

Chairperson
Tyrone Matthews, Esq.



President and CEO
Rudolph A. Johnson, III

The Neighborhood House Association

STANDARD LEASE AGREEMENT Contract No. 21-008821-L

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 **The Neighborhood House Association**, a California non-profit public benefit corporation ("Lessee"), for the operation by Lessee of a Head Start Center 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, playground and building described as being located at 3025 Fir Street, San Diego, CA 92102 more commonly known as the Neighborhood House Association's **McGill Head Start Program** measuring (approximately) 4,300 rentable square feet (the "Premises"), as referenced on Exhibit "A" attached and made hereof.
2. **Term:** The term of this Lease shall be for a period of thirty-six (36) months, commencing 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 thirty-six (36) month 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, community-based 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 any 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 Head Start school year (historically beginning in September and ending in June).
3. **Base 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 Eight Thousand Five Hundred Dollars (\$8,500.00).

- 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 on 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 9 and 10B below, billed in connection with 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 Base Monthly Rent by an amount equal to the change in the Cost of Living Adjustment.
 - D. The Cost of Living Adjustment shall be defined as follows: At the end of each lease year (12 month period) hereof or of any extension or renewal hereof, the Base Monthly Rent for the next succeeding lease year shall be increased by the annual increase in the Cost of Living Adjustment ("COLA") where "COLA" is the Cost of Living Adjustment for the year as published by the Department of Health & Human Services for programs under the Head Start Act.
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. To the extent applicable, Lessor agrees to submit to Lessee monthly invoice(s) for Additional Rent as appropriate charges accrued by Lessee become due. Lessee agrees to pay all approved invoices within fifteen (15) days of receipt by Lessee at Lessor's address referenced in Section 21 below or at such other place as Lessor may designate in writing.
 - B. In the event Lessor fails to submit its invoices for Additional Rent, Lessor shall be entitled to collect all outstanding Additional Rent by submitting such outstanding invoice(s) to Lessee not later than July 30 of each year, for the prior twelve (12) month period. In the event Lessor fails to invoice Lessee on or before July 30 of each year, as contemplated in this Section, such outstanding Additional Rent shall be waived and deemed non collectable.
5. **Permitted Use:** The Parties acknowledge and agree that Lessee shall be permitted to use the Premises to provide Head Start services including comprehensive health and social services and child care 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 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 without Lessor's prior consent. However, 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. **Notwithstanding the above, Lessee shall make no structural alterations to the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed.**

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 exempt status for the leased Premises throughout the Term of this Lease, provided however, that in the event Lessee makes any new improvements to the Premises, by or for the benefit of 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, 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 in 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. 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 this 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 without limitations gas, electricity, and all connection charges ("Utility Charges"). Lessee shall compensate Lessor Sixty-Seven (67%) percent of Trash Removal Services billed to Lessor each month ("Utilities"). *70% NLA MS*
- Lessor agrees to provide to Lessee a quarterly invoice, detailing the Utilities being billed to Lessee. In the event of any disputed invoice, the Parties shall work in good faith to resolve the discrepancy.
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 the combined single limit coverage of one million dollars (\$1,000,000.00). 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. Upon request, 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 (\$1,000,000.00), 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. Lessor agrees not to obtain insurance for Lessee's fixtures, equipment or building improvements installed by Lessee on the Premises. Lessee agrees to pay a prorata share of Lessor's CGL premiums, which shall be based upon the floor area square footage of the Premises. On a semi-annual basis, or any commercially reasonable timeframe following a written request from Lessee, Lessor agrees to make available its supporting documentation for CGL premiums invoiced to Lessee. Lessee shall be named as an additional insured on the policy.
11. **Signs:** Upon Lessor's consent, Lessee shall at its own expense have the right to place on the Premises, at locations selected by Lessee, 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.
12. **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, 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.
13. **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.
14. **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.
15. **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.

16. **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

17. **Destruction:** If the Premises is damaged by fire, storm or other act of God only to such an extent as to render them partially unlesseeable ("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.

18. **Eminent Domain:** If all of the Premises shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose ("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.

19. **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.

20. **Remedies:** If Lessee fails to perform any of its duties or obligations within applicable cure periods, Lessor may at its option:

- A. 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;
- B. Continue the Lease, allowing Lessee's continued right to possession and recover the Base Monthly Rent as it becomes due; and/or
- C. Pursue any other remedy now or hereinafter available under the laws of California.

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 20B above; and/or (iii) pursue any other remedy now or hereinafter available under the laws of California.

21. **Notices:** Any notice required by this Lease must be in writing and shall be deemed to have been sufficiently communicated when (i) personally delivered; or (ii) on the second (2nd) business day after mailing by overnight delivery, postage prepaid:

to Lessor addressed:

Christ United Presbyterian Church
3025 Fir Street
San Diego, CA 92102

or to Lessee addressed:

Associate VP of Operations
The Neighborhood House Association
5660 Copley Drive
San Diego, California 92111

with copies to:

Legal Department
The Neighborhood House Association
5660 Copley Drive
San Diego, California 92111

22. **Attorney Fees:** In the event of 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.
23. **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.
24. **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.
25. **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.

26. **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.
27. **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) days notice given by either Party. All provisions of this Lease except those pertaining to the Term shall apply to the month-to-month tenancy.
28. **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.
29. **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, except an express written waiver. All rights and remedies of 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 herein at any such time as the Party, in its sole discretion, deems 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.
- E. Lessor agrees to the additional assurances referenced on **Exhibit "B"**, attached hereto and made a part hereof.

[Signature Page Follows]

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

By 

Name:

Its: **PRESIDENT**

The Neighborhood House Association

By 

Name: Rudolph A. Johnson, III

Its: President and CEO

Approved as to form and legality:


Dwight D. Smith

Executive VP & General Counsel

The Neighborhood House Association

EXHIBIT "A"
The "Premises"

[ATTACH SITE MAP AND/OR PHOTOGRAPH(S) HERE]

EXHIBIT "B"
ASSURANCES

Lessor hereby assures and certifies to the Neighborhood House Association (NHA) that it will comply with the regulations, policies, guidelines and requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards 45 CFR 75, and E.O. 12372 as they relate to the application, acceptance and use of federal funds for federally assisted project(s). To the extent applicable, Lessor assures and certifies to NHA that:

1. It possesses legal authority to enter into this Agreement; that a resolution, motion, or similar action has been duly adopted or passes as an official act of the applicant's governing body, authorizing the execution of this Agreement, including all understandings and assurances contained herein, and directing and authorizing the person identified as the official representative of the Lessor to act in connection with the Agreement and to provide such additional information as may be required.
2. It, and any subcontractor hired to perform hereunder, will comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246, relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
3. It, and any subcontractor hired to perform hereunder, will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501 - 1508; and 7324 - 7328), which limits the political activity of the employee.
4. It, and any subcontractor hired to perform hereunder, will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
5. It, and any subcontractor hired to perform hereunder, will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874), as supplemented by the Department of Labor Regulations (29 C.F.R. Part 3, "Contractors and subcontractors on public building or public work financed in whole or in part by loans or grants from the United States").
6. It, and any subcontractor hired to perform hereunder, will fully comply with all Federal statutes relating to the prohibition against forced child labor and severe forms of trafficking in persons. These include but are not limited to the Trafficking Victims Protection Act of 2000 (22 U.S.C. §§ 7104, et seq.) which authorizes the termination of grants, contracts and/or cooperative agreements, without penalty to the Federal awarding agency/department, if Lessor or any of its subcontractors (i) engages in severe forms of trafficking in persons; (ii) has procured a commercial sex act during the effective period of the contract; and/or (iii) uses forced labor in its performance of this Agreement.
7. It, and any subcontractor hired to perform hereunder, will fully comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) which prohibits discrimination on the basis of race, color or national origin; Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act; and any other Federal and State law and regulations hereinafter enacted which may apply to the application.
8. To the extent applicable, if Lessor, including any subcontractor it hires to perform hereunder, is awarded construction contracts of more than \$2,000, Lessor agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor Regulations (29 CFR Part 5, "Labor standards provisions applicable to contracts governing federally financed and assisted construction").
9. Regarding all negotiated contracts, excluding those for less than \$2,500, NHA, the Federal Awarding Agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
10. It, and any subcontractor hired by Lessor to perform on its behalf hereunder, are not currently suspended, debarred, or otherwise prohibited (i) by the Federal Government from bidding on, accepting or being awarded federally funded contracts, either as a contractor or subcontractor; or (ii) by the State of California from bidding on, accepting or being awarded public works contracts, either as a contractor or subcontractor. Lessor agrees to inform NHA within forty-eight (48) hours of any change in its debarment status.
11. It, and any subcontractor hired to perform hereunder, will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.