

**LEASE SUMMARY**

Date of Lease: June 11, 2019

Property Address: 4718 N. Polk Avenue, Fresno, CA 93722

LANDLORD: Highway City Community Development, Inc.

Landlord Address: 4710 N. Polk Avenue  
Fresno, CA 93722

Contact Person: April Henry

Phone: (559) 271-8869

TENANT: Central Unified School District

Tenant Address: 4605 W. Gettysburg Ave  
Fresno, CA 93722

Contact Person:

Phone: (559) 274-4700

Type of Lease: Full Service

Square Footage: Total 1,099 rentable square footage

Lease Term: Forty-Eight (48) months.

Commencement: On or before July 1, 2019.

Operational Costs/Lease: \$1.32psf Full Service

\$69600.00 paid on or before July 31, 2019 comprising of the following;

\$1420.00 per month	July 1, 2019 through June 30, 2020
\$1440.00 per month	July 1, 2020 through June 30, 2021
\$1460.00 per month	July 1, 2021 through June 30, 2022
\$1480.00 per month	July 1, 2022 through June 30, 2023

Security Deposit: Not required

Late Charge: Not required due to lump sum agreement

Holding Over: 100% of base rent

Insurance: \$1,000,000 personal injury, \$1,000,000 property damage.

Landlord's Broker: Fortune Associates

Tenant's Broker: N/A

# LEASE

**THIS AGREEMENT OF LEASE** is made this 11<sup>th</sup> day of June 2019, by and between Highway City Community Development, Inc. (herein called "Landlord") and Central Unified School District. (herein called "Tenant").

**1. LEASED PREMISES:** Landlord does hereby lease unto Tenant and Tenant does hereby hire and take from Landlord the following described premises, situated in the City of Fresno, County of Fresno, State of California; to wit: approximately 1,099 rentable square feet of improved office space, commonly known as 4718 N. Polk Avenue, part of a larger building, subject to liens, encumbrances, building occupancy and other restrictions of record, ordinances and regulations now or hereafter lawfully imposed thereon by any government or agency thereof or in accordance with the terms of this Lease.

**2. TERM:** To have and to hold said premises for forty-eight (48) months, commencing on or before the 1st day of July, 2019 and expiring the 30<sup>th</sup> day of June, 2023.

**3. RENTAL:** Tenant shall pay lease, free from all claims, demands, or setoffs against Landlord of any kind or character whatsoever, to Landlord, or Landlord's duly authorized agent or representative, at an address to be designated by Landlord. The rent shall be paid in one lump sum installment on or before July 31, 2019 as follows;

\$69600.00 paid on or before July 31, 2019 comprising of the following;

\$1420.00 per month	July 1, 2019 through June 30, 2020
\$1440.00 per month	July 1, 2020 through June 30, 2021
\$1460.00 per month	July 1, 2021 through June 30, 2022
\$1480.00 per month	July 1, 2022 through June 30 , 2023

**4. PAYMENT UPON EXECUTION:** Sixty Nine Thousand, Six hundred dollars and 00/100 (\$69600.00) representing monthly rent for the period of July 1, 2019 through July 30, 2023. Landlord and Tenant acknowledge and agree that said payment described herein shall be paid to Landlord on or before July 31, 2019.

**5. SECURITY DEPOSIT:** No security deposit is required. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent or late charges, Landlord may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied during the term or any extension of this agreement, Tenant shall, within five (5) days after written demand thereof, 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 be a material breach of this Lease, Landlord shall not be required to keep this security deposit separate from his general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by him, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) at the expiration of the lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest. After transfer, Landlord shall be relieved of any and all liability with respect to the security deposit.

**6. LATE CHARGES:** There will not be a late charge fee due to lump sum payment. This does not create a grace period. Tenant further agrees to pay Landlord any costs incurred by Landlord in effecting the collection of such past due rent and late charge including but not limited to fees of an attorney, court costs or collection agency fees. Nothing herein contained shall limit any other remedy of Landlord.

**7. USE OF PREMISES:** The above described premises are leased for the purpose of conducting thereupon professional office use and for no other purposes, and Tenant promises and agrees that they will, during the entire term hereof, use the same for conducting thereupon the

aforesaid business and will occupy all said premises in the usual and customary manner of similar businesses during the entire term hereof. Tenant and will not use, or permit to be used, said premises or any part thereof for any sale by auction nor will Tenant use the premises in such manner as will increase the existing rate of insurance upon the building of which these premises are a part, nor cause any cancellation of any insurance policy covering said building. Tenant shall not sell, keep, use or permit to be sold, kept or used in or about said premises any article which may be prohibited in the standard form of fire insurance policies. Tenant 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.

**8. SIGN CONTROL:** Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the premises, building or real property, including without limitation, the inside or outside of windows or doors, without the prior written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord. Also see paragraph 38.

**9. PARKING:** Tenant shall have the right to park in common with other tenants of Landlord, subject to the rules and regulations and such restrictions on use thereof as may be prescribed from time to time by Landlord.

**10. COMPLIANCE WITH THE LAW:** Tenant agrees that he will not use or permit said premises to be used for any unlawful purpose or for any purpose which will injure the reputation of the Landlord, the premises, or the building of which these premises are a part, nor will he disturb the other tenants or such building or neighborhood. Tenant will, at his own expense, promptly observe and comply with all laws, orders, regulations, rules, ordinances and requirements of Federal, State, County and City governments, or other lawful governmental bodies, or any of their departments, bureaus or offices, and will effect all alterations or other requirements exacted, or other requirements exacted, directed or deemed necessary on account of Tenant's use of said premises. Tenant agrees to pay, at his own cost and expense, all claims, fines, penalties and damages that may in any manner arise out of, or be imposed because of, the failure of tenant to comply with this covenant, and will hold Landlord harmless from any damage, injury, loss or claim, lawfully imposed or recovered by reason of any breach of this agreement. The commencement or pendency in any court, whether State or federal, of any abatement proceedings affecting the use of said premises shall, at the option of Landlord, be deemed a breach of this Lease. Any costs incurred by in bringing the Premises or Property up to current ADA requirements, shall be at the sole cost of the Landlord.

**11. ENTRY AND SURRENDER OF PREMISES:** By entry hereunder, Tenant acknowledges that said premises and each and every part thereof, all window glass and other glazing, plumbing, heating, cooling and air conditioning, lighting fixtures and lights, electric wiring and the sewage system in and about said premises on the date of entry are in good order, condition and repair and on the last day of the term hereof, or on any sooner termination of this Lease, Tenant will peaceably and quietly surrender and yield up said premises to Landlord in good repair and in a broom clean condition with normal wear and tear. Tenant shall, on Landlord's request, remove Tenant's property on or before the expiration date and promptly repair all damage to the premises or building caused by such removal. Any personal property left on the premises after the expiration of this Lease, at the option of the Landlord, shall be considered abandoned.

**12. NOTICES:** Any notice required to be given hereunder or any notice required to be given by law shall be in writing and may be given by personal delivery or by certified mail with return receipt requested, addressed to Tenant at the demised premises, or at his place of business, or to Landlord at the address on the signatory page, or to either of them in any manner prescribed by law.

**13. WAIVER:** Time is agreed to be of the essence in this agreement, and any waiver by Landlord of the prompt and punctual performance of any term, condition or covenant hereof shall not be construed to be a waiver of the prompt and punctual performance of the same or any other term, condition or covenant subsequently when due.

**14. MERGER:** 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 the Landlord, terminate all or any existing subleases or sub-tenancies or shall operate as an assignment to him of such subleases or sub-tenancies.

**15. SUCCESSION OF TENANT:** This lease and each of its terms, subject to the provisions relating to assignments, shall apply to and bind the heirs, successors, executors, administrators and assigns of the Tenant hereto and the Tenant hereto shall be jointly and severally liable hereunder for performance of all conditions of this Lease.

**16. QUIET ENJOYMENT:** Landlord covenants with Tenant that upon Tenant's entry into said premises and his performance of each of the terms of the Lease, on his part to be performed, Tenant shall have full freedom and use of said premises in accordance with the terms hereof and quietly enjoy the same without lawful claim on the part of any person.

**17. HOLDING OVER:** If after expiration of the term, Tenant remains in possession of the premises, at the option of the Landlord, Tenant shall become a Tenant from month to month only, upon all provisions of this Lease (except as to term and base rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be equal to the last month's rent of the original lease term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month to month tenancy, he shall give the other party not less than thirty (30) days advance written notice of the date of termination. Any option to renew, extend or purchase, or other options, do not survive the expiration of this Lease.

**18. RIGHT OF ENTRY:** Landlord or his representative shall have the right to enter said premises at any time during the term of this Lease during normal business hours by provide no less than twenty four (24) hour written or verbal notice, except in the case of emergencies, to protect, inspect, exercise or investigate any rights of Landlord herein reserved; to inspect the premises or to post notices of non-responsibility, or to place thereon at any time "For Sale" signs and within thirty days prior to the expiration hereof the usual "To Let" or "To Lease" signs, all without rebate of rent to Tenant. Landlord may enter said premises for the purpose of making any alteration, repair or improvement to said building, or the premises, which he deems convenient for the maintenance or preservation thereof. Tenant expressly waives any damage resulting from such entry or from the performance of such alterations or repairs, and such entry shall not be cause for any rebate of rent herein reserved, provided always that The ingress and egress of Tenant or his customer shall not be unnecessarily hindered, nor shall Tenant's occupancy be otherwise unnecessarily inconvenienced.

**19. POSSESSION:** If for any reason whatsoever Landlord cannot deliver possession of said premises to Tenant at the commencement hereof, this Lease shall not be void or voidable, unless possession is not provide within sixty (60) days from agreed upon commencement date. Landlord shall not be liable for any loss or damage resulting therefrom, provided always that a proportionate reduction of rent shall be made therefor.

**20. ASSIGNMENT OR SUBLEASE:** Tenant shall not assign or hypothecate this Lease nor any right granted him hereunder, nor sublet or license the demised premises or any part thereof without the prior written consent of Landlord. Said consent shall not be unreasonably withheld. No consent to any assignment of this Lease or any subletting of said premises shall be construed to be a waiver of the provisions hereof except only as to the specific instance covered by such consent, nor shall this Lease or any interest herein be assignable by operation of law.

Tenant agrees they will not file during the term hereof a petition in bankruptcy or for extension or arrangement of his debts or composition with his creditors, nor make an assignment for the benefit of his creditors, nor permit his interest in the demised premises to become subject to any proceeding, whether in Federal or State courts, wherein a receiver, custodian, conservator or other officer is appointed to hold, conserve, manage or operate Tenant's business. Any assignment by operation of law or the filing of any petition in bankruptcy, or for extension or arrangement of Tenant's debts or composition with his creditors, whether voluntary or involuntary, or the appointment of any receiver, custodian, or other officer in any proceeding in any court wherein the possession, management or control of premises herein demised is in any person other than Tenant, shall terminate this Lease and any and all rights which Tenant may have by reason of this Lease. Landlord shall be entitled to recover, in addition to possession of said premises, damages in a sum equal to all expenses to which Landlord may be put in regaining possession of said premises and the amount of the rent reserved for the remainder of the term hereof, less the fair rental value received for the remainder of said term. Any intended assignee, subtenant or successor must be able to demonstrate: 1) an ability to pay all rent in a timely fashion, 2) a previous history as a successful business person in the business to be operated in the premises, 3) the ability to pay a deposit, 4) good credit, 5) acceptable references, 6) if a corporation, guarantees by officers as requested by Landlord.

**21. DEFAULT:** In the event of the failure of Tenant to pay rent or any other amount due under the terms of this Lease as herein provided or upon the breach of any other condition, term or covenant herein contained on the part of Tenant to be kept and performed, each term,

condition and covenant hereof being a material part of the consideration for Landlord's entry into this Lease, Landlord may, at Landlord's option, ten (10) days after written notice to Tenant to cure said breach (if the same be a breach of a condition other than the payment of rent, and in the event, without notice). In the event of a non-rent defaults, Tenant shall have thirty (30) days after written notice to cure said breach:

A. Terminate this Lease and thereupon reenter and take possession thereof, ousting all persons therefrom;

B. Elect not to terminate Tenant's possession of the premises hereunder, and enforce all of his rights and remedies including, without limitation, the right to cover rent as it becomes due. For purposes of this paragraph, the following do not constitute a termination of Tenant's possession:

(1) Acts of maintenance or preservation or efforts to re-let the property; and

(2) The appointment of a receiver on the initiative of Landlord to protect his interest under this Lease.

Upon any re-entry by Landlord by any means, Landlord may, at his election, re-let or re-lease said premises, without notice to Tenant, for such rent, for such time and upon such terms as Landlord, in his full discretion, shall see fit.

C. In the event that this Lease shall be terminated as provided in this Paragraph, Landlord may recover from Tenant:

(1) the worth at the time of award of the unpaid rent which has been earned at the time of termination;

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

(3) 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 for such period that Tenant proves could be reasonably avoided; and

(4) any other amount necessary to compensate Landlord for all the detriment proximately caused by the Tenant's failure to perform his obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom, including without limitation all expenses of regaining possession of said premises, or repairing said premises and remodeling or removing all alterations made by Tenant, and re-letting the premises including leasing fees.

The "worth at the time of award" of the amounts referred to in subparagraphs C(1) and C(2) above is computed by allowing interest at the rate of ten percent (10%) per annum. The "worth at the time of award" of the amount referred to in subparagraph C(3) above 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 percent (1%).

D. Efforts by Landlord to mitigate the damages caused by Tenant's breach of this Lease do not waive Landlord's right to recover damages under this article. Nothing in this article affects the right of Landlord to indemnification for liability arising prior to the termination of this Lease for personal injuries or property damage as provided in paragraph 29 hereof. Any re-entry by Landlord as herein permitted shall be construed to be under Tenant's direction and Tenant agrees to hold Landlord harmless from all claim or damage to property or injury to persons caused thereby.

E. Any property belonging to Tenant or any person holding by, through or under him, or otherwise found upon the demised premises, may be removed therefrom and stored in any public warehouse at the cost of and for the account of Tenant. If Tenant abandons, vacates or surrenders said premises or is dispossessed by process of law, any personal property left upon said premises shall be deemed abandoned at the option of Landlord. The commencement of any action for any remedy herein reserved by Landlord and the prosecution thereof to judgment shall not be deemed an election on the part of Landlord unless and until said judgment is fully satisfied and discharged.

F. In the event Landlord is involuntarily made a party to any litigation concerning this Lease or the demised premises by reason of any act or omission by Tenant, Tenant promises to hold Landlord harmless from all liability, including attorneys' fees incurred by Landlord in such litigation, and in the event Landlord brings an action against Tenant to enforce any of the terms of this Lease, or commences an action under the provisions of the unlawful detainer act for forfeiture of the Lease, or for possession of the premises, or both, Tenant agrees to pay to Landlord a reasonable attorney's fee whether such action is prosecuted to a conclusion or not, such fee being deemed to have accrued upon the commencement thereof.

G. Ten percent (10%) per annum interest will be charged on all moneys due from Tenant to Landlord under this Lease from the date due.

**22. REIMBURSEMENT:** In the event Tenant fails, neglects or refuses to perform any covenant, agreement or condition in this Lease provided to be done, kept or performed, at the time when the same is herein provided to be so done, Landlord may perform such covenant, condition or agreement and any money expended thereon shall be charged to the account of Tenant, payable on demand, with interest thereon at ten percent (10%) per annum, and the failure of Tenant to so repay Landlord for any money so paid out and expended shall constitute a default under this Lease.

**23. SUBORDINATION OF LEASE:** Tenant agrees that this Lease is, and shall be, subordinate to any mortgage, deed of trust or any other hypothecation for security which has been or which hereafter may be placed upon said premises or the land or building of which they are a part, by Landlord, and such subordination is hereby effective without any further act by Tenant. However, if requested, Tenant will sign any documentation necessary to acknowledge such subordinate position.

**24. ALTERATIONS:** Tenant shall not make any alterations or repairs to the premises without Landlord's prior written consent. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of the Lease except that Landlord can elect within three (3) days before expiration of the Lease, or within five (5) days after the termination of the Lease, to require Tenant to remove any alterations that Tenant has made to the premises. If Landlord so elects, Tenant at his cost shall restore the premises to the condition designated by Landlord in his election, before the last day of the term or within thirty (30) days after notice of election is given, whichever is later.

The above restrictions shall not apply to trade fixtures so long as Tenant fully complies with every term, condition and covenant of this Lease and so long as said trade fixtures may be installed and removed without damage or injury to the premises or any improvements thereof. Upon the termination of this Lease, provided all the conditions, covenants and agreements of this Lease have been fully complied with on the part of the Tenant, all such trade fixtures may be removed so long as such removal shall not in any way injure or impair the condition of said premises.

If Tenant makes any alterations to the premises as provided in this paragraph, the alterations shall not be commenced until five (5) days after Landlord has received notice from Tenant stating the date the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of non-responsibility.

**25. MECHANIC'S LIENS:** Tenant shall pay all costs for construction done by Tenant or caused to be done by Tenant on the premises as permitted by this Lease. Tenant shall keep the building, other improvements, and land of which the premises are a part free and clear of all mechanic's liens resulting from construction done by or for Tenant. Tenant's failure to comply with this covenant shall at Landlord's option be grounds for terminating this Lease.

**26. EMINENT DOMAIN:** If the whole of the leased premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding and all rentals shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

If the whole of the common parking areas in the premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding unless Landlord shall take immediate steps to provide other parking facilities substantially equal to the previously existing ratio between the common parking areas and the leased premises, and such substantially equal parking facilities shall be provided by Landlord at his own expense within ninety (90) days from the date of acquisition. In the event that Landlord shall provide such other substantially equal parking facilities, then this Lease shall continue in full force and effect. In any event, Tenant shall have no claim for the value of any unexpired term of this Lease.

If any part of the leased premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and in the event that such partial taking or condemnation shall render the leased premises unsuitable for the business of the Tenant, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. In the event of a partial taking or condemnation which is not extensive enough to render the premises unsuitable for the business of the Tenant, then Landlord shall promptly restore the leased premises to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, and this Lease shall continue in full force and effect.

In the event of any condemnation or taking as therein above provided, whether whole or partial, the Tenant shall not be entitled to any part of the award, as damages or otherwise, for such condemnation and Landlord is to receive the full amount of such award. The Tenant hereby expressly waives any right or claim to any part thereof.

Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the leased premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's furniture, fixtures, leasehold improvements and equipment.

**27. TRANSFER OF LANDLORD'S INTEREST:** In the event of any sale or transfer by Landlord of the premises, building or project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the premises, building, project or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. Tenant shall sign and return within ten (10) days any estoppel certificates submitted to him by Landlord, stating the condition of the Lease.

**28. TAXES:** (a) Landlord will be responsible for all real property taxes and assessments; (b) Tenant shall pay before delinquency all taxes, assessments, license fees and other charges ("taxes") that are levied and assessed against Tenant's personal property installed or located in or on the premises and that become payable during the term of this Lease. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

If any taxes on Tenant's personal property are levied against Landlord or Landlord's property, or if the assessed value of the building and other improvements in which the leased premises are located is increased by the inclusion of a value placed on Tenant's personal property, and if Landlord pays the taxes on any of these items or the taxes based on the increased assessment of these items, Tenant, on demand, shall immediately reimburse Landlord for the sum of the taxes levied against Landlord, or the proportion of the taxes resulting from the increase in Tenant's assessment. Landlord shall have the right to pay these taxes regardless of the validity of the levy.

**29. INSURANCE:** The tenant shall hold the Landlord harmless from any and all damages arising out of any injury or damage to any person or property occurring in, on or about the leased premises and the building in which the premises are located. The Landlord shall not be liable to the Tenant for any loss or damage to person or property caused by theft, fire, acts of nature, acts of a public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority. The Landlord shall not be liable for any damages that result or are caused by repairs to the premises or alterations to the premises or to the parking area and common areas surrounding the leased premises. In addition, the Tenant shall ensure that the leased premises and the common areas surrounding the leased premises are clear from debris and obstruction and sufficiently lighted to avoid injury. The Tenant, at his cost, shall obtain and maintain policies of comprehensive liability insurance including bodily injury and property damage in an amount not less than One Million Dollars (\$1,000,000.00) for injury or death to persons and One Million Dollars (\$1,000,000.00) for property damage. Said insurance shall be in a form acceptable to the Landlord and shall include Landlord, his agents and property management company where applicable, as additional insured on the policy. Landlord may place his own insurance for his protection if Tenant fails to provide proof that said insurance is in place. Any premiums for said insurance shall be reimbursed by Tenant within ten (10) days after demand has been made for same. The parties release each other, and their respective authorized representatives, from any claims for damage to any person or to the premises and the building or other improvements in which the premises are located that are caused by or result from risks insured against under any insurance policies carried by the parties hereto and in force at the time of any such damage.

The Tenant shall cause any insurance policy obtained to provide that the insurance company waives all right of recovery by way of subrogation against the Landlord in connection with any damage covered by any policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. This waiver will not include any rents or other charges owing to the Landlord that are not covered or insured against under any insurance policy required in this Lease.

Any insurance policy required under this Lease shall:

- (a) Be issued as a primary policy;
- (b) Contain an endorsement requiring thirty (30) days written notice from the insurance company to both parties and Landlord's lender before cancellation or change in the coverage, scope, or amount of any policy.

Each policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with the Landlord at the commencement and on renewal of the policy not less than thirty (30) days before expiration of the term of the policy.

Landlord shall be named as "additional insured" as the certificate holder.

**30. MAINTENANCE AND REPAIRS:** 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 and maintain the Premises and every part thereof in good condition and repair, damage thereto from causes beyond the reasonable control of Tenant and ordinary wear and tear excepted. It is the intention of the Landlord and Tenant that, at all times during the Lease term, Tenant, shall at its cost, maintain the Premises in an attractive, first class, and fully operative condition.

Tenant shall upon the expiration or the sooner termination of this Lease hereof surrender the Premises to the Landlord in good condition, ordinary wear and tear and damaged from causes beyond the reasonable control of Tenant excepted. 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 this condition of the Premises or the Building except as specifically herein set forth.

Notwithstanding the provisions of Paragraph 30 herein above Landlord shall repair and maintain in good working order the structural portions and systems of the Building, including the basic plumbing, air conditioning, heating, and electrical systems, installed and furnished by Landlord, unless such maintenance and repairs are caused in part or in whole by the negligent or willful act or negligent or willful omission of any duty by the Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable cost of such maintenance and repairs. There shall be no abatement of rent or liability of Landlord by reason of any injury to or interference with Tenant's business arising from making 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.

**31. UTILITY CHARGES:** Landlord shall furnish to the premises reasonable quantities of electricity for normal lighting and office machines, gas, water, heat and air conditioning required in Landlord's judgement for the comfortable use and occupation of the Premises, including common areas. Landlord will not furnish any telephone or internet services. Landlord shall not be liable for and Tenant shall not be entitled to any reduction of rental by reason of Landlord's failure to furnish foregoing when such is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbance or labor disputes of any character, government energy rationing, utility company service interruption ("blackouts" and/or "brownout"), or any other cause, similar or dissimilar, beyond the reasonable control of the Landlord. Landlord, shall not be liable under any circumstances for a loss or injury to property, however incurred, through or in connection with or incidental to failure to furnish any of the foregoing.

**32. JANITORIAL SERVICES:** The janitorial services as required to the common areas and leased Premises shall be provided by Landlord, at Landlord's sole cost. Landlord shall furnish the common areas and lease premises with reasonable janitorial services for the comfortable use and occupation of the Premises and common areas.

**33. DESTRUCTION:** If the leased premises shall be damaged by fire, the elements, unavoidable accident or other casualty, but are not thereby rendered untenable in whole or in part, Landlord shall at his own expense cause such damage to be repaired, and the rent shall not be abated.

If by reason of such occurrence, the premises shall be rendered untenable only in part, Landlord shall at his own expense cause the damage to be repaired, and the fixed minimum rent meanwhile shall be abated proportionately as to the portion of the premises rendered untenable. If tenant's ability to operate the business is materially impaired and Landlord can not complete repairs in a reasonable time frame, Tenant has the ability to provide Landlord with thirty (30) day written notice and cancel the lease.



If the premises shall be rendered wholly untenable by reason of such occurrence the Landlord shall at his own expense cause such damage to be repaired, and the fixed minimum rent meanwhile shall be abated in whole, except that Landlord shall have the right, to be exercised by notice in writing delivered to Tenant within thirty (30) days from and after said occurrence, to elect not to reconstruct the destroyed premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence, the rent to be adjusted as of such date.

In the event that fifty percent (50%) or more of the rentable area of the premises shall be damaged or destroyed by fire or other cause, notwithstanding that the leased premises may be unaffected by such fire or other cause, Landlord shall have the right, to be exercised by notice in writing delivered to Tenant within thirty (30) days from and after said occurrence, to elect to cancel and terminate this Lease. Upon the giving of such notice to Tenant, the term of this Lease shall expire by lapse of time upon the fifteen (15) day after such notice is given, and Tenant shall vacate the leased premises and surrender the same to Landlord.

**34. ESCALATIONS:** Landlord and Tenant acknowledge that the building in which Premises is located is newly constructed and unoccupied and actual operating costs including water, sewer and garbage charges, gas, electricity and utility charges, parts, supplies and labor charges for maintenance of the building, its roof, attachments and common areas, plumbing, electrical, heating, cooling and air conditioning units, ducting, lighting, sweeping and security, gardening maintenance and supplies, janitorial services and supplies, property taxes and assessments on the building and common areas, building and public liability insurance premiums, and the management fee, if any, paid to a third party to oversee any or all of the building operations are not known to Landlord. Tenant shall pay Landlord on or before December 31, 2019, a onetime payment in the amount of four thousand two hundred twenty four dollars and 00/100 (\$4224.00) as its pro-rata share of potential increased operational costs not accounted for in monthly rent.

**35. BINDING EFFECT:** Under no circumstance will this Lease be binding upon the parties until it has been signed by both parties and signed copies delivered to both parties or their designated agents, and the prescribed payment set forth in paragraph 4 received by Landlord or Landlord's designated agent.

**36. DISCLAIMER:** This is a legal document. Fortune Associates makes no representation or recommendation concerning legal effect, legal sufficiency, or tax consequences herein.

**37. INTEGRATED AGREEMENT; MODIFICATION:** This Lease contains all the agreements of the parties and can not be amended or modified except by a written agreement signed by the parties.

**38. SIGNAGE:** The business identification sign on the plate of the front door of the Premises shall be ordered through Landlord's property manager and at Landlord's expense. Tenant will have right to install a building signage at south side of building to meet current building standards and need to be approved by Landlord prior to installation, any cost incurred to install said monument sign will be at the sole cost of the Tenant.

**39. TENANT IMPROVEMENTS:** Landlord agrees to complete all of the improvements agreed upon in Exhibit "B" Tenant Improvement Work Letter, at Landlord's sole cost.

**40. EARLY OCCUPANCY:** Upon mutual signature of this Lease, Tenant may have access to the Premises for the purposes of coordinating their move, telephone or low voltage wiring installation and fixturing. Such use shall be governed by this Lease except that it shall be a rent free period.

**41. ACCESSIBILITY; AMERICANS WITH DISABILITIES ACT:**

(a) The Premises: ☒ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil code §55.51 et seq. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California civil Code §55.51 et seq.

- (b) Since compliance with the Americans with Disabilities ACT (ASA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

**ARBITRATION OF DISPUTES.** In the event a claim or controversy arises out of this Lease Agreement between Landlord or Tenant, all parties hereby agree that such claim or controversy shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and not by court action except as provided by California Law for judicial review of arbitration awards. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In the event any arbitration proceeding or legal action to enforce an arbitration award is commenced, each party agrees to pay its own expenses and attorneys' fees incurred therein.

This arbitration provision does not apply to unlawful detainer actions filed by Landlord (or any other proceeding for possession of the premises) for claims arising from Tenant's failure to pay any sums due under this Lease or for any other breaches of this Lease by Tenant.

Venue and jurisdiction for any such arbitration shall be in the City of Fresno. County of Fresno, California.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OF JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.**

Landlord's Initials

\_\_\_\_\_

Tenant's Initials

\_\_\_\_\_

This Lease contains 41 paragraphs and constitutes the entire lease, including all Exhibits and Addendums.

LANDLORD:  
Highway City Community Development, Inc.

TENANT:  
Central Unified School District.

By: \_\_\_\_\_  
April Henry, President

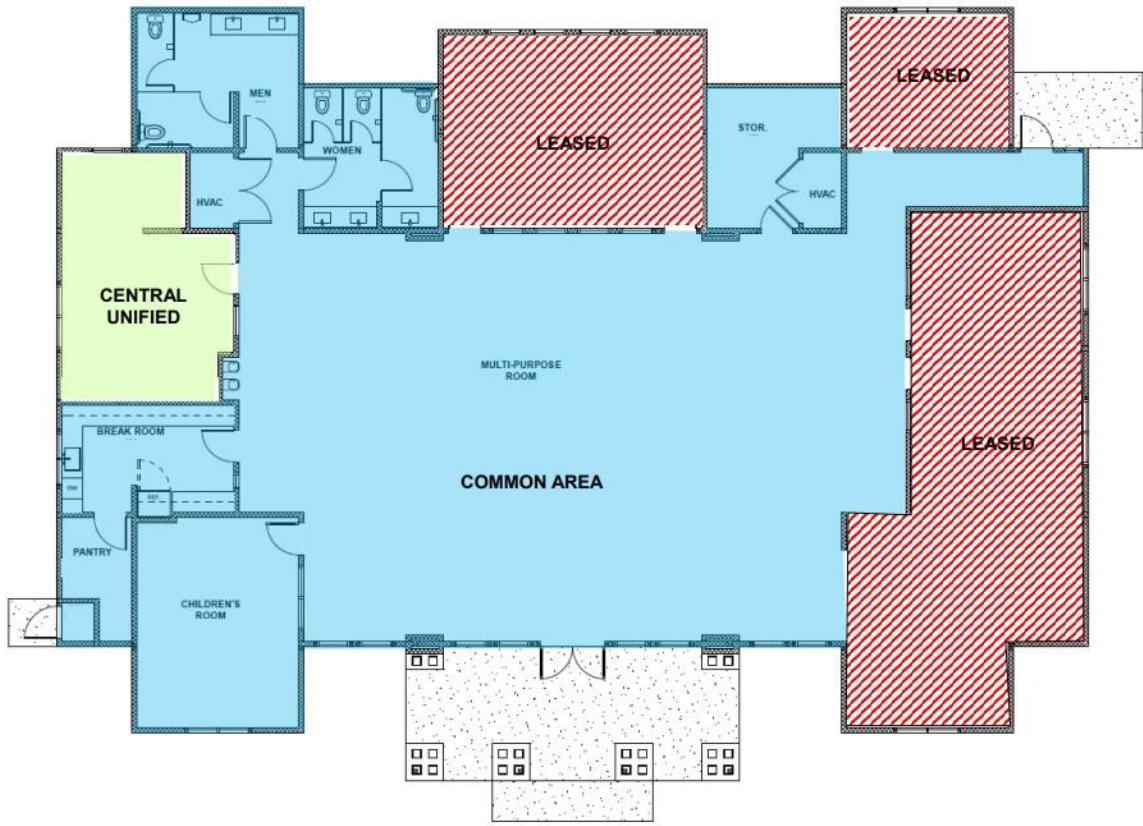
By: \_\_\_\_\_  
Andrew Alvarado, Superintendent

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

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

Exhibit “A”

**Floor Plan**  
4718 N. Polk Avenue  
Approximately 1,099 rentable square feet



# Exhibit “B”

## Tenant Improvement Work Letter

Landlord to provide the following improvements at the sole cost of the Landlord:

1. All portions of the building and premises shall be in good working order, including; electrical, plumbing and HVAC systems.
2. Professionally clean premises, prior to Tenants occupancy.

Tenant to provide the following improvements at the sole cost of Tenant.

1. Installation of all telecommunications equipment, low voltage wiring, and security systems within leased premises.
2. Installation of window coverings, which will be based on the project standard and must be approved by Landlord in writing.

LANDLORD:  
Highway City Community Development, Inc.

By: \_\_\_\_\_  
April Henry, President

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

TENANT:  
Central Unified School District

By: \_\_\_\_\_  
Andrew Alvarado, Superintendent

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

# Exhibit “C”

## **Building Rules and Regulations**

1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be used for the disposal of trash, be obstructed by tenants, or be used by tenants for any purpose other an entrance to and exit from the Leased Premises and for going from one part of the Building to another part of the Building.
2. Plumbing fixtures shall be used only for the purposes for which they are designed, and no sweepings, rubbish rags or other unsuitable materials shall be disposed into them. Damage resulting to any such fixtures form misuse by a tenant shall be the liability of said tenant.
3. Signs, advertisements, or notices visible in or from public corridors or from outside the Building shall be subject to Landlord’s prior written approval.
4. Movement in or out of the Building of furniture, office equipment, or any other bulky or heavy materials shall be restricted to such hours as Landlord designates. Landlord will determine the method and routing of said items so as to ensure the safety of all persons and property concerned. Advance written notice of intent to move such items must be made to the Building management office.
5. Building management shall have the authority to prescribe the weight and manner that heavy furniture and equipment are positioned.
6. Corridor doors, when not in use, shall be kept closed.
7. Tenant space that is visible from public areas must be kept neat and clean.
8. No animals shall be brought into or kept in, on or about the Building, except for animals assisting sensory-impaired or disabled persons.
9. Landlord and tenants shall adjust thermostats as required to maintain a reasonable temperature, Landlord requests that all window blinds remain down and tilted at a 45 degree angle toward the street to help maintain comfortable temperatures and conserve energy.
10. Tenants will comply with all security procedures during business hours and after hours and on weekend.
11. Tenants shall lock all office doors leading to corridors and turn out all lights at the close of their working day.
12. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and tenants shall comply with all applicable building and fire codes relating thereto.
13. Landlord reserves the right to rescind any of these rules and regulations and to make such other further rules and regulations as in its reasonable judgment shall, from time to time, be required for the safety, protection, care and cleanliness of the Building, and the operation thereof, the preservation of good order therein and the protection and comfort of the tenants and their agents, employees and invitees. Such rules and regulations, when made and written notice thereof is given to a tenant, shall be binding upon it in like manner as if originally herein prescribed provided the same are in conformity with common practice and usage in similar buildings, are not inconsistent with the provisions of this Lease, and apply to all tenants and occupants of the Building.
14. In the event of any conflict or inconsistency between these rules and regulations and the provision of the Lease, the provisions of the Lease shall control.

# Exhibit “D”

## COMMENCEMENT OF TERM NOTICE

Date:

Re: Lease dated **June 11, 2019** between Highway City Community Development, Inc. (“Landlord”), and Central Unified School District. (“Tenant”), concerning **4718 N. Polk Avenue, Fresno, CA 93722**.

In accordance with the subject Lease, we wish to advise and/or confirm as follows:

1. That the Premises have been accepted herewith by the Tenant as being substantially complete in accordance with the subject Lease, and that there is no deficiency in construction.
2. That the Tenant has possession of the subject Premises and acknowledges that under the provisions of the subject Lease, the term of said Lease shall commence as of **July 1, 2019** for a term of **forty-eight (48) months** ending on **June 30, 2023**.
3. That in accordance with the subject Lease, rental commenced to accrue on **July 1, 2019**.
4. If the commencement date of the subject Lease is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in said Lease.
5. Payment is due and payable in accordance with the subject Lease. Your checks should be made payable to:

**Highway City Community Development, Inc.**  
4710 N. Polk Avenue  
Fresno, CA 93722

LANDLORD:  
Highway City Community Development, Inc.

By: \_\_\_\_\_  
April Henry, President

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

TENANT:  
Central Unified School District

By: \_\_\_\_\_  
Andrew Alvarado, Superintendent

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

# Addendum “A”

## ADDITIONAL PROVISIONS

1. **Common Area Multi-Purpose Room:** Tenant shall have the use of the common area multi-purpose room, which is part of the Building. Tenant will be allowed to use the common area multi-purpose room at no charge and by scheduling use of the space through Landlord’s calendar schedule for the room. Tenant will be required to carry short term liability insurance for all events or use of the multi-purpose room, based on insurance coverage acceptable to Landlord. Tenant will be required to have the multi-purpose room cleaned after any use. Landlord will have onsite chairs and tables, which will be available for Tenant’s use, Tenant is responsible for the set up and storage of onsite chairs and tables.

Initial \_\_\_\_\_

Initial \_\_\_\_\_

## Addendum “B”

### **NOTICE TO OWNERS, BUYERS AND TENANTS REGARDING HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS**

Comprehensive federal and state laws and regulations have been enacted in the last few years in an effort to develop controls over the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations, such as, for example, the so called “Superfund Act”, provide for broad liability schemes wherein an owner, tenant or other user of the property may be liable for clean-up costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos or establish requirements for the use, modification, abandonment or closing of underground storage tanks.

It is not practical, or possible to list all such laws and regulations in this Notice. Therefore, owners, buyers and Tenants are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed of on the property, or if the property has or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, what permits and approvals have been or may be required, if any, the estimated costs and expenses associated with the use, storage, handling, clean-up, removal or disposal of the hazardous wastes or substances, and what contractual provisions are necessary or desirable. It may also be important to obtain expert assistance for site investigations and building inspections. The past uses of the property may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks being on the property.

Notwithstanding the above, Landlord has complied with the City of Fresno various permit processes; and owners, buyers, and Tenants may request copies of related documentation. To the best of the Landlord’s knowledge, neither the Landlord nor the prior users, nor any tenant, has used or intends to use or store any hazardous materials on the property.

The term “hazardous wastes or substances” is used in this Notice in its very broadest sense and includes, but is not limited to, petroleum based products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substance and underground storage tanks may be present on all types of real property. This Notice is therefore meant to apply to any transaction involving any type of real property, whether improved or unimproved.

Initial \_\_\_\_\_

Initial \_\_\_\_\_