



STANDARD MULTI-TENANT OFFICE LEASE - GROSS
AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only July 29, 2013, is made by and between FamiliesFirst, Inc., dba EMQ FamiliesFirst and Larchmont Schools, a California corporation

(collectively the "Parties", or individually a "Party").

1.2(a) Premises: That certain portion of the Project (as defined below), known as Suite Numbers(s) Shown on Exhibit A, floor(s), consisting of approximately 15,206 rentable square feet and approximately useable square feet ("Premises"). The Premises are located at: 815 N. El Centro Avenue, in the City of Los Angeles, County of Los Angeles, State of California, with zip code 90038. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately rentable square feet. (See also Paragraph 2)

1.2(b) Parking: 0 unreserved and 6 reserved vehicle parking spaces at a monthly cost of \$0 per unreserved space and \$0.00 per reserved space. (See Paragraph 2.6)

1.3 Term: 4 years and 0 months ("Original Term") commencing August 1, 2013 ("Commencement Date") and ending July 31, 2017 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing N/A ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$31,476.42 per month ("Base Rent"), payable on the 1st day of each month commencing August 1, 2013. (See also Paragraph 4)

[X] If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 5.0

1.6 Lessee's Share of Operating Expense Increase: See Addendum percent (%) ("Lessee's Share"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

- (a) Base Rent: \$31,355.38 for the period 8/1/2013 through 8/31/2013.
(b) Security Deposit: \$12,000.00 (paid) ("Security Deposit"). (See also Paragraph 5)
(c) Parking: \$0.00 for the period.
(d) Other: \$0.00 for.
(e) Total Due Upon Execution of this Lease: \$31,355.38.

1.8 Agreed Use: Public Charter School. (See also Paragraph 6)

INITIALS

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1.9 **Base Year; Insuring Party.** The Base Year is N/A. Lessor is the "**Insuring Party**". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers:** (See also Paragraph 15 and 25)

(a) **Representation:** The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

- There are no brokers or finders for this Lease _____ represents Lessor exclusively ("**Lessor's Broker**");
- _____ represents Lessee exclusively ("**Lessee's Broker**"); or
- _____ represents both Lessor and Lessee ("**Dual Agency**").

(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, the sum of _____ or _____% of the total Base Rent payable for the Original Term, the sum of _____ or _____ of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of _____ or _____% of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.11 **Guarantor.** The obligations of the Lessee under this Lease shall be guaranteed by _____ ("**Guarantor**"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** 7:30 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and N/A a.m. to N/A p.m. on Saturdays (except Building Holidays). "**Building Holidays**" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and N/A.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

- Janitorial services
- Electricity
- Other (specify): Phone, computer and related communications facilities

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- an Addendum consisting of Paragraphs 50 through 58;
- a plot plan depicting the Premises;
- a current set of the Rules and Regulations;
- a Work Letter;
- a janitorial schedule;
- other (specify): _____

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in ~~AS IS a clean~~ condition on the Commencement Date ~~or the Early Possession Date, whichever first occurs~~ ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law.

2.3 **Compliance.** Lessor warrants to the best of its knowledge that the improvements comprising the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

**ADDENDUM TO
STANDARD MULTI-TENANT OFFICE LEASE-GROSS**

The following are Paragraphs 50 through 59 of the Standard Multi-Tenant Office Lease – Gross dated July 29, 2013 (the “Lease”) by and between FamiliesFirst, Inc., dba EMQ FamiliesFirst (“Lessor”) and Larchmont Schools, a California corporation (“Lessee”), for premises located at 815 El Centro Ave., Los Angeles, California (the “Premises”).

50. Base Rent Adjustments. Pursuant to Paragraph 1.5, the monthly Base Rent shall be adjusted annually as follows:

<u>Period</u>	<u>Base Rent (PSF)</u>	<u>Monthly Base Rent</u>
August 1, 2014 – July 31, 2015	\$2.11	\$32,084.66
August 1, 2015 – July 31, 2016	\$2.15	\$32,692.90
August 1, 2016 – July 31, 2017	\$2.19	\$33,301.14

51. Additional Outdoor Space. Lessor hereby grants to Lessee a license for exclusive use of the concrete patio to the north of the FFA Building, subject to such Rules and Regulations as Lessor may impose from time to time, at no charge to Lessee.

52. Modular Classroom Buildings. Lessee may install a temporary modular classroom building, not to exceed 530 s.f. (the “Modular Classroom”) in the Modular Classroom premises shown in Exhibit A. The Modular Classroom shall be a new building, approved by either the Department of Housing and Community Development or the California State Architect, and it shall be installed and operated by Lessee in compliance with all laws, including all requirements of the Los Angeles building and planning departments. Prior to commencing any installation of the Modular Classroom, Lessee shall obtain Lessor’s prior written approval, not to be unreasonably withheld, of all exterior aesthetic elements of the Modular Classroom, including paint color, roofline and skirting treatments, and landscaping. Lessee shall remove the Modular Classroom prior to the Expiration Date, or earlier termination of this Lease, and repair and restore the Modular Classroom premises and utilities systems to the same condition as delivered to Lessee. Lessee shall pay all costs of bringing all utilities to point of entry into the Modular Classroom. Lessee shall pay the cost of all Utilities and Services serving the Modular Classroom, if not separately metered or charged, as reasonably determined by Lessor. Lessee shall pay the cost of all personal and real property taxes and fees associated with the Modular Classroom. No additional Base Rent shall be charged for the Modular Classroom premises.

53. Special Use Provisions. Unless otherwise directed by Lessor, in its sole discretion, Lessee shall use the Waring Avenue entrance to the Project, and no other location, for drop-off and pick-up of students. Lessee’s teachers shall have reasonable after-hours, weekend and holiday access to the Premises for preparation and planning. If Lessee desires to use the Premises for a parent or other special event, other than those described in Paragraph 54, below, it

Lessee Initials: _____

Lessor Initials: _____

shall submit a prior written request to Lessor, not later than 30 days prior to the proposed event, including the time, place and such other information as Lessor may request. Lessor's consent to any such request shall not be unreasonably withheld. Lessee shall not use the Premises or the Project on weekends or holidays without the prior written consent of Lessor. There shall be no summer school use of the Premises.

54. Use of Common Areas; Special Events. Lessee shall have non-exclusive use of the Common Areas shown in Exhibit A, including the grass field swimming pool, basketball court, covered sports area, multimedia center, library, dining facilities, gardens, picnic tables and benches for after school activities, all in accordance with Lessor's Rules and Regulations. Lessor shall, after consultation with Lessee, provide Lessee with a schedule for Lessee's use of the Common Areas, including the following special events: (i) once-a-month parent meetings in the late afternoon/early evenings; (ii) Fiesta, Back to School Night, World's Fair, and Back to School Picnic; (iii) up to 6 tours for prospective parents on weekends between October 1 and February 5, and (iv) the possible scheduling of a one week winter break camp and two week spring break camp. No alcoholic beverages may be sold or consumed on the Project at any time. Lessor reserves the right in its sole and absolute discretion to change the use of part or all of the Common Areas, or to temporarily or permanently discontinue any use of part or all of the Common Areas.

55. Lessee Liability Insurance. Lessee shall obtain and keep in force a commercial general liability policy of insurance protecting Lessee and Lessor, as an additional insured, against claims for bodily injury, sexual abuse, sexual harassment, personal injury and property damage based upon or arising out of this Lease, or Lessee's use, occupancy, or maintenance of the Premises, the Additional Outdoor Space, the Common Areas and all other areas of the Project. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$3,000,000, with an excess liability umbrella of not less than \$13,000,000, an "Additional Insured-Managers or Lessors of Premises Endorsement," and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire.

56. Operating Expenses. Except as provided in Paragraph 52, Lessor shall pay the cost of all standard usage of water, gas, electricity, HVAC, and garbage provided to the Premises. Lessee shall pay the cost for installation and use of telephone and data lines serving the Premises. Lessee shall pay the amount of all Real Property Taxes imposed upon the Premises, to the extent that Lessee does not obtain an exemption.

57. Parking. Lessee shall have the right to use the seventeen (17) reserved parking spaces shown on Exhibit A along the back of the cottages and four (4) dedicated spaces in the Warning Lot. Lessee shall not otherwise park any vehicles on the Project during school days. When using the Premises on weekends and holidays, Lessee may use the Warning Lot parking lot, subject to Lessor's Rules and Regulations. Lessee parking in the Gregory lot is not allowed at any time.

Lessee Initials: _____

Lessor Initials: _____

58. Quiet Enjoyment. Lessee, while paying the rent and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises and Common Areas for the full Term of this Lease without interference or interruption from Lessor, subject to the terms and conditions of this Lease.

59. Conflict. In case of any conflict between the language of this Addendum and the language of Lease Paragraphs 1-49, the language of this Addendum shall control.

Lessee Initials: _____

Lessor Initials: _____