

Prepa Tec Los Angeles High School



Enrollment	114	260	390	520	520	520
ADA	108.3	247	370.5	494	494	494

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
Income						
8000 • Primary State Funding						
8011 • LCFF	943,939	2,326,025	3,672,175	5,073,759	5,296,310	5,296,310
8012 • Educational Protection Act	21,207	49,920	74,100	98,800	98,800	98,800
8019 • PY Adjustments	0	0	0	0	0	0
8096 • In Lieu of Property Tax	219,359	469,041	703,561	938,081	938,081	938,081
Total 8000 • Primary State Funding	1,184,505	2,844,986	4,449,836	6,110,640	6,333,191	6,333,191
8100 • Federal Funding						
8181 • IDEA	0	15,438	15,438	95,031	95,031	95,031
8220 • Nutrition	72,455	164,573	246,860	329,146	329,146	329,146
8291 • Title I	0	25,488	25,488	25,488	25,488	25,488
8292 • Title II	0	315	315	315	315	315
8295 • Title V	194,206	250,000	0	0	0	0
Total 8100 • Federal Funding	266,661	455,814	288,100	449,980	449,980	449,980
8300 • Other State Funding						
8311 • Special Education	50,651	123,006	184,509	279,975	279,975	279,975
8520 • Nutrition	6,620	9,835	11,802	15,736	15,736	15,736
8545 • SB740	0	152,646	259,125	370,500	370,500	370,500
8550 • Mandated	0	3,458	5,187	6,916	6,916	6,916
8555 • ASES	0	0	0	0	0	0
8560 • Lottery	0	44,707	67,061	89,414	89,414	89,414
Total 8300 • Other State Funding	57,271	333,652	527,684	762,541	762,541	762,541
8600 • Local Funding						
8610 • Sublease Income	0	60,529	60,676	0	0	0
8660 • Interest	25	60	60	60	60	60
8689 • Other Fees	0	0	0	0	0	0
8699 • Fundraising	412	5,000	7,500	10,000	12,500	15,000
Total 8600 • Local Funding	437	65,589	68,236	10,060	12,560	15,060
Total Revenue	1,508,874	3,700,041	5,333,856	7,333,220	7,558,271	7,560,772
Expense						
1000 • Certificated Salaries						
1100 • Teachers	442,362	697,904	1,133,622	1,552,631	1,599,210	1,647,186
1120 • Stipends	0	0	0	0	0	0
1300 • Administrators	139,277	144,721	259,921	267,719	275,750	284,023
1900 • Other	22,216	63,315	126,630	192,000	197,760	203,693
Total 1000 • Certificated Salaries	603,855	905,940	1,520,173	2,012,349	2,072,720	2,134,901
2000 • Classified Salaries						
2100 • Instructional	61,865	54,440	103,928	162,046	166,907	171,914
2200 • Support	0	40,684	83,796	86,310	88,899	91,566
2300 • Administrators	0	0	0	0	0	0
2400 • Clerical, Technical & Office	98,128	122,717	136,910	141,017	145,248	149,605
2900 • Other	97,709	91,943	144,175	148,500	152,955	157,544
Total 2000 • Classified Salaries	257,702	309,784	468,809	537,873	554,009	570,630

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3100 - Certificated Fringe							
3101 - STRS	76,992	130,726	247,484	364,839	395,889	407,766	
3151 - Certificated 403(b) ER	15	0	0	0	0	0	
3152 - Certificated 401(k) ER	0	906	1,520	2,012	2,073	2,135	
3301 - FICA							
3301.1 - Social Security	392	0	0	0	0	0	
3301.2 - Medicare	8,748	13,136	22,043	29,179	30,054	30,956	
Total 3301 - FICA	9,140	13,136	22,043	29,179	30,054	30,956	
3401 - Health Insurance	51,219	83,645	147,374	151,795	156,349	161,040	
3501 - Unemployment	0	6,684	11,284	11,623	11,971	12,330	
3601 - Workers Comp	6,975	10,464	17,558	18,085	18,627	19,186	
Total 3100 - Certificated Fringe	144,341	245,561	447,263	577,533	614,964	633,413	
3200 - Classified Fringe							
3202 - PERS	16,276	54,768	81,897	90,087	99,095	109,005	
3251 - Classified 403(b) ER	0	0	0	0	0	0	
3252 - Classified 401(k) ER	0	310	469	538	554	571	
3302 - FICA							
3302.1 - Social Security	15,942	19,207	29,066	33,348	34,349	35,379	
3302.2 - Medicare	3,728	4,492	6,798	7,799	8,033	8,274	
Total 3302 - FICA	19,671	23,698	35,864	41,147	42,382	43,653	
3402 - Health Insurance	43,543	51,332	59,238	61,015	62,846	64,731	
3502 - Unemployment	0	5,052	7,352	7,573	7,800	8,034	
3602 - Workers Comp	3,001	3,578	5,537	5,703	5,874	6,050	
Total 3200 - Classified Fringe	82,490	138,738	190,357	206,063	218,551	232,044	
4000 - Books & Supplies							
4100 - Textbooks & Core Materials	65,358	50,000	50,000	51,000	52,020	53,060	
4200 - Books & Reference Materials	2,581	2,000	2,000	2,040	2,081	2,122	
4302 - School Supplies	32,150	28,000	28,000	28,560	29,131	29,714	
4303 - Special Activities	1,492	15,000	15,000	15,300	15,606	15,918	
4304 - Uniforms	2,695	2,000	4,000	6,000	8,000	8,000	
4305 - Software	850	850	850	867	884	902	
4400 - Non-Capital Equipment	0	0	0	0	0	0	
4700 - Nutrition	97,976	225,694	338,541	451,388	451,388	451,388	
Total 4000 - Books & Supplies	203,101	323,544	438,391	555,155	559,110	561,105	
5000 - Operations							
5200 - Travel							
5201 - Mileage, Parking & Tolls	221	200	200	204	208	212	
5202 - Bus Servicing	0	0	0	0	0	0	
5210 - Conferences							
5211 - Registration	80	2,500	2,500	2,500	2,500	2,500	
5212 - Transportation			2,500	2,500	2,500	2,500	
5213 - Food & Lodging	127	500	500	500	500	500	
Total 5210 - Conferences	207	5,500	5,500	5,500	5,500	5,500	

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Total 5200 - Travel	428	5,700	5,700	5,704	5,708	5,712	
5300 - Dues & Memberships	2,507	2,400	2,400	2,448	2,497	2,547	
5400 - Insurance							
5401 - General Liability	7,544	26,000	26,000	30,000	30,600	31,212	
5402 - Property	0	0	0	0	0	0	
5403 - Vehicle	0	0	0	0	0	0	
5404 - D&O	0	0	0	0	0	0	
Total 5400 - Insurance	7,544	26,000	26,000	30,000	30,600	31,212	
5500 - Utilities							
5501 - Electricity	7,926	18,000	36,000	36,720	37,454	38,203	
5502 - Gas	0	0	0	0	0	0	
5503 - Water/Sewer	0	5,000	10,000	10,200	10,404	10,612	
5504 - Trash Removal	915	4,500	9,000	9,180	9,364	9,551	
Total 5500 - Utilities	8,841	27,500	55,000	56,100	57,222	58,366	
5510 - Office Expense	7,740	5,500	20,000	20,400	20,808	21,224	
5511 - Postage & Shipping	3,158	3,200	3,200	3,264	3,329	3,396	
5512 - Printing	6,801	7,000	7,000	7,140	7,283	7,428	
5513 - Other Taxes & Fees	155	200	200	204	208	212	
5514 - Bank Fees	57	50	50	51	52	53	
5515 - PR & Recruitment	25,521	25,000	25,000	25,500	26,010	26,530	
5516 - Miscellaneous	0	0	0	0	0	0	
5530 - Fundraising	5,027	0	0	0	0	0	
5900 - Communication							
5901 - Voice	0	26,000	26,000	26,520	27,050	27,591	
5902 - Data	144	15,000	15,000	15,300	15,606	15,918	
5903 - Website	0	0	0	0	0	0	
5904 - Cell Phone	0	0	0	0	0	0	
Total 5900 - Communication	144	41,000	41,000	41,820	42,656	43,510	
Total 5000 - Operations	67,922	143,550	185,550	192,631	196,374	200,191	
5100 - Subagreement Services							
5102 - Special Education	2,244	0	0	0	0	0	
5103 - Substitute Teachers	14,259	22,000	22,000	22,440	22,889	23,347	
5104 - Student Transportation	1,603	5,000	5,000	5,100	5,202	5,306	
5105 - Security	2,494	2,500	2,500	2,550	2,601	2,653	
5106 - Other Educational Consultants	13,625	30,000	30,000	30,600	31,212	31,836	
5107 - IB Fees	2,267	7,500	7,500	7,650	7,803	7,959	
Total 5100 - Subagreement Services	36,492	67,000	67,000	68,340	69,707	71,101	
5600 - Facility							
5601 - Base Rent	60,888	332,910	555,720	566,610	571,104	581,758	
5602 - Additional Rent	0	75,000	0	0			
5603 - Equipment Leases	1,846	0	15,000	15,300	15,606	15,918	
5604 - Other Leases	3,859	4,000	4,000	4,080	4,162	4,245	

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	FY17	FY18	FY19	FY20	FY21	FY22	
5605 · Real & Property Taxes	0	0	0	0	0	0	
5606 · Cleaning & Janitorial	1,836	12,000	12,000	12,240	12,485	12,734	
5610 · Repairs & Maintenance	20,713	12,000	12,000	12,240	12,485	12,734	
Total 5600 · Facility	89,142	435,910	598,720	610,470	615,841	627,390	
5800 · Professional Fees							
5801 · IT	17,392	18,000	30,000	30,600	31,212	31,836	
5802 · Audit	0	0	0	0	0	0	
5803 · Legal	0	0	0	0	0	0	
5804 · Professional Development	3,759	115,000	30,000	30,600	31,212	31,836	
5805 · General	12,046	16,000	16,000	16,320	16,646	16,979	
5809 · Student Data Services	0	0	0	0	0	0	
5810 · Payroll Service Fees	0	0	0	0	0	0	
5811 · Central Office Fees	73,686	407,004	586,724	806,654	831,410	831,685	
5812 · Chartering Oversight Fees	0	28,450	44,498	61,106	63,332	63,332	
5813 · LACOE Oversight	1,250	5,000	6,000	6,000	6,000	6,000	
5814 · SELPA Fees	398	6,922	9,997	18,750	18,750	18,750	
Total 5800 · Professional Fees	108,532	596,376	723,220	970,031	998,562	1,000,419	
6900 · Depreciation/Amortization	651	160,000	160,000	160,000	160,000	160,000	
7438 · Interest Expense	30,392	0	0	0	0	0	
		3,326,404	4,799,482	5,890,445	6,059,838	6,191,194	
Surplus/(Deficit)	-115,747	373,636	534,373	1,442,775	1,498,433	1,369,578	
Opening Fund Balance	0	-115,747	257,890	792,263	2,235,038	3,733,471	
Ending Fund Balance	-115,747	257,890	792,263	2,235,038	3,733,471	5,103,049	
	-7.1%	7.8%	16.5%	37.9%	61.6%	82.4%	

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Attachment 4
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	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY17	Budget
Income														
8000 Primary State Funding														
8011 LCFF	0.00	0 00	456,963.00	0.00	0 00	69,421.00	0.00	83,797 00	83,797.00	82,367 00	83,797.00	83,797.00	943,939 00	1,237,804 00
8012 Educational Protection Act	0.00	0 00	6,888.00	0.00	0 00	3,767.00	0.00	0 00	5,276.00	0.00		5,276.00	21,207 00	30,780 00
8019 PY Adjustments	0.00	0 00	0.00	0.00	0 00	0.00	0.00	0 00	0.00	0 00	0.00	0.00	0 00	0 00
8096 In Lieu of Property Tax	0.00	0 00	69,180.25	795.82	16,464 96	16,464.96	16,464.96	33,328 86	16,664.63	16,664 86	16,664.86	16,664.86	219,359 02	261,580 00
Total 8000 Primary State Funding	0.00	0 00	533,031.25	795.82	16,464 96	89,652.96	16,464.96	117,125 86	105,737.63	99,031 86	100,461.86	105,737.86	1,184,505 02	1,530,164 00
8100 Federal Funding														
8181 IDEA	0.00	0 00	0.00	0.00	0 00	0.00	0.00	0 00	0.00	0 00	0.00	0.00	0 00	17,219 00
8220 Nutrition	0.00	5,472 94	8,928.55	7,487.95	6,473 51	4,949.14	6,201.90	7,334 35	9,203.29	5,903 24	8,500.00	2,000.00	72,454 87	91,781 00
8291 Title I	0.00	0 00	0.00	0.00	0 00	0.00	0.00		0.00			0.00	0 00	0 00
8292 Title II	0.00	0 00	0.00	0.00	0 00	0.00	0.00						0 00	0 00
8295 Title V	0.00	0 00	21,387.49	4,832.01	2,489 85	3,569.85	2,869.85	45,729 64	5,471.85	3,855 85	4,000.00	100,000.00	194,206 39	200,000 00
Total 8100 Federal Funding	0.00	5,472 94	30,316.04	12,319.96	8,963 36	8,518.99	9,071.75	53,063 99	14,675.14	9,759 09	12,500.00	102,000.00	266,661 26	309,000 00
8300 Other State Funding														
8311 Special Education	0.00	0 00	0.00	0.00	0 00	0.00	0.00	10,050 00	10,130.00	10,130 00	10,130.00	10,211.00	50,651 00	68,875 00
8520 Nutrition	0.00	486 22	815.06	679.47	591 81	450.34	565.02	666 99	830.50	534 37	800.00	200.00	6,619.78	19,805 00
8545 SB740	0.00	0 00	0.00	0.00	0 00	0.00	0.00			0.00		0.00	0 00	103,313 00
8550 Mandated	0.00	0 00	0.00	0.00	0 00	0.00	0.00						0 00	0 00
8555 ASES	0.00	0 00	0.00	0.00	0 00	0.00	0.00						0 00	0 00
8560 Lottery	0.00	0 00	0.00	0.00	0 00	0.00	0.00						0 00	24,933 00
Total 8300 Other State Funding	0.00	486 22	815.06	679.47	591 81	450.34	565.02	10,716 99	10,960.50	10,664 37	10,930.00	10,411.00	57,270.78	216,926 00
8600 Local Funding														
8610 Sublease Income	0.00	0 00	0.00	0.00	0 00	0.00	0.00	0 00	0.00	0 00	0.00	0.00	0 00	0 00
8660 Interest	0.00	0 00	0.00	8.17	3 66	0.00	1.31	0 00	0.00	7 68	2.00	2.00	24 82	0 00
8689 Other Fees	0.00	0 04	0.00	0.00	0 00	0.00	0.00						0 04	0 00
8699 Fundraising	0.00	0 00	0.00	0.00	0 00	0.00	0.00			412.05			412 05	0 00
Total 8600 Local Funding	0.00	0 04	0.00	8.17	3 66	0.00	1.31	0 00	0.00	419.73	2.00	2.00	436 91	0 00
Total Revenue	0.00	5,959.20	564,162.35	13,803.42	26,023.79	98,622.29	26,103.04	180,906.84	131,373.27	119,875.05	123,893.86	218,150.86	1,508,873.97	2,056,090.00
Expense														
1000 Certificated Salaries														
1100 Teachers	0.00	32,684.70	39,704.94	36,016.81	40,399.42	49,708.08	40,808.08	40,608 08	40,608.08	40,608 08	40,608.08	40,608.08	442,362.43	428,128 00
1120 Stipends	0.00	0 00	0.00	0.00	0 00	0.00	0.00						0 00	0 00
1300 Administrators	4,366.18	13,247 34	13,247.34	10,503.61	12,226 60	12,226.60	12,326.60	12,226 60	12,226.60	12,226 60	12,226.60	12,226.60	139,277 27	167,787 00
1900 Other	0.00	4,197 28	4,867.49	5,772.28	3,357 28	4,021.20	0.00	0 00	0.00	0 00	0.00	0.00	22,215 53	50,368 00
Total 1000 Certificated Salaries	4,366.18	50,129 32	57,819.77	52,292.70	55,983 30	65,955.88	53,134.68	52,834 68	52,834.68	52,834 68	52,834.68	52,834.68	603,855 23	646,283 00
2000 Classified Salaries														

Prepa Tec Los Angeles High School Budget and
Financial Projections

2100	Instructional	0.00	2,821.49	4,687.78	2,998.48	3,546.07	6,656.60	7,729.21	8,682.10	8,511.76	5,591.54	8,511.76	2,127.94	61,864.73	21,320.00
2200	Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,319.00
2300	Administrators													0.00	0.00
2400	Clerical, Technical & Office	3,987.18	9,861.18	9,709.97	9,316.54	8,742.08	8,334.72	9,221.72	9,014.40	9,905.70	7,652.80	9,905.70	2,476.43	98,128.42	84,333.00
2900	Other	8,973.00	8,358.81	10,864.02	9,080.23	8,262.43	6,380.23	7,621.63	8,734.64	10,468.38	5,879.97	10,468.38	2,617.10	97,708.82	57,232.00
Total 2000 Classified Salaries		12,960.18	21,041.48	25,261.77	21,395.25	20,550.58	21,371.55	24,572.56	26,431.14	28,885.84	19,124.31	28,885.84	7,221.46	257,701.96	196,204.00
3100	Certificated Fringe														
3101	STRS	144.83	6,339.13	6,985.31	6,195.32	6,963.40	8,068.26	7,348.54	7,310.81	7,297.59	7,045.68	6,646.60	6,646.60	76,992.08	81,302.00
3151	Certificated 403(b) ER	2.50	7.50	5.00	0.00	0.00	0.00	0.00						15.00	0.00
3152	Certificated 401(k) ER													0.00	0.00
3301	FICA														
3301.1	Social Security	51.67	0.00	0.00	188.80	39.06	112.84	0.00						392.37	0.00
3301.2	Medicare	63.16	726.70	837.80	757.67	810.67	955.23	769.34	765.02	764.99	764.99	766.10	766.10	8,747.78	9,371.00
Total 3301 FICA		114.83	726.70	837.80	946.47	849.73	1,068.07	769.34	765.02	764.99	764.99	766.10	766.10	9,140.15	9,371.00
3401	Health Insurance	334.04	510.38	2,744.34	5,020.02	4,824.15	6,843.89	4,542.46	4,505.19	6,442.08	5,150.82	5,150.82	5,150.82	51,219.01	96,600.00
3501	Unemployment													0.00	4,991.00
3601	Workers Comp	50.42	578.99	667.82	603.98	646.61	761.79	613.71	610.24	610.24	610.24	610.24	610.24	6,974.52	18,096.00
Total 3100 Certificated Fringe		646.62	8,162.70	11,240.27	12,765.79	13,283.89	16,742.01	13,274.05	13,191.26	15,114.90	13,571.73	13,173.77	13,173.77	144,340.75	210,360.00
3200	Classified Fringe														
3202	PERS	320.74	247.10	0.00	0.00	0.00	707.25	2,493.45	2,633.95	2,901.83	1,956.67	4,011.67	1,002.92	16,275.57	23,388.00
3251	Classified 403(b) ER	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	
3252	Classified 401(k) ER	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	
3302	FICA														
3302.1	Social Security	803.54	1,354.30	1,514.45	1,326.20	1,273.19	1,318.67	1,517.13	1,632.36	1,784.57	1,179.34	1,790.92	447.73	15,942.40	12,165.00
3302.2	Medicare	187.94	304.62	366.29	310.16	297.76	308.40	354.81	381.77	417.36	275.80	418.84	104.71	3,728.47	2,845.00
Total 3302 FICA		991.48	1,658.92	1,880.74	1,636.36	1,570.95	1,627.07	1,871.94	2,014.13	2,201.93	1,455.14	2,209.77	552.44	19,670.87	15,010.00
3402	Health Insurance	2,069.83	2,069.83	3,423.47	2,806.74	2,968.98	3,462.73	6,113.65	4,125.46	4,125.46	4,125.46	4,125.46	4,125.46	43,542.53	49,000.00
3502	Unemployment														3,834.00
3602	Workers Comp	149.69	243.03	291.77	247.10	237.36	246.83	283.82	305.27	333.63	220.89	220.89	220.89	3,001.17	5,494.00
Total 3200 Classified Fringe		3,531.74	4,218.88	5,595.98	4,690.20	4,777.29	6,043.88	10,762.86	9,078.81	9,562.85	7,758.16	10,567.78	5,901.71	82,490.14	96,726.00
4000	Books & Supplies														
4100	Textbooks & Core Materials	0.00	0.00	18,195.49	0.00	0.00	0.00	1,764.48	43,208.89	2,189.10	0.00	0.00	0.00	65,357.96	42,000.00
4200	Books & Reference Materials	0.00	0.00	464.06	1,430.00	0.00	0.00	0.00	686.65					2,580.71	31,920.00
4302	School Supplies	0.00	1,599.85	10,684.45	1,917.86	5,214.06	2,212.83	1,599.85	5,195.57	2,125.88	1,599.85	0.00	0.00	32,150.20	32,400.00
4303	Special Activities	0.00	0.00	150.00	0.00	300.00	0.00	352.00			690.00			1,492.00	0.00
4304	Uniforms	0.00	0.00	0.00	0.00	0.00	0.00	1,886.04	588.49		220.22			2,694.75	
4305	Software	0.00	0.00	850.00	0.00	0.00	0.00	0.00						850.00	16,200.00
4400	Non-Capital Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	41,000.00
4700	Nutrition	0.00	0.00	20,160.00	11,630.20	8,624.00	6,550.00	8,505.00	10,489.35	11,635.55	7,881.45	10,000.00	2,500.00	97,975.55	93,713.00
Total 4000 Books & Supplies		0.00	1,599.85	50,504.00	14,978.06	14,138.06	8,762.83	14,107.37	60,168.95	15,950.53	10,391.52	10,000.00	2,500.00	203,101.17	257,233.00
5000	Operations														
5200	Travel														
5201	Mileage, Parking & Tolls	0.00	0.00	15.00	0.00	177.96	0.00	0.00		28.00				220.96	0.00
5202	Bus Servicing	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	20,000.00

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5600 Facility

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5601	Base Rent	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	5,074.00	60,888.00	216,000.00
5602	Additional Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00	
5603	Equipment Leases	0.00	0.00	738.81	1,107.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,846.12	3,600.00
5604	Other Leases	0.00	0.00	0.00	0.00	3,858.81	0.00	0.00					3,858.81	
5605	Real & Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00	
5606	Cleaning & Janitorial	0.00	0.00	628.88	114.45	0.00	0.00	1,092.68	0.00	0.00	0.00	0.00	1,836.01	
5610	Repairs & Maintenance	0.00	0.00	17,031.46	2,262.35	0.00	581.10	0.00	188.03	650.00	0.00	0.00	20,712.94	5,000.00
Total 5600 Facility		5,074.00	5,074.00	23,473.15	8,558.11	8,932.81	5,655.10	6,166.68	5,262.03	5,724.00	5,074.00	5,074.00	89,141.88	224,600.00
5800	Professional Fees													
5801	IT	0.00	0.00	17,392.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,392.41	0.00
5802	Audit													0.00
5803	Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5804	Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,759.00				3,759.00	10,000.00
5805	General	0.00	0.00	879.21	1,470.00	260.00	2,800.00	0.00	913.38	0.00	1,907.88	1,907.88	12,046.23	0.00
5809	Student Data Services													4,000.00
5810	Payroll Service Fees													3,600.00
5811	Central Office Fees	0.00	297.96	27,138.74	448.57	1,176.70	4,752.62	1,161.66	9,045.34	6,568.66	5,993.75	6,194.69	73,686.24	82,244.00
5812	Chartering Oversight Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,302.00
5813	LACOE Oversight	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250.00	0.00			1,250.00	5,000.00
5814	SELPA Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	398.00	0.00	0.00	0.00	398.00	5,166.00
Total 5800 Professional Fees		0.00	297.96	45,410.36	1,918.57	1,436.70	7,552.62	1,161.66	11,606.72	10,327.66	7,901.63	8,102.57	108,531.88	125,312.00
6900	Depreciation/Amortization	0.00	59.22	59.22	59.22	59.22	59.22	59.22	59.22	59.22	59.22	59.22	651.42	36,093.75
7438	Interest Expense	5,536.03	0.00	8,203.83	0.00	0.00	0.00	0.00	0.00	0.00	16,652.22	0.00	30,392.08	46,000.00
Total Expense		40,531.44	101,006.73	239,613.48	136,777.83	134,946.30	135,135.38	130,858.59	183,022.74	145,406.81	138,624.77	133,818.14	1,624,620.75	2,002,331.75
Surplus/(Deficit)		-40,531.44	-95,047.53	324,548.87	-122,974.41	-108,922.51	-36,513.09	-104,755.55	-2,115.90	-14,033.54	-18,749.72	-9,924.28	-115,746.78	53,758.25

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	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY17	Approved Budget
REVENUE														
Primary State Funding	\$ -	\$ -	\$ 533,031	\$ 796	\$ 16,465	\$ 89,653	\$ 16,465	\$ 117,126	\$ 105,738	\$ 99,032	\$ 100,462	\$ 105,738	\$ 1,184,505	\$ 1,530,164
Federal Funding	\$ -	\$ 5,473	\$ 30,316	\$ 12,320	\$ 8,963	\$ 8,519	\$ 9,072	\$ 53,064	\$ 14,675	\$ 9,759	\$ 12,500	\$ 102,000	\$ 266,661	\$ 309,000
Other State Funding	\$ -	\$ 486	\$ 815	\$ 679	\$ 592	\$ 450	\$ 565	\$ 10,717	\$ 10,961	\$ 10,664	\$ 10,930	\$ 10,411	\$ 57,271	\$ 216,926
Local Funding	\$ -	\$ 0	\$ -	\$ 8	\$ 4	\$ -	\$ 1	\$ -	\$ -	\$ 420	\$ 2	\$ 2	\$ 437	\$ -
Total Revenue	\$ -	\$ 5,959	\$ 564,162	\$ 13,803	\$ 26,024	\$ 98,622	\$ 26,103	\$ 180,907	\$ 131,373	\$ 119,875	\$ 123,894	\$ 218,151	\$ 1,508,874	\$ 2,056,090
EXPENSES														
Certificated Wages	\$ 4,366	\$ 50,129	\$ 57,820	\$ 52,293	\$ 55,983	\$ 65,956	\$ 53,135	\$ 52,835	\$ 52,835	\$ 52,835	\$ 52,835	\$ 52,835	\$ 603,855	\$ 646,283
Classified Wages	\$ 12,960	\$ 21,041	\$ 25,262	\$ 21,395	\$ 20,551	\$ 21,372	\$ 24,573	\$ 26,431	\$ 28,886	\$ 19,124	\$ 28,886	\$ 7,221	\$ 257,702	\$ 196,204
Certificated Benefits	\$ 647	\$ 8,163	\$ 11,240	\$ 12,766	\$ 13,284	\$ 16,742	\$ 13,274	\$ 13,191	\$ 15,115	\$ 13,572	\$ 13,174	\$ 13,174	\$ 144,341	\$ 210,360
Classified Benefits	\$ 3,532	\$ 4,219	\$ 5,596	\$ 4,690	\$ 4,777	\$ 6,044	\$ 10,763	\$ 9,079	\$ 9,563	\$ 7,758	\$ 10,568	\$ 5,902	\$ 82,490	\$ 96,726
Books & Supplies	\$ -	\$ 1,600	\$ 50,504	\$ 14,978	\$ 14,138	\$ 8,763	\$ 14,107	\$ 60,169	\$ 15,951	\$ 10,392	\$ 10,000	\$ 2,500	\$ 203,101	\$ 257,233
Subagreement Svcs	\$ 5,000	\$ 4,225	\$ 889	\$ 8,456	\$ 6,772	\$ 394	\$ 2,344	\$ 986	\$ 2,419	\$ 1,610	\$ 1,610	\$ 1,788	\$ 36,492	\$ 59,500
Professional Fees	\$ -	\$ 298	\$ 45,410	\$ 1,919	\$ 1,437	\$ 7,553	\$ 1,162	\$ 11,607	\$ 10,328	\$ 7,902	\$ 8,103	\$ 12,815	\$ 108,532	\$ 125,312
Facilities	\$ 5,074	\$ 5,074	\$ 23,473	\$ 8,558	\$ 8,933	\$ 5,655	\$ 6,167	\$ 5,262	\$ 5,724	\$ 5,074	\$ 5,074	\$ 5,074	\$ 89,142	\$ 224,600
Operations	\$ 3,417	\$ 6,198	\$ 11,156	\$ 11,664	\$ 9,012	\$ 2,599	\$ 5,276	\$ 3,404	\$ 4,529	\$ 3,647	\$ 3,510	\$ 3,510	\$ 67,922	\$ 104,020
Depreciation	\$ -	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 59	\$ 651	\$ 36,094
Interest	\$ 5,536	\$ -	\$ 8,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,652	\$ -	\$ -	\$ 30,392	\$ 46,000
Total Expenses	\$ 40,531	\$ 101,007	\$ 239,613	\$ 136,778	\$ 134,946	\$ 135,135	\$ 130,859	\$ 183,023	\$ 145,407	\$ 138,625	\$ 133,818	\$ 104,879	\$ 1,624,621	\$ 2,002,332
Surplus/(Deficit)	\$ (40,531)	\$ (95,048)	\$ 324,549	\$ (122,974)	\$ (108,923)	\$ (36,513)	\$ (104,756)	\$ (2,116)	\$ (14,034)	\$ (18,750)	\$ (9,924)	\$ 113,272	\$ (115,747)	\$ 53,758
Reserve %	-100.0%	-94.1%	135.4%	-89.9%	-80.7%	-27.0%	-80.1%	-1.2%	-9.7%	-13.5%	-7.4%	108.0%	-7.1%	2.7%

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	-	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>FY17</u>	Approved Budget
Surplus/(Deficit)	(40,531)	(95,048)	324,549	(122,974)	(108,923)	(36,513)	(104,756)	(2,116)	(14,034)	(18,750)	(9,924)	113,272		
<u>Operating Activities</u>														
Depreciation	-	59	59	59	59	59	59	59	59	59	59	59		
A/R			(97,456)	68,561	(2,490)	(76,758)	70,318	(137,929)	(12,476)					
Due to/from	27,799	35,147	64,482	(13,023)	(99,743)	113,349	34,057	78,923	92,915	(2,525)				
Prepays														
Other														
A/P			23,074	5,098	(8,887)	(4,777)	942	39,706	4,883	(49,744)		104,879		
Accrued Expenses	-	-	-	-	-	-	-	-	-					
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E	(10,600)	(14,153)	0	(0)	0	0	(0)	0	0	(0)				
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring	105,536		108,204							256,652				
Payments on Factoring			(100,000)	(5,536)					(82,547)	(26,274)	(73,125)			
Proceeds from Debt														
Payments on Debt														
Total Change in Cash	82,203	(73,995)	322,913	(67,815)	(219,983)	(4,640)	621	(21,357)	(11,199)	162,268	(82,990)	100,061		
Opening Cash Balance	-	82,203	8,209	331,121	263,307	43,324	38,684	39,305	17,948	6,749	169,017	86,027		
Ending Cash Balance	82,203	8,209	331,121	263,307	43,324	38,684	39,305	17,948	6,749	169,017	86,027	186,088		

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2100	Instructional	0.00	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	4,949.09	54,440.00	54,440.00	
2200	Support	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	3,390.33	40,684.00	40,684.00	
2300	Administrators	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2400	Clerical, Technical & Office	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	10,226.42	122,717.00	122,717.00	
2900	Other	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	7,661.92	91,943.00	91,943.00	
Total 2000 Classified Salaries		21,278.67	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	26,227.76	309,784.00	309,784.00	
3100 Certificated Fringe															
3101	STRS	0.00	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	11,884.18	130,726.00	130,726.00	
3151	Certificated 403(b) ER												0.00		
3152	Certificated 401(k) ER	75.50	75.50	75.50	75.50	75.50	75.50	75.50	75.50	75.50	75.50	75.50	906.00	906.00	
3301 FICA															
3301.1	Social Security												0.00		
3301.2	Medicare	0.00	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	13,136.13	13,136.13	
Total 3301 FICA		0.00	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	1,194.19	13,136.13	13,136.13	
3401	Health Insurance	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	6,970.42	83,645.00	83,645.00	
3501	Unemployment	0.00	607.64	607.64	607.64	607.64	607.64	607.64	607.64	607.64	607.64	607.64	6,684.00	6,684.00	
3601	Workers Comp	0.00	951.27	951.27	951.27	951.27	951.27	951.27	951.27	951.27	951.27	951.27	10,464.00	10,464.00	
Total 3100 Certificated Fringe		7,045.92	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	21,683.20	245,561.13	245,561.13	
3200 Classified Fringe															
3202	PERS	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	4,564.00	54,768.00	54,768.00	
3251	Classified 403(b) ER												0.00		
3252	Classified 401(k) ER	25.83	25.83	25.83	25.83	25.83	25.83	25.83	25.83	25.83	25.83	25.83	310.00	310.00	
3302 FICA															
3302.1	Social Security	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	1,600.55	19,206.61	19,206.61	
3302.2	Medicare	374.32	374.32	374.32	374.32	374.32	374.32	374.32	374.32	374.32	374.32	374.32	4,491.87	4,491.87	
Total 3302 FICA		1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	1,974.87	23,698.48	23,698.48	
3402	Health Insurance	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	4,277.67	51,332.00	51,332.00	
3502	Unemployment	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	5,052.00	5,052.00	
3602	Workers Comp	298.17	298.17	298.17	298.17	298.17	298.17	298.17	298.17	298.17	298.17	298.17	3,578.00	3,578.00	
Total 3200 Classified Fringe		11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	11,561.54	138,738.48	138,738.48	
4000 Books & Supplies															
4100	Textbooks & Core Materials	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	50,000.00	50,000.00	
4200	Books & Reference Materials	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00	2,000.00	
4302	School Supplies	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	28,000.00	28,000.00	
4303	Special Activities	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00	15,000.00	
4304	Uniforms	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00	2,000.00	
4305	Software	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	850.00	850.00	
4400	Non-Capital Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4700	Nutrition	0.00	18,807.83	25,077.11	31,346.39	18,807.83	12,538.56	18,807.83	25,077.11	25,077.11	18,807.83	25,077.11	6,269.28	225,694.00	225,694.00
Total 4000 Books & Supplies		8,154.17	26,962.00	33,231.28	39,500.56	26,962.00	20,692.72	26,962.00	33,231.28	33,231.28	26,962.00	33,231.28	14,423.44	323,544.00	323,544.00
5000 Operations															
5200 Travel															
5201	Mileage, Parking & Tolls	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	200.00	200.00	
5202	Bus Servicing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

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Prepa Tec Los Angeles High

Approved

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>FY18</u>	<u>Budget</u>
Surplus/(Deficit)	(20,807)	(77,420)	(11,037)	(30,143)	(23,835)	68,135	(16,117)	100,979	75,795	108,877	58,370	140,839		
<u>Operating Activities</u>														
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333		
A/R	115,949	2,200	-										(408,268)	
Due to/from														
Prepays														
Other														
A/P	(104,879)												272,894	
Accrued Expenses														
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E														
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring														
Payments on Factoring														
Proceeds from Debt	250,000													
Payments on Debt			(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)						
Total Change in Cash	253,597	(61,886)	(6,037)	(25,142)	(18,835)	73,135	(11,116)	105,979	89,129	122,211	71,703	18,799		
Opening Cash Balance	186,088	439,685	377,799	371,762	346,619	327,784	400,919	389,803	495,782	584,910	707,121	778,824		
Ending Cash Balance	439,685	377,799	371,762	346,619	327,784	400,919	389,803	495,782	584,910	707,121	778,824	797,623		

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		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	FY19	Budget
Income															
8000 Primary State Funding															
8011	LCFF	144,959.05	144,959.05	260,926.29	260,926.29	260,926.29	260,926.29	260,926.29	415,525.09	415,525.09	415,525.09	415,525.09	415,525.09	3,672,175.00	3,672,175.00
8012	Educational Protection Act	0.00	0.00	18,525.00	0.00	0.00	18,525.00	0.00	0.00	18,525.00	0.00	0.00	18,525.00	74,100.00	74,100.00
8019	PY Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8096	In Lieu of Property Tax	42,213.66	84,427.32	56,284.88	56,284.88	56,284.88	56,284.88	56,284.88	98,695.54	49,052.27	49,052.27	49,347.77	49,347.77	703,561.00	703,561.00
Total 8000 Primary State Funding		187,172.71	229,386.37	335,736.17	317,211.17	317,211.17	335,736.17	317,211.17	514,220.62	483,102.36	464,577.36	464,872.86	483,397.86	4,449,836.00	4,449,836.00
8100 Federal Funding															
8181	IDEA	926.25	1,852.50	1,235.00	1,235.00	1,235.00	1,235.00	1,235.00	2,165.57	1,076.30	1,076.30	1,082.79	1,082.79	15,437.50	15,437.50
8220	Nutrition	0.00	20,571.63	27,428.83	34,286.04	20,571.63	13,714.42	20,571.63	27,428.83	27,428.83	20,571.63	27,428.83	6,857.21	246,859.50	246,859.50
8291	Title I	0.00	0.00	6,372.00	0.00	0.00	6,372.00	0.00	0.00	6,372.00	0.00	0.00	6,372.00	25,488.00	25,488.00
8292	Title II	0.00	0.00	78.75	0.00	0.00	78.75	0.00	0.00	78.75	0.00	0.00	78.75	315.00	315.00
8295	Title V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 8100 Federal Funding		926.25	22,424.13	35,114.58	35,521.04	21,806.63	21,400.17	21,806.63	29,594.41	34,955.89	21,647.93	28,511.62	14,390.74	288,100.00	288,100.00
8300 Other State Funding															
8311	Special Education	11,070.54	22,141.08	14,760.72	14,760.72	14,760.72	14,760.72	14,760.72	25,882.92	12,863.97	12,863.97	12,941.46	12,941.46	184,509.00	184,509.00
8520	Nutrition	0.00	983.50	1,311.33	1,639.17	983.50	655.67	983.50	1,311.33	1,311.33	983.50	1,311.33	327.83	11,802.00	11,802.00
8545	SB740	0.00	0.00	0.00	0.00	0.00	129,562.50	0.00	0.00	0.00	64,781.25	0.00	64,781.25	259,125.00	259,125.00
8550	Mandated	0.00	0.00	0.00	0.00	5,187.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,187.00	5,187.00
8555	ASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8560	Lottery	0.00	0.00	0.00	0.00	0.00	0.00	16,765.13	0.00	0.00	16,765.13	0.00	33,530.25	67,060.50	67,060.50
Total 8300 Other State Funding		11,070.54	23,124.58	16,072.05	16,399.89	20,931.22	144,978.89	32,509.35	27,194.26	14,175.30	95,393.84	14,252.79	111,580.79	527,683.50	527,683.50
8600 Local Funding															
8610	Sublease Income	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	5,056.33	60,676.00	60,676.00
8660	Interest	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	60.00	60.00
8689	Other Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8699	Fundraising	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00	7,500.00
Total 8600 Local Funding		5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	5,686.33	68,236.00	68,236.00
Total Revenue		204,855.83	280,621.41	392,609.14	374,818.43	365,635.35	507,801.56	377,213.48	576,695.62	537,919.88	587,305.46	513,323.60	615,055.73	5,333,855.50	5,333,855.50
Expense															
1000 Certificated Salaries															
1100	Teachers	0.00	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	103,056.55	1,133,622.00	1,133,622.00
1120	Stipends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1300	Administrators	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	21,660.08	259,921.00	259,921.00
1900	Other	0.00	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	11,511.82	126,630.00	126,630.00
Total 1000 Certificated Salaries		21,660.08	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	136,228.45	1,520,173.00	1,520,173.00
2000 Classified Salaries															

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2100	Instructional	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	8,660.67	103,928.00	103,928.00
2200	Support	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	6,983.00	83,796.00	83,796.00
2300	Administrators	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2400	Clerical, Technical & Office	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	11,409.17	136,910.00	136,910.00
2900	Other	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	12,014.58	144,175.00	144,175.00
Total 2000 Classified Salaries		39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	39,067.42	468,809.00	468,809.00
3100	Certificated Fringe													
3101	STRS	0.00	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	22,498.56	247,484.16	247,484.16
3151	Certificated 403(b) ER												0.00	
3152	Certificated 401(k) ER	21.66	136.23	136.23	136.23	136.23	136.23	136.23	136.23	136.23	136.23	136.23	1,520.17	1,520.17
3301	FICA													
3301.1	Social Security												0.00	
3301.2	Medicare	0.00	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	22,042.51	22,042.51
Total 3301 FICA		0.00	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	2,003.86	22,042.51	22,042.51
3401	Health Insurance	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	12,281.17	147,374.00	147,374.00
3501	Unemployment	0.00	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	1,025.82	11,284.00	11,284.00
3601	Workers Comp	0.00	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	1,596.18	17,558.00	17,558.00
Total 3100 Certificated Fringe		12,302.83	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	39,541.82	447,262.85	447,262.85
3200	Classified Fringe													
3202	PERS	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	6,824.75	81,897.00	81,897.00
3251	Classified 403(b) ER												0.00	
3252	Classified 401(k) ER	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.07	468.81	468.81
3302	FICA													
3302.1	Social Security	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	2,422.18	29,066.16	29,066.16
3302.2	Medicare	566.48	566.48	566.48	566.48	566.48	566.48	566.48	566.48	566.48	566.48	566.48	6,797.73	6,797.73
Total 3302 FICA		2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	2,988.66	35,863.89	35,863.89
3402	Health Insurance	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	4,936.50	59,238.00	59,238.00
3502	Unemployment	612.67	612.67	612.67	612.67	612.67	612.67	612.67	612.67	612.67	612.67	612.67	7,352.00	7,352.00
3602	Workers Comp	461.42	461.42	461.42	461.42	461.42	461.42	461.42	461.42	461.42	461.42	461.42	5,537.00	5,537.00
Total 3200 Classified Fringe		15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	15,863.06	190,356.70	190,356.70
4000	Books & Supplies													
4100	Textbooks & Core Materials	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	50,000.00	50,000.00
4200	Books & Reference Materials	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00	2,000.00
4302	School Supplies	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	28,000.00	28,000.00
4303	Special Activities	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00	15,000.00
4304	Uniforms	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00	4,000.00
4305	Software	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	70.83	850.00	850.00
4400	Non-Capital Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4700	Nutrition	0.00	28,211.75	37,615.67	47,019.58	28,211.75	18,807.83	28,211.75	37,615.67	37,615.67	28,211.75	37,615.67	9,403.92	338,541.00
Total 4000 Books & Supplies		8,320.83	36,532.58	45,936.50	55,340.42	36,532.58	27,128.67	36,532.58	45,936.50	45,936.50	36,532.58	45,936.50	17,724.75	438,391.00
5000	Operations													
5200	Travel													
5201	Mileage, Parking & Tolls	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	200.00	200.00
5202	Bus Servicing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Prepa Tec Los Angeles High

	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>FY19</u>	Approved <u>Budget</u>
REVENUE														
Primary State Funding	\$ 187,173	\$ 229,386	\$ 335,736	\$ 317,211	\$ 317,211	\$ 335,736	\$ 317,211	\$ 514,221	\$ 483,102	\$ 464,577	\$ 464,873	\$ 483,398	\$ 4,449,836	\$ 4,449,836
Federal Funding	\$ 926	\$ 22,424	\$ 35,115	\$ 35,521	\$ 21,807	\$ 21,400	\$ 21,807	\$ 29,594	\$ 34,956	\$ 21,648	\$ 28,512	\$ 14,391	\$ 288,100	\$ 288,100
Other State Funding	\$ 11,071	\$ 23,125	\$ 16,072	\$ 16,400	\$ 20,931	\$ 144,979	\$ 32,509	\$ 27,194	\$ 14,175	\$ 95,394	\$ 14,253	\$ 111,581	\$ 527,684	\$ 527,684
Local Funding	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 5,686	\$ 68,236	\$ 68,236
Total Revenue	\$ 204,856	\$ 280,621	\$ 392,609	\$ 374,818	\$ 365,635	\$ 507,802	\$ 377,213	\$ 576,696	\$ 537,920	\$ 587,305	\$ 513,324	\$ 615,056	\$ 5,333,856	\$ 5,333,856
EXPENSES														
Certificated Wages	\$ 21,660	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 136,228	\$ 1,520,173	\$ 1,520,173
Classified Wages	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 39,067	\$ 468,809	\$ 468,809
Certificated Benefits	\$ 12,303	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 39,542	\$ 447,263	\$ 447,263
Classified Benefits	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 15,863	\$ 190,357	\$ 190,357
Books & Supplies	\$ 8,321	\$ 36,533	\$ 45,937	\$ 55,340	\$ 36,533	\$ 27,129	\$ 36,533	\$ 45,937	\$ 45,937	\$ 36,533	\$ 45,937	\$ 17,725	\$ 438,391	\$ 438,391
Subagreement Svcs	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 5,583	\$ 67,000	\$ 67,000
Professional Fees	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 60,268	\$ 723,220	\$ 723,220
Facilities	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 49,893	\$ 598,720	\$ 598,720
Operations	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 15,462	\$ 185,550	\$ 185,550
Depreciation	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000	\$ 160,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 241,755	\$ 411,774	\$ 421,178	\$ 430,582	\$ 411,774	\$ 402,370	\$ 411,774	\$ 421,178	\$ 421,178	\$ 411,774	\$ 421,178	\$ 392,966	\$ 4,799,482	\$ 4,799,482
Surplus/(Deficit)	\$ (36,899)	\$ (131,153)	\$ (28,569)	\$ (55,764)	\$ (46,139)	\$ 105,431	\$ (34,561)	\$ 155,518	\$ 116,742	\$ 175,531	\$ 92,146	\$ 222,089	\$ 534,373	\$ 534,373
Reserve %	-15.3%	-31.9%	-6.8%	-13.0%	-11.2%	26.2%	-8.4%	36.9%	27.7%	42.6%	21.9%	56.5%	11.1%	11.1%

Prepa Tec Los Angeles High School Budget and
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Prepa Tec Los Angeles High

Approved

	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>FY19</u>	<u>Budget</u>
Surplus/(Deficit)	(36,899)	(131,153)	(28,569)	(55,764)	(46,139)	105,431	(34,561)	155,518	116,742	175,531	92,146	222,089		
<u>Operating Activities</u>														
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	
A/R	315,624	4,845	60,515			79							(609,369)	
Due to/from														
Prepays														
Other														
A/P	(272,894)												392,966	
Accrued Expenses														
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E														
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring														
Payments on Factoring														
Proceeds from Debt														
Payments on Debt			(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)						
Total Change in Cash	19,164	(112,975)	36,946	(50,763)	(41,138)	110,510	(29,560)	160,518	130,075	188,865	105,479	19,020		
Opening Cash Balance	797,623	816,787	703,812	740,759	689,996	648,857	759,368	729,807	890,325	1,020,400	1,209,265	1,314,744		
Ending Cash Balance	816,787	703,812	740,759	689,996	648,857	759,368	729,807	890,325	1,020,400	1,209,265	1,314,744	1,333,763		

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	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>FY20</u>	<u>Budget</u>
Income														
8000 Primary State Funding														
8011 LCFF	201,874.34	201,874.34	363,373.80	363,373.80	363,373.80	363,373.80	363,373.80	570,628.26	570,628.26	570,628.26	570,628.26	570,628.26	5,073,759.00	5,073,759.00
8012 Educational Protection Act	0.00	0.00	24,700.00	0.00	0.00	24,700.00	0.00	0.00	24,700.00	0.00	0.00	24,700.00	98,800.00	98,800.00
8019 PY Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8096 In Lieu of Property Tax	56,284.86	112,569.72	75,046.48	75,046.48	75,046.48	75,046.48	75,046.48	131,594.00	65,403.01	65,403.01	65,797.00	65,797.00	938,081.00	938,081.00
Total 8000 Primary State Funding	258,159.20	314,444.06	463,120.28	438,420.28	438,420.28	463,120.28	438,420.28	702,222.27	660,731.27	636,031.27	636,425.26	661,125.26	6,110,640.00	6,110,640.00
8100 Federal Funding														
8181 IDEA	5,701.85	11,403.69	7,602.46	7,602.46	7,602.46	7,602.46	7,602.46	13,330.92	6,625.55	6,625.55	6,665.46	6,665.46	95,030.78	95,030.78
8220 Nutrition	0.00	27,428.83	36,571.78	45,714.72	27,428.83	18,285.89	27,428.83	36,571.78	36,571.78	27,428.83	36,571.78	9,142.94	329,146.00	329,146.00
8291 Title I	0.00	0.00	6,372.00	0.00	0.00	6,372.00	0.00	0.00	6,372.00	0.00	0.00	6,372.00	25,488.00	25,488.00
8292 Title II	0.00	0.00	78.75	0.00	0.00	78.75	0.00	0.00	78.75	0.00	0.00	78.75	315.00	315.00
8295 Title V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 8100 Federal Funding	5,701.85	38,832.53	50,624.99	53,317.18	35,031.30	32,339.10	35,031.30	49,902.70	49,648.07	34,054.38	43,237.24	22,259.15	449,979.78	449,979.78
8300 Other State Funding														
8311 Special Education	16,798.47	33,596.94	22,397.96	22,397.96	22,397.96	22,397.96	22,397.96	39,274.82	19,519.82	19,519.82	19,637.41	19,637.41	279,974.50	279,974.50
8520 Nutrition	0.00	1,311.33	1,748.44	2,185.56	1,311.33	874.22	1,311.33	1,748.44	1,748.44	1,311.33	1,748.44	437.11	15,736.00	15,736.00
8545 SB740	0.00	0.00	0.00	0.00	0.00	185,250.00	0.00	0.00	0.00	92,625.00	0.00	92,625.00	370,500.00	370,500.00
8550 Mandated	0.00	0.00	0.00	0.00	6,916.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,916.00	6,916.00
8555 ASSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8560 Lottery	0.00	0.00	0.00	0.00	0.00	0.00	22,353.50	0.00	0.00	22,353.50	0.00	44,707.00	89,414.00	89,414.00
Total 8300 Other State Funding	16,798.47	34,908.27	24,146.40	24,583.52	30,625.29	208,522.18	46,062.79	41,023.27	21,268.27	135,809.66	21,385.86	157,406.52	762,540.50	762,540.50
8600 Local Funding														
8610 Sublease Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8660 Interest	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	60.00	60.00
8689 Other Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8699 Fundraising	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	10,000.00	10,000.00
Total 8600 Local Funding	838.33	838.33	838.33	838.33	838.33	838.33	838.33	838.33	838.33	838.33	838.33	838.33	10,060.00	10,060.00
Total Revenue	281,497.85	389,023.19	538,730.01	517,159.32	504,915.21	704,819.90	520,352.71	793,986.56	732,485.94	806,733.64	701,886.69	841,629.27	7,333,220.28	7,333,220.28
Expense														
1000 Certificated Salaries														
1100 Teachers	0.00	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	141,148.24	1,552,630.66	1,552,630.66
1120 Stipends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1300 Administrators	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	22,309.89	267,718.63	267,718.63
1900 Other	0.00	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	17,454.55	192,000.00	192,000.00
Total 1000 Certificated Salaries	22,309.89	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	180,912.67	2,012,349.29	2,012,349.29

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	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>FY20</u>	Approved <u>Budget</u>
REVENUE														
Primary State Funding	\$ 258,159	\$ 314,444	\$ 463,120	\$ 438,420	\$ 438,420	\$ 463,120	\$ 438,420	\$ 702,222	\$ 660,731	\$ 636,031	\$ 636,425	\$ 661,125	\$ 6,110,640	\$ 6,110,640
Federal Funding	\$ 5,702	\$ 38,833	\$ 50,625	\$ 53,317	\$ 35,031	\$ 32,339	\$ 35,031	\$ 49,903	\$ 49,648	\$ 34,054	\$ 43,237	\$ 22,259	\$ 449,980	\$ 449,980
Other State Funding	\$ 16,798	\$ 34,908	\$ 24,146	\$ 24,584	\$ 30,625	\$ 208,522	\$ 46,063	\$ 41,023	\$ 21,268	\$ 135,810	\$ 21,386	\$ 157,407	\$ 762,541	\$ 762,541
Local Funding	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 838	\$ 10,060	\$ 10,060
Total Revenue	\$ 281,498	\$ 389,023	\$ 538,730	\$ 517,159	\$ 504,915	\$ 704,820	\$ 520,353	\$ 793,987	\$ 732,486	\$ 806,734	\$ 701,887	\$ 841,629	\$ 7,333,220	\$ 7,333,220
EXPENSES														
Certificated Wages	\$ 22,310	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 180,913	\$ 2,012,349	\$ 2,012,349
Classified Wages	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 44,823	\$ 537,873	\$ 537,873
Certificated Benefits	\$ 12,817	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 51,338	\$ 577,533	\$ 577,533
Classified Benefits	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 17,172	\$ 206,063	\$ 206,063
Books & Supplies	\$ 8,647	\$ 46,263	\$ 58,801	\$ 71,340	\$ 46,263	\$ 33,724	\$ 46,263	\$ 58,801	\$ 58,801	\$ 46,263	\$ 58,801	\$ 21,186	\$ 555,155	\$ 555,155
Subagreement Svcs	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 5,695	\$ 68,340	\$ 68,340
Professional Fees	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 80,836	\$ 970,031	\$ 970,031
Facilities	\$ 49,965	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 50,955	\$ 610,470	\$ 610,470
Operations	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 16,053	\$ 192,631	\$ 192,631
Depreciation	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000	\$ 160,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 271,651	\$ 507,380	\$ 519,918	\$ 532,457	\$ 507,380	\$ 494,841	\$ 507,380	\$ 519,918	\$ 519,918	\$ 507,380	\$ 519,918	\$ 482,303	\$ 5,890,445	\$ 5,890,445
Surplus/(Deficit)	\$ 9,847	\$ (118,357)	\$ 18,812	\$ (15,298)	\$ (2,465)	\$ 209,979	\$ 12,973	\$ 274,068	\$ 212,568	\$ 299,354	\$ 181,968	\$ 359,327	\$ 1,442,775	\$ 1,442,775
Reserve %	3.6%	-23.3%	3.6%	-2.9%	-0.5%	42.4%	2.6%	52.7%	40.9%	59.0%	35.0%	74.5%	24.5%	24.5%

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	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>FY20</u>	<u>Budget</u>
Surplus/(Deficit)	9,847	(118,357)	18,812	(15,298)	(2,465)	209,979	12,973	274,068	212,568	299,354	181,968	359,327		
<u>Operating Activities</u>														
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333		
A/R	497,422	7,185	98,312			79							(840,791)	
Due to/from														
Prepays														
Other														
A/P	(392,966)												482,303	
Accrued Expenses														
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E														
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring														
Payments on Factoring														
Proceeds from Debt														
Payments on Debt			(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)						
Total Change in Cash	127,636	(97,838)	122,123	(10,297)	2,536	215,058	17,973	279,068	225,901	312,687	195,302	14,172		
Opening Cash Balance	1,333,763	1,461,399	1,363,561	1,485,685	1,475,387	1,477,923	1,692,981	1,710,954	1,990,022	2,215,923	2,528,610	2,723,912		
Ending Cash Balance	1,461,399	1,363,561	1,485,685	1,475,387	1,477,923	1,692,981	1,710,954	1,990,022	2,215,923	2,528,610	2,723,912	2,738,084		

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	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>FY21</u>	Approved Budget
REVENUE														
Primary State Funding	\$ 268,904	\$ 325,189	\$ 482,460	\$ 457,760	\$ 457,760	\$ 482,460	\$ 457,760	\$ 723,095	\$ 681,604	\$ 656,904	\$ 657,298	\$ 681,998	\$ 6,333,191	\$ 6,333,191
Federal Funding	\$ 5,702	\$ 38,833	\$ 50,625	\$ 53,317	\$ 35,031	\$ 32,339	\$ 35,031	\$ 49,903	\$ 49,648	\$ 34,054	\$ 43,237	\$ 22,259	\$ 449,980	\$ 449,980
Other State Funding	\$ 16,798	\$ 34,908	\$ 24,146	\$ 24,584	\$ 30,625	\$ 208,522	\$ 46,063	\$ 41,023	\$ 21,268	\$ 135,810	\$ 21,386	\$ 157,407	\$ 762,541	\$ 762,541
Local Funding	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 1,047	\$ 12,560	\$ 12,560
Total Revenue	\$ 292,451	\$ 399,976	\$ 558,278	\$ 536,708	\$ 524,464	\$ 724,368	\$ 539,901	\$ 815,067	\$ 753,567	\$ 827,814	\$ 722,967	\$ 862,710	\$ 7,558,271	\$ 7,558,271
EXPENSES														
Certificated Wages	\$ 22,979	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 186,340	\$ 2,072,720	\$ 2,072,720
Classified Wages	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 46,167	\$ 554,009	\$ 554,009
Certificated Benefits	\$ 13,202	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 54,706	\$ 614,964	\$ 614,964
Classified Benefits	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 18,213	\$ 218,551	\$ 218,551
Books & Supplies	\$ 8,977	\$ 46,593	\$ 59,131	\$ 71,670	\$ 46,593	\$ 34,054	\$ 46,593	\$ 59,131	\$ 59,131	\$ 46,593	\$ 59,131	\$ 21,515	\$ 559,110	\$ 559,110
Subagreement Svcs	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 5,809	\$ 69,707	\$ 69,707
Professional Fees	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 83,214	\$ 998,562	\$ 998,562
Facilities	\$ 50,528	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 51,392	\$ 615,841	\$ 615,841
Operations	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 16,364	\$ 196,374	\$ 196,374
Depreciation	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000	\$ 160,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 278,786	\$ 522,131	\$ 534,669	\$ 547,208	\$ 522,131	\$ 509,592	\$ 522,131	\$ 534,669	\$ 534,669	\$ 522,131	\$ 534,669	\$ 497,053	\$ 6,059,838	\$ 6,059,838
Surplus/(Deficit)	\$ 13,664	\$ (122,155)	\$ 23,609	\$ (10,500)	\$ 2,333	\$ 214,776	\$ 17,771	\$ 280,398	\$ 218,897	\$ 305,684	\$ 188,298	\$ 365,656	\$ 1,498,433	\$ 1,498,433
Reserve %	4.9%	-23.4%	4.4%	-1.9%	0.4%	42.1%	3.4%	52.4%	40.9%	58.5%	35.2%	73.6%	24.7%	24.7%

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Approved

	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>FY21</u>	<u>Budget</u>
Surplus/(Deficit)	13,664	(122,155)	23,609	(10,500)	2,333	214,776	17,771	280,398	218,897	305,684	188,298	365,656		
<u>Operating Activities</u>														
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333		
A/R	687,428	9,580	137,332			79							(862,710)	
Due to/from														
Prepays														
Other														
A/P	(482,303)													
Accrued Expenses														
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E														
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring														
Payments on Factoring														
Proceeds from Debt														
Payments on Debt			(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)						
Total Change in Cash	232,123	(99,241)	165,942	(5,500)	7,333	219,855	22,771	285,398	232,231	319,017	201,632	(483,720)		
Opening Cash Balance	2,738,084	2,970,207	2,870,966	3,036,907	3,031,408	3,038,741	3,258,596	3,281,367	3,566,766	3,798,996	4,118,013	4,319,645		
Ending Cash Balance	2,970,207	2,870,966	3,036,907	3,031,408	3,038,741	3,258,596	3,281,367	3,566,766	3,798,996	4,118,013	4,319,645	3,835,925		

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REVENUE														
Primary State Funding	\$ 268,904	\$ 325,189	\$ 482,460	\$ 457,760	\$ 457,760	\$ 482,460	\$ 457,760	\$ 723,095	\$ 681,604	\$ 656,904	\$ 657,298	\$ 681,998	\$ 6,333,191	\$ 6,333,191
Federal Funding	\$ 5,702	\$ 38,833	\$ 50,625	\$ 53,317	\$ 35,031	\$ 32,339	\$ 35,031	\$ 49,903	\$ 49,648	\$ 34,054	\$ 43,237	\$ 22,259	\$ 449,980	\$ 449,980
Other State Funding	\$ 16,798	\$ 34,908	\$ 24,146	\$ 24,584	\$ 30,625	\$ 208,522	\$ 46,063	\$ 41,023	\$ 21,268	\$ 135,810	\$ 21,386	\$ 157,407	\$ 762,541	\$ 762,541
Local Funding	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 1,255	\$ 15,060	\$ 15,060
Total Revenue	\$ 292,659	\$ 400,184	\$ 558,487	\$ 536,916	\$ 524,672	\$ 724,577	\$ 540,109	\$ 815,276	\$ 753,775	\$ 828,023	\$ 723,176	\$ 862,918	\$ 7,560,772	\$ 7,560,772
EXPENSES														
Certificated Wages	\$ 23,669	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 191,930	\$ 2,134,901	\$ 2,134,901
Classified Wages	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 47,552	\$ 570,630	\$ 570,630
Certificated Benefits	\$ 13,598	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 56,347	\$ 633,413	\$ 633,413
Classified Benefits	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 19,337	\$ 232,044	\$ 232,044
Books & Supplies	\$ 9,143	\$ 46,759	\$ 59,297	\$ 71,836	\$ 46,759	\$ 34,220	\$ 46,759	\$ 59,297	\$ 59,297	\$ 46,759	\$ 59,297	\$ 21,682	\$ 561,105	\$ 561,105
Subagreement Svcs	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 5,925	\$ 71,101	\$ 71,101
Professional Fees	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 83,368	\$ 1,000,419	\$ 1,000,419
Facilities	\$ 51,467	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 52,357	\$ 627,390	\$ 627,390
Operations	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 16,683	\$ 200,191	\$ 200,191
Depreciation	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000	\$ 160,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 284,075	\$ 533,591	\$ 546,130	\$ 558,668	\$ 533,591	\$ 521,053	\$ 533,591	\$ 546,130	\$ 546,130	\$ 533,591	\$ 546,130	\$ 508,514	\$ 6,191,194	\$ 6,191,194
Surplus/(Deficit)	\$ 8,584	\$ (133,407)	\$ 12,357	\$ (21,752)	\$ (8,919)	\$ 203,524	\$ 6,518	\$ 269,146	\$ 207,645	\$ 294,431	\$ 177,046	\$ 354,404	\$ 1,369,578	\$ 1,369,578
Reserve %	3.0%	-25.0%	2.3%	-3.9%	-1.7%	39.1%	1.2%	49.3%	38.0%	55.2%	32.4%	69.7%	22.1%	22.1%

Prepa Tec Los Angeles High School Budget and
Financial Projections

ssb-sep17item12
Attachment 4
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Prepa Tec Los Angeles High

Approved

	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>FY22</u>	<u>Budget</u>
Surplus/(Deficit)	8,584	(133,407)	12,357	(21,752)	(8,919)	203,524	6,518	269,146	207,645	294,431	177,046	354,404		
<u>Operating Activities</u>														
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333		
A/R	687,428	9,580	137,332			79								(862,918)
Due to/from														
Prepays														
Other														
A/P	(482,303)													
Accrued Expenses														
Other Liabilities														
<u>Investing Activities</u>														
Purchase PP&E														
Proceeds from Sale of PP&E														
Notes/R														
<u>Financing Activities</u>														
Proceeds from Factoring														
Payments on Factoring														
Proceeds from Debt														
Payments on Debt			(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)						
Total Change in Cash	227,043	(110,493)	154,689	(16,752)	(3,919)	208,603	11,519	274,146	220,979	307,765	190,379	(495,181)		
Opening Cash Balance	3,835,925	4,062,968	3,952,474	4,107,164	4,090,412	4,086,493	4,295,096	4,306,615	4,580,761	4,801,739	5,109,504	5,299,883		
Ending Cash Balance	4,062,968	3,952,474	4,107,164	4,090,412	4,086,493	4,295,096	4,306,615	4,580,761	4,801,739	5,109,504	5,299,883	4,804,703		

TRIPLE-NET LEASE

This Triple-Net Lease (this "**Lease**") is made and entered into as of May 25, 2016 (the "**Effective Date**") by and between 4210 E. Gage LLC, a California limited liability company ("**Landlord**"), Alta Public Schools, DBA Prepa Tec LA High School", a California corporation ("**Tenant**").

SECTION 1: BASIC LEASE PROVISIONS

The provisions set forth in this Section 1 constitute certain basic provisions of this Lease, subject to the terms set forth in the remainder of this Lease. Additionally, the capitalized terms in the left column of this Section 1, where used in this Lease, shall have the meanings set forth in the right column opposite such terms.

1. **Lease Term:** Four (4) years. The Lease Term shall commence on the Effective Date and expire on the Expiration Date, unless Extended earlier terminated pursuant to the terms of this Lease.
2. **Rent Commencement Date:** August 1, 2016.
3. **Expiration Date:** July 31, 2020.
4. **Option:** One (1) option to extend the Lease Term for a period of two (2) years from the initial Expiration Date.
5. **Premises:** That certain real property, including all improvements thereon and associated parking facilities (whether currently existing or constructed following the date hereof), commonly known as 4210 E. Gage Avenue, Bell, CA 90201, as depicted on Exhibit A attached hereto and incorporated herein (without any representation or warranty whatsoever from Landlord).
6. **Permitted Use:** Charter school facility for a middle school known as "Prepa Tee Middle School" so long as such use is strictly in compliance with applicable zoning regulations and Governmental Requirements (as defined in Section 2.5 below). In no event shall Tenant be permitted to engage in retail sales or activity at or from the Premises.
7. **Building:** That certain building located on the Premises.
8. **Base Rent:**
Year 1: \$27,000.00 per month NNN
Year 2: \$27,000.00 per month NNN
Year 3: \$27,810.00 per month NNN
Year 4: \$28,800.00 per month NNN

Option Year 1: \$29,664.00 per month NNN
Option Year 2: \$30,554.00 per month NNN
9. **Security Deposit:** \$27,000.00.
10. **Contingency:** If, on or before July 31, 2016 (the "**Permit Date**"), Tenant has not received building permits for the performance of the Tenant Work, as defined below, from the City of Bell with respect to the Tenant Work or any other permits or authorizations necessary for the Tenant to use the Premises for the Permitted Use (collectively, the "**Permits**"), and such failure occurs

despite Tenant's diligent, commercially reasonable and good faith efforts to obtain the Permits, then Tenant shall have the right, as its sole and exclusive remedy, to terminate this Lease upon written notice to Landlord, delivered at any time prior to the earlier of ten (10) days after the Permit Date or the date on which the Permits are issued, whereupon Tenant shall return the Premises to Landlord in the same condition as was initially delivered to Tenant. ~~Within thirty (30) days of such termination by Tenant, Landlord shall promptly refund to Tenant the Security Deposit.~~ Tenant shall not have the right to terminate this Lease under this paragraph in the event failure to obtain the Permit occurs due to Tenant's failure to use diligent, commercially reasonable and good faith efforts. For the purposes of this paragraph, Permits shall not include any charter granted by a school district or any other applicable authority. Landlord shall not have any reimbursement or other payment obligations whatsoever in the event of any termination under this paragraph, and Tenant hereby agrees that in the event Tenant terminates this Lease pursuant to this paragraph, Landlord shall be entitled to retain, as liquidated damages (the parties hereby agreeing that it would be extremely difficult or impractical to determine Landlord's damages in the event of such termination), the entire Security Deposit and the first month's rent payable by Tenant concurrently with its execution and delivery of this Lease. The payment of such amounts to Landlord as liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369 (or any similar statute), but is intended to constitute liquidated damages.

Promptly upon the Effective Date, Tenant shall, at its sole cost and expense, use its diligent, commercially reasonable efforts in good faith to obtain the Permits as soon as reasonably possible, but, in any event, prior to the Permit Date, including, without limitation, by diligently preparing and processing plans, specifications and applications, conducting studies, and complying with all applicable codes and other City of Bell requirements. Without limiting the foregoing, Tenant shall submit preliminary plans and specifications to Landlord as soon as reasonably possible but in any event prior to the date that is thirty (30) days following the mutual execution and delivery of this Lease and upon Landlord's approval of the plans and specifications in accordance with Section 4.4, Tenant shall promptly submit the plans and specifications to the City of Bell and any other applicable authority. Tenant shall, at its sole cost and expense, provide Landlord with copies of all applications, plans and other submissions made or to be made by Tenant (or its agents, consultants or representatives) in respect of the Tenant Work upon Landlord's request. Additionally, Tenant shall, upon request by Landlord, provide Landlord with copies of all correspondence between Tenant and the City of Bell or any other governmental entity relating to the Tenant Work or the Premises. Tenant shall, within five (5) days after receipt of written request from Landlord, provide Landlord with status reports on the progress of Tenant's efforts to obtain the Permits. Tenant shall notify Landlord in writing at least two (2) business days in advance of any meetings it has

(Note: On this page, the words, *"Within thirty (30) days of such termination by Tenant, Landlord shall promptly refund to Tenant the Security Deposit"* have strikethroughs.

The words, *"Landlord shall not have any reimbursement or other payment obligations whatsoever in the event of any termination under this paragraph, and"* and the words, *"Security Deposit and the"* have underlines.)

scheduled with any governmental agencies with respect to Tenant Work or the Premises, and Landlord may have a representative present during such meeting.

SECTION 2: PREMISES AND TERM

2.1 **Lease of Premises.** Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, upon the terms and conditions set forth in this Lease.

2.2 **Lease Term.** The Lease Term shall commence on the Effective Date and shall be for the period stated in Section 1 above, unless earlier terminated as provided in this Lease. In no event shall Tenant record this Lease or a Memorandum of Lease. Landlord hereby grants Tenant the option ("**Option**") to extend the Term of this Lease, from and after the date of expiration thereof, for one (1) period (the "**Option Period**") of two (2) years, subject to the conditions stated herein. This Option shall be exercised in the manner hereinafter set forth, provided that at the time of Tenant's exercise of the Option hereunder and at the commencement of the Option Period, there shall be no uncured Event of Default. In the event of any such uncured Event of Default, Tenant's Option right, at Landlord's option, shall be cancelled and of no effect. Furthermore, Tenant's right to exercise the Option shall be cancelled, null and void upon written notice from Landlord in the event that Tenant has been in default under the terms of the Lease three (3) or more times in any twelve (12) month period during the Lease Term. Subject to the foregoing, in order to be valid, the Option must be exercised, if at all, by the Tenant's delivery to Landlord of a written notice that Tenant has elected to exercise the Option no earlier than nine (9) months and later than six (6) months prior to the expiration of the initial Lease Term. The minimum Base Rent payable by Tenant for the Option Term shall be set forth in the Basic Lease Provisions. In the event that Tenant has the right to exercise more than one (1) Option, Tenant shall not have the right to exercise any Option unless Tenant has properly, in accordance with the terms of this section, exercised in writing all prior Options. Notwithstanding the foregoing, if Landlord elects to rebuild or demolish the Premises, in whole or part, Landlord shall have the right, prior to the time Tenant has commenced its Option Term, or at any time throughout the Option Term, to terminate the Lease. In order to exercise such right, Landlord shall deliver to Tenant one hundred eighty (180) days' prior written notice stating the exact termination date of the Lease, provided that such termination date shall not occur during the academic school year. Tenant's right to exercise any Options to extend the Lease Term shall be personal to the original Tenant named in this Lease and may not be assigned or transferred.

2.3 **Condition of Premises "AS-IS".** Landlord will deliver the Premises to Tenant within-~~fourteen (14)~~ three (3) business days after the Landlord receives the Security Deposit and the first month's Base rent from Tenant. ~~At delivery, all electrical, water, sewer, heating, HVAC, and any other systems necessary for Tenant to receive a Certificate of Occupancy from the City of Bell shall be in good condition and fully functional. Without limiting the foregoing, prior to delivery of the Premises, Landlord shall remove all furniture and equipment (sinks and workstations) remaining in the Premises from the previous tenant in the Premises and bring the electrical systems serving the Premises up to code.~~ Except as expressly set forth in this Lease, Tenant hereby agrees that the Premises shall be taken "as is", "with all faults", without any representations or warranties, and Tenant hereby agrees and warrants that it has investigated and inspected the condition of the Premises and the suitability of same for Tenant's purposes, and Tenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Building or the suitability of same for Tenant's purposes. Tenant acknowledges that neither Landlord nor any agent nor any employee of Landlord has made any representations or warranty with respect to the Premises or the Building or with respect to the suitability of either for the conduct of Tenant's business, and Tenant expressly warrants and represents that Tenant has relied solely on its own investigation and inspection of the Premises and the Building in its decision to enter into this Lease and let the Premises in an "as is" condition. In no event shall Landlord have any obligation for any defects in the Premises, and in no event shall Landlord have any obligation for any limitation on its use. Except for Landlord's obligations to be performed after the execution of this Lease, the taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in satisfactory condition. Tenant hereby waives subsection 1 of Section 1932 of the Civil Code of California or any successor provision of law.

(Note: On this page, the words "fourteen (14)" and "At delivery, all electrical, water, sewer, heating, HVAC, and any other systems necessary for Tenant to receive a Certificate of Occupancy from the City of Bell shall be in good condition and fully functional. Without limiting the foregoing, prior to the delivery of the Premises. Landlord shall remove all furniture and equipment (sinks and workstations) remaining in the Premises from the previous tenant in the Premises and bring the electrical systems serving the Premises up to code" have strikethroughs. The words "three (3) business" have underlines.)

Subject to the terms and conditions of this Lease, Tenant shall, at Tenant's sole cost and expense, in accordance with the terms and conditions of this Lease and all applicable laws and regulations, commence construction of a charter middle school at the Premises pursuant to a valid building permit (including, but not limited to, fire life safety upgrades and improvements to the surface parking lot) and diligently and continuously pursue completion of such construction so as to obtain a permanent certificate of occupancy (the "Tenant Work"). Without limiting any other requirements of this Lease, such construction shall be in accordance with all laws, rules, regulations, codes, ordinances and matters of record (including, without limitation, fire department requirements), in a lien-free, good and workmanlike first-class manner, using only new materials. Landlord is not obligated with respect to the Premises or to make any improvements, changes, installations, work, alterations, repairs or replacements, clean out the Premises, obtain any permits, licenses or governmental approvals, or spend any money either to put Tenant in possession or to permit Tenant to open for business, and all work shall be accomplished by Tenant, at Tenant's sole cost and expense. Provided that Tenant has delivered to Landlord the first month's Base Rent and the Security Deposit. Landlord shall, within fourteen (14) business days following the Effective Date, remove all furniture and equipment (sinks and workstation(s) remaining in the Premises from the previous tenant in the Premises and, within twenty-one (21) business days following the Effective Date, Landlord shall bring the electrical systems serving the Premises up to code, as determined by Landlord, provided that in the event of Landlord's failure to comply with any provision of this sentence this sentence, Tenant's sole and exclusive remedy shall be to require Landlord to perform such removal and/or remedy such electrical systems and the Rent Commencement Date shall be equitably adjusted to account for Landlord's failure to timely comply with the aforementioned deadlines.

2.4 Use and Conduct of Business. The Premises are to be used only for the Permitted Use, and for no other purpose without the prior written consent of Landlord. Tenant shall, at its own cost and expense, obtain and maintain any and all licenses, permits, and approvals necessary or appropriate for its use, occupation and operation of the Premises for the Permitted Use. Subject to Tenant's termination right set forth in the Basic Lease Provisions, Tenant's inability to obtain or maintain any such license, permit or approval necessary or appropriate for its use, occupation or operation of the Premises shall not relieve it of its obligations under this Lease, including the obligation to pay Base Rent and Additional Rent. No act shall be done in or about the Premises that is unlawful or that will increase the existing rate of insurance on any or all of the Premises or Building. Tenant shall not commit or allow to be committed or exist: (a) any waste upon the Premises, (b) any public or private nuisance, or (c) any act or condition which creates or contributes to any work stoppage, strike, picketing, labor disruption or dispute, interferes in any way with the business of Landlord or with the rights or privileges of any contractors, subcontractors, licensees, agents, concessionaires, subtenants, servants, employees, customers, guests, invitees or visitors or any other persons in or upon the Premises or Building, or causes any impairment or reduction of the good will or reputation of the Premises. Tenant shall pay for all damage to the Premises. Except during the construction of the Tenant Work, Tenant shall not, without the prior consent of Landlord, use any apparatus, machinery, device or equipment in or about the Premises which will cause any substantial noise or vibration.

2.5 Governmental Requirements; Landlord's Rules. Tenant shall comply with all statutes, ordinances, codes, laws, rules, regulations, orders and directives of any Governmental Agency (defined below) as now or later amended (collectively, "Governmental Requirements"), including, without limitation, Access Laws (defined below) relating to the Premises (including, without limitation, Tenant's use, occupancy and operation thereof) and all other covenants, conditions and restrictions and other matters of record. For purposes of this Lease, (a) "Governmental Agency" is defined as the United States of America, the State of California, any county, city, district, municipality or other governmental subdivision (including, without limitation, any school district or department of education), court or agency or quasi-governmental agency having jurisdiction over the Premises and any board, agency or authority associated with any such governmental entity, including without limitation the fire department having jurisdiction over the Premises and/or Building, and (b) "Access Laws" is defined as the Americans With Disabilities Act of 1990 (including, without limitation, the Americans with Disabilities Act Accessibility Guidelines for Building and Facilities) and all other Governmental Requirements relating to the foregoing. Additionally, Tenant shall observe such reasonable rules and regulations as may be adopted and published by Landlord from time to time for the safety, care and cleanliness of the Premises and the Building, and for the preservation of good order in the Building.

SECTION 3: BASE RENT; ADDITIONAL RENT

(Note: On this page, the words, "Provided that Tenant has delivered to Landlord the first month's Base Rent and the Security Deposit. Landlord shall," and "fourteen (14) business days following the Effective Date, remove all furniture and equipment (sinks and workstation(s) remaining in the Premises from the previous tenant in the Premises and, within twenty-one (21) business days following the Effective Date, Landlord shall bring the electrical systems serving the Premises up" have underlines.)

3.1 **Payment of Rent.** Except as may be set forth to the contrary in this Lease, Tenant agrees to pay Base Rent, Additional Rent and any other sum due under this Lease to Landlord without demand, deduction, credit, adjustment or offset of any kind or nature, in lawful money of the United States when due under this Lease, at such place as Landlord may from time to time designate in writing.

3.2 **Base Rent.** Commencing on the Rent Commencement Date, Tenant agrees to pay the monthly installments of Base Rent to Landlord, without demand and in advance, on or before the first day of each calendar month of the Lease Term, in accordance with the schedule and in the amounts set forth in Section 1 above. The monthly Base Rent installment for any partial month at the beginning or end of the Lease Term shall be prorated. Base Rent for the first month of the Lease Term shall be paid by Tenant concurrently with Tenant's execution of this Lease.

3.3 **Lease Security Provisions.** Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum set forth in Section 1 above (i.e., the "Security Deposit" listed in Section 1 above) as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant breaches any provision of this Lease, including but not limited to the payment of rent, Landlord may use all or any part of this security deposit for the payment of any rent or any other sums in 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, Tenant shall, within twenty (20) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its full amount. Tenant agrees that Landlord shall not be required to keep the security deposit in trust, segregate it or keep it separate from Landlord's general funds, but Landlord may commingle the security deposit with its general funds and Tenant shall not be entitled to interest on such deposit. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of law, now or hereafter in effect, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in this Section 3.3 above and/or those sums reasonably necessary to compensate Landlord for any other loss or damage to the extent arising out of the acts or omissions of Tenant or any of Tenant's officers, directors, employees, agents, representatives, contractors, subcontractors, laborers, materialmen, and suppliers (collectively, "Tenant's Agents").

3.4 **Additional Rent.** Any sums payable under this Lease other than Base Rent shall be "Additional Rent" and, in the event of nonpayment of such sums, Landlord shall have the same rights and remedies with respect to such nonpayment as it has with respect to nonpayment of the Base Rent due under this Lease. Notwithstanding anything to the contrary in this Lease, Tenant shall pay to Landlord, as Additional Rent, on a monthly basis during each and every month of the Lease Term, all Real Estate Taxes (as defined below), within twenty (20) days after Landlord's written demand (which demand may be made from time to time and at any time), in the amount set forth by Landlord in such demand; provided that such demand shall be accompanied by reasonable documentation of the amount of Real Estate Taxes due. Landlord may, in Landlord's sole discretion, provide written notice to Tenant, in advance, of the amount of Real Estate Taxes payable for any calendar month(s) during the Term, in which event, no further notice from Landlord shall be necessary with respect to Real Estate Taxes for such month(s), and Tenant shall pay to Landlord, in advance, by the first day of the applicable calendar month all Real Estate Taxes for such calendar month. Landlord shall not be bound by the amounts set forth in any notices or demands delivered under this paragraph, it being understood that Tenant shall be solely responsible for one hundred percent (100%) of the Real Estate Taxes during the entire Term of this Lease, and, (a) Landlord may, upon written notice to Tenant, adjust any Real Estate Taxes set forth in any notices or demands delivered under this paragraph, in which event, such adjusted amounts shall be paid by Tenant to Landlord by the later of the date such Real Estate Taxes would otherwise be payable hereunder, or twenty (20) days after Landlord's written notice, and (b) in the event of a tax increase, the monthly tax payments shall be increased upon notice from Landlord. Landlord shall have the right at any time to contest the real estate taxes and assessments. As a courtesy, Landlord may notify Tenant of such contest. If Landlord's contest of the taxes and assessments is successful, then Tenant shall reimburse Landlord for the expense of such contest, including, but not limited to attorney's fees, but such reimbursement shall not exceed the amount of tax and/or assessment savings obtained in such contest. "Real Estate Taxes" is defined as all ad valorem taxes and assessments (and any and all other taxes and assessments hereafter imposed in lieu thereof), and all other real estate taxes and assessments (whether general or special or

otherwise) levied on the Premises, the Building, the parking facilities serving the Building, and any other land and/or improvements relating to the Premises, and all appurtenances thereto, all as designated by Landlord from time to time; Real Estate Taxes shall include, without limitation, all assessments and reassessments relating to the foregoing, plus any and all real estate taxes and other similar charges on real property and/or improvements, assessments, reassessments, water and sewer charges, and all other charges assessed, reassessed and/or levied upon the Premises, the Building, the real property thereunder or attributable thereto, the parking and other facilities serving the Premises or any portion thereof, and any other land and improvements relating to any of the foregoing, and/or on the rents, issues, profits and income received or derived therefrom which are assessed, reassessed or levied by the United States, the State in which the Premises are located or any local government authority or agency or any political subdivision thereof. Even though the Lease Term may have expired or been terminated and Tenant may have vacated the Premises, when the final determination is made by Landlord of Real Estate Taxes, Tenant shall, within thirty (30) days of Landlord written demand accompanied by reasonable documentation, pay to Landlord an amount as calculated pursuant to the provisions of this paragraph. Tenant's obligations under this paragraph shall survive the expiration or earlier termination of this Lease. Tenant acknowledges that Landlord shall not be responsible for any maintenance of the Premises whatsoever, and, except as expressly set forth in this Lease, Tenant shall be responsible for furnishing all utilities and any other services necessary for the maintenance of the Premises in accordance with the terms of this Lease. Notwithstanding anything to the contrary in this Lease or otherwise, this Lease is a triple net lease, and, all Base Rent and Additional Rent and any and all other amounts payable hereunder by Tenant shall be paid without notice or demand (except as otherwise expressly set forth herein), and without any set-off, counterclaim, abatement, suspension, deduction or defense whatsoever. Accordingly, notwithstanding anything to the contrary in this Lease or otherwise, Tenant shall pay all costs, expenses and obligations of any kind and nature whatsoever relating to the ownership, use, rental and operation of the Premises and Building, as Additional Rent.

3.5 Intentionally Omitted.

3.6 Utilities; Janitorial Services; Energy Consumption; Accessibility. Notwithstanding anything to the contrary contained in this Lease, Tenant shall contract directly and timely pay (prior to delinquency) for all electricity, gas, fuel, telephone telecommunications, water, sewer, fire sprinkler charges, and all other utility services used on or from the Premises together with any taxes, penalties, surcharges or similar charges relating to such services. Notwithstanding any contrary provision contained herein, Landlord shall in no case be liable or in any way be responsible for damages or loss to Tenant arising from the failure of, diminution of or interruption in electrical power, natural gas, fuel, telecommunications services, sewer, water, or garbage collection services, other utility service or building service of any kind to the Premises. Notwithstanding anything to the contrary contained in this Lease, Tenant shall pay for all janitorial services used on or for the Premises. Tenant hereby waives any requirements for Landlord to provide Tenant with any disclosure or other information regarding energy consumption or efficiency. In addition, Tenant acknowledges that California Civil Code Section 1938 provides "A commercial property owner or lessor shall state on every lease form or rental agreement executed on or after July 1, 2013, whether the property being leased or rented has undergone inspection by a Certified Access Specialist (CASP), and, if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards pursuant to Section 55.53." In accordance with California Civil Code Section 1938, Landlord hereby discloses to Tenant that neither the Leased Premises nor the Shopping Center have undergone an inspection by a Certified Access Specialist (CASP). Landlord makes no representations or warranties whatsoever regarding accessibility or any other matters contemplated in California Civil Code Section 1938

3.7 Holdover. If Landlord consents in writing to a holdover and no other agreement is reached between Tenant and Landlord concerning the duration and terms of the holdover, Tenant's holdover shall be a month-to-month tenancy. If Tenant holds over without the written consent of Landlord, Landlord shall have all the rights and remedies provided for by law and this Lease, and the same shall be a tenancy at will, terminable at any time. During any holding over, whether with or without consent, Tenant shall pay to Landlord one hundred fifty percent (150%) of the Base Rent in effect on the expiration or termination of the Lease Term plus all Additional Rent and other sums payable under this Lease (without taking into account any abatement or credit whatsoever), and shall be bound by all of the other covenants and conditions specified in this Lease, so far as applicable. Tenant shall be liable to Landlord for, and Tenant shall indemnify, protect, defend and hold Landlord harmless from and against, any damages, liabilities, losses, costs, expenses or claims suffered or

caused by any holdover (including the right to recover consequential damages suffered by Landlord in the event of Tenant's refusal to relinquish possession of the Premises at the end of the Lease Term), including, without limitation, damages and costs related to any successor tenant of the Premises to whom Landlord could not deliver possession of the Premises when promised. Tenant is not authorized to hold over beyond the expiration or earlier termination of the Lease Term, and nothing contained herein shall authorize Tenant to do so and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or earlier termination of the Lease Term.

3.8 **Late Charge; Default Rate.** If Tenant fails to make any payment of Base Rent, Additional Rent or other amount when due under this Lease, a late charge is immediately due and payable by Tenant equal to five percent (5%) of the amount of any such payment. Landlord and Tenant agree that this charge compensates Landlord for the administrative costs caused by the delinquency. The parties agree that Landlord's damage would be difficult to compute and the amount stated in this paragraph represents a reasonable estimate of such damage. Assessment or payment of the late charge contemplated in this paragraph shall not excuse or cure any Event of Default (hereinafter defined) or breach by Tenant under this Lease or impair any other right or remedy provided under this Lease or under law. Any Base Rent, Additional Rent or other sum payable under this Lease which is not paid when due shall bear interest at a rate equal to the lesser of: (a) the published prime or reference rate then-most recently reported in the money rates section of The Wall Street Journal as the "prime rate" (or the average of all such prime rates if more than one "prime rate" is therein reported) (the "Prime Rate"), plus two (2) percentage points, or (b) the maximum rate of interest per annum permitted by applicable law (the "Default Rate"), but the payment of such interest shall not excuse or cure any Event of Default or breach by Tenant under this Lease or impair any other right or remedy provided under this Lease or under law.

SECTION 4: MANAGEMENT AND LEASING PROVISIONS

4.1 **Maintenance and Repair by Tenant.** Tenant shall at Tenant's sole cost and expense clean, keep, maintain and repair the entire Premises in good order, condition and repair. Such repair and replacements include capital expenditures and repairs whose benefit may extend beyond the Lease Term. If Tenant fails to maintain or repair the Premises in accordance with this paragraph, then Landlord may, but shall not be required to, enter the Premises upon ten (10) business days prior written notice to Tenant (or immediately without any notice in the case of an emergency) to perform such maintenance or repair at Tenant's sole cost and expense. Tenant shall pay to Landlord the reasonable cost of such maintenance or repair plus a ten percent (10%) administration fee within thirty (30) days of written demand from Landlord. Tenant shall, at its sole cost and expense, enter into a regularly scheduled preventative maintenance/service contract with a maintenance contractor for servicing and shall maintain the HVAC system dedicated to the Premises in in good working order and repair.

In the event that any repair or maintenance obligation required to be performed by Tenant hereunder may affect the structural integrity of the Building, prior to commencing any such repair, Tenant shall provide Landlord with written notice of the necessary repair or maintenance and a brief summary of the structural component or components of the Building that may be affected by such repair or maintenance. Within ten (10) business days after Landlord's receipt of Tenant's written notice, Landlord shall have the right, but not the obligation, to elect to cause such repair or maintenance to be performed by Landlord, or a contractor selected and engaged by Landlord, but at Tenant's sole cost and expense. Tenant shall be required to pay for the repair and maintenance to such structural components to the extent such repair or maintenance is necessitated due to the performance of Tenant's repair and maintenance obligations pursuant hereto.

4.3 **Security.** Landlord has no duty or obligation to provide any security services in, on or around the Premises, and Tenant recognizes that security services, if any, provided by Landlord will be for the sole benefit of Landlord and the protection of Landlord's property and under no circumstances shall Landlord be responsible for, and Tenant waives any rights with respect to, Landlord providing security or other protection for Tenant or Tenant's Agents or property in, on or about the Premises.

4.4 **Tenant Alterations.** Tenant shall not make any alterations, additions or improvements in or to the Premises, or make changes to locks on doors, or add, disturb or in any way change the roof of the Building, any floor covering, wall covering, fixtures, plumbing or wiring, including, without limitation, the Tenant Work

(Individually and collectively "**Tenant Alterations**"), **without** first obtaining the consent of Landlord. Tenant shall deliver to Landlord full and complete plans and specifications for any proposed Tenant Alterations and all such work shall be performed at Tenant's expense by Tenant. Landlord shall, within fifteen (15) days following its receipt of such plans and specifications, deliver written notice to Tenant approving the same or disapproving the same; if Landlord does not respond within such 15-day period, then the proposed Tenant Alterations in question will be deemed approved by Landlord. Tenant shall pay to Landlord, upon receipt of demand therefore, all reasonable costs incurred by Landlord for any architectural, engineering, supervisory and/or legal services in connection with Landlord's review of the plans and specifications for the Tenant Alterations, not to exceed \$1,500 in the aggregate. Without limiting the generality of the foregoing, Landlord may require Tenant, at Tenant's sole cost and expense, to obtain and provide Landlord with proof of insurance coverage reasonably acceptable to Landlord. Should Tenant make any Tenant Alterations without Landlord's prior written consent, or without satisfaction of any conditions established by Landlord, Landlord shall have the right, in addition to and without limitation of any right or remedy Landlord may have under this Lease, at law or inequity, to require Tenant to remove some or all of the Tenant Alterations at Tenant's sole cost and expense and restore the Premises to the same condition existing prior to undertaking the Tenant Alterations, or, at Landlord's selection, Landlord may remove such Tenant Alterations and restore the Premises at Tenant's expense. All Tenant Alterations shall be (1) completed in accordance with the plans and specifications approved by Landlord; (2) completed in accordance with all Governmental Requirements; (3) carried out promptly in a good and workmanlike manner; (4) of all new materials; and (5) free of defect in materials and workmanship. All Tenant Alterations to the Premises, regardless of which party constructed them or paid for them, shall become the property of Landlord and shall remain upon and be surrendered with the Premises upon the expiration or earlier termination of this Lease.

4.5 **Tenant's Work Performance.** Any Tenant Alterations or any other work to be performed by or on behalf of Tenant in the Premises shall be performed by contractors employed by Tenant under one or more construction contracts, in form and content approved in advance in writing by Landlord. Tenant's contractors, workers and suppliers shall work in harmony with and not interfere with workers or contractors of Landlord or other tenants of Landlord. If Tenant's contractors, workers or suppliers do, in the opinion of Landlord, cause such disharmony or interference, Landlord's consent to the continuation of such work may be withdrawn upon written notice to Tenant. Any work performed at the Building or Premises by Tenant or Tenant's contractor in connection with improvements shall be subject to the following additional requirements:

(a) Such work shall not proceed until Landlord has approved in writing: (i) Tenant's contractor, (ii) the amount and coverage of public liability and property damage insurance, with Landlord named as an additional insured, carried by Tenant's contractor, (iii) complete and detailed plans and specifications for such work, and (iv) a schedule for the work.

(b) All work shall be done in conformity with a valid permit when required, a copy of which shall be furnished to Landlord before such work is commenced. In any case, all such work shall be performed in accordance with all applicable Governmental Requirements. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility for Tenant's failure to comply with applicable Governmental Requirements.

(c) Tenant agrees to indemnify, defend and hold Landlord harmless for any work performed which is not performed in accordance with applicable Governmental Requirements or the provisions of this Lease.

4.6 **Surrender of Possession.** Tenant shall, at the expiration or earlier termination of this Lease, surrender and deliver the Premises to Landlord in as good condition as when received by Tenant from Landlord or as later improved, reasonable use and wear excepted, and free from all tenancies or occupancies by any person.

4.7 **Removal of Property.** Upon expiration or earlier termination of this Lease, Tenant may remove its personal property, inventory, office supplies and office furniture, trade fixtures and equipment if (a) such items are readily moveable and are not attached to the Premises; (b) such removal is completed prior to the expiration or earlier termination of this Lease; and (c) Tenant immediately repairs all damage caused by or

Resulting from such removal. All other property in the Premises and any Tenant Alterations shall become the property of Landlord and shall remain upon and be surrendered with the Premises. Tenant waives all rights to any payment or compensation for such Tenant Alterations. If Tenant shall fail to remove any of its property from the Premises at the expiration or earlier termination of this Lease or when Landlord has the right of re-entry, Landlord may, at its option, remove and store such property at Tenant's **expense** without liability for loss of or damage to such property, such storage to be for the account and at the expense of Tenant. Tenant shall pay all reasonable costs incurred by Landlord within thirty (30) days after demand for such payment. If Tenant fails to pay the cost of storing any such property, Landlord may, at its option, after it has been stored for a period of thirty (30) days or more, sell or permit to be sold, any or all such property at public or private sale (and Landlord may become a purchaser at such sale), in such manner and at such times and places as Landlord in its sole discretion may deem proper, with notice to Tenant, and Landlord shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the reasonable costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or later become due Landlord from Tenant under this Lease; and, fourth, the balance, if any, to Tenant.

4.8 Access. Tenant shall permit Landlord and Landlord's partners, trustees, consultants, members, affiliates, agents, directors, shareholders, employees and contractors (collectively, "Landlord's Agents") to enter into the Premises at any time on at least one (1) days' notice (except in case of emergency in which case no notice shall be required), for the purpose of inspecting the same, for the purpose of showing the same to prospective purchasers or lenders, or for the purpose of repairing, altering or improving the Premises or the Building. Nothing contained in this paragraph shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. Upon at least 24 hours' prior notice to Tenant (except in an emergency) Landlord shall have the right to enter the Premises during the Lease Term for the purpose of showing the Premises to prospective tenants and to erect on the Premises a suitable sign indicating the Premises are available; provided that such entry shall not occur during the hours in which school is in session without Tenant's prior consent. Tenant shall arrange to meet with Landlord for a joint inspection of the Premises prior to vacating. In the event of Tenant's failure to give such notice or arrange such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. Landlord shall not be liable for the consequences of admitting by passkey, or refusing to admit to the Premises, Tenant or any of Tenant's Agents, or other persons claiming the right of admittance.

4.9 Damage or Destruction. If the Premises are damaged by fire, earthquake or other casualty, Tenant shall give immediate written notice thereof to Landlord. If Landlord estimates that the damage can be repaired in accordance with the then-existing Governmental Requirements within two hundred-ten (210) days after Landlord is notified by Tenant of such damage and if there are sufficient insurance proceeds available to repair such damage, then Landlord shall proceed with reasonable diligence to restore the Premises to substantially the condition which existed prior to the damage and this Lease shall not terminate. If, in Landlord's estimation, the damage cannot be repaired within such 210 day period or if there are insufficient insurance proceeds available to repair such damage, Landlord may elect in its absolute discretion to either: (a) terminate this Lease within forty-five (45) days after the date Landlord first learns of the damage in question, or (b) restore the Premises to substantially the condition which existed prior to the damage and this Lease will continue. If Landlord restores the Premises under this paragraph, then Landlord shall use commercially reasonable efforts to proceed toward completion of the restoration and, if the damage was caused by the negligence or willful misconduct of Tenant or Tenant's Agents, then Tenant shall pay to Landlord, upon demand, one hundred percent (100%) of any applicable deductible amount specified under Landlord's insurance. Landlord shall not be required to repair or restore tenant improvements, Tenant Alterations, or any or all furniture, fixtures, equipment, inventory, improvements or other property which was in or about the Premises at the time of the damage and was not owned by Landlord. So long as the damage was not caused by Tenant or Tenant's Agents, Base Rent due under this Lease during any reconstruction period shall be equitably reduced based on the proportion by which the area of the Premises is reduced, so long as the Premises (or portion thereof) remain untenantable as a result of the casualty in question and Tenant does not use the Premises (or portion thereof) as a result thereof. Any such reduction in Base Rent payable under this Lease shall be effective as of the date the applicable portion of the Premises becomes untenantable (and Tenant does not use the same) as a result of the casualty in question. Tenant agrees to look to the provider of Tenant's insurance for coverage for the loss of Tenant's use of the Premises and any other related losses or damages incurred by Tenant during any

(Note: on this page, the words "first," "second," "third," and "fourth" have underlines.)

reconstruction period. Notwithstanding anything contained in this Lease to the contrary, if there is damage to the Premises or Building and the holder of any indebtedness secured by a mortgage or deed of trust covering any such property requires that the insurance proceeds be applied to such indebtedness or if the insurance proceeds are otherwise inadequate to complete the repair of the damages to the Premises, the Building or both, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after Landlord is notified of such requirement. Notwithstanding the foregoing, if the Premises or the Building are wholly or partially damaged or destroyed within the final twelve (12) months of the Lease Term, Landlord may, at its option, elect to terminate this Lease upon written notice to the other within thirty (30) days following such damage or destruction. Tenant waives the provisions of any statutes presently existing or hereafter enacted (including, without limitation, California Civil Code sections 1932 and 1933) which relate to termination of leases when the thing leased is destroyed and agrees that such event will be governed by the terms of this Lease.

4.10 Condemnation. If all of the Premises, or such portions of the Building as may be required for the Tenant's reasonable use of the Premises, are taken by eminent domain or by conveyance in lieu thereof, this Lease shall automatically terminate as of the date the physical taking occurs, and all Base Rent, Additional Rent and other sums payable under this Lease shall be paid to that date. In case of taking of a part of the Premises or a portion of the Building not required for the Tenant's reasonable use of the Premises, then this Lease shall continue in full force and effect and the Base Rent shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such reduction in Base Rent to be effective as of the date the physical taking occurs. Additional Rent and all other sums payable under this Lease shall not be abated. Landlord reserves all rights to damages or awards for any taking by eminent domain relating to the Premises or Building, and the unexpired term of this Lease. Tenant assigns to Landlord any right Tenant may have to such damages or award and Tenant shall make no claim against Landlord for damages for termination of its leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be entitled for damage to Tenant's property, Tenant's moving expenses or other relocation costs; provided that, such expenses or costs may be claimed only if they are awarded separately in the eminent domain proceedings and not as a part of the damages recoverable by Landlord. Except as may be provided to the contrary above, Tenant waives all rights it may have under California Code of Civil Procedure section 1265.130, or otherwise, to terminate this Lease based on a partial condemnation.

4.11 Indemnification; Liability. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against any and all claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) arising in whole or in part out of (a) Tenant's and/or any of Tenant's Agents' possession, use or occupancy of the Premises or the business conducted in the Premises, (b) any act, omission or negligence of Tenant or Tenant's Agents relating to the Premises, Building and/or this Lease, (c) any Tenant Alterations or other work performed by or on behalf of Tenant or Tenant's Agents relating to the Premises, Building, and/or this Lease, and/or (d) any breach or default under this Lease by Tenant. Neither Landlord nor Landlord's Agents shall have any liability to Tenant, or to Tenant's Agents, for (i) any claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) arising out of any cause whatsoever, including repair to any portion of the Premises; (ii) interruption in or interference with the use of the Premises or any equipment therein; (iii) any accident or damage resulting from any use or operation by Landlord, Tenant or any person or entity of heating, cooling, electrical, sewerage or plumbing equipment or apparatus or telecommunication facilities; (iv) fire, robbery, theft, vandalism, mysterious disappearance or a casualty of any kind or nature; (v) actions of any other person or entity; (vi) inability to furnish any service required of Landlord as specified in this Lease; or (vii) leakage in any part of the Premises or the Building from rain, ice or snow, or from drains, pipes or plumbing fixtures in the Premises or the Building.

4.12 Tenant Insurance.

4.12.1 Tenant shall, throughout the Lease Term, at its own expense, keep and maintain in full force and effect the following policies, each of which shall be endorsed as needed to provide that the insurance

afforded by these policies is primary and that all insurance carried by Landlord is strictly excess and secondary and shall not contribute with Tenant's liability insurance:

(a) A policy of commercial general liability insurance, including a contractual liability endorsement covering Tenant's obligations under the paragraph captioned "Indemnification", insuring against claims of bodily injury and death or property damage or loss with a combined single limit of not less than Three Million Dollars (\$3,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00) in the annual aggregate, which policy shall be payable on an "occurrence" rather than a "claims made" basis, and which policy names Landlord and, at Landlord's request Landlord's managers lenders, investment advisors and/or any other party designated by Landlord, as additional insureds;

(b) A policy of extended property insurance (which is commonly called "all risk") covering tenant improvements, Tenant Alterations, and any and all furniture, fixtures, equipment, machinery, inventory, improvements and other property in or about the Premises which is not owned by Landlord, for one hundred percent (100%) of the then current replacement cost of such property;

(c) Business interruption insurance in an amount sufficient to cover costs, damages, lost income, expenses, Base Rent, Additional Rent and all other sums payable under this Lease, should any or all of the Premises not be usable for a period of up to twelve (12) months;

(d) A policy of worker's compensation insurance as required by applicable law and employer's liability insurance with limits of no less than One Million Dollars (\$1,000,000.00); and

(e) A policy of comprehensive automobile liability insurance covering owned, non-owned and hired vehicles, with limits of no less than One Million Dollars (\$1,000,000.00) per occurrence.

4.12.2 All insurance policies required under this Section 4.12 shall be with companies reasonably approved by Landlord and each policy shall provide that it is not subject to cancellation, lapse or reduction in coverage except after thirty (30) days' written notice to Landlord. Deductibles under the policies under this Section 4.12 shall not exceed Five Thousand Dollars (\$5,000.00) per occurrence (\$50,000 per occurrence with respect to property insurance). Tenant shall deliver to Landlord and, at Landlord's request Landlord's mortgage lender(s), prior to the Effective Date and from time to time thereafter, certificates evidencing the existence and amounts of all such policies.

4.12.3 If Tenant fails to acquire or maintain any insurance or provide any certificate required by this paragraph, Landlord may, but shall not be required to, after fifteen (15) days' written notice to Tenant (unless the insurance in question has expired or otherwise lapsed, in which case, only one (1) business day's written notice shall be required) obtain such insurance or certificates and the costs associated with obtaining such insurance or certificates shall be payable by Tenant to Landlord on demand.

4.13 **Landlord's Insurance.** Landlord may, but shall not be required to, maintain such types and amounts of insurance as Landlord deems appropriate (with such deductibles as Landlord deems appropriate). All costs and expenses of all such insurance that Landlord elects to carry shall be paid by Tenant to Landlord within thirty (30) days of Landlord's demand (which demand may be made from time to time and at any time).

4.14 **Waiver of Subrogation.** Notwithstanding anything in this Lease to the contrary, Tenant hereby waives and releases Landlord from any and all property claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) or any loss or damage that may occur to the Premises, Building, or personal property located therein, by reason of fire or other casualty regardless of cause or origin, including the negligence or misconduct of Landlord, Tenant, Landlord's Agents or Tenant's Agents. Tenant shall promptly give to its insurance company written notice of the waivers contained in this Section 4.14, and shall cause its insurance policies to be properly endorsed, if necessary, to prevent the invalidation of any insurance coverages by reason of the waivers contained in this Section 4.14.

4.15 **Assignment and Subletting by Tenant.**

4.15.1 Tenant shall not have the right to assign, transfer, mortgage or encumber this Lease in whole or in part, nor sublet the whole or any part of the Premises, nor allow the occupancy of all or any part of the Premises by another, without first obtaining Landlord's consent, which consent may not be unreasonably withheld. Notwithstanding any permitted assignment or subletting, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of all sums payable under this Lease and for compliance with all of its other obligations as tenant under this Lease. Landlord's acceptance of Base Rent, Additional Rent or any other sum from any assignee, sublessee, transferee, mortgagee or encumbrance holder shall not be deemed to be Landlord's approval of any such conveyance. Upon the occurrence of an Event of Default, in addition to any other remedies provided in this Lease or by law, if the Premises or any part of the Premises are then subject to an assignment or subletting, Landlord may, at its option, collect directly from such assignee or subtenant all rents becoming due to Tenant under such assignment or sublease and apply such rents against any sums due to Landlord from Tenant under this Lease. No such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease. Landlord's right of direct collection shall be in addition to and not in limitation of any other rights and remedies provided for in this Lease or at law. Tenant makes an absolute assignment to Landlord of such assignments and subleases and any rent, Lease Security Deposits and other sums payable under such assignments and subleases as collateral to secure the performance of the obligations of Tenant under this Lease.

4.15.2 In the event Tenant desires to assign this Lease or to sublet all or any portion of the Premises, Tenant shall give written notice of such desire to Landlord setting forth the name of the proposed subtenant or assignee, the proposed term, the nature of the proposed subtenant's or assignee's business to be conducted on the Premises, the rental rate, and any other particulars of the proposed subletting or assignment that Landlord may reasonably request. Without limiting the preceding sentence, Tenant shall also provide Landlord with: (a) such financial information as Landlord may request concerning the proposed subtenant or assignee, including recent financial statements certified as accurate and complete by the president, managing partner or other appropriate officer of the proposed subtenant or assignee; (b) a copy of the proposed sublease or assignment or letter of intent; and (c) a completed Environmental Questionnaire prepared by the sublessee or assignee. Tenant shall pay to Landlord, upon Landlord's demand therefor, Landlord's reasonable administrative costs and attorneys' fees incurred in the review of such documentation and in documenting Landlord's consent, not to exceed \$1,500.00 in the aggregate. Receipt of such fee shall not obligate Landlord to approve the proposed assignment or sublease.

4.15.3 In determining whether to grant or withhold consent to a proposed assignment or sublease, Landlord may consider, and weigh, any factor it deems relevant. Without limiting what may be construed as a factor considered by Landlord, Tenant agrees that any one or more of the following will be proper grounds for Landlord's disapproval of a proposed assignment or sublease:

(a) The proposed assignee or subtenant does not, in Landlord's good faith judgment, have sufficient financial worth to insure full and timely performance under this Lease;

(b) The proposed assignee or subtenant has a reputation for disputes in contractual relations, for failure to observe and perform its contractual obligations in a timely and complete manner or for negative business relations in the business community as a tenant of property or otherwise;

(c) Landlord has received from any prior lessor of the proposed assignee or subtenant a negative report concerning such prior lessor's experience with the proposed assignee or subtenant, or Landlord has had prior negative leasing experience with the proposed assignee or subtenant or an affiliate;

(d) The use of the Premises by the proposed assignee or subtenant will not be permitted under the Permitted Use;

(e) In Landlord's judgment, the proposed assignee or subtenant is engaged in a business, or the Premises or any part of the Premises will be used in a manner, that is not in keeping with the then standards of the Building;

(f) The use of the Premises by the proposed assignee or subtenant will violate any Governmental Requirement;

(g) Tenant is in default of any obligation of Tenant under this Lease;

(h) Landlord has had written negotiations with the proposed assignee or subtenant, in the six (6) months preceding Tenant's request, regarding the leasing of space by such proposed assignee or subtenant in the Building or any other buildings owned by Landlord in the metropolitan area in which the Premises is located, and Landlord has, or will have in the following six (6) months, space available to lease to such party, comparable to the portion of the Premises that is the subject of the transaction in question; or

(i) The proposed assignee or subtenant will introduce one or more Hazardous Substances (defined in Section 4.19 below) to the Premises or will increase the risk of loss or damage to the Premises or Building or the risk of Landlord liability to any Governmental Agency or third party under any applicable statute or common law theory.

4.15.4 Within thirty (30) days after Landlord's receipt of all required information to be supplied by Tenant pursuant to this paragraph, Landlord shall notify Tenant of Landlord's approval, disapproval or conditional approval of any proposed assignment or subletting or of Landlord's election to recapture as described below. Landlord shall have no obligation to respond unless and until all required information has been submitted. In the event Landlord approves of any proposed assignment or subletting, Tenant and the proposed assignee or sublessee shall execute and deliver to Landlord an assignment (or subletting) and assumption agreement in form and content satisfactory to Landlord.

4.15.5 If Landlord consents to any assignment or sublease and Tenant receives rent or any other consideration, either initially or over the term of the assignment or sublease, in excess of the Base Rent (or, in the case of a sublease or other transfer of a portion of the Premises, in excess of the Base Rent paid by Tenant on a square footage basis under this Lease), Tenant shall pay to Landlord one hundred percent (100%) of such excess.

4.15.6 Notwithstanding anything to the contrary contained in this Section 4.15, in the event Tenant contemplates an assignment or sublease of all or a portion of the Premises (or in the event of any other transfer or transfers entered into by Tenant as a subterfuge in order to avoid the terms of this Section 4.15), Tenant shall give Landlord written notice (the "Intention to Transfer Notice") of such contemplated assignment or sublease (whether or not the contemplated transferee or the terms of such contemplated assignment or sublease have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to assign or sublease (the "Contemplated Transfer Space"), the demising walls to be constructed, to the extent applicable, the contemplated date of commencement of the contemplated assignment or sublease (the "Contemplated Effective Date"), and the contemplated length of the term of such contemplated assignment or sublease, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 4.15.6 in order to allow Landlord to elect to recapture the Contemplated Transfer Space for the term set forth in the Intention to Transfer Notice. Thereafter, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space upon the basic terms and conditions specified in the Intention to Transfer Notice. In the event such option is exercised by Landlord, this Lease shall be suspended (or when appropriate, canceled and terminated if the last day of the term of the Contemplated Transfer is the last day of the Lease Term) with respect to the Contemplated Transfer Space commencing as of the date stated in the Intention to Transfer Notice as the Contemplated Effective Date for a period ending upon the last day of the term of the Contemplated Transfer, at which time the Lease shall be reinstated and revived as to the Contemplated Transfer Space. In the event of a recapture by Landlord, if this Lease shall be suspended without liability to Tenant, or, when appropriate, canceled with respect to less than the entire Premises, the Base Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises times the rental rate or rates under this Lease applicable to such Contemplated Transfer Space, and this Lease as so amended shall continue thereafter in full force and effect, and upon the request of either party, the parties shall execute written confirmation of the same.

4.16 Assignment by Landlord. Landlord shall have the right to transfer and assign, in whole or in part, its rights and obligations under this Lease and in any and all of the Premises. If Landlord sells or transfers any or all of the Premises, Landlord and Landlord's Agents shall, upon consummation of such sale or transfer, be released automatically from any liability relating to obligations or covenants under this Lease to be performed or observed after the date of such transfer, and in such event, Tenant agrees to look solely to Landlord's successor-in-interest with respect to such liability.

4.17 Estoppel Certificates and Financial Statements. Tenant shall, from time to time, upon the written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement stating: (a) the date this Lease was executed and the date it expires; (b) the date Tenant entered into occupancy of the Premises; (c) the amount of monthly Base Rent and Additional Rent and the date to which such Base Rent and Additional Rent have been paid; and (d) certifying that (i) this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date of the agreement so affecting this Lease); (ii) Landlord is not in breach of this Lease (or, if so, a description of each such breach) and that no event, omission or condition has occurred which would result, with the giving of notice or the passage of time, in a breach of this Lease by Landlord; (iii) this Lease represents the entire agreement between the parties with respect to the Premises; (iv) all required contributions by Landlord to Tenant on account of tenant improvements have been received; (v) on the date of execution, there exist no defenses or offsets which the Tenant has against the enforcement of this Lease by the Landlord; (vi) no Base Rent, Additional Rent or other sums payable under this Lease have been paid in advance except for Base Rent and Additional Rent for the then current month; (vii) no security has been deposited with Landlord (or, if so, the amount of such security); (viii) it is intended that any Tenant's statement may be relied upon by a prospective purchaser or mortgagee of Landlord's interest or an assignee of any such mortgagee; and (ix) such other information as may be reasonably requested by Landlord. If Tenant fails to deliver the requested documents under this Section 4.17 within twenty-one (21) days of its receipt of a written request by Landlord as provided in this paragraph, then an Event of Default under this Lease will be deemed to have occurred, and Tenant shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser, mortgagee or assignee. In addition, Tenant shall, from time to time but not more than once in a calendar year, upon the written request of Landlord, deliver to or cause to be delivered to Landlord or its designee current financial statements (including a statement of operations and balance sheet and statement of cash flows) certified as accurate by Tenant and any successor entity to Tenant by merger or operation of law.

4.18 Subordination. Subject to the third sentence of this Section 4.18, Tenant subordinates this Lease and all rights of Tenant under this Lease to any mortgage, deed of trust, ground lease or vendor's lien, or similar instrument which may from time to time be placed upon the Premises (and all renewals, modifications, replacements and extensions of such encumbrances), and each such mortgage, deed of trust, ground lease or lien or other instrument shall be superior to and prior to this Lease. Notwithstanding the foregoing, the holder or beneficiary of such mortgage, deed of trust, ground lease, vendor's lien or similar instrument shall have the right to subordinate or cause to be subordinated any such mortgage, deed of trust, ground lease, vendor's lien or similar instrument to this Lease or to execute a non-disturbance agreement in favor of Tenant on the standard form utilized by such lender or ground lessor. At the request of Landlord, the holder of such mortgage or deed of trust or any ground lessor, Tenant shall execute, acknowledge and deliver promptly in recordable form any instrument or subordination agreement that Landlord or such holder may request; provided, however, that Landlord obtains from the lender or other party in question a written undertaking in favor of Tenant to the effect that such lender or other party will not disturb Tenant's right of possession under this Lease if Tenant is not then or thereafter in breach of any covenant or provision of this Lease (subject to any notice and cure periods set forth in this Lease). Subject to the foregoing, Tenant further covenants and agrees that if the lender or ground lessor acquires the Premises as a purchaser at any foreclosure sale or otherwise, Tenant shall recognize and attorney to such party as landlord under this Lease, and shall make all payments required hereunder to such new landlord without deduction or set-off and, upon the request of such purchaser or other successor, execute, deliver and acknowledge documents confirming such attornment. Tenant waives the provisions of any law or regulation, now or hereafter in effect, which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease or the obligations of Tenant hereunder in the event that any such foreclosure or termination or other proceeding is prosecuted or completed. If Tenant fails to deliver the requested documents under this Section 4.18 within twenty-one (21) days of its receipt of a written request by Landlord, then an Event of Default under this Lease will be deemed to have occurred.

4.19 **Hazardous Substances.**

4.19.1 Subject to the terms and conditions of this Section 4.19, Tenant is authorized and permitted to store, handle and use reasonable quantities and types of Permitted Substances (defined below) for prudent, safe, usual and customary activities in connection with Tenant's permitted use of the Premises, provided that (a) Tenant complies with all Governmental Requirements (and all guidelines and recommendations of Governmental Agencies) and generally accepted industry safety guidelines and recommendations at all times, (b) the use, handling, storage and transport thereof is strictly in accordance with all Governmental Requirements and industry customs, (c) the types and quantities of any Permitted Substances are reasonable, customary and appropriate for a first-class industrial tenant in a first-class industrial building with the same Permitted Use as that set forth in this Lease, and (d) Tenant shall not release, spill or dispose of any Hazardous Substances (defined below) from on, in, under or about the Premises. For purposes hereof, "Permitted Substances" is defined as reasonable quantities and types of cleaning fluids and office supplies for prudent, usual and customary cleaning and maintenance of bathrooms, windows, kitchens and administrative offices and for functions customarily performed in an administrative office. Except as described above in this Section 4.19, Tenant shall neither cause or permit any Hazardous Substances to be stored, placed, manufactured, refined, handled, generated, blended, recycled, used, located, disposed of, or released from on, in, under or about the Premises. "Hazardous Substances" is defined as any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other material expected to be on the Premises, is either (a) potentially injurious to the public health, safety or welfare, the environment or the Premises, or (b) a basis for potential liability of Landlord or Landlord's Agents to any Governmental Agency or third party under any applicable statute or common law theory. Hazardous Substances shall include (without limitation) asbestos, PCB, petroleum or petroleum-based chemicals or substances, urea formaldehyde or any chemical, material, element, compound, solution, mixture, substance or other matter of any kind whatsoever which is now or later defined, classified, listed, designated or regulated as hazardous, toxic or radioactive by any Governmental Agency or is similarly defined pursuant to any applicable Governmental Requirements. Tenant agrees that (i) the storage, handling and use of all permitted Hazardous Substances must at all times conform to all Governmental Requirements and to applicable fire, safety and insurance requirements; (ii) the types and quantities of permitted Hazardous Substances which are stored in the Premises must be reasonable and appropriate to the nature and size of Tenant's operation in the Premises and reasonable and appropriate for a first-class building of the same or similar use and in the same market area as the Building; and (iii) no Hazardous Substance shall be spilled or disposed of on, in, under or around the Premises or discharged from the Premises. In no event will Tenant be permitted to store, handle or use on, in, under or around the Premises any Hazardous Substance which will increase the rate of fire or extended coverage insurance on the Premises or Building. Tenant shall not excavate, disturb or conduct any testing of any soils on or about the Premises without obtaining Landlord's prior written consent, and any investigation or remediation on or about the Premises shall be conducted only by a consultant approved in writing by Landlord and pursuant to a work letter, approved in writing by Landlord.

4.19.2 Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Agents from and against any and all claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) arising out of any breach of any provision of this Section 4.19. Landlord's expenses shall include, without limitation, laboratory testing fees, personal injury claims, clean-up costs and environmental consultants' fees. Without limiting in any way Tenant's obligations under other provisions of this Lease, Landlord's damages for a breach of this Section 4.19, whether under an indemnity claim or a claim for direct damages or otherwise, shall include, without limitation, (a) damages arising out of the diminution in value of the Premises or any portion thereof, (b) damages for the loss of the Premises, and (c) damages arising from any adverse impact on the marketing of space in the Premises, which arise during or after the Lease Term in whole or in part as a result of a violation or suspected violation of this Section 4.19.

4.19.3 Landlord shall have the right (but not the obligation) to enter upon the Premises and cure any non-compliance by Tenant with the terms of this Section 4.19 or any Governmental Requirements applicable to Hazardous Substances or any release, discharge, spill, improper use, storage, handling or disposal of

Hazardous Substances on, under, from, or about the Premises, regardless of the quantity of such release, discharge, spill, improper use, storage, handling or disposal of Hazardous Substances, the full cost of which shall be deemed to be rent and shall be due and payable by Tenant to Landlord immediately upon demand. If Landlord elects to enter upon the Premises and cure any such non-compliance or release, discharge, spill, improper use, storage, handling or disposal of Hazardous Substances, Tenant shall not be entitled to participate in Landlord's activities on the Premises. Tenant agrees that Landlord may be irreparably harmed by Tenant's breach of this Section 4.19 and that a specific performance action may appropriately be brought by Landlord; provided that, Landlord's election to bring or not bring any such specific performance action shall in no way limit, waive, impair or hinder Landlord's other remedies against Tenant.

4.19.4 Notwithstanding anything to the contrary in this Lease, Landlord shall indemnify and hold Tenant harmless from all liability, claims, penalties, fines, judgments, costs, losses, damages and expenses of any kind, including, without limitation, cleanup costs, damages due to loss or restriction of rentable or usable space, and shall further indemnify, hold harmless and reimburse Tenant for any and all sums paid for settlement of claims, consultant's fees, expert's fees, and reasonable attorney's fees incurred by Tenant as a result of or in connection with any Hazardous Substances caused solely and directly by Landlord or Landlord's Agents ~~or existing prior to Landlord's delivery of the Premises to Tenant.~~

4.20 **Quiet Enjoyment.** Upon paying Base Rent, Additional Rent and all other sums payable under this Lease and performing all covenants and conditions required of Tenant under this Lease, Tenant shall have, hold and enjoy the Premises without hindrance or molestation by Landlord subject to the provisions of this Lease, any ground lease, mortgage or deed of trust and all matters of record now or hereafter encumbering the Premises.

4.21 **Signs.** Tenant shall not display any sign whatsoever, anywhere in or about the Premises at places visible from anywhere outside the Premises without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

4.21 **Brokers.** In connection with this Lease, Tenant warrants and represents that no person or entity is entitled to a commission, finder's fee or other like payment in connection herewith and does hereby indemnify and agree to hold Landlord and Landlord's Agents harmless from and against any and all loss, liability and expenses that Landlord may incur should such warranty and representation prove incorrect, inaccurate or false.

4.23 **Limitation on Recourse.** Notwithstanding anything in this Lease to the contrary, any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder or any claim, cause of action, obligation, contractual statutory or otherwise by Tenant against Landlord concerning, arising out of or relating to any matter relating to this Lease and all of the covenants and conditions or any obligations, contractual, statutory, or otherwise set forth herein, shall be limited solely and exclusively to an amount which is equal to Landlord's equity interest in the Premises. No other property or assets of Landlord, or any of Landlord's Agents, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, Landlord's obligations to Tenant, whether contractual, statutory or otherwise, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises. Tenant further understands that any liability, duty or obligation of Landlord to Tenant which accrues from and after the date of transfer, shall automatically cease and terminate as of the date that Landlord no longer has any right, title or interest in or to the Premises. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not, under any circumstances, be liable for any consequential, indirect, punitive, exemplary or special damages of any nature, or for any loss of data, lost revenues, lost profits, loss of business, loss of goodwill or anticipatory profits, regardless of the form of action, whether in contract, tort (including, without limitation, negligence), strict liability or otherwise, even if Landlord has been advised of the possibility of such damages. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice is delivered by Tenant to Landlord specifying the obligation which Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

(Note: on this page, the words, "~~or existing prior to Landlord's delivery of the Premises to Tenant~~" have underlines.)

4.24 **Mechanic's Liens and Tenant's Personal Property Taxes.**

4.24.1 Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord or Tenant in the Premises or to charge the rentals payable under this Lease for any claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant shall immediately pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises on which any lien is or can be validly and legally asserted against its leasehold interest in the Premises and Tenant shall indemnify, defend and hold harmless Landlord from any and all claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal) arising out of any such asserted claims, demands, damages, injuries, losses, liens, liabilities, penalties, fines, lawsuits, actions, other proceedings and expenses (including, without limitation, attorneys' fees and expenses incurred in connection with the proceeding whether at trial or on appeal). Tenant agrees to give Landlord immediate written notice of any such claim. Tenant shall notify Landlord in writing at least ten (10) business days in advance of any work to be done on, in, or about the Premises. In the event of such scheduled work, whether Landlord received notice from Tenant or not, Landlord shall have the right, at any time and from time to time, to enter the Premises to post notices of non-responsibility in such locations as Landlord deems appropriate. Notwithstanding anything in this Lease to the contrary, Landlord shall not be required to notify Tenant in advance of entering the Premises for the purpose of posting the notices of non-responsibility.

4.24.2 Tenant shall be liable for all taxes levied or assessed against personal property, furniture or fixtures placed by Tenant in the Premises. If any such taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay them or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or fixtures and Landlord elects to pay the taxes based on such increase, Tenant shall reimburse Landlord for the sums so paid by Landlord, upon demand by Landlord.

SECTION 5: DEFAULT AND REMEDIES

5.1 **Events of Default.**

5.1.1 The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant (each, an "Event of Default"):

(a) failure by Tenant to make any payment of Base Rent, Additional Rent or any other sum payable by Tenant under this Lease where such failure continues for a period of five (5) business days after written notice thereof from Landlord to Tenant;

(b) failure by Tenant to observe or perform any covenant or condition of this Lease, other than the making of payments, where such failure shall continue for a period of thirty (30) days after Tenant's receipt of written notice from Landlord (the "Default Notice"); provided, however, that if the nature of Tenant's obligation is such that more than thirty (30) days are required for performance, then Tenant shall not be in default under this subsection (b) if Tenant commences performance within a reasonable period of time (but no later than thirty (30) days after receipt of the Default Notice) and thereafter diligently and in good faith prosecutes the same to completion within a reasonable time frame;

(c) (1) the making by Tenant of any general assignment or general arrangement for the benefit of creditors; (2) the filing by or against Tenant of a petition in bankruptcy, including reorganization or arrangement, unless, in the case of a petition filed against Tenant, unless the same is dismissed within ninety (90) days; (3) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located in the Premises or of Tenant's interest in this Lease; (4) any execution, levy, attachment or other process of law against any property of Tenant or Tenant's interest in this Lease, unless the same is dismissed

Within sixty (60) days; (5) adjudication that Tenant is bankrupt; (6) the making by Tenant of a transfer in fraud of creditors; or (7) the failure of Tenant to generally pay its debts as they become due;

(d) Any assignment, subletting or other transfer for which the prior consent of Landlord is required under this Lease and has not been obtained;

(e) Any Event of Default specified in Sections 4.17 and/or 4.18 of this Lease; or

(f) Tenant's failure to cause to be released (or fully bonded over in a manner and with a company reasonably acceptable to Landlord) any mechanics liens filed against the Premises within thirty (30) days after the date the same shall have been filed or recorded.

5.1.2 When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by Code of Civil Procedure section 1161 or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by Section 6.1 shall replace and satisfy the statutory service-of-notice procedures, including those required by Code of Civil Procedure section 1162 or any similar or successor statute.

5.2 **Remedies.** If any Event of Default occurs, Landlord may at any time after such occurrence, with or without notice or demand except as stated in this paragraph, and without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such Event of Default, exercise the rights and remedies, either singularly or in combination, as are specified or described in this Section 5.2.

5.2.1 Landlord may, upon five (5) business days written notice to Tenant, terminate this Lease and recover possession of the Premises, in which case Tenant shall immediately surrender possession of the Premises to Landlord (provided that if the date of termination is during the academic school year, then Landlord shall provide Tenant with thirty (30) days written notice) and, in addition to any other rights and remedies Landlord may have at law and in equity, Landlord shall have the following rights:

(a) To re-enter the Premises then or at any time thereafter and remove all persons and property and possess the Premises, without prejudice to any other remedies Landlord may have by reason of Tenant's default or of such termination, and Tenant shall have no further claim hereunder.

(b) To recover all damages incurred by Landlord by reason of the default, including without limitation (i) the worth at the time of the award of the payments, including interest, owed by Tenant to Landlord under this Lease that were earned or accrued but unpaid at the time of termination; (ii) the worth at the time of the award of the amount by which the payments owed by Tenant to Landlord under this Lease that would have been earned or accrued after the date of termination until the time of the award exceeds the amount of the loss of payments owed by Tenant to Landlord under this Lease for the same period that Tenant affirmatively proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the payments owed by Tenant to Landlord for the balance of the Term after the time of the award exceeds the amount of the loss of payments owed by Tenant for the same period that Tenant proves could have been reasonably avoided; (iv) all costs incurred by Landlord in retaking possession of the Premises and restoring them to good order and condition; (v) all costs, including without limitation brokerage commissions, advertising costs and restoration and remodeling costs, incurred by Landlord in retaking the Premises; plus (vi) any other amount, including without limitation attorneys' fees and audit expenses, necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. "The worth at the time of the award," as used in clauses (i) and (ii) of this paragraph, is to be determined by computing interest as to each unpaid payment owed by Tenant to Landlord under this Lease, at the highest rate permitted by law. "The worth at the time of the award," as referred to in clause (iii) of this paragraph, is to be determined by discounting such amount, as of the time of award, by the discount rate of the Federal Reserve Bank at the time of the award plus one percent (1%).

(c) To remove, at Tenant's sole risk, any and all personal property in the Premises and place such in a public or private warehouse or elsewhere at the sole cost and expense and in the name of

Tenant. Any such warehouser shall have all of the rights and remedies provided by law against Tenant as owner of such property. If Tenant shall not pay the cost of such storage within thirty (30) days following Landlord's demand, Landlord may, subject to the provisions of applicable law, sell any or all such property at a public or private sale in such manner and at such times and places as Landlord deems proper, without notice to or demand upon Tenant. Tenant waives all claims for damages caused by Landlord's removal, storage or sale of the property and shall indemnify and hold Landlord free and harmless from and against any and all loss, cost and damage, including without limitation court costs and attorneys' fees. Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, with all rights and powers necessary to effectuate the provisions of this Section 5.2.

5.2.2 Landlord may elect, in its absolute discretion, to maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover rent as it becomes due hereunder, and, at Landlord's election, to re-enter and relet the Premises on such terms and conditions as Landlord deems appropriate. Without limiting the generality of the foregoing, Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). Landlord may execute any lease made pursuant hereto in its own name, and Tenant shall have no right to collect any such rent or other proceeds. Landlord's re-entry and/or reletting of the Premises, or any other acts, shall not be deemed an acceptance of surrender of the Premises or Tenant's interest therein, a termination of this Lease or a waiver or release of Tenant's obligations hereunder. Landlord shall have the same rights with respect to Tenant's improvements and personal property as under Section 5.2.1 above, even though such re-entry and/or reletting do not constitute acceptance of surrender of the Premises or termination of this Lease.

5.2.3 Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, Landlord may: (a) terminate any sublease, license, concession, or other consensual arrangement for possession entered into by Tenant and affecting the Premises, or (b) choose to succeed to Tenant's interest in such an arrangement. If Landlord elects to succeed to Tenant's interest in such an arrangement, Tenant shall, as of the date of notice by Landlord of that election, have no further right to, or interest in, the rent or other consideration receivable under that arrangement.

5.2.4 None of the following remedial actions, singly or in combination, shall be construed as an election by Landlord to terminate this Lease unless Landlord has in fact given Tenant written notice that this Lease is terminated: (a) an act by Landlord to maintain or preserve the Premises; (b) any efforts by Landlord to relet the Premises; (c) any repairs or alterations made by Landlord to the Premises; (d) re-entry, repossession or reletting of the Premises by Landlord pursuant to this paragraph; or (e) the appointment of a receiver, upon the initiative of Landlord, to protect Landlord's interest under this Lease. If Landlord takes any of the foregoing remedial action without terminating this Lease, Landlord may nevertheless at any time after taking any such remedial action terminate this Lease by written notice to Tenant.

5.2.5 If Landlord relets the Premises, Landlord shall apply the revenue from such reletting as follows: first, to the payment of any indebtedness of Tenant to Landlord other than Base Rent, Additional Rent or any other sums payable by Tenant under this Lease; second, to the payment of any cost of reletting (including finders' fees and leasing commissions); third, to the payment of the cost of any alterations, improvements, maintenance and repairs to the Premises; and fourth, to the payment of Base Rent, Additional Rent and other sums due and payable and unpaid under this Lease. Landlord shall hold and apply the residue, if any, to payment of future Base Rent, Additional Rent and other sums payable under this Lease as the same become due, and shall deliver the eventual balance, if any, to Tenant. Should revenue from letting during any month, after application pursuant to the foregoing provisions, be less than the sum of the Base Rent, Additional Rent and other sums payable under this Lease and Landlord's expenditures for the Premises during such month, Tenant shall be obligated to pay such deficiency to Landlord as and when such deficiency arises.

5.2.6 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any Base Rent, Additional Rent or other sum

payable under this Lease or of any damages accruing to Landlord by reason of the violation of any of the covenants or conditions contained in this Lease.

5.3 **Right to Perform; Acceptance of Rent without Waiving Rights.** If Tenant shall fail to pay any sum of money, other than Base Rent or Additional Rent, required to be paid by it under this Lease or shall fail to perform any other act on its part to be performed under this Lease, and such failure shall continue for ten (10) days after notice of such failure by Landlord, or such shorter time if reasonable under the circumstances, Landlord may, but shall not be obligated to, and without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such other act on Tenant's part to be made or performed as provided in this Lease. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of sums due under this paragraph as in the case of default by Tenant in the payment of Base Rent. Landlord may accept Tenant's payments without waiving any rights under this Lease, including rights under a previously served notice of default. If Landlord accepts partial payments which cumulatively are less than the sum owed after serving a notice of default, Landlord may nevertheless commence and pursue an action to enforce rights and remedies under the previously serviced notice of default without giving Tenant any further notice or demand.

5.4 **Landlord's Default.** Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice is delivered by Tenant to Landlord and to the holder of any mortgages or deeds of trust (collectively, "Lender") covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying the obligation which Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than twenty thirty (30) days are required for performance, then Landlord shall not be in default if Landlord or Lender commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. All obligations of Landlord hereunder shall be construed as covenants, not conditions. In the event of any default, breach or violation of Tenant's rights under this Lease by Landlord, Tenant's exclusive remedy shall be either an action for specific performance or an action for actual damages (subject to the terms of this Lease). Except as set forth to the contrary in this Lease, Tenant hereby waives the benefit of any laws granting it the right to perform Landlord's obligation, a lien upon the property of Landlord and/or upon Rent due Landlord, or the right to terminate this Lease or withhold Base Rent, Additional Rent or any other amount on account of any Landlord default.

SECTION 6: MISCELLANEOUS PROVISIONS

6.1 **Notices.** Any notice, request, approval, consent or written communication required or permitted to be delivered under this Lease shall be: (a) in writing; (b) transmitted by personal delivery, overnight delivery via courier, United States Postal Service certified mail, return receipt requested, or facsimile; and (c) deemed to be delivered on the earlier of the date received or four (4) business days after having been deposited in the United States Postal Service, postage prepaid. Such writings shall be addressed to Landlord or Tenant, as the case may be, at the respective designated addresses set forth opposite their signatures, or at such other address(es) as they may, after the execution date of this Lease, specify by written notice delivered in accordance with this paragraph, with copies to the persons at the addresses, if any, designated opposite each party's signature. Those notices which contain a notice of breach or default or a demand for performance may be sent by any of the methods described in clause (b) above, but if transmitted by personal delivery or electronic means, shall also be sent concurrently by certified or registered mail, return receipt requested.

6.2 **Attorney's Fees and Expenses.** In the event Landlord requires the services of an attorney in connection with enforcing the terms of this Lease after the occurrence of an Event of Default, or in the event suit is brought for the recovery of Base Rent, Additional Rent or any other sums payable under this Lease or for the breach of any covenant or condition of this Lease after the occurrence of an Event of Default, or for the restitution of the Premises to Landlord or the eviction of Tenant during the Lease Term or after the expiration or earlier termination of this Lease, Landlord shall be entitled to a reasonable sum for attorney's and paralegal's fees, expenses and court costs, including those relating to any appeal. In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease in any court or arbitration proceedings, the prevailing party shall be entitled to a reasonable sum for attorney's and paralegal's fees, expenses and court costs, including those relating to any appeal.

6.3 **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of an amount less than the Base Rent or Additional Rent or any other sum due and payable under this Lease shall be deemed to be other than a payment on account of the Base Rent, Additional Rent or other such sum, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, nor preclude Landlord's right to recover the balance of any amount payable or Landlord's right to pursue any other remedy provided in this Lease or at law.

6.4 **Successors.** Except as provided in the paragraph captioned "Limitation on Recourse" and subject to the paragraph captioned "Assignment and Subletting by Tenant", all of the covenants and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

6.5 **Choice of Law.** This Lease shall be construed and governed by the laws of the State of California. Tenant consents to Los Angeles County, California as the choice of venue for any legal proceeding brought by Landlord or Tenant to enforce the terms of this Lease.

6.6 **No Waiver of Remedies.** The waiver by Landlord of any covenant or condition contained in this Lease shall not be deemed to be a waiver of any subsequent breach of such covenant or condition nor shall any custom or practice which may develop between the parties in the administration of this Lease be construed to waive or lessen the rights of Landlord to insist on the strict performance by Tenant of all of the covenants and conditions of this Lease. No act or thing done by Landlord or Landlord's Agents during the Lease Term shall be deemed an acceptance or a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless made in writing and signed by Landlord. The mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy it might have, either under this Lease or at law, nor shall the waiver of or redress for any violation of any covenant or condition in this Lease or in any of the rules or regulations attached to this Lease or later adopted by Landlord, prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Base Rent, Additional Rent or any other sum payable under this Lease with knowledge of a breach of any covenant or condition in this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the rules and regulations attached to this Lease or later adopted, against Tenant or any other tenant in the Building, shall not be deemed a waiver. Any waiver by Landlord must be in writing and signed by Landlord to be effective.

6.7 **Offer to Lease.** The submission of this Lease in a draft form to Tenant or its agent does not constitute an offer to Tenant to lease the Premises. Landlord shall in no way be bound by this Lease until: (a) it is executed and delivered by Tenant to Landlord; and (b) it is executed and delivered by Landlord to Tenant.

6.8 **Force Majeure.** Except with respect to either party's monetary obligations (including, without limitation, Tenant's obligation to pay Base Rent and Additional Rent), in the event that Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act or obligation required under this Lease by reason of any of the following (each, "Force Majeure"), then performance of such act and obligation shall be excused for the period of the delay and the period for the performance of any such act and/or obligation shall be extended for the period equivalent to the period of such delay: acts of God, earthquakes, strikes, lockouts, labor troubles or disputes, inability to procure or shortage of materials or labor, failure of power or utilities, delay in transportation, fire, vandalism, accident, flood, severe weather, other casualty, Governmental Requirements, terrorism, riot, insurrection, civil commotion, sabotage, explosion, war, natural or local emergency, or other reasons of a similar or dissimilar nature not solely the fault of, or under the reasonable control of, Landlord or Tenant, as applicable. Notwithstanding the foregoing, this Section 6.8 shall in no way affect or impair Tenant's monetary obligations under this Lease, including, without limitation, Tenant's obligation to pay Base Rent and Additional Rent.

6.9 **Severability; Captions.** If any clause or provision of this Lease is determined to be illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected by such determination, and in lieu of each clause or provision that is determined to be illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable. Headings or

captions in this Lease are added as a matter of convenience only and in no way define, limit or otherwise affect the construction or interpretation of this Lease.

6.10 **Interpretation.** Whenever a provision of this Lease uses the term (a) "include" or "including", that term shall not be limiting but shall be construed as illustrative, (b) "covenant", that term shall include any covenant, agreement, term or provision, (c) "at law", that term shall mean as specified in any applicable statute, ordinance or regulation having the force of law or as determined at law or in equity, or both, and (d) "day", that uncapitalized word shall mean a calendar day. This Lease shall be given a fair and reasonable interpretation of the words contained in it without any weight being given to whether a provision was drafted by one party or its counsel.

6.11 **Incorporation of Prior Agreement; Amendments.** This Lease contains all of the agreements of the parties to this Lease with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties to this Lease or their respective successors in interest.

6.12 **Modification for Lender.** If, in connection with obtaining construction, interim or permanent financing for the Premises, Landlord's lender, if any, shall request reasonable modifications to this Lease as a condition to such financing, Tenant will not unreasonably withhold or delay its consent to such modifications; provided that, such modifications do not increase the obligations of Tenant under this Lease or materially adversely affect Tenant's rights under this Lease and Landlord shall reimburse Tenant for any of Tenant's actual and reasonable out-of-pocket expenses (including attorneys' fees) in connection therewith, not to exceed \$1,500.00 in the aggregate.

6.13 **Time of Essence; Business days.** Time is of the essence with respect to the performance of every covenant and condition of this Lease. For purposes of this Lease, "business days" means calendar days, except for Saturdays and Sundays and holidays when banks are closed in Los Angeles, California.

6.15 **Survival of Obligations.** Notwithstanding anything contained in this Lease to the contrary or the expiration or earlier termination of this Lease, any and all obligations of Tenant accruing prior to the expiration or termination of this Lease shall survive the expiration or earlier termination of this Lease, and Tenant shall promptly perform all such obligations whether or not this Lease has expired or terminated. Without limiting the foregoing, such obligations shall include any and all indemnity obligations set forth in this Lease.

6.16 **Consent to Service.** Tenant irrevocably consents to the service of process of any action or proceeding at the address of the Premises. Nothing in this paragraph shall affect the right to serve process in any other manner permitted by law.

6.17 **Counterparts; PDF.** This Lease may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement. PDF and facsimile signatures shall have the same force and effect as original ink signatures.

6.18 **Waiver of Jury Trial.** TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CONTRACT OR TORT CLAIM, COUNTERCLAIM, CROSS-COMPLAINT, OR CAUSE OF ACTION IN ANY ACTION, PROCEEDING, COUNTERCLAIM, OR HEARING BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR RELATING IN ANY WAY TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, INCLUDING ANY CLAIM OF INJURY OR DAMAGE OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY CURRENT OR FUTURE LAW, STATUTE, REGULATION, CODE OR ORDINANCE.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Lease has been executed the day and year first above set forth.

Designated Address for Landlord: 3012 Riverside Drive Los Angeles, CA 90039

Landlord: 4210 E. Gage LLC, a California limited liability company

By: Mark Campos' signature

Name: Mark Campos

Property Manager/Leasing Agency

Designated Address for Tenant: 2410 Broadway Ave. Walnut Park, CA 90255

Tenant: Alta Public Schools, DBA Prepa Tec LA High School, a California corporation

By:

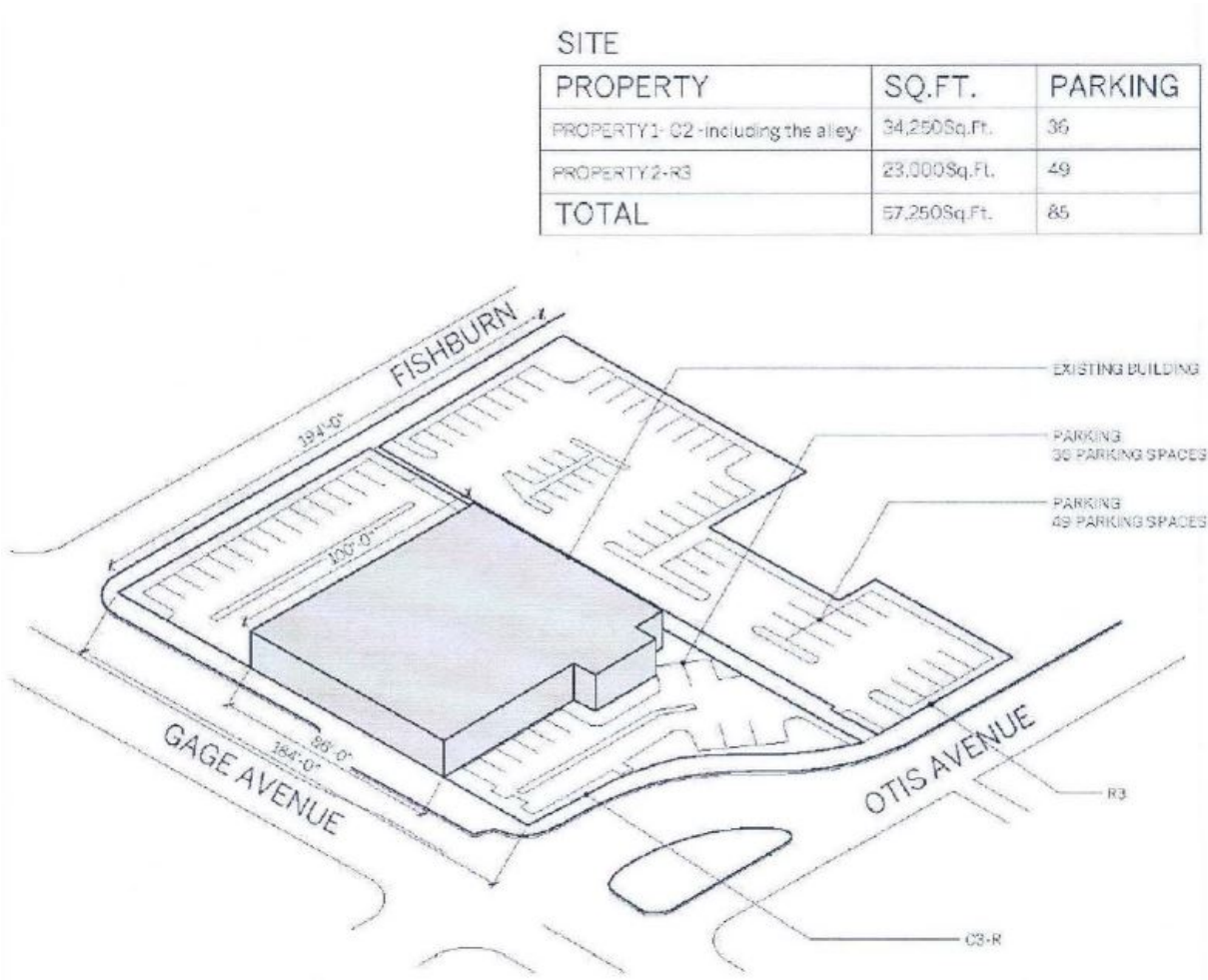
Name: Xavier Reyes

Its: CEO and Authorized Signatory

EXHIBIT A

The Premises


This site plan is solely an approximate depiction of the general layout of the Premises and certain buildings and other improvements that comprise the Premises, and the approximate size, configuration and location of the Premises. The precise size, zoning and configuration of the Premises (including, without limitation, the parking facilities and the number of parking spaces), and/or the buildings and other improvements comprising the Premises, including, without limitation, access points, driveways and parking areas, may differ from that depicted on this site plan. No representations or warranties of any kind whatsoever are made by Landlord regarding this site plan.



Site

PROPERTY	SQ. FT.	PARKING
PROPERTY 1 C2 including alley	34,250 Sq. Ft.	36
PROPERTY 2 R3	23,000 Sq. Ft.	49
TOTAL	57,250 Sq. Ft.	85

A text alternative of the ADDENDUM (C.A.R. Form ADM, Revised 12/15) is available at
<http://www.cde.ca.gov/be/ag/ag/yr17/sep17item19a4aav.asp>

	CALIFORNIA ASSOCIATION OF REALTORS®	ADDENDUM (C.A.R. Form ADM, Revised 12/15)	No. 1
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The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other **Commercial Lease**

dated May 25, 2016, on property known as 4210 E Gage,
Bell, CA

in which Alta Public Schools, DBA Prepa Tec LA High School* is referred to as ("Buyer/Tenant")
and 4210 E Gage LLC is referred to as ("Seller/Landlord").

1. Owner agrees to pay for the issue with with the city bringing driveway to compliance. This will be done at the expense of the owner. Alta schools will inform owner of the work to be done along with cost prior to doing the work. If any work needs to be done to Iron gate or fence surrounding building this will be done by owners workers.


2. Owner will have Electricity, water gas and A/C all working by the time of official move in August 1st 2016

3. TRIPLE NET PAYMENTS WILL BE DUE EVERY QUARTER, FIRST PAYMENT WILL BE DUE NOVEMBER 1ST 2016


The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date <u>May 25, 2016</u>	Date <u>May 25, 2016</u>
Buyer/Tenant <u>Alta Public Schools, DBA Prepa Tec LA High</u>	Seller/Landlord <u>4210 E Gage LLC</u> <i>Mark Campos</i>
Buyer/Tenant	Seller/Landlord

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525 South Virgil Avenue, Los Angeles, California 90020**

Reviewed by _____ Date _____

**EQUAL HOUSING
OPPORTUNITY**

ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

Rockwood Realty, 39901 W Agoura Rd ste 211 Westlake Village, CA 91306 Mark Campos	Phone: (818)339-3315 Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com	Fax:	4210 E Gage Ave
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LEASE AGREEMENT

1.1 Parties. This Lease Agreement ("the Lease") is between The First Baptist Church of Huntington Park, a California nonprofit religious corporation ("the Church") located at 2662 Clarendon Avenue, in Huntington Park, California and Charter Public Schools, a California nonprofit public benefit corporation ("Prepa Tec Los Angeles"), and is effective as of May 31, 2015 ("Effective date") on the following terms and conditions.

1.2 Premises. The Church is the owner of the building located at the 2665 Clarendon Avenue, in Huntington Park, California in the County of Los Angeles (the "Baptist school").

The Baptist school consists of approximately 12,000 total square feet of land and includes nine classrooms, five administrative offices, one kitchen, one teachers' lunch room, men's bathrooms, women's bathrooms, a patio, circulations areas, a gymnasium and three adjacent rooms, a parking lot and a playground area with equipment and students' lunch area (collectively, "the Premises"). The chapel is specifically not included as part of the Premises.

Charter Public Schools, agrees to lease, and to use the Premises only for the operation of Prepa Tec Los Angeles (also referred to as "the School") as more specifically described in Paragraph 7.1, below.

1.3 Term: The term of the Lease will be forty-eight (48) months commencing July 1, 2015 and ending on June 30, 2019, unless earlier terminated in accordance with Paragraph 4.1

1.4 Option to Renew Lease: Prepa Tec Los Angeles shall have the option to renew the term of this lease for five (5) additional periods of one (1) year commencing on expiration of the full term specified in Section 1.3 and continuing until June 30 of the following year provided:

(a) Prepa Tec Los Angeles shall have fully and faithfully performed all the terms, covenants, and conditions of this lease for the full term specified in Section 1.3 of this lease and any renewals or extensions of the term of this lease.

(b) Written notice of Prepa Tec Los Angeles' election to renew the term of this lease is served by Prepa Tec Los Angeles on the Church at least 90 days prior to expiration of the full term specified in Section 1.3 of this lease or any renewals or extensions of the term of this lease.

(c) The renewed term of this lease shall be subject to the same terms and conditions as are contained in this lease but at such rental as is mutually agreed upon between the parties.

1.5 Holding Over. If Prepa Tec Los Angeles holds over and continues in possession of the Premises after termination of the term of this lease, including any extended term, Prepa Tec Los Angeles' continued occupancy of the Premises shall be deemed merely a tenancy from month to month at a monthly fixed rent of the rental rate at the time the lease terminated, increased to the then fair market value as determined in the manner set forth in Section 2.1, subject to all the terms and conditions, including the provisions for additional rent, contained in this lease.

1.6 Conditions: The Lease is signed under the following conditions, which may be more fully described elsewhere in this lease:

- (a) The Church will not be responsible for any accident, loss of lives or harm to others that may occur in the Premises while it is running under Administration of Prepa Tec Los Angeles.
- (b) The signage indicating the name of Baptist school on the patio wall, parking lot and the Baptist School sign located on Rita Street will not be covered or erased by Prepa Tec Los Angeles.
- (c) The Church does not provide any rights to Prepa Tec Los Angeles not in this Lease.
- (d) Unless mutually agreed by the Church and Prepa Tec Los Angeles, the church will not pay any type of indemnification, compensation or economic, reimbursement for improvements, adaptations, reform or maintenance of the Premises to Prepa Tec Los Angeles.
- (e) Any edifications, attachment or improvements made to the Premises by Prepa Tec Los Angeles will belong to the Church, as right of accession. No such improvements will be made by the Prepa Tec Los Angeles without prior approval from the Church.
- (f) The premises may not be sublet by Prepa Tec Los Angeles without permission of the Church.
- (g) Prepa Tec Los Angeles will reimburse the church for any property taxes that are assessed against the Church as a result of the Lease, and legal fees that may incurred as a result of actions taken by employees of Prepa Tec Los Angeles.
- (h) Prepa Tec Los Angeles contact persons for purposes of this Lease are Xavier Reyes (CEO) and Jeffry Phillips (Board Chair).
- (i) Prepa Tec Los Angeles agrees not to bring any litigation against the First Baptist Church of Huntington Park, its Officers, Directors, and/or Members concerning this Lease.
- (j) Prepa Tec Los Angeles commits to clearly communicating to its parents the requirements concerning the use of the facility that are required by the Church, including the fact that this terms have been found acceptable to Prepa Tec Los Angeles in exchange for being able to lease the Premises, and what requirements are at the choice of Prepa Tec Los Angeles. Prepa Tec Los Angeles commits to working with the Church directly to clearly

communicate to the families and students in a way that clarifies any misunderstandings amongst the families. Prepa Tec Los Angeles will agree jointly with the Church on any statements that are made to the families concerning the relationship of Prepa Tec Los Angeles and the Church.

- (k) Prepa Tec Los Angeles must inform the parents of the true reasons, for any termination of this contract. Should any Church member be approached by parents of the school, the Church members will provide the true reasons of contract termination.
- (l) Both parties represent that they are exempt under section 501(c) (3) of the Internal Revenue Code.

2.1 Base Rent. Prepa Tec Los Angeles agrees to pay to the Church as rent for the use and occupancy of the Premises during the term of this lease specified in Section 1.3 of this lease, \$18,000 per month, which is due on the first day of every month. On July 2017, the rent will increase 2% of the base monthly rate, the new amount will be \$18,360 per month.

2.2 Late Payment. Prepa Tec Los Angeles acknowledges that late payment of rent may cause the Church to incur costs and expenses, the exact amount of such costs being extremely difficult and impractical to fix. If any installment of rent due from Prepa Tec Los Angeles is not received by the Church within seven (7) calendar days of the date due, Prepa Tec Los Angeles shall pay to the Church an additional sum of five percent (5%) of the amount due as a late charge, which shall be deemed additional rent. The parties agree that this late charge represents a fair and reasonable estimate of the costs that the Church may incur by reason of Prepa Tec Los Angeles' late payments. Acceptance of any late charge shall not constitute a waiver of Prepa Tec Los Angeles' default with respect to the past due amount, or prevent the Church from exercising any other rights, remedies, and collection agencies under this agreement as provided by law.

2.3 Taxes as Additional Rent. It is understood that the current position of the Los Angeles County Assessor is that this Lease results in the loss of the property tax exemption for the Premises for the term of the Lease. In addition to the rent specified in Section 2.1 of this lease, Prepa Tec Los Angeles shall pay to the Church, as additional rent for the use and occupancy of the Premises all real property taxes and general and special assessments which may be levied or assessed against the Premises during the term of this lease or any holdover of this lease as a result of the Lease.

It is further understood that the current position of the County Assessor is that, even though both entities are tax exempt, the property tax payments will not be refunded by the Church. Prepa Tec Los Angeles agrees that it will apply directly to obtain a refund

from the County Assessor for the taxes paid and to be paid. However, should any of the properly taxes be subsequently reimbursed by the County Assessor's office to the Church, the Church will reimburse Prepa Tec Los Angeles the amount paid by Prepa Tech Los Angeles, and received from the Assessor within 30 days of receipt of the same. If the County Assessor's Office takes longer than the Lease's expiration date, the Church will reimburse Prepa Tec Los Angeles any amount as soon as refund is received.

2.4. Rental Adjustments. If the option to extend or renew this lease is exercised, the rent set forth in Section 2.1 shall be adjusted to reflect any annual percentage increase in the Department of Labor's Consumer Price Index (CPI), Los Angeles - Long Beach - Anaheim (all items) All Urban Consumers ("Index") for each twelve (12) month period. The annual increase shall not be more than 5% in any one year. A further increase may be made at the time each option becomes effective, which increase shall not exceed fair market value at the time the option is exercised. If Prepa Tec Los Angeles objects to the rent established on the basis that it exceeds fair market value, the parties shall choose an appraiser to determine fair market value. If they cannot agree on one appraiser, then each party shall select an appraiser, and the two appraisers shall select a third. Should either party refuse or neglect to join in the appointment of the appraiser(s) within five days after written demand by the other, the appraiser(s) may proceed ex parte. If there is only one appraiser, his or her decision shall be binding and conclusive on the parties, and if there are three appraisers, the decision of any two shall be binding and conclusive.

2.5. Additional Amounts. Prepa Tec Los Angeles shall also pay any additional amounts set forth elsewhere in this agreement.

3.1 Hazardous Material and Code Compliance. Upon becoming aware of the same, Prepa Tec Los Angeles or the Church shall advise the other as to existence of asbestos containing materials ("ACM") or any hazardous materials which may be present within the Premises as well as the current conditions of the Premises as it relates to all current requirements under the Americans with Disabilities Act. Any cost associated with (i) the abatement of ACM or any other hazardous materials and (ii) compliances with all requirements under the Americans with Disabilities act shall be borne solely by Prepa Tec Los Angeles. Prepa Tec Los Angeles shall not be liable for any hazardous material present on the Premises prior to any occupancy of the Premises or present as a result of any activities occurring prior to any occupancy of the Premises.

4.1 Termination. The Church will allow Prepa Tec Los Angeles to continue operating in the Premises through the end of the academic year ending in June of 2019, however if Prepa Tec Los Angeles breaches any of the terms of this agreement and does not take corrective action to correct the breach within 15 days of the notice, the Church will terminate the

lease at an earlier date upon 60 days notice. Should any breach occur with 60 days of lease expiration, the Church will not issue 60 days notification.

4.2 Surrender of Premises. On expiration or sooner termination of this Lease, Prepa Tec Los Angeles shall promptly surrender possession of the Premises to the Church in good condition, normal wear and tear and damage beyond the control of Lessee excepted.

4.3 Security Deposit. Prepa Tec Los Angeles shall pay to the Church the sum of \$5,400, that will be held as a security deposit until this tenancy is terminated, to secure Prepa Tec Los Angeles' obligations under this Lease. In the event the Church applies the security deposit to meet any obligations of Prepa Tec Los Angeles under this lease, Prepa Tec Los Angeles shall promptly pay to the Church such sums as may be necessary to return the security deposit to its original amount within ten days written notice from the Church.

At the end of the lease term, the Church or Church's agent shall accompany Prepa Tec Los Angeles in a final walk-through of the Premises. A punch list of items, if any, that need to be repaired or replaced shall be created at that time in order to return the premises to its condition existing on the date of execution hereof, normal wear and tear and approved improvements excluded. The Church shall supply Prepa Tec Los Angeles with a written list of these items along with an itemized list of deductions for each item, within thirty (30) days of the final walk through. A check for the balance of the security deposit shall be tendered by Lessor to Lessee within thirty (30) days of the final walk through. If Prepa Tec Los Angeles fails to schedule this final walk through with the Church, Prepa Tec Los Angeles' entire security deposit shall be forfeited.

5.1 Utilities and Services. Prepa Tec Los Angeles shall pay for its monthly usage of water, gas, heat, light, power, and other utilities and services supplied to the Premises, together with any taxes thereon.

6.1 Entry and Inspection. Prepa Tec Los Angeles Charter will permit the Church and its agents to enter into and upon the Premises at all reasonable times for purpose of inspecting the same, or for the purpose of protecting the interests therein of the Church, or to post notices of no responsibility with regard to the construction of any improvements (paragraph 9.1), or to post notices of termination outlined in paragraph 4.1 at any time within sixty (60) days prior to the expiration of the Lease, to bring upon the Premises, for the purpose of the inspection or display thereof.

7.1 Use of Premises by Prepa Tec Los Angeles Charter. Prepa Tec Los Angeles shall use and occupy the Premises for the purposes of operating a middle charter school, and for no other purpose.

Prepa Tec Los Angeles will not permit the premises to be used for any of the following:

- (a) Any activity that would increase the premiums for fire insurance on the premises;
- (b) Creation or maintenance of a public nuisance;
- (c) Anything which is against any laws or rules and regulations of any public authority at any time applicable to the premises; or
- (d) Any purpose or in any manner which will obstruct, interfere with or infringe on the Church's rights to continue to operate its ministry.

Prepa Tec Los Angeles shall use its best efforts to ensure that there will be no smoking, no alcohol, illegal drugs uses, or graffiti drawn on the Premises.

Prepa Tec Los Angeles shall respect and adhere to the Church's defined convictions and principles that it adheres to and wishes to maintain. Prepa Tech Los Angeles shall not allow on the Premises: (i) Halloween celebrations, including costumes and decorations and witchcraft books; (ii) decorations for Easter, including Easter Bunnies and Easter Eggs; (iii) images of Santa Claus and Christmas trees; (iv) dancing activities or events during or after school; (v) the teaching or instruction of same sex marriage; (vi) the teaching or instruction of evolution as a way to believe; (vii) St. Patrick's day celebration, (viii) Any and all books that reinforce any of these celebrations or practices.

Prepa Tec Los Angeles will not implement the provisions of SB 48 which are against the Church's principles.

Prepa Tec Los Angeles shall be solely responsible for any and all liability for any accidents, loss of lives or harm to others that may occur on or about the premises during all times that Prepa Tec Los Angeles has the sole right to use and occupy the Premises.

8.1 Use of Premises by the Church. Prepa Tec Los Angeles shall have exclusive use of the Premises except as follows: (i) The Church will have access to the Gymnasium facilities every Thursdays nights and the last Friday of each month for a Church Activity, Saturday afternoons and occasionally at other times for special celebrations (the school will be notified in advance of such use); (ii) The Church will have access to a room (now known as Nursery) on Wednesday and Sunday nights for church activities; (iii) The Chapel is not included in the Terms of the Lease and may be used only by the Church.

8.2 The Church will not be responsible of any accident, loss of lives or harm to others that may be derived in the Premises while it is running under the administration of Prepa Tec Los Angeles.

9.1 Insurance. During the term of the Lease, Prepa Tec Los Angeles, at its sole cost and expense, shall obtain and keep in force a policy of general liability insurance, with a carrier admitted in the state of California, insuring against any liability arising out of any act, omission, or alleged act or omission of Prepa Tec Los Angeles Charter and any of its officers, directors, employees, agents, independent contractors, guests, volunteers and invitees, including but not limited to property damage, including loss of use, personal or bodily injury, defamations and slander. The amount of such insurance shall not be less than two million dollars (\$2,000, 000) combined single limit. Prepa Tec Los Angeles shall also obtain and keep in force during the term of the Lease a policy of worker's compensations insurance and such other policies of insurance as may be appropriate to cover all usual insurable risks and liabilities as required by the Labor Code of the State of California. Prepa Tec Los Angeles shall name the Church as an additional insured.

The Church agrees to maintain liability and property insurance and name Prepa Tec Los Angeles as an additional insured to protect the property during times when the Church uses the Premises as described in Section 7.1.

10.1 Repairs and Alterations. Prepa Tec Los Angeles acknowledges that it has inspected the Premises and agrees by taking possession of the Premises that such Premises are in good condition and that it accepts the Premises in an "as is" condition on the date of this lease. Prepa Tec Los Angeles will be responsible to paint the interior of the premises with the color of their desire for School purposes but will not paint the walls of the gym. Prepa Tec Los Angeles will take good care of the Premises and will make such improvements as are necessary to allow Prepa Tech Los Angeles to operate on the Premises; this shall include all regular repairs and maintenance needed. Any alterations to the Premises will remain on the Premises upon termination of the Lease unless the Church requires removal of the same. Upon lease termination, Prepa Tec Los Angeles must restore the Premises to a good condition; and all damage or injury done to the Premises by Prepa Tec Los Angeles or by any person who may be in or upon the Premises with consent of the Prepa Tec Los Angeles shall be paid for by Prepa Tec Los Angeles. Prepa Tec Los Angeles shall pay for all damages to the Premises caused by Prepa Tec Los Angeles misuse or neglect of the Premises or the appurtenances thereto, including but not limited to structural repairs, demolition of walls or similar repairs resulting from modifications made by Prepa Tec Los Angeles without prior written consent by the Church as required by paragraph 1.4 (e). All improvements or alterations made by Prepa Tech Los Angeles on the Premises shall comply with the requirements of any federal, state, or municipal authority having jurisdiction.

The Church will not reimburse Prepa Tec Los Angeles or any Contractor or Company any cost or expense for any and all betterments or improvements made to the Premises by Prepa Tec Los Angeles or any Contractor at the request of Prepa Tec Los Angeles.

11.1 Hold Harmless and Non-liability of the Church. Prepa Tec Los Angeles shall indemnify and hold the Church and the property of the Church, including the Premises, free and harmless from any and all liability, claims, loss, damages, or expenses, including counsel fees and costs, arising by reason of the death or injury of any person, including any person who is an employee or agent of Prepa Tec Los Angeles or is on the Premises with the permission and consent of Prepa Tec Los Angeles, or by reason of damage to or destruction of any property owned by Prepa Tec Los Angeles or any person who is an employee or agent of Prepa Tec Los Angeles or is otherwise connected with Prepa Tec Los Angeles, caused or allegedly caused by (1) any cause whatsoever while that person or property is in or on the Premises or in any way connected with the Premises or with any improvements or personal property on the Premises; (2) some condition of the Premises or some building or improvement on the Premises; (3) some act or omission on the Premises of Prepa Tec Los Angeles or any person in, on, or about the Premises with the permission and consent of Prepa Tec Los Angeles; or (4) any matter connected with Prepa Tec Los Angeles' occupation and use of the Premises.

Church is not liable to Prepa Tec Los Angeles for any losses caused by defects in the building, in the plumbing, fire, burglary, earthquake, any natural disaster or destruction or otherwise.

12.1 Supersede. This Lease supersedes all previous documents concerning this arrangement between the Church and Prepa Tec Los Angeles Charter which shall no longer have any force or effect.

The parties hereto have executed this Lease at the place and on the dates specifies above their respective signatures.

Executed at: 6:00 P.M.

On: 05-31-2015

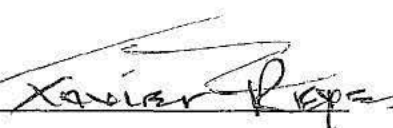
FIRST BAPTIST CHURCH
OF HUNTINGTON PARK

By: 

Executed at: 6:00 pm

On: 5/31/15

CHARTER PUBLIC SCHOOLS
aka Prepa Tec Los Angeles

By: 

By: _____