

LEASE AGREEMENT
BETWEEN
REDWOOD CITY SCHOOL DISTRICT
AND
CREATIVE LEARNING CENTER, NPS, INC.

(815 ALLERTON STREET, REDWOOD CITY)

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LEASE AGREEMENT

**Between
REDWOOD CITY SCHOOL DISTRICT
And
CREATIVE LEARNING CENTER, NPS, INC.**

THIS LEASE AGREEMENT ("Lease") is made on _____ ("Effective Date") by and between the **Redwood City School District**, a California public school district ("District"), and **Creative Learning Center, NPS, Inc.**, a California corporation ("Tenant"), referred to individually as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, District is the owner of that certain real property containing approximately One 38/100 (1.38) acres (or 60,015 square feet) located at 815 Allerton Street, in Redwood City, San Mateo County, which is the site of the District's former Orion Alternative Elementary School ("Property"), which Property is generally depicted in **Exhibit A** attached hereto and made a part hereof. The Property includes approximately Seventeen Thousand Nine Hundred Thirty-Two (17,932) square feet of total building area.

WHEREAS, Tenant desires to lease the entire Property to operate its program serving individuals with autism and a variety of other similar developmental disorders, which program is further detailed in **Exhibit B** attached hereto and made a part hereof ("Program"). The Property leased by the Tenant is referenced under this Lease as the "Premises."

WHEREAS, the Parties desire for the playfields and playgrounds at the Property to be available for use by the District and the community.

WHEREAS, under this Lease, the Parties desire for Tenant to conduct certain feasibility studies and other activities of a similar nature as Tenant may deem necessary to apply for and obtain the relevant certificates, permits, licenses and other governmental approvals necessary for Tenant's use of the Premises to operate its Program.

NOW THEREFORE, in consideration of the covenants and agreements set forth in this Lease, District and Tenant agree as follows:

AGREEMENT

Section 1. Lease of Property.

District hereby leases to Tenant and Tenant hereby leases from District the Premises depicted on the location map attached hereto as **Exhibit A** and incorporated herein by reference.

Section 2. Term.

The term of this Lease shall be seven (7) years, commencing on October 17, 2019, if all Lease Conditions (as defined below) have been met, or such later date as described In Section 3 hereof ("Commencement Date"), and ending on August 31, 2026 ("Term"), if not sooner terminated pursuant to the terms of this Lease. Tenant agrees to yield and peaceably deliver possession of the Premises to District on the date of expiration of the Term of the Lease or earlier termination of this Lease, whatsoever the reason for such termination.

Section 3. Lease Conditions

- A. The commencement of the Term, and the use and occupancy of the Premises for the Program is expressly conditioned on completion of the following by the indicated Party (hereinafter, "Lease Conditions"):
1. District's receipt of a waiver from the State Board of Education of statutory requirements pertaining to surplus property leases with such conditions, if any, deemed acceptable to the District, which currently is anticipated to occur by no later than September 11, 2019; and
 2. Tenant's receipt of all certifications, licensing and permitting approvals, and any other governmental or institutional approvals needed to legally occupy the Premises and operate its Program on the Premises ("Tenant Certifications").
- B. If the Lease Conditions have been satisfied in full by October 17, 2019, then this Section 3 shall be of no further force and effect. In the event the Lease Conditions described in Section 3(A)(2) have not been met by October 17, 2019, then the Commencement Date shall be delayed until the first day of the month following the month in which such Lease Conditions have been fully satisfied. In the event that the Lease Condition described in Section 3(A)(1) has not been satisfied by October 17, 2019, then District shall provide Tenant with shared use and occupancy of space at the Hawes Elementary School site, located at 909 Roosevelt Avenue, Redwood City, CA until such Lease Condition has been met. The period of time between October 17, 2019, and the satisfaction of the Lease Conditions (if any) shall be referred to as the "Feasibility Period," and for each month thereof, Tenant shall pay District a payment of Thirty-Five Thousand, Eight Hundred Sixty-Four and NO/100 Dollars (\$35,864.00), calculated at \$2.00 per square foot per month ("Feasibility Payment"). The first Feasibility Payment shall be due on October 17, 2019 (pro-rated for a partial month), if the Lease Conditions have not been met by that date. In the event that the Lease Conditions have not been met by March 1, 2020, this Lease shall terminate unless the Parties mutually agree to an extension thereof.
- C. During any Feasibility Period, Tenant and its designated agents shall have the right to enter the Premises for the purpose of conducting tests, inspections and similar activities as Tenant deems necessary to apply for and obtain its Tenant Certifications. Such right to enter shall be coordinated with District, and is conditioned on Tenant's agreement to repair and resort all damages it or its agent shall cause to the Premises. Tenant shall keep the Premises free and clear of any liens, and indemnify and hold District harmless from any and all costs, expenses, losses, attorney's fees and liabilities incurred or sustained by District as a result of any acts of Tenants, it agents or independent contractors pursuant to this right of entry.
- D. Once the Lease Conditions have been satisfied, the Parties agree to execute a Memorandum of Lease Commencement in the form attached hereto as **Exhibit C** to memorialize the Commencement Date.

Section 4. Use of Premises.

- A. Tenant shall use the Premises solely for the Program as generally detailed in **Exhibit B.**

- B. Tenant shall not use the Premises for any use other than that specified in this Lease without the prior written consent of the District. Tenant agrees to maintain the Premises and to conduct the Program in a manner that meets all federal, state and local regulations relating to the Premises and to the operation of the Program, and to comply with all federal, state and local laws, regulations and ordinances, now or hereafter enacted concerning the Premises, the use of the Premises, and/or the Program. The execution of this Lease shall be subject to the Tenant obtaining any and all permits or approvals which may be required in order for Tenant to operate the Program on the Premises. Tenant shall not use or permit the Premises to be used in whole or in part during the Term of this Lease for any purpose or use in violation of the laws, ordinances, and/or regulations applicable thereto.
- C. Tenant represents that it is qualified to administer and operate the Program. Tenant shall be solely responsible for the administration and operation of the Program, including the hiring of all employees. Tenant shall be responsible for verifying the qualifications, credentials, certificates, and licenses of its staff, employees, agents, consultants and/or subcontractors who may provide services in conjunction with Tenant's use of or activities on the Premises.
- D. Tenant acknowledges that, over the term of the Lease, the black top areas and field areas on the Premises are to be used cooperatively by the District, Tenant and the public. Tenant may use the black top paved areas and fields during school hours, from 8:00 am to 4:00 pm and may exclude the public and other potential users from the black top paved areas and fields during these hours. Tenant agrees to allow the public ingress and egress to the fields and the black top areas prior to 8:00 am and after 4:00 pm, Monday through Friday, and all day on Saturday and Sunday.
- E. During the Term, the District shall retain an ongoing right to use the Multipurpose Building on the Premises, for professional development, trainings, meetings, and other District events on an as-needed and priority basis, so long as it is outside of Tenant's hours of operation. Use shall be scheduled as needed and coordinated directly with Tenant. Such use by District shall be without payment.

Section 5. Consideration.

A. Monthly Rent.

1. For and in consideration of the use of the Premises for the Term of this Lease, Tenant agrees to pay District monthly rent ("Rent") to be calculated at the rates set forth below. The first payment shall be due upon the Commencement Date and thereafter due on or before the first (1st) day of each month during the Term.
2. Monthly Rate Calculation for 17,932 square feet:
 - Year 1 of Term: \$2.00 per square foot per month (**\$35,864.00** per month)
 - Year 2 of Term: \$2.25 per square foot per month (**\$40,347.00** per month)
 - Year 3 of Term: \$2.50 per square foot per month (**\$44,830.00** per month)
 - Year 4 of Term: \$2.75 per square foot per month (**\$49,313.00** per month)
 - Year 5 of Term: \$3.00 per square foot per month (**\$53,796.00** per month)
 - Year 6 of Term: \$3.25 per square foot per month (**\$58,279.00** per month)
 - Year 7 of Term: \$3.50 per square foot per month (**\$62,762.00** per month)

- B. Place of Payment. All Rent that becomes due and payable under this Lease shall be paid to District at District's office, located at 750 Bradford Street in Redwood City, California, with Attention to: Chief Business Official, or any other place or places that District may designate by written notice to Tenant.
- C. Triple Net Lease (NNN). **This Lease is a triple net lease, and payment of Rent hereunder is intended as a fully net return to the District, or triple net related to the Premises.** Except to the extent expressly provided elsewhere in this Lease, Tenant, at its sole cost and expense, shall pay, as and when due, all taxes, insurance, maintenance, and other costs, expenses, and charges which may arise or become due in connection with Tenant's lease of the Premises, whether now existing or hereafter arising, and whether or not beyond the present contemplation of the Parties. And, except as otherwise set forth in this Lease, the Tenant shall indemnify, defend, and hold District harmless from and against any cost incurred by Tenant related to any of the net charges.
- D. Late Payment. Tenant acknowledges that late payment by Tenant to District of the Rent and other sums due hereunder will cause District 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. Accordingly, if District does not receive any installment of Rent or any other sum due from Tenant by 4:00 p.m. within ten (10) days after such amount is due, Tenant shall pay to District, a late charge equal to five percent (5%) of such overdue amount or the maximum amount allowed by law, whichever is less. The Parties hereby agree that such late charges represent a fair and reasonable estimate of the costs District will incur by reason of late payment by Tenant. Acceptance of such late charge by District shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent District from exercising any of its other rights and remedies granted hereunder.
- E. Interest on Past Due Obligations. Any amount due to District not paid when due shall bear interest at the rate of Bank of America's or its successor's reference rate plus three percent (3%) per annum, commencing on the due date, but not to exceed the maximum rate permitted by law. Payment of interest shall be in addition to any late charges owing pursuant to this Lease and shall not excuse or cure any default by Tenant under this Lease.
- F. Taxes. Tenant shall pay, before delinquency, any and all taxes, assessments, levies, possessory interest taxes, and other charges and governmental fees, general and special, ordinary and extraordinary, unforeseen, as well as foreseen, of any kind or nature whatsoever, including, but not limited to assessments for any public improvements or benefits, which during the Term of this Lease are laid, assessed, levied, or imposed upon or become due and payable and a lien upon the Premises ("Taxes and Assessments"). Taxes and Assessments, late charges, costs and expenses which Tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of Tenant's failure to pay such amounts, and all reasonable damages, costs, and attorneys' fees and expenses which District may incur by reason of any default of Tenant or failure on Tenant's part to comply with the terms of this Lease, shall be deemed to be Additional Rent and, in the event of nonpayment by Tenant, District shall have all of the rights and remedies with respect to all Additional Rent as District has for the nonpayment of the Rent. Nothing in this Section shall limit District's right to recover, as Additional Rent, utility and other costs,

Taxes and Assessments payable after termination of this Lease pursuant to the terms of this Lease.

Section 6. Premises and Improvements.

- A. Condition of Premises. The Premises is leased to Tenant on an "as is" basis, and Tenant acknowledges and accepts that the Premises are leased in its "as is" condition. District shall not be required to make or construct any alterations including structural changes, additions, or improvements to the Premises. Tenant acknowledges that neither the District nor District's agents have made any representation or warranty as to the suitability of the Premises to the conduct of Tenant's Program. By entry into and taking possession of the Premises pursuant to this Lease, Tenant accepts the Premises as being in good and sanitary order, condition, and repair and accepts the Premises in the condition existing as of the Effective Date of this Lease. Notwithstanding the above, however, Tenant has agreed to document a minimum of \$250,000 in improvements over the 7-year lease Term.
- B. Signs. Tenant may, at Tenant's sole cost, have the right and entitlement to place Tenant's sign on the Premises, and otherwise to advertise its services, provided Tenant obtains the prior written approval and consent of District. Any signs shall be at Tenant's cost and in compliance with all local ordinances pertaining thereto. In connection with the placement of Tenant's signs, District agrees to cooperate with Tenant in obtaining any governmental permits which may be necessary. Throughout the Term of this Lease, Tenant shall, at its sole cost and expense, maintain the signage and all appurtenances and improvements in good condition and repair. At the termination of this Lease, Tenant shall remove any signs and shall repair any damage caused by the installation or removal of Tenant's signs.
- C. Liens. At all times during the Term of this Lease, Tenant shall keep the Property and Premises and all improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Tenant agrees to settle and discharge all liens for materials for the Premises and Tenant's Program, and to defend and hold the District harmless from and against any such claims or liens. If Tenant fails to discharge or cause the Premises to be released from any such lien or claim of lien within thirty (30) days of District's request to do so, District may pay, adjust, compromise, and discharge any such lien or claim of lien on any terms and in any manner that the District may deem appropriate, and Tenant agrees to reimburse District for the full amount paid by District in connection therewith, including interest, attorneys' fees, and costs which may be incurred.
- D. Nuisance. Tenant shall not use or permit the Premises to be improved, developed, used or occupied in any manner that is in violation of any law, ordinance, or regulation of any federal, state, county, or local governmental agency, body or entity. Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance as now or hereafter defined with respect to the Premises, or any part thereof.
- E. Custodial Services, Maintenance, and Repairs. Tenant shall provide all custodial services, maintenance and repairs to the Premises in order to maintain the Premises throughout the Term in as good a condition as exists on the Lease Term Commencement Date, reasonable wear and tear, casualty and condemnation excluded. Tenant shall maintain the Premises in a safe and healthy condition in conformance with all laws, rules, and regulations applicable to the use of the Premises

by Tenant or District. If Tenant fails to maintain the Premises in the manner required by this Lease, District may cure that default and invoice Tenant for those services. If District provides custodial services, maintenance and/or repairs as a result of any default by Tenant that is not cured within thirty (30) days after notice from District, or less if in District's sole judgment, the default creates a dangerous or unsafe condition on the Property, Tenant shall pay District for those services within thirty (30) days of receipt of an invoice from District.

- F. Utilities and Security. Tenant shall be responsible for and pay for all utility installation and service to and for the Premises, which may include water, gas, electricity, telephone and other data and communication lines and service as well as the removal of garbage and rubbish from the Premises. Tenant agrees to reimburse District for the full amount of utility expense occasioned by the Tenant's use and occupancy of the Premises, and shall reimburse District for all such payments within thirty (30) days of receipt of invoice from the District, which reimbursement payments shall constitute additional rent ("Additional Rent"). District shall provide Tenant with data with each invoice supporting the invoiced amount. Tenant shall be responsible for security of the Premises at all times.
- G. Restoration of Premises. Upon expiration or earlier termination of this Lease, Tenant shall be responsible for restoring the Premises, and other portions of the Property that were affected by Tenant's occupancy of the Premises, to its condition that existed on the date of Tenant's first occupancy with no damage thereto, reasonable wear and tear excepted.

Section 7. Construction of Alterations and Improvements.

- A. Tenant Alterations. As permitted under this Lease or with prior written approval of the District, Tenant may, at its sole cost and expense (unless otherwise agreed upon by the Parties), construct or cause to be constructed on the Premises those improvements which Tenant deems necessary to the operation of its Program provided such improvements are subject to local site, zoning, and design review and any and all other required approvals and provided District has approved all such construction of improvements.
- B. Requirements. All alterations, additions, and/or improvements to the Premises must be made in compliance with applicable provisions of the Education Code, applicable regulations, the Americans with Disabilities Act (ADA), the Fair Employment and Housing Act (FEHA), applicable building code standards, other applicable state and federal statutes (including review by the California Department of General Services - Division of the State Architect if deemed necessary by District), and the District's policies, practices, standards and procedures. Tenant shall, prior to construction, repair, renovation or demolition of any improvements on the Premises, obtain the prior written consent of District thereto and to the final plans, specifications, and schedule for completion thereof. Tenant shall also, prior to construction of any improvements, obtain written approval from District of the improvements and their related costs. Tenant agrees to deliver any local planning approval to District within ten (10) days after Tenant's receipt. Tenant agrees not to proceed with any construction until Tenant has obtained District's and planning department's approvals. District and Tenant recognize that approvals may be completed in phases, such that Tenant initially requests conceptual approval and, if approved by District, then proceeds to draw the plans and specifications. District's approval shall be at District's sole and absolute discretion, and District may withhold or disapprove of any improvements without

reason. As a condition of its approval, District may require that Tenant agree to remove certain improvements and restore the Premises to its original condition upon expiration or earlier termination of this Lease, and/or provide District with adequate security for such removal.

- C. Tenant Assurances. Not less than fifteen (15) days prior to the construction, repair, renovation or demolition of any improvements on the Premises, Tenant shall provide District with information regarding the contractor's financial condition and evidence to District's satisfaction that adequate funds to complete the improvements are committed and available or that completion has been otherwise adequately assured. Such assurances may include, in District's discretion, a bond or completion guarantee. No construction shall commence until District has given Tenant written acceptance of such assurances.
- D. Notice of Non-Responsibility. Tenant shall give District fifteen (15) days prior written notice before commencing any work on the Premises so that District may post notices of non-responsibility with respect thereto as District may deem appropriate.
- E. Permits and Insurance. Not less than fifteen (15) days prior to the construction, repair, renovation or demolition of any improvements, Tenant shall provide District with sufficient evidence that it has obtained all required approvals and permits for the work and that Tenant or Tenant's contractor(s) has in effect, with premiums paid, adequate casualty and liability insurance (including builder's risk) coverage and workers compensation that is satisfactory to District in its sole discretion.
- F. Performance of Alterations. Upon commencement of construction of any improvements, Tenant shall cause the work to be diligently pursued to completion in accordance with the schedule for completion approved by District, subject to unavoidable delays caused by weather, supply shortages, strikes or acts of God. All work on improvements shall be performed in a sound and workmanlike manner, in compliance with all applicable laws and building codes, in conformance with the plans and specifications approved by District, or any modifications thereto which have been approved in writing by District.
- G. Inspection of Work. District or District's agent shall have a continuing right at all times during the period that improvements are being constructed on the Premises to enter the Premises and to inspect the work. Tenant shall require its contractors who construct improvements on the Premises to cooperate with District and/or its employees and/or agent in such inspections.
- H. As Built Plans. Within ninety (90) days after completion of construction of any work of improvement on the Premises, Tenant shall deliver to District two (2) full and complete sets of as-built plans for the work so completed.

Section 8. Removal of Alterations.

Upon the expiration or sooner termination of the Lease, Tenant shall, upon written demand by District, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by District to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Section 9. Hazardous Materials.

- A. Definition. As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Materials" includes, without limitation, petroleum products, asbestos, PCB's, and any material or substance which is (i) defined as hazardous or extremely hazardous pursuant to Title 22 of the California Code of Regulations, Division 4.5, Chapter 11, Article 4, Section 66261.30 et seq. (ii) defined as a "hazardous waste" pursuant to Section (14) of the federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. (42 U.S.C. 6903), or (iii) defined as a "hazardous substance" pursuant to Section 10 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. (42 U.S.C. 9601). As used herein, the term "Hazardous Materials Laws" shall mean any and all statutes, laws, ordinances, or regulations of any governmental body or agency (including the U.S. and California Environmental Protection Agencies, the California state and applicable Regional Water Quality Control Boards, the California Department of Toxic Substances Control, and the California Department of Health Services) which regulate the use, storage, release or disposal of any Hazardous Material.
- B. Hazardous Materials. Tenant shall not cause or permit any Hazardous Materials to be generated, brought onto, used, stored, or disposed of in or about the Premises or Property and any improvements by Tenant and/or its agents, employees, officers, contractors, subtenants, representatives, or invitees, except for limited quantities of standard office, classroom and janitorial supplies (which shall be used and stored in strict compliance with all applicable Hazardous Materials Laws). Tenant shall comply with all Hazardous Materials Laws.
- C. Responsibility of Tenant. From and after the Commencement Date, Tenant shall be solely responsible for all environmental matters affecting the Premises and any improvements.
1. Any handling, transportation, storage, treatment, disposal or use of Hazardous Materials in or about the Premises and any improvements by any person or entity shall be the responsibility of Tenant and shall strictly comply with all applicable Hazardous Materials Laws and the provisions of this Lease.
 2. It shall be the duty of Tenant to insure that the Premises and any improvements are at all times in strict compliance with all Hazardous Materials Laws and that all activities conducted in or about the Premises and improvements comply in every respect with all applicable Hazardous Materials Laws including, but not limited to, all notification, record keeping, and maintenance requirements of such Hazardous Materials Laws.

3. Tenant shall have and discharge all of the duties and obligations of the owner of the Premises and improvements under applicable Hazardous Materials Laws, including, but not limited to, response and remediation.
4. Tenant shall be responsible for all liability to any party or parties who may be harmed or claim harm resulting from an environmental condition on or about the Premises and any improvements.

Section 10. Termination, Breach, and Default.

A. District's Option to Terminate. District shall have the right to terminate this Lease as follows:

1. If, in the judgment of District, Tenant's acts or omissions: (i) represent a threat to the health, welfare or safety of District's or Tenant's students, staff, or the public; or (ii) violate applicable laws, codes, rules, regulations, or ordinances; or (iii) subject or expose District to liability to others for personal injury or property damage, then District shall have the right, in its sole discretion, to terminate this Lease immediately, unless, at District's sole option, Tenant cures such default within forty-eight (48) hours of notice of termination, or longer in District's sole discretion.
2. If Tenant's certification, licensing, or permitting from any of the applicable governmental agencies (e.g., California Department of Education or California Department of Social Services) is suspended or revoked for any reason.
3. If Tenant is adjudged as bankrupt, Tenant makes a general assignment for the benefit of creditors, or a receiver is appointed on account of Tenant's insolvency then District shall have the right, in its sole discretion, to terminate this Lease immediately.
4. In the event of a breach of this Lease by Tenant ("Event of Default") as follows:
 - a. Default in the payment when due of the Rent or Additional Rent or other payment required to be made by Tenant, and the default has not been cured within thirty (30) days after written notice from District.
 - b. Tenant's failure to perform any other term, covenant, or condition set forth in this Lease and the failure continues for thirty (30) days after District gives written notice of such default to Tenant; provided, however, should Tenant's default involve an illegal use of the Premises or an activity which endangers students or the neighbors, such cure must occur immediately.
 - c. Failure by Tenant to keep in effect insurance as required herein.

Notwithstanding these provisions allowing for Lease termination, the Parties understand and agree that they desire and intend for the Lease to continue for the entire Term, and the Parties shall use best efforts to maintain and preserve all the terms and obligations under this Lease.

Section 11. Title to and Removal of Tenant's Equipment.

- A. Title to equipment and/or improvements provided by Tenant ("Tenant's Equipment") on the Premises shall be held solely by Tenant. All of Tenant's Equipment shall remain the personal property of Tenant and shall not be treated as real property or become a part of the Premises. Unless District requests that title to Tenant's Equipment be vested in the District, on or before the expiration of this Lease, or within thirty (30) days after any earlier termination hereof, Tenant shall remove Tenant's Equipment, at its sole expense. Tenant shall repair any damage to the Premises, caused by said removal and restore the Premises to good condition, less ordinary wear and tear. Any and all fixtures installed on, at, or to the Premises by Tenant are considered attached to the Property and shall become part of the Property. On the expiration or earlier termination of the Lease, the fixtures shall remain on the Property, and Tenant shall not remove them from the Property unless District elects to direct Tenant to remove them.
- B. In the event that Tenant fails to timely remove Tenant's Equipment, or any fixtures of which District does not elect to take ownership, District, upon fifteen (15) days written notice, may, without liability on the part of District to Tenant or any person or entity claiming under Tenant, either (1) accept ownership of Tenant's Equipment or fixtures at no cost to the District, or (2) remove and/or dispose of Tenant's Equipment or fixtures at Tenant's sole cost. In the event that the District chooses to accept ownership of Tenant's Equipment or fixtures, Tenant shall execute any necessary documents to effectuate the change in ownership of Tenant's Equipment or fixtures to District. If Tenant fails to execute any necessary documents to convey ownership of Tenant's Equipment to District, Tenant hereby authorizes the Superintendent of District, as its attorney-in-fact to take all actions and execute all documents necessary to convey Tenant's Equipment or fixtures to District. In the event that the District removes and/or disposes of Tenant's Equipment or fixtures, Tenant shall pay all costs for the removal and/or disposal of Tenant's Equipment or fixtures within thirty (30) days of receipt of an invoice.

Section 12. Destruction.

- A. If the Premises or the Property is damaged or destroyed so as, in District's judgment, to hinder Tenant's normal operations, Rent shall abate in proportion to the loss of use from the date such damage or destruction occurs until Tenant is able to commence normal operations.
- B. In the event that any portion of the Premises is destroyed or damaged by an uninsured peril, District or Tenant may, upon written notice to the other, given within thirty (30) days after the occurrence of the damage or destruction, elect to terminate this Lease; provided, however, that either Party may, within thirty (30) days after receipt of notice, elect to make the required repairs and/or restoration at that Party's sole cost and expense, in which event this Lease shall remain in full force and effect, and the Party having made the election to restore or repair shall thereafter diligently proceed with the repairs and/or restoration.

Section 13. Program Operations and Requirements.

- A. Tenant represents that it is duly authorized to administer and operate the Program, and upon expiration of any license, permit, accreditation and/or certification and/or at District request, Tenant shall provide copies of relevant licenses, permits,

accreditations, and/or certifications to District. Tenant shall be solely responsible for obtaining all necessary permits, licenses, and approvals from any and all applicable State, local or other regulatory agencies related to the operation of its Program or otherwise connected to Tenant's use of the Premises, including without limitation, use permits and compliance with the California Environmental Quality Act (CEQA).

- B. Tenant represents that it has observed all guidelines and requirements with respect to appropriate certifications and approvals for Tenant to operate its Program and to be located at the Premises, including the staff fingerprinting clearance and tuberculosis examination clearance requirements applicable to Tenant's Program.

Section 14. Good Neighbor.

Tenant agrees to not use or permit the use of the Premises, the Property, or any part thereof for any purpose which is inimical or contrary to public morals and/or welfare or morally objectionable as unsuitable for its Program. Tenant agrees to respond immediately to concerns expressed by neighbors or District relating to the operation of the Program, Premises or use of the Premises and/or Property.

Section 15. Hold Harmless/Indemnification.

- A. To the fullest extent permitted by California law, Tenant shall defend, indemnify, and hold harmless District, its Board and members of the Board, agents, representatives, officers, consultants, employees, trustees, and volunteers (the "Indemnified Parties") from any and all losses, liabilities, claims, suits, damages, expenses, costs, recourses, and actions of any kind, nature, and description, including, but not limited to, attorneys' fees and costs, directly or indirectly arising out of, connected with, or resulting from the performance of this Lease, or use/access to the Premises or Property, or from any activity, work, or thing done, permitted, or suffered by Tenant, its agents, contractors, employees, representatives, officers, servants, tenants, concessionaires, or volunteers in conjunction with the performance of this Lease unless caused wholly by the sole negligence or willful misconduct of the Indemnified Parties; and in case any action or proceeding be brought against any of the Indemnified Parties, Tenant, upon notice from District, shall defend the same at Tenant's expense by counsel approved in writing by District.
- B. Without limiting the foregoing, Tenant shall indemnify and hold the District and property of the District, including the Property, the Premises and all improvements thereon, free and harmless from any and all claims, liability, loss, damages, or expense resulting from: (1) the death, or injury of any person, including any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, from any cause whatsoever while that person or property is in or on the Property or Premises or in any way connected with the Program, the Premises or personal property on the Premises; and/or (2) the death, or injury of any person, including any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, caused or allegedly caused by either the condition of the Premises or improvements to the Property and/or Premises, or any act or omission on the Property and/or Premises by Tenant or any person in, on, or about the Property with the permission and consent of Tenant or in connection with the Program.

Section 16. Insurance.

- A. General Liability Insurance and Auto Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the Term of this Lease a policy of commercial general liability insurance and a comprehensive auto liability policy insuring District and Tenant against claims and liabilities arising out of the operation, condition, use, or occupancy of the Premises and all areas appurtenant thereto, including parking areas. Tenant's comprehensive auto liability policy shall insure all vehicle(s), whether hired, owned or non-owned. Tenant's commercial general insurance shall be at least as broad as the Insurance Service Office (ISO) CG 00-01 form and in an amount of not less than Five Million dollars (\$5,000,000.00) for bodily injury or death and property damage as a result of any one occurrence and a Five Million Dollar (\$5,000,000.00) general aggregate policy limit. In addition, Tenant shall obtain a products/completed operations aggregate policy in the amount of Two Million Dollars (\$2,000,000.00) and a personal injury policy in the amount of One Million dollars (\$1,000,000.00). The insurance carrier, deductibles and/or self-insured retentions shall be approved by District. The deductible/occurrence for said insurance shall not exceed Five Thousand Dollars (\$5,000.00) for any and all losses resulting from negligence, errors and omissions of the Tenant, its Board, officers, agents, employees, representatives, consultants, invitees and/or students.
- B. Fire Insurance. During the Term of this Lease, Tenant shall maintain at its cost a policy of standard fire and casualty insurance limited to the value of the buildings and improvements located on the Premises as of the Effective Date. In the event of loss or damage to the buildings, the Premises or any contents, each of the Parties hereto, and all persons claiming under each of the Parties, shall look first to any insurance in its favor before making any claim against the other Party, and to the extent possible without adding additional costs, each Party shall obtain for each policy of insurance provisions permitting waiver of any claim against the other party for loss or damage within the scope of the insurance and each Party, to the extent permitted, for itself and its insurers, waives all such insurance claims against the other Party.
- C. Workers' Compensation Insurance. During the Term of this Lease, Tenant shall comply with all provisions of law applicable to Tenant with respect to obtaining and maintaining workers' compensation insurance.
- D. Tenant's Property Insurance. Tenant acknowledges that any insurance to be maintained by District on the Premises will not insure any of Tenant's buildings, property, personal property, or improvements made by or for Tenant. Accordingly, Tenant shall, at its own expense, maintain in full force and effect an insurance policy on all of its structures, fixtures, equipment, improvements made by Tenant and personal property in, about, or on the Premises. Said policy is to be for "All Risk" coverage insurance to the extent of at least ninety percent (90%) of the insurable value of Tenant's property.
- E. Certificates of Insurance and Endorsements. As of the Effective Date, Tenant shall deliver to District a certificate of insurance evidencing the existence of the policies required hereunder and copies of endorsements stating that such policies shall:
1. not be canceled or altered without thirty (30) days prior written notice to District;

2. insure performance of the indemnity set forth in Section 15 (Hold Harmless/Indemnification), above;
3. state the coverage is primary and any coverage by District is in excess thereto;
4. contain a cross liability endorsement; and
5. include a separate endorsement naming District as an additional insured.

At least thirty (30) days prior to the expiration of each certificate, and every subsequent certificate, Tenant shall deliver to District a new certificate of insurance consistent with all of the terms and conditions required in connection with the original certificate of insurance as described above.

- F. Insurance Limits, Rating of Insurers and Certificates. It is the intent of the Parties that policy limits set herein shall be raised from time to time during the Term of this Lease to account for (i) increases in Rent for the Premises, (ii) increases in the estimated full replacement cost of the Premises, and (iii) increases in the general marketplace insurance limits for tenancies as defined herein or subtenancies consistent with the provisions of this Lease. Insurance is to be placed with insurers with a current A.M. Best Insurance rating of no less than A-minus:VII and subject to the approval of District. Tenant shall furnish District with the original certificates and amendatory endorsements effecting coverage required.

Section 17. Notice.

Any notice required or permitted to be given under this Lease shall be deemed to have been given, served and received if given in writing and personally delivered or deposited in the United States mail, postage prepaid, return receipt required, or sent by overnight delivery service, addressed as follows, and accompanied with a courtesy copy sent via e-mail:

If to District:
REDWOOD CITY SCHOOL DISTRICT
Attn: Superintendent
750 Bradford Street
Redwood City, CA 94063
E-mail: jlbaker@rcsdk8.net

If to Tenant:
CREATIVE LEARNING CENTER, NPS, INC.
Attn: Tamila Sayar, Director
P.O. BOX 991
Los Altos, 94023
E-mail: tamila@clcsdpd.com

Any notice personally given shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by certified or registered mail shall be effective five (5) days after deposit in the United States mail.

Section 18. Sublease and Assignment.

Tenant shall not assign its rights, duties or privileges under this Lease, nor shall Tenant sublease or attempt to confer any of its rights, duties or privileges under this Lease on any third party, without the prior written consent of the District in its sole discretion. Any such attempt without District written consent shall be void.

Section 19. No Right to Encumber Leasehold.

At no time shall Tenant allow or suffer the encumbrance of its interest under this Lease by any creditor or institutional lender, whether by deed of trust, mortgage, or other security interest for any purpose or purposes, without the prior written consent of the District.

Section 20. Independent Status.

This Lease is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association.

Section 21. Entire Agreement of Parties.

This Lease constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations and agreements, whether oral or written. This Lease may be amended or modified only by a written instrument executed by both Parties.

Section 22. California Law.

This Lease shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Lease shall be maintained in San Mateo County, California.

Section 23. Attorneys' Fees.

In the event of any dispute under this Lease, or the default by any Party of that Party's obligations hereunder, then the prevailing Party shall be entitled to recover, in addition to all other sums which may be due under the terms of this Lease, all costs of suit, including reasonable attorneys' fees.

Section 24. Waiver.

The waiver by either Party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

Section 25. Successors and Assigns.

This Lease shall be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and assigns.

Section 26. Captions.

The captions contained in this Lease are for convenience only and shall not in any way affect the meaning or interpretation hereof nor serve as evidence of the interpretation hereof, or of the intention of the Parties.

Section 27. Severability.

Should any provision of this Lease be determined to be invalid, illegal or unenforceable in any respect, such provision shall be severed and the remaining provisions shall continue as valid, legal and enforceable.

Section 28. Incorporation of Recitals and Exhibits.

The Recitals and each Exhibit attached to this Lease are incorporated into this Lease by reference.

Section 29. Non-Discrimination.

Tenant and its employees shall not discriminate against any person because of race, color, religion, ancestry, age, sex, sexual orientation, gender identification, national origin or physical handicap. Tenant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, sexual orientation, gender identification, age, national origin or physical handicap. Tenant covenants to meet all requirements of District pertaining to non-discrimination in employment. If Tenant is found in violation of the non-discrimination provisions of the State of California Fair Employment Practices Act or similar provisions of federal law or executive order in the conduct of its activities under this Lease by the State of California Fair Employment Practices Commission or the equivalent federal agency or officer, it shall thereby be found in default of this Lease.

Section 30. Inspection of Premises.

District's employees and agents shall have the right at all reasonable times upon reasonable prior written notice to Tenant to inspect the Premises and all structures and improvements on the Premises to determine if Tenant is complying with the provisions of this Lease and to determine whether any repairs are necessary.

Section 31. Reservation of Rights.

The Premises are accepted "as is" and "where is" by Tenant subject to any and all existing easements and encumbrances. District reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, and connections; water, oil, and gas pipelines; telephone and telegraph power lines; and the applications and appurtenances necessary or convenient for connection therewith, in, over, upon, through, across and along the Premises or any part thereof, and to enter the Premises for any and all such purposes after reasonable notice to and coordination with Tenant. District also reserves the right to grant franchises, easements, rights of way, and permits, in, over, upon, through, across, and along any and all portions of the Property, including the Premises, provided that no rights reserved by District in this clause shall be so exercised as to interfere unreasonably with or impair student safety or the use and operation of the Premises by Tenant as permitted under this Lease.

Section 32. Construction Related Accessibility Standards.

Pursuant to Civil Code section 1938, District states that the Property and the Premises rented hereunder have not undergone inspection by a Certified Access Specialist (CASp). A CASp can inspect the subject Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, District may not prohibit Tenant from

obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant, if requested by 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. Tenant agrees to notify District prior to the tenth (10th) day following the Effective Date, if Tenant requests a CASp inspection, and further agrees that it voluntarily waives its right to request a CASp inspection after said date. If the Parties are unable to mutually agree on such arrangements within ten (10) days after Tenant's notice, the Parties understand and agree that either Party has the right to terminate the Lease pursuant to the terms of this Lease.

Section 33. Brokers.

Each Party will each compensate its brokers and real estate agents, if any, by paying real estate commissions and brokers' fees in accordance with any and all broker or commission agreements entered into by such Party relating to the Properties. Each Party will indemnify, defend and hold harmless each other Party from and against any claims for brokerage commissions, real estate commissions and/or finders' fees based on the indemnifying Party's alleged agreements, and this obligation shall survive the expiration of the Term. Each Party understands and acknowledges District has retained Dominic Dutra with 3D Strategies, Inc. as its broker involved in this transaction.

Section 34. Counterparts.

This Lease and all amendments and supplements to it may be executed in counterparts and transmitted by facsimile or scanned and emailed pdf file, and all counterparts together, whether original, facsimile, or scanned and emailed pdf file, shall be construed as one document.

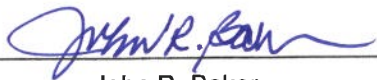
SIGNATURES ON FOLLOWING PAGE.

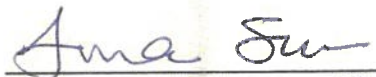
IN WITNESS WHEREOF, the Parties have executed this Lease on the dates written below.

ACCEPTED AND AGREED BY:

DISTRICT:
REDWOOD CITY SCHOOL DISTRICT

TENANT:
CREATIVE LEARNING CENTER, NPS, INC.

By: 
Print Name: John R. Baker
Print Title: Superintendent
Date: 10/17/2019

By: 
Print Name: Tamila Sayer
Print Title: Director
Date: 10/11/19

By: 
Print Name: Priscilla Aquino-Dichoso
Print Title: Chief Business Official
Date: 10/17/2019

Exhibit A The Premises



Exhibit B
Tenant's Program Description

Creative Learning Center (CLC) is Non Public School and Agency that is certified through the California Department of Education.

CLC serves students with Autism and other similar neurological disorders in grades Pre-Kindergarten through age 22. Students that attend CLC and receive services are funded and referred through local school districts, including Redwood City School District. Students are referred to CLC by school districts when the districts do not have a program that meets a student's needs. CLC works collaboratively with the school districts that refer students to CLC.

CLC has a strong behavioral health component along with Occupational Therapy and Speech and Language services included in its programs to ensure student success through an individualized seamless collaborative program. The Pre-Kindergarten program is also a general education preschool with inclusion, allowing families from the neighborhood and working parents near the school to send their children to a local preschool. The Special Education teachers, Speech and Language Pathologist(s), Occupational Therapist(s), Board Certified Behavior Analyst(s) and other professionals work collaboratively to ensure students are able to meet their goals and potentially return to their school district classroom when their needs can be accommodated.

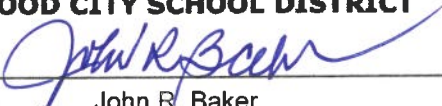
Exhibit C
Memorandum Of Lease Term Commencement

This MEMORANDUM OF LEASE TERM COMMENCEMENT is dated _____, ("Lease Term Commencement Date") and is made by and between **Redwood City School District**, a California public school district ("District"), and **Creative Learning Center, NPS, Inc.**, a California corporation ("Tenant").

1. District and Tenant have previously entered into a Lease Agreement dated as of _____, ("Lease") for the Tenant's lease from District of certain property located at 815 Allerton Street in Redwood City, as further set forth in the Lease ("Premises").
2. Under the terms of the Lease, Tenant has the right to conduct certain feasibility studies and activities during the Feasibility Period, and the Term of the Lease commences upon the completion of all contingencies by both Parties, as further detailed in the Lease.
3. The Parties hereby confirm the following:
 - A. That Tenant is not in default under any term or provision with respect to the Feasibility Period.
 - B. That District has received the waiver of certain statutory requirements from the State Board of Education.
 - C. That Tenant has received all certifications, licensing, permitting, and any other governmental approvals to legally operate its Program at the Premises.
 - D. That the Term for the Lease will commence as of the Lease Term Commencement Date, provided above, and will expire in accordance with the provisions of the Lease.
4. All terms and obligations under the Lease are still in effect, and any term not defined herein shall have the definition as set forth in the Lease.

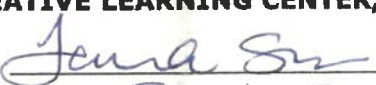
THIS MEMORANDUM OF LEASE TERM COMMENCEMENT IS ACCEPTED AND AGREED by the Parties on the dates indicated below.

DISTRICT:
REDWOOD CITY SCHOOL DISTRICT

By: 
Print Name: John R. Baker
Print Title: Superintendent
Date: 10/17/19

By: 
Print Name: Priscilla Aquino-Dichoso
Print Title: Chief Business Official
Date: 10/17/19

TENANT:
CREATIVE LEARNING CENTER, NPS, INC.

By: 
Print Name: Tamika Sawyer
Print Title: Director
Date: 10/1/19