

SPECIFIED FACILITIES USE AGREEMENT

BETWEEN

CHRIST UNITED PRESBYTERIAN CHURCH (CUPC) (LESSOR)

AND

CHANCELLOR WILLIAM MCGILL SCHOOL OF SUCCESS (SOS) (LESSEE)

This Standard Lease Agreement (the "Lease") is made and entered into effective July 1, 2021 by and between Christ United Presbyterian Church of San Diego, a California non-profit corporation ("Lessor") and Chancellor William McGill School of Success, a California non-profit corporation ("Lessee"), for the operation by Lessee of a legally licensed primary Charter school on the "Premises", described below. Lessor and Lessee shall each be referred to as a "Party" and collectively referred to herein as the "Parties".

In consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. **Premises:** Lessor hereby exclusively leases to Lessee and Lessee hereby exclusively leases from Lessor the real property and buildings as being located at 3025 Fir Street, San Diego, CA 92102 measuring (approximately) 6,780.93 rentable square feet (the "Premises"), as referenced in Section 11 and or defined in exhibit "A" attached hereto and made part hereof.
2. **Term:** The term of this Lease shall be for a period of Three Years/ thirty-six (36) months, commencing on July 1, 2021 and shall continue until it automatically expires on June 30, 2024, unless terminated earlier as provided herein. Lessee shall have the option to extend this Lease for up to two (2) additional years periods. Lessee shall exercise this option by written notice to Lessor not less than ninety (90) days prior to the expiration of the initial term.
 - a. **Early Termination.** Lessor understands and accepts that Lessee is a non-profit organization, which is operated primarily on public funding, which funding may be terminated at any time. Therefore, Lessee may terminate this Lease upon sixty (60) days prior written notice to Lessor if (a) the funding of Lessee has been altered, making the continued use of the Premises impractical or not feasible; or (b) Lessee has been directed by any of its funding sources or governing bodies to alter its operations making the use of the Premises impractical or not feasible.
 - b. Lessee understands and accepts that Lessor is a congregation of the Presbyterian Church (USA). Therefore, Lessor may terminate this Lease upon ninety (90) days prior written notice to Lessee if (a) the Trustees of the Lessor determines the continued use of the Premises by the Lessee to be impractical or not feasible or inhibits the growth of its congregation; or (b) Lessee has been directed by a direct, controlling council of the Presbyterian Church (USA) to terminate this Lease. In such event, Lessor agrees that the effective date of termination shall not conflict with an on-going school year (historically beginning in September and ending in June).
3. **Monthly Rent:** Lessee agrees to pay Lessor, without abatement, deduction or offset, a monthly fee for its use of the Premises ("Base Monthly Rent") of Thirteen thousand six hundred twenty four and fifteen cents (\$13,624.15) as presented in Paragraphs 4 and 11 below and in Exhibit A".
 - a. **Rent Due Date:** Lessee agrees that the Base Monthly Rent shall be due and payable on the first (1st) day of each month. The initial payment shall be due beginning July 1, 2021, at the following address: 3025 Fir Street, San Diego, CA 92102, or at such other place as

Lessor may designate in writing. In the event Lessee leases the Premises for any period less than one (1) month during the Term of this Lease, the Base Monthly rent due Lessor shall be prorated based upon the actual number of calendar days the Premises was held by Lessee.

- b. Unless this Lease provides otherwise, Lessee's Base Monthly Rent shall include the costs referenced in Sections 4, 9 and 10B below, billed in connection with the Lessee's use of the Premises.
 - c. Annual Rent Adjustment. Effective on the anniversary of the commencement date (i.e. July 1, 2022). The Parties agree to adjust the Total Monthly Rent by an amount of 2%.
4. **Additional Rent:** All charges payable by Lessee other than Base Monthly Rent shall be referred to as "Additional Rent" unless this Lease provides otherwise.
- a. Lessee shall pay for shared use of the Facilities as follows:
 - i. Kitchen 80 hours per month @ \$2.50/hr = \$200.00
Kitchen is to be used as is. (Is not a commercial rated kitchen)
 - ii. Lower Parking Lot- 240 hours/month @ \$1.25 = \$300.00
 - iii. GWS Fellowship Hall— 95hrs= \$994.14 GWS Hall is shared with space
In support of the school activities. The GWS Hall, being used as a cafeteria, theater/lecture hall, gymnasium, auditorium, 6-6 youth assembly area etc. as being appropriate, but the space is not to be used as a classroom except in cases of emergency use approved in writing by CUPC. However, CUPC reserves the right to exclusive use of the GWS Fellowship Hall at any time the hall is needed for Church requirements.
 - b. Total Monthly Rent due will be \$ 15,191.45 (Fifteen thousand, one hundred, ninety one and forty-five cents)
 - c. Lessee shall pay for half (1/2) of the expenses for maintenance and repairs to the shared spaces including but not limited to:
 - i. Floor waxing of the hallways and GWS Fellowship Hall in June and December and/ or as needed.
 - ii. Cleaning and resurfacing of Parking lots
 - iii. Bathrooms, hallways and stairways
 - d. Additional Rent adjustment shall be made upon either Lessor or Lessee as to additional or reduction of space (square footage) request or usage, with a 60 day notice.
 - e. Adjustment will also be made with a updated agreement/contract as it relates to the increase in utility usage and to Prop 39 energy project, as project savings is confirmed and regulated to the guidelines of Prop 39.
5. **Permitted Use:** The Parties acknowledge and agree that Lessee shall be permitted to use the Premises to provide Primary Education services for children in communities located throughout San Diego County.
6. **Improvements and Alterations:** At Lessee's sole cost, Lessee may make alterations, additions and improvements, and install equipment and fixtures in or about the unshared leased portion of Premises that Lessee deems necessary to conduct program operations related to the Permitted Use ("Lessee's Improvements"). The Parties acknowledge and agree that any such Lessee Improvements may be made with Lessor's prior consent and require prior notification of the Lessor. The Parties shall confer and agree on scheduling and timeline of such work. Lessee may remove Lessee's Improvements at any time prior to the termination of this Lease, and shall promptly repair any damage arising from such removal to its original condition upon commencement of the Lease. Lessee shall make no structural alterations to the Premises

without the prior written consent of Lessor, which, decision for or against consent shall not be unreasonably withheld, conditioned or delayed. Any equipment added or changes made are Lessee's responsibility to maintain, operate and repair.

7. **Real Property Taxes:** Lessee is a non-profit, tax exempt entity and is not subject to real estate taxes when conducting business within the scope of its exempt purpose. Therefore, Lessee's use of the Premises shall be tax exempt and Lessor agrees to use its best efforts to obtain such that in the event Lessee makes any new improvements to the Premises, by or for the benefit of exempt status for the leased Premises throughout the Term of this Lease, provided however, the Lessee during the term of this Lease, Lessee shall be responsible for reimbursement to Lessor for that portion of the real property taxes assessed to such improvement(s). Lessor shall be responsible for all other applicable real property taxes on the Premises.
8. **Maintenance Health & Safety:** Lessor agrees to be responsible to keep in good repair and condition all structural aspects of the Premises as well as all unexposed electrical, plumbing, heating and roof and sewer systems either inside or outside of the Premises; including , window frames, gutters and downspouts (if applicable) and sub-floors. Additionally, Lessor agrees, at its sole expense, to maintain all common areas in a neat and orderly condition, including providing proper lighting and landscaped common areas (the foregoing maintenance obligations shall be collectively referred to as "Lessor's Obligations"). Lessee agrees to keep in good repair and condition all outside areas including any playground or landscaped areas included as part of the leased Premises.
 - a. Lessee agrees to be responsible for the day-to-day maintenance and repair of the inside of the interior walls.
 - b. Lessee agrees to be responsible for cleaning share use spaces (ie) Kitchen, GWS Fellowship Hall, Parking /Playgrounds after usages and to return to original setup for Share use. .
 - c. In the event that a maintenance, repair or replacement issue which directly, or indirectly, relates to the health, safety and/or wellbeing of a child and/or Lessee's personnel becomes present near or upon the Premises due to Lessor's failure to carry out Lessor's Obligations in accordance with the Section 8, Lessee may, but shall not be obligated to, cause such maintenance, repair or replacement to be done as Lessee deems necessary after providing Lessor notice and a commercially reasonable opportunity to cure. Should Lessor fail to timely cure the condition and Lessee elects to remedy such condition, Lessor agrees to immediately pay to lessee all costs related thereto.
9. **Utilities and Services:** Lessor shall pay for all utilities and services furnished to or used by Lessee at the Premises, including gas, electricity, and all connection charges ("Utility Charges"), except for gas and electric supplied to Rooms 9 & 10. Except, failure of the lessee to operate gas or electric heaters/air conditioners in a reasonable, prudent manner can result in a utility surcharge as determined by the lessor.

In addition, Lessee will reimburse Lessor 1/3 (33%) of the monthly waste expense to be billed quarterly.

10. Insurance:

- a. Lessee shall, at its sole cost and expense, purchase and keep enforced during the Term of this Lease, liability insurance for personal injury and workers' compensation, with combined single limit coverage of one million dollars (\$1,000,000). All such insurance shall ensure the performance by Lessee of the indemnity provisions of this Lease as set forth below. Lessor and the Presbytery of San Diego shall be named as an additional insured on the policy. Copies of the policies shall be provided to Lessor. Lessee agrees that its insurance policy will provide to Lessor written notice of cancellation of insurance

or changes in the policies no later than thirty (30) days after such event. Lessee agrees if it does not keep such insurance in full force and effect, Lessor may obtain the necessary insurance and pay the premium, and reimbursement shall be deemed to be Additional Rent and shall be due on the next day on which Base Monthly Rent becomes due. Lessee shall also maintain insurance, at its own cost, for its personal property located on the Premises.

- b. Lessor agrees to procure and maintain throughout the term of this Lease, a policy of Commercial General Liability (CGL) insurance on the Premises in an amount and with coverage determined by Lessor, but in any event not less than one million dollars (\$1,000,000), insuring Lessor against liability arising out of ownership, use or occupancy of the Premises, including coverage for loss of or damage to the Premises in the full amount of its replacement value.

11. **Facilities:** Lessor hereby exclusively leases to Lessee and Lessee hereby exclusively leases from Lessor the real property, designated as Rooms 4, 5, 6, 7, 8, 11, 13, 21, 22, 24, 25, 26, 27, 28, 30, 40. The square footage (sq/ft.) of the base leased space is 6645.93 sq/ft. @ \$2.05 per sq/ft. LESSEE will share facilities such as (kitchen, room 16, and parking lot/playground) indicated in Exhibit 'A' attached to and made a part of this agreement. All facilities under this agreement are located at 3025 Fir Street, San Diego, California
12. **Signs:** Upon Lessor's consent, Lessee shall at its own expense have the right to place on the Premises, at locations selected by Parties any signs which are permitted by applicable zoning ordinances. Lessee shall repair all damage to the Premises resulting from the removal of signs installed by Lessee.
13. **Parking:** Lessee and Lessee's agents, employees, guests, and invitees shall have for their use and benefit the non-exclusive right in common with Lessor, their respective agents, employees, guests and invitees the use of non-reserved common automobile parking areas, driveways and footways (collectively, the "Parking Area"). Lessee's use of the Parking Area shall be subject to such reasonable and uniformly enforced rules as Lessor may, in its reasonable discretion, adopt from time to time with respect to the Parking Area.
14. **Notice of Entry:** Lessor reserves and shall at any reasonable times have the right to enter the Premises for the following reasons: (a) to supply any services to be provided by Lessor to Lessee under this Lease; and (b) to show the Premises to a prospective purchaser, lessees, insurance agents, lenders, service suppliers or contractors.
15. **Estoppel Certificate:** Upon ten (10) days prior written notice by Lessor, Lessee agrees to execute, acknowledge and promptly deliver to Lessor's address, referenced in Section 21 below, a document certifying: (a) confirmation or ratification of this Lease, (b) the Commencement Date and Termination Date; (c) that this Lease is in full force and effect and has not been assigned, modified or amended (except by such writings as shall be stated); (d) that all conditions under this Lease to be performed by Lessee have been satisfied as of the date of such certification; (e) that there are no defenses or offsets against the enforcement of this Lease by Lessor or stating those that are claimed by Lessee; and (f) the amount of the Security Deposit paid to Lessor.
16. **Quiet Possession:** Lessee may occupy and enjoy the Premises for the full Lease Term, subject to the provisions of this Lease, so long as Lessee pays the Base Monthly Rent and complies with all other terms of this Lease.

17. **Indemnification:** Lessee agrees to hold harmless Lessor from and against any and all claims, demands, actions, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) relating to or arising from the services provided by Lessee in connection with its use of the Premises under this Lease, except when the resulting injuries and/or damages are caused in part or in whole by the negligence, fault of, or omissions of Lessor or its authorized directors, officers, employees, agents, representatives and affiliates.

Lessor agrees to hold harmless Lessee and each of its directors', officers, employees, agents, representatives and affiliates (including, without limitation, the administrators of Lessor's employee benefit plans) from any third-party claim(s) for damages, except when the resulting injuries and/or damages are caused in part or in whole by the negligence, fault of, or omissions of Lessee or its authorized directors, officers, employees, agents, representatives and affiliates.

18. **Destruction:** If the Premises is damaged by fire, storm or other act of God only to such an extent as to render them partially un-leaseable ("Damaged Premises") Lessor agrees to restore the Damaged Premises as speedily as possible, with Base Monthly Rent to be abated proportionately on the Damaged Premises until the Damaged Premises is fit for Lessee's occupancy. If the Premises is materially damaged by any of the aforesaid causes or Lessor cannot restore the Damaged Premises within sixty (60) days from the date of injury or damage, then Lessee shall have the right, but not the obligation, to terminate this Lease upon thirty (30) days prior written notice and this Lease shall thereupon become null and void and all liability of Lessee shall terminate upon payment of all Base Monthly Rent due and payable to the date of such casualty.

19. **Eminent Domain:** If all of the Premises shall be taken by power of eminent domain or ("Condemned") this Lease shall terminate effective as of the date possession is required to be surrendered to the authority. If any part of the Premises is Condemned, or if any adjacent property or street shall be Condemned or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, or if Lessor shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation. Lessee shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority or to continue the Lease, in which case the Basic Monthly rent shall be proportionately abated.

20. **Default:** The occurrence of any of the following shall constitute a default under this Lease:

- a. Abandonment, vacating or surrender of the Premises by Lessee.
- b. Failure by Lessee to make any payment of Base Monthly Rent or any other payment required to be made by Lessee when due, if such failure continues for a period of ten (10) business days after Lessor provides written notice to Lessee.
- c. Failure or refusal by either Party to perform a required covenant or condition under this Lease (monetary, or otherwise) that is deemed to be substantive and material, if and only if, such a failure to perform is not cured within thirty (30) business days after written notice is furnished to the non-performing Party.

21. **Remedies:**

- a. If the Lessee fails to perform any of its duties or obligations within applicable cure periods, Lessor may at its option:
 - i. Terminate Lessee's right to possession of the Premises and the Lease shall terminate and Lessee shall surrender possession to Lessor. In such event, Lessor shall be entitled to recover the unpaid rent accrued at the time of the termination;
 - ii. Continue the Lease, allowing Lessee's continued right to possession and recover the Base Monthly rent as it becomes due; and/or
 - iii. Pursue any other remedy now or hereinafter available under the laws of California, however

- b. If Lessor fails to perform any of its duties or obligations within applicable cure periods, Lessee may at its option (i) terminate the Lease and surrender possession of the Premises to Lessor; (ii) continue the Lease as contemplated in Section 20(ii) above; and/or (iii) pursue any other remedy now or hereinafter available under the laws of California.
22. **Notices:** Any notice required by this Lease must be in writing and shall be deemed to have sufficiently communicated when (i) personally delivered; or (ii) on the second (2nd) business day after mailing by overnight delivery, postage prepaid.
23. **Attorney Fees:** In the event any legal action or proceeding brought by either Party against the other under this Lease, the prevailing Party shall be entitled to recover reasonable attorney's fees, costs and expenses.
24. **Assignment:** Lessee agrees not to assign this Lease, sublet the Premises, or any part thereof, nor shall Lessee assign any of its rights or obligations hereunder without the prior written consent of Lessor. Any attempt by Lessee to assign any of its rights or obligations under this Lease in violation of this Section shall be void. Subject to the foregoing, this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.
25. **Surrender of Premises:** Upon surrender of the Premises, Lessee shall remove all of its personal property and any alterations made to the Premises and surrender to Lessor the Premises in the same condition as it existed at the commencement of the Term, with the exception of normal wear and tear. Any improvements that have been made or will be made in the future at Lessor's expense are the property of the Lessor.
26. **Headings:** All section and paragraph headings are for reference and convenience only and do not alter, amend, explain, interpret or otherwise affect the terms and conditions of this Lease.
27. **Partial Invalidity:** If any term or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Lease shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
28. **Hold Over:** If Lessee, with Lessor's consent, remains in possession of the Premises after expiration or termination of the Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable on thirty (30) day notice given by either Party. All provisions of this Lease except those pertaining to the Term shall apply to the month-to-month tenancy.
29. **Binding on Successors:** In the event of any sale or exchange of the Premises by Lessor, the terms, conditions and covenants set forth in this Lease shall apply to and bind the heirs, successors and their representatives.
30. **No Waiver of Breach or Default:** Either Party's failure to strictly and/or promptly enforce any of its rights, including but not limited to declaring a default, requiring cure of default, and/or terminating this Lease, shall not operate as a waiver of the default or breach of Lessee's rights, or to defeat or affect in any way the rights of either Party, with respect to any such continuing or subsequent default or breach. No waiver shall be inferred from or implied by anything done or omitted by either Party with respect to default and breach shall be cumulative and not alternative. Each Party expressly reserves the right to enforce any and all rights it has been herein at any such time as the Party, in its sole discretion, deem appropriate.

Miscellaneous Provisions:

- A. Time is of the essence in each provision of this Lease
- B. This Lease shall be governed by, construed and enforced in accordance with the laws of the State of California.

- C. This Lease contains the entire agreement between the Parties and cannot be amended or modified except by written agreement.
- D. All provisions, whether covenants or conditions applying to both Parties shall be deemed as both covenants and conditions under this Lease.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed in their names and on their behalf by their duly authorized representatives effective as of the effective date first written above.

Christ United Presbyterian Church
Of San Diego

Chancellor William McGill School
Of Success

BY 

By 

Name: John Scott
Its: ~~President~~ PROPERTY CO CHAIR

Name: Norma Sandoval
Its: Principal/CEO

By 

By 

NAME : NL ALLEN

Name: Anita Beaver
Its: Board President

Its: PRESIDENT

Exhibit "A"

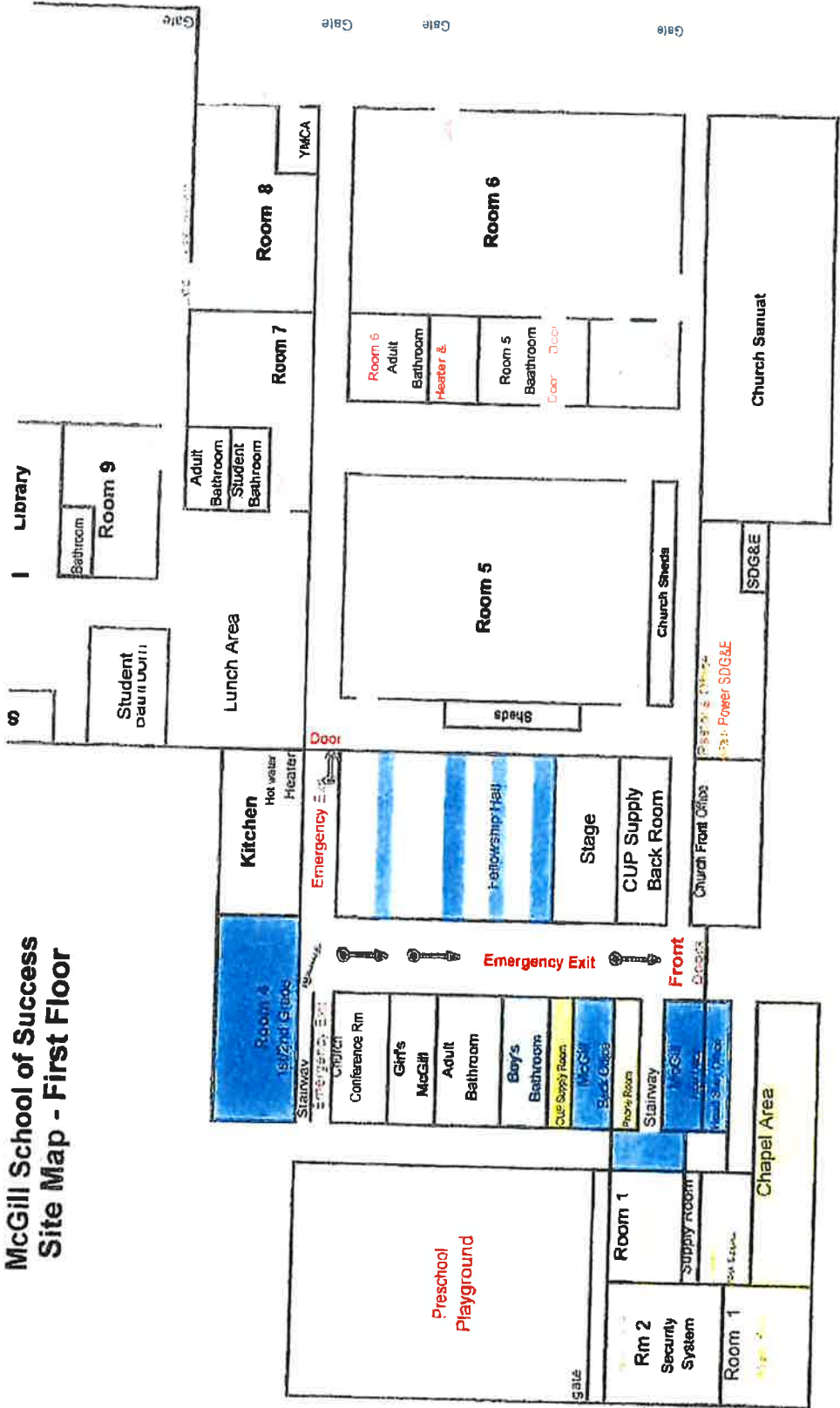
<u>Room</u>	<u>Usage</u>	<u>Sq.Ft.</u>	<u>\$Amount</u>
13	Principal	196.00	
11	Front Office	120.00	
4	Classroom	488.13	
5	Classroom	684.00	
6	Classroom	1,048.10	
7/8	Classroom	1,624.00	
40	Classroom	476.00	
21	Nurse Station	135.00	
22	Supply Room	135.00	
24	Admin. Office	135.00	
25	Classroom	594.00	
26	Copy Room	135.00	
27	Computer Room	185.90	
28	Resource Room	225.00	
30	Classroom	464.80	
	Total	6645.93	
			\$13,697.31

Shared Space with CUPC and/or NHA

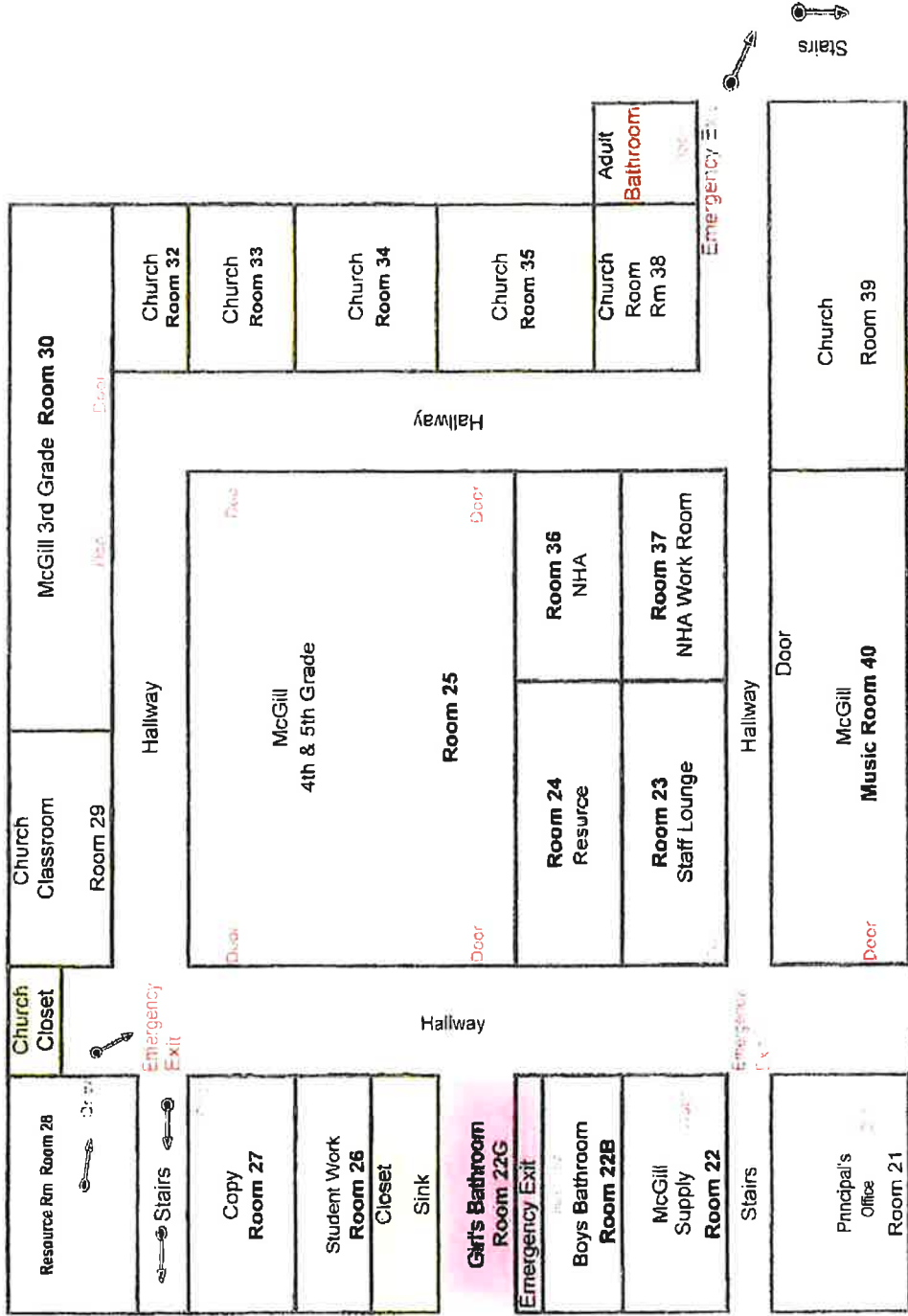
16	Conference Rm.	358.40	N/C
	GWSFH	1,939.80 ¼ of base sq. ft.	= \$994.14
	Kitchen	364.50 80hrs/mo	= \$200.00
	Parking Lots	240 hrs/mo @ \$1.25	= \$300.00
			<u>\$1,494.14</u>

\$15,191.45

McGill School of Success Site Map - First Floor



McGill School of Success Site Map - 2nd Floor



UPSTAIRS LAYOUT LT Gray: McGill YELLOW: C.U.P.C JOINT USAGE GRYLW