as the address until further written notice.

23. Effect of Exercise of Privilege by Lessor.

The exercise of any right or option or privilege hereunder by Lessor shall not exclude Lessor from exercising any and all other rights, privileges, and options hereunder and Lessor's failure to exercise any right, option, or privilege hereunder shall not be deemed a waiver of said right, option or privilege nor shall it relieve Lessee from Lessee's obligation to perform each and every covenant and condition on Lessee's part to be performed hereunder nor from damages or other remedy for failure to perform or meet the obligations of this Lease.

24. Vacating or Abandonment of Premises.

The parties mutually understand that the program in which the Lessee participates is funded by the State of California through contractual agreements between the State and Lessee entered into each fiscal year, and said agreements contain provision for termination or non-renewal by the State pursuant to applicable laws. In the event of such termination or non-renewal of the funding agreements between Lessee and the State of California, pursuant to the laws then applicable, this Lease may be terminated on the option of the Lessee by providing Lessor a minimum of forty-five (45) days written notice of such termination. In the event a successor in the interest to Lessee takes over the functions of Lessee and/or the operations conducted by Lessee at the time of termination, this Lease may be assignable to said successor in interest at its written request and upon Lessor's written approval, which request must be made within thirty (30) days after written notice of termination has been provided to Lessor by Lessee.

The Lessee shall not vacate or abandon the Premises at any time during the term, except as defined above, and if Lessee shall abandon, vacate or surrender said Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to the Lessee and left on the Premises shall be deemed to be abandoned, at the option of the Lessor, except such property as may be mortgaged to Lessor, if any.

25. Destruction of Premises.

In the event of a partial destruction of said Premises during the said term, from any cause, the Lessor shall forthwith repair the same, provided such repairs can be made within one hundred twenty (120) days under the laws and regulations of State, County or Municipal

authorities, and materials and labor are available for such repairs, but such partial destruction shall in no way annul or void this Lease, except that the Lessee shall be entitled to a proportionate deduction of rent while such repairs are being made, such proportionate deduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Lessee in said Premises. If such repairs cannot be made in one hundred twenty (120) days, Lessor may, at his option, make same within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately rebated as aforesaid in this paragraph provided. In the event that the Lessor does not so elect to make such repairs within such time, this Lease may be terminated at the option of either party upon providing written notice to the other party.

In the event that the building in which the demised Premises may be situated be destroyed to the extent of more than thirty-three and one-third percent (33-1/3%) of the replacement cost thereof, the Lessee may elect to terminate this Lease upon written notice to Lessor. A total destruction of the building in which the Premises are situated shall terminate this Lease.

26. Condemnation

If any part of the demised Premises shall be taken or condemned for a public or quasi-public use, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemner, and the rent payable hereunder shall be adjusted so that the Lessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the part remaining after the condemnation bears to the value of the entire Premises at the date of condemnation; but in such event Lessor shall have the option to terminate this Lease as of the date when title to the part so condemned vests in the condemner. If all of the demised Premises or such part thereof be taken or condemned so that there does not remain a portion susceptible for occupation hereunder, this Lease shall thereupon terminate.

27. Remedies of Lessor on Default.

This Lease is made upon the express condition that if default be made in the payment of the rent above reserved, or any part thereof, or if Lessee shall abandon or vacate said Premises, except as defined in clause number 24 of this Lease, in addition to all other available legal rights or remedies, Lessor or the legal representative of Lessor upon thirty (30) days' notice of demand to Lessee, may lawfully declare said term ended, and re-enter said demised Premises or any part thereof, with or without process of law, and expel, remove and put out Lessee or any person or persons occupying said Premises, and may remove all personal property therefrom, and store the same in a public warehouse at the cost of and on the account of Lessee, using such force as may be necessary to repossess and enjoy the said Premise as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant or condition, and without liability to any person for damages sustained by reason of such removal. Lessor may likewise at Lessor's option, but at the cost of Lessee, and in addition to any other remedies which Lessor may have upon such default or failure or neglect, and upon thirty (30) days' notice of demand to Lessee, petition the Superior Court of the State for, and be entitled as a matter of right to, the appointment of a receiver and said Court may appoint such receiver and vest in him such powers and authority as may be necessary or proper to fully protect all the rights herein granted or reserved to Lessor. Any such receiver may take possession of any personal property belonging to Lessee and used in the conduct of the business then being carried by the Lessee in the said Premises, and may sue the same in conducting such business on the Premises, without compensation to the Lessee.

Should Lessor elect to re-enter, as herein provided, or should he take possession pursuant to legal proceedings pursuant to any notice provided for by law, they may, in addition to any other remedies Lessor may have upon such default, failure or neglect, either terminate this Lease or he may from time-to-time, without terminating this Lease, re-let said Premises, or any part thereof, for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor in his sole discretion may deem advisable with the right to make alterations and repairs to said Premises. Rentals received by Lessor from such reletting shall be applied: first, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; second, to the payment of rent due and unpaid hereunder; third, to the payment of any costs of such re-letting, including commissions; fourth, to the payment of the costs of any alterations and repairs to the Premises; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received during the month be less than agreed to be paid during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Premises by Lessor shall be construed as an election on his part to terminate this Lease unless written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy he may have, he may recover from Lessee all damages he may incur by reason of such breach, including the cost of recovering the Premises and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee.

28. Attorney's Fees on Default.

In the event that Lessor or Lessee brings an action against the other for the recovery of any rent due under the provisions of this Lease, or because of the breach of any other covenant herein contained, or to enforce any of the terms hereof, or commences an unlawful detainer action, the prevailing party in such action shall be entitled to receive their attorneys fees in judgment of that action.

29. Signs.

The Lessee shall not place or permit to be placed any sign on the front of said Premises, nor place any signs upon the stairs, hallways, vestibules and entrance doors, where such are used in common with other Lessees, nor upon the windows or the sidewalks adjacent to said demised Premises, without the written consent of the Lessor, except as specifically provided otherwise herein.

30. Lawn; Fencing.

Lessee has the right to use designated lawn area in concert with its educational program activities. Lessee may erect fencing or install equipment necessary for use of such area at its own expense, subject to Lessor's written approval not withheld unreasonably. Use of lawn areas shall be coordinated with all other tenants, if any.

31. Subordination.

Lessee agrees at any time or from time-to-time upon request of Lessor to execute and deliver any instruments necessary to cause this Lease to be subordinate to any mortgage, deed of trust or other instrument of security now, which in the future may be, or which is

about to be placed on said Premises and Lessee hereby appoints Lessor and Lessee's attorney in fact, irrevocably, to execute and deliver such instruments.

32. Real Estate Taxes.

The lease agreement may create a possessory interest, as described in Section 107 et seq. of the Revenue and Taxation Code of the State of California, in tax exempt property. If such an interest is created, it may be subject to property taxation and the party in whom the possessory interest is vested may be subject to the payment of taxes on such interest.

33. Binding on Successors.

The covenants and conditions herein contained shall, subject to the provisions as to assignments, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all the parties hereto shall be jointly and severally liable hereunder.

34. Integration.

It is understood that there are no oral or written agreements or representations between the parties hereto affecting the Lease, and that the Lease as amended supersedes, cancels and merges any and all previous verbal or written agreements and understandings, if any, made by or between Lessor and Lessee, and their agents, with respect to the subject matter thereof, and none such shall be used to interpret, construe, supplement, or contradict the Lease. The Lease and all amendments hereto, are and shall be considered to be the only agreement between the parties and their representatives and agents. There are no other representations or warranties between the parties and any and all reliance with respect to representations shall be solely based upon the representations and agreements contained in the Lease.

35. Time is of the Essence.

Time is hereby expressly declared to be of the essence of this Lease and all of the covenants, agreements, conditions, and obligations herein contained.

36. Law.

This Lease agreement shall be governed by the laws of the State of California. Venue shall be in Mendocino County and no other place.

37. Captions; Entire Agreement.

The titles or headings to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof. This Lease contains the entire agreement between the parties and cannot be amended or modified except by a written agreement executed by the party to be charged with any amendment or modification.

38. Employees.

Unless otherwise agreed to in writing by the parties, all agents, servants, and employees of the Lessee shall be under the exclusive management control of Lessee and shall not be agents, servants, or employees of the Lessor for any purposes whatsoever. It is specifically acknowledged that the programs provided by Lessee and any of its agents, servants, or employees are entirely and exclusively under the supervision and control of Lessee, and no person so employed shall have any status or right with regard to the Lessor.

39. COVID-19 Operational Plans

Lessee shall update, if required, the written plan of operations specific to the College premises and currently on file with the Mendocino County Health Officer, or the appropriate jurisdictional designee. This plan must stay current with any changes and/or modifications to any applicable Federal, State, County and California Community Colleges Chancellor's Office orders in relation to the COVID-19 pandemic. This plan must also include specific protocols informing the College of any confirmed COVID-19 outbreaks among Lessee's staff. Furthermore, Lessee holds the Lessor harmless in the event of immediate revocation of permission to operate due to COVID-19 related concerns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized officers as of the date first written above.

MENDOCINO-LAKE COMMUNITY
COLLEGE DISTRICT

THREE RIVERS CHARTER
SCHOOL

By: _____
Debra Polak
Vice President of Academic Affairs

By: _____
Kimberly Morgan
Director

Date: _____

Date: _____

4881-1691-1933, v. 1