

*Educational Centers
for Hearing Opportunities*

ECHO FOUNDATION 3430 McManus Avenue, Culver City, California 90232 (213) 838-2442

March 6, 1992

Mr. James C. Crawford
Director of Business Services
Culver City Unified School District
4034 Irving Place
Culver City, CA 90232-2848

Dear Jim:

Enclosed pursuant to our discussion is an executed copy of the lease and amendment between ECHO Foundation and Culver City Unified School District for the facilities at 3430 McManus Avenue in Culver City. I have retained the other executed copy for ECHO's files.

I have also enclosed ECHO's check in the amount of \$ 3,000.00 which represents the balance of the security deposit referenced in Article 5 of the lease.

Thank you again for all your help.

Sincerely,

Scott R. Rosen
President - Board of Trustees

AGREEMENT BETWEEN CULVER CITY UNIFIED
SCHOOL DISTRICT AND ECHO FOUNDATION
TO LEASE FACILITIES AT 3430 MCMANUS AVENUE,
CULVER CITY, CALIFORNIA

THIS LEASE is made and entered into this 21st day of January, 1992 in the County of Los Angeles, State of California, by and between the CULVER CITY UNIFIED SCHOOL DISTRICT (Lessor), located at 4034 Irving Place, Culver City, California and ECHO FOUNDATION (Lessee), located at 3430 McManus Avenue, Culver City, California.

R E C I T A L S

WHEREAS, Lessor is the owner of premises and school buildings known as the Washington School site; and

WHEREAS, Lessee desires to use such facility to conduct educational programs; and

WHEREAS, Lessor, in accordance with Education Code Section 39360, is authorized to lease said facilities to Lessee;

NOW, THEREFORE, in consideration of the above recitals, the parties mutually agree as follows:

ARTICLE 1. PREMISES

Lessor leases to Lessee, and Lessee leases from Lessor, subject to the following terms and conditions, all buildings and grounds at the Washington School site, 3430 McManus Avenue, Culver City, California, more particularly outlined on that certain plot plan attached as Exhibit "A" (the "Premises").

ARTICLE 2. TERM

2.1 Initial Term. This lease shall be for a period of thirty (30) years commencing on July 1, 1992 and ending on June 30, 2022.

2.2 Option Term. Provided that Lessee is not in default hereunder at the end of the Initial Term of this Lease, or at the end of any Option Term provided for in this paragraph, whichever is then applicable, Lessee shall have three (3) consecutive options to extend this Lease upon the same terms and conditions for a period of ten (10) years for each such option, for a total of thirty (30) years beyond the Initial Term of this Lease. To exercise any such option, Lessee must give Lessor advance written notice at least six (6) months prior to the end of the Initial Term or the end of any previously exercised Option Term of Lessee's intention to exercise the subsequent option.

2.3 Limit on Right to Option Term. The Lessee shall have no right to the first option term if the Lessor decides to reoccupy the Premises at the end of the Initial Term for the Lessor's use of the Premises for its educational purposes only, and provided the Lessor gives the Lessee written notice of this decision by the end of the twenty-fifth year of the Initial Term. In the event Lessor gives Lessee such notice, Lessor agrees to compensate Lessee for any improvements made by Lessee in accordance with Article 2.4, below.

2.4 Right to Compensation. If Lessor exercises its option to reoccupy the premises pursuant to Article 2.3, above, Lessor shall compensate Lessee for all improvements made by Lessee on the site. The amount of this compensation will be determined on the basis of the cost to Lessee of the improvements, minus offsets for necessary repairs, and minus depreciation of the cost of the improvements based on a thirty (30) year life, straight line method.

2.5 Approvals. Lessee shall have the right to terminate this Lease upon six (6) months written notice in the event Lessee is for any reason unable to obtain, by July 1, 1994, a Conditional Use Permit and any all other required governmental approvals and permits necessary to permit Lessee to build an additional 8,500 square feet of permanent space on the site, to renovate the existing facilities consistent with Lessee's needs, to provide sufficient space for required parking on the site, and to allow up to 280 students to use the site's facilities.

2.6 Definition. When used herein, "the Term of this Lease" shall, unless otherwise stated, include the Initial Term and any Option Term as set forth in Articles 2.1 and 2.2, above.

ARTICLE 3. RENT

3.1 Base Rent. Subject to the adjustment pursuant to Section 3.2, during the term hereof Lessee shall pay to Lessor annual rent for the Premises in the amount of One Hundred and Fifty Six Thousand Dollars (\$156,000), payable in equal monthly installments in advance on the 1st day of each month during the term hereof at the rate of Thirteen Thousand Dollars (\$13,000) per month.

3.2 Adjusted Base Rent for Consumer Price Index Changes. It is agreed that the annual rent payable by Lessee shall be increased every year, beginning with the second year of the Initial Term, to reflect the annual inflation allowance (Consumer Price Index Change) as established by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Long Beach-Los Angeles area; provided, however, that such increase in rent shall not exceed the "Cap Percentage," as defined below, for any such year; and provided further that the increase in rent shall be three percent (3%) following any five-year

anniversary of the lease commencement date in which the total Consumer Price Index Change for the preceding five-year period is less than three percent (3%).

The "Cap Percentage" shall be four percent (4%); provided, however, that:

- (a) If the Consumer Price Index Change for any three consecutive years during the Term of this Lease is greater than seven percent (7%), the Cap Percentage shall be increased to six percent (6%) beginning with the year following such three consecutive-year period; and provided further that:
- (b) If the Cap Percentage is increased pursuant to (a) above, and the Consumer Price Index Change for any three subsequent consecutive years during the Term of this Lease is less than seven percent (7%), the Cap Percentage shall be restored to four percent (4%) beginning with the year following such three consecutive-year period.

3.3 Reappraisal of Premises. Lessor and Lessee agree that there shall be a reappraisal of the land on the Premises and an adjustment of rent accordingly, at the 28th, 38th, and 48th years of the Term of the Lease (including any extensions). It is understood that the appraised value of the land on the Premises at the commencement of the Term of this Lease is Two Million Six Hundred Twenty Five Thousand Dollars (\$2,625,000), based upon the highest and best use of the land as zoned. The reappraisals under this Article shall also be based upon the highest and best use of the land on the premises as zoned at the time of the reappraisal.

The rent to be paid subsequent to each reappraisal shall be the greater of the amount of the six percent (6%) return on the reappraisal value or the amount of rent as adjusted annually pursuant to Article 3.2 (the "New Rent"). The New Rent shall not, however, exceed a twenty-five percent (25%) increase over the then current rent.

If Lessee does not agree with Lessor's reappraisal figure for any reason, it may obtain its own reappraisal and submit it to Lessor. If Lessee's reappraisal is no more than fifteen percent (15%) less than Lessor's reappraisal, the reappraisal amount shall be the Lessor's reappraisal less one-half the difference between it and Lessee's reappraisal. If Lessee's reappraisal is more than fifteen percent (15%) less than Lessor's reappraisal, Lessee's and Lessor's respective appraisers shall appoint a mutually acceptable third appraiser, and that appraiser's own reappraisal shall be the reappraisal amount.

ARTICLE 4. TAXES

4.1 Real Estate Taxes. The term "real estate taxes" shall mean any assessments, license fees, rental taxes, penalties, levies, fees, taxes (other than estate, inheritance, or gift taxes) of any kind, or charges in lieu of taxes, levied by any federal, state, county or municipal government or governmental agency on: (1) the Premises and underlying realty; (2) Lessor's business of leasing the Premises; or (3) Lessor's income from the Premises, excluding any income taxes assessed by Lessor's net income.

From and after the Commencement Date of this Lease and continuing until the Expiration Date of the Term of this Lease or any extension thereof, Lessee shall pay Lessor, in addition to rent, the amount of any real estate taxes (as defined herein) levied and assessed against the Premises and underlying realty during each year of the Term of this Lease within thirty (30) days after receipt of notice from Lessor setting forth the amount due and the manner in which it was calculated.

4.2 Personal Property. Lessee shall pay when due all taxes levied on Lessee's personal property, including but not limited to equipment, trade fixtures and furnishings located in or on the Premises, and Lessee shall cause such taxes to be assessed and billed separately from Lessor's Taxes and cause such tax bill to be sent directly to Lessee.

ARTICLE 5. SECURITY DEPOSIT

Lessee will deposit with Lessor the sum of Thirteen Thousand Dollars (\$13,000). It is agreed that such deposit shall be retained by Lessor as security for Lessee's faithful performance of its obligations under this Lease. Lessor and Lessee agree that this security deposit may be commingled with funds of Lessor, and Lessor shall have no obligation or liability for payment of interest on such deposit. This deposit shall be applied by Lessor as a credit against payment of the rent due from Lessee under this Lease for the first month after the approval phase described in Article 2.5 of this Lease, or for the first month after the approvals described in Article 2.5 of this Lease are obtained, whichever is earlier.

ARTICLE 6. UTILITIES

Lessee shall pay for the cost of all utility services used on the Premises.

ARTICLE 7. MAINTENANCE, REPAIRS, ALTERATIONS AND ADDITIONS

7.1 Maintenance and Repairs. Lessee shall, at Lessee's expense, maintain in good repair, order and serviceable condition the Premises and every part thereof, including but not limited to all plumbing, ventilation, heating, air conditioning and electrical systems and equipment in or on the Premises, windows, doors, walls and ceilings, walkways, driveways, parking lots, landscaping, and fencing.

Lessor shall have no obligation to maintain or repair any portion of the Premises, whether it be the exterior or interior surface of any building or other structure located on the Premises unless Lessee's cost of securing such maintenance and repair by outside contractors exceeds Twenty-Five Thousand Dollars (\$25,000) per year during the approval phase described in Article 2.5 of this Lease, or until the approvals described in

Article 2.5 of this Lease are obtained, whichever is earlier. Maintenance and repair under this Article are limited to what is necessary to maintain or restore the Premises to operable and/or habitable conditions at the same standard or level existing at the commencement of the Initial Term of this Lease.

7.2 Alterations and Additions.

a. Lessee, at its own expense, and without consent of the Lessor, may make alterations, improvements and additions which tend to make the Premises more attractive and efficient for Lessee's use of the Premises for educational purposes. In making alterations, improvements and additions, Lessee shall indemnify, defend against, and keep Lessor free and harmless from all claims, liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims or liens by any person performing work or furnishing equipment materials or supplies to Lessee or any person claiming under Lessee.

The foregoing notwithstanding, Lessee shall give Lessor written notice of all alterations. Lessor's consent to any alteration costing less than \$10,000 shall be deemed given if it does not notify Lessee of any objections to Lessee's written notice within thirty (30) days after receiving the notice. Lessor's consent to any alteration costing more than \$10,000 shall be deemed given if it does not notify Lessee of any objections to Lessee's written notice within ninety (90) day after receiving the notice.

b. Lessee agrees to expend not less than Five Hundred Thousand Dollars (\$500,000.00) on repairs, alterations, improvements and additions to the premises, beginning as soon as it is reasonably possible after obtaining all necessary approvals and permits as set forth in Article 2.5.

Said Five Hundred Thousand Dollars (\$500,000.00) shall be deposited in improvement trust accounts for payment of such repairs, alterations, and additions as soon as it is reasonably possible after all approvals and permits are obtained as set forth in Article 2.5. Interest earned on such accounts shall belong to Lessee. Lessee shall provide Lessor with periodic accountings of the expenditures from said trust accounts.

c. Lessee shall keep Lessee's leasehold interest, and any improvements which become the property of the Lessor under this Lease, free and clear of all attachment, mechanics and judgment liens.

d. Subject to Lessee's right to compensation set forth in Article 2.4 above, all additions, alterations, and improvements made on the Premises shall become the property of the Lessor and be surrendered with the Premises upon the expiration of the Term of this Lease or any extensions thereof, provided however, Lessee's equipment, machinery, furniture, fixtures, and furnishings which can be removed without damage to the Premises shall be and remain the personal property of the Lessee.

Any damage to the Premises resulting from Lessee's use or from the removal of Lessee's equipment, machinery, furniture, fixtures and furnishings shall be repaired by Lessee at Lessee's expense.

ARTICLE 8. INSURANCE AND INDEMNIFICATION

8.1 Indemnification by Lessee. Lessee shall indemnify and hold harmless Lessor, its officers, agents and employees from all losses, costs, liabilities, obligations, claims and demands caused by the negligence or willful misconduct of Lessee arising in connection with or resulting from Lessee's use of the Premises under this Lease (other than in the case of any negligence or willful misconduct by Lessor, its officers, agents and

employees), and Lessee shall defend any legal proceeding resulting therefrom and shall pay and satisfy Lessor's attorney fees and judgment rendered against Lessor as a result thereof.

8.2 Insurance. Lessee shall pay for and maintain combined single limit per occurrence public property and liability insurance in an amount of not less than Five Million Dollars (\$5,000,000.00) naming Lessee and Lessor as insured thereunder and fire insurance insuring against loss or damage to real property improvements contained on the Premises in an amount not less than the replacement value of the improvements on the Premises, naming Lessor as an additional insured thereunder. Certificates of insurance required to be obtained shall be from a company rated A or better by Bests. Copies shall be provided by Lessee to Lessor prior to the commencement of the Initial Term of this Lease. Said policies shall be cancellable except upon thirty (30) days written notice to Lessor. Such insurance shall be primary to and not contributing with any other insurance maintained by Lessor and shall name the Culver City Unified School District as an additional insured.

The Lessee will provide a program of Worker's Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, and which specifically covers all persons providing services by or on behalf of Lessee.

8.3 Subrogation Waiver. Lessor and Lessee hereby waive any rights of recovery each may have against the other for any loss or damage to Lessor or Lessee, or their respective property, the Premises or its contents arising from any risk insured by fire, all risk or multi-peril coverage and any other property insurance policies in effect at the time of such loss or damage. The foregoing waivers of subrogation shall be effective to the extent permitted by Lessor's and Lessee's respective insurers and provided that no policy of insurance is invalidated as a result of such waivers.

8.4 Compliance with Law. Lessee shall comply with all provisions of the federal government, the State of California, County of Los Angeles and City of Culver City.

If, without fault on Lessee's Part, the City of Culver City or any other governmental agency terminates or revokes Lessee's Conditional Use Permit or any other permit or approval so that Lessee can no longer operate on the Premises in accordance with the requirements set forth in Article 2.5 hereof, Lessee shall have the right to terminate the Lease upon delivery of thirty (30) days notice to the Lessor. In such event, Lessor shall be obligated to compensate Lessee for any improvements made by Lessee on the premises in accordance with the formula set forth in Article 2.4 hereof.

ARTICLE 9. PARTIAL DAMAGE TO THE PREMISES

If the Premises are partially but substantially damaged by fire or other casualty such that Lessee cannot reasonably use the Premises, Lessee shall have the right to terminate the Lease upon delivery of notice to Lessor. If the Lease is not terminated in the case of damage to the Premises, rent payable hereunder shall be reasonably abated proportionate to the loss of use. In the event of substantial damage, Lessee shall have the right to bring on the Premises temporary buildings so long as all applicable laws are complied with.

ARTICLE 10. COMPLETE DESTRUCTION

If the Premises are completely destroyed (excluding foundations) at any time during the Term of this Lease from any cause, whether insured or uninsured, then this Lease shall automatically terminate as of the date of such destruction.

In case of such complete destruction, insurance proceeds shall be distributed between Lessor and Lessee in proportion to the loss to the Lessee's personal property and to the Lessee's interest in all improvements made by Lessee on the site as determined in Paragraph 2.4, above, and the loss to Lessor's real property.

ARTICLE 11. ASSIGNMENT AND SUBLEASE

Lessee shall have the right to assign or sublet the Premises, or a portion thereof, only upon prior written approval of the Lessor, which approval shall not be withheld unreasonably. Lessee shall remain fully liable hereunder as primary obligator during the unexpired term of this Lease, in the event of any assignment or subletting of the Premises or a portion thereof.

If any assignment or sublease is for a term of more than one year, and is for an amount of rent in excess of (a) the amount of rent then being paid by Lessee plus (b) an amount equal to six percent (6%) of the cost of improvements made by Lessee (as adjusted in Article 2.4 above and prorated in accordance with the square footage of the sublease), then Lessor shall be entitled to share equally such excess amounts with Lessee.

ARTICLE 12. LIMITATION ON SALE OF LESSOR'S INTEREST

In the event Lessor seeks to sell the Premises, Lessee shall have the right of first refusal to purchase the Premises at the price and terms which Lessor is able to obtain from another purchaser, subject to the Education Code.

ARTICLE 13. DEFAULT

13.1 Lessee's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Lessee:

- a. Abandoning or vacating the Premises; or
- b. Failing to pay any rental payment or any other charges when due and payable by Lessee; or
- c. Failing to promptly and fully perform any other covenant, condition or agreement contained in this Lease should such failure continue for thirty (30) days after written notice thereof from Lessor to Lessee; or
- d. Permitting Lessee's assets to be placed in the hands of a receiver or trustee for a period in excess of thirty (30) days; making an assignment for benefit of creditors; instituting any proceedings under bankruptcy act wherein Lessee seeks to be adjudicated a bankrupt, to be discharged of its debt or to effect a plan of liquidation, extension or reorganization; failing to have dismissed within sixty (60) days any involuntary proceeding filed against Lessee under any bankruptcy act; becoming insolvent or failing to have dismissed within thirty (30) days any proceedings seeking to execute or levy against or attach fifty percent (50%) or more of Lessee's assets.

13.2 Lessee's Ability to Cure. In the event of Lessee's default hereunder for any reason other than a failure to provide insurance pursuant to this Lease, in addition to any other rights Lessee may have under any law, Lessee shall have the right to cure such default within thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the default is such that it cannot reasonably be cured within thirty (30) days, Lessee shall not be default hereunder if Lessee commences to cure within said thirty (30) day period and diligently prosecutes such curing to completion.

13.3 Remedies for Lessee's Default. In the event of Lessee's default hereunder, in addition to any other rights or remedies Lessor may have under the law, and except as otherwise provided herein, Lessor shall have the right, at Lessor's option, without further notice of demand of any kind to do the following:

a. Terminate this Lease and Lessee's right to possession of the Premises and reenter the Premises and take possession thereof, and Lessee shall have no further claim to the Premises except to compensation for any improvements made by Lessee on the premises in accordance with the formula provided in Article 2.4 hereof; or

b. Continue this Lease in full force and effect, reenter and occupy the Premises for the account of Lessee and collect any unpaid rental or other charges which have or may thereafter become due and payable; or

c. Reenter the Premises under the provisions of subparagraph (b), and thereafter elect to terminate this Lease and Lessee's right to possession of the Premises. Should Lessor reenter the Premises under the provisions of subparagraph (b) or (c) above, Lessor shall not be deemed to have terminated this Lease or the obligation of Lessee to pay any rental or other charges thereafter accruing, unless Lessor notifies Lessee in writing of Lessor's election to terminate this Lease. In the event of any reentry or retaking of possession by Lessor, Lessor shall have the right, but not the obligation, to remove all or any part of the personal property on the Premises and to place such property in storage at a public warehouse at the expense and risk of the Lessee.

13.4 Lessor's Breach and Remedies for Same. If Lessor fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Lessee specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Lessor fails to commence to cure within said

thirty (30) day period, then Lessor shall be liable to Lessee for any damages sustained by Lessee as a result of Lessor's breach; provided, however, it is expressly understood and agreed that if Lessee obtains a money judgment against Lessor resulting from any default or other claim arising under this Lease, such judgment shall be satisfied only out of the rents, issues, profits and other income actually received on account of Lessor's right, title and interest in the Premises and no other real, personal or mixed property of Lessor, wherever situated, shall be subject to levy to satisfy any such judgment. If, after notice to Lessor of default, Lessor fails to cure such default as provided herein, then Lessee shall have the right to cure such default at Lessor's expense. Lessee shall not have the right to terminate this Lease or to withhold, reduce or offset any amount against any payments of rent or any other charges due and payable hereunder except as otherwise specifically provided herein.

ARTICLE 14. OTHER PROVISIONS

14.1 Attorneys' Fees. In the event of any action or proceeding brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees incurred on account of such action or proceeding.

14.2 Waiver. The waiver by Lessor of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition. Acceptance of rent by Lessor subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular rent so accepted, regardless of Lessor's knowledge of any breach at the time of such acceptance of rent. Lessor shall not be deemed to have waived any term, covenant or condition unless Lessor gives Lessee written notice of such waiver.

14.3 Remedies; Choice of Law. No remedy or election exercised hereunder shall be deemed exclusive but shall be cumulative with all other remedies at law or in equity. This Lease shall be governed by the laws of the State of California in which the Premises are located.

14.4 Severability. A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its reflected intent.

14.5 Prior Agreements. This Lease represents the entire agreement between the parties pertaining to the Premises and supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and communications between the parties whether written or oral.

ARTICLE 15. AMENDMENT

This Lease may be amended by mutual written agreement of Lessor and Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day first above written.

CULVER CITY UNIFIED

SCHOOL DISTRICT

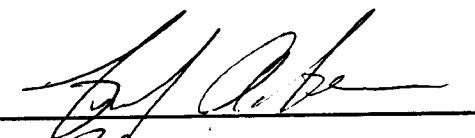
(Lessor)

ECHO FOUNDATION

(Lessee)

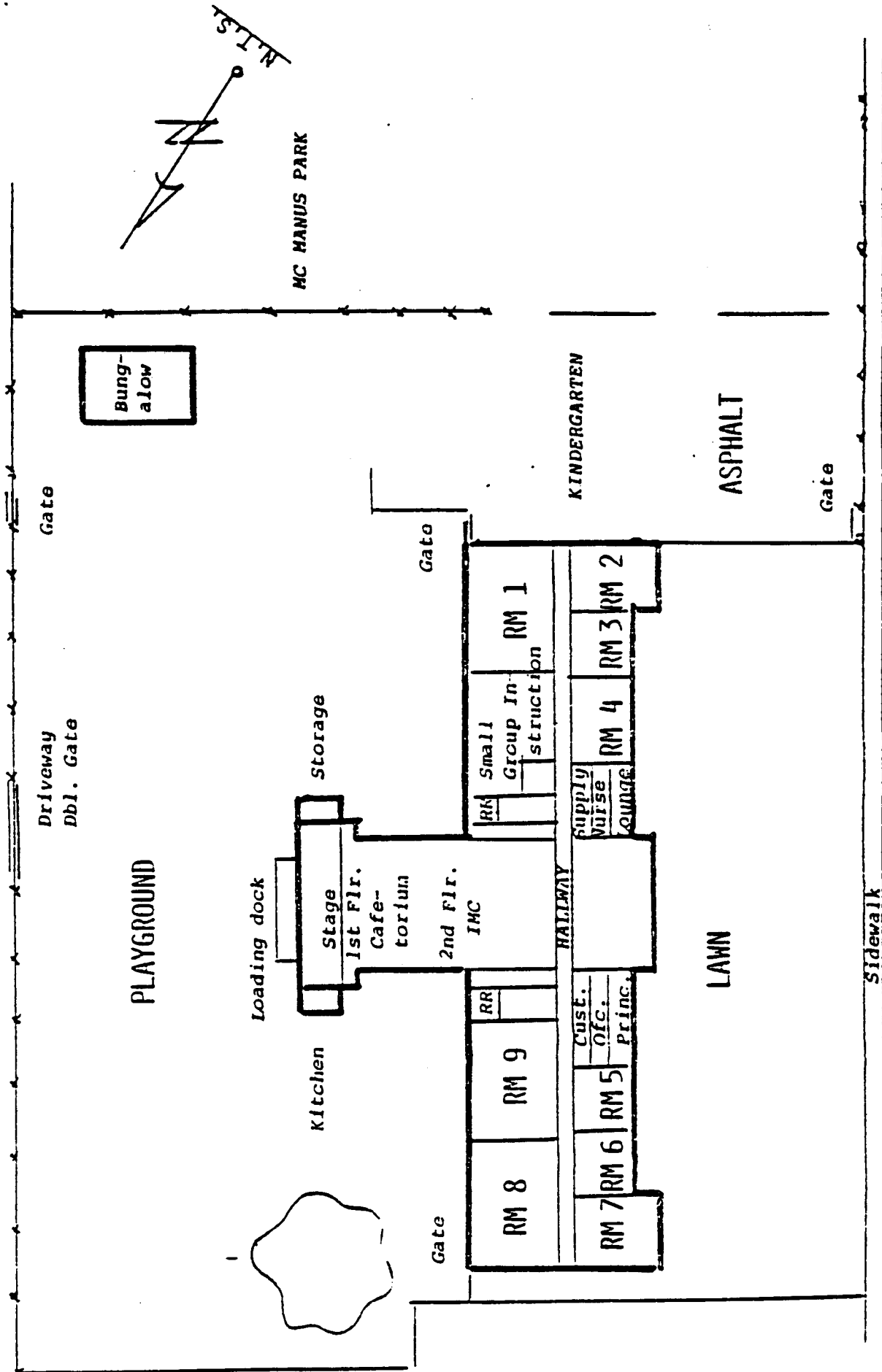
By: 

Its: C.I. Rethmeyer, Superintendent

By: 

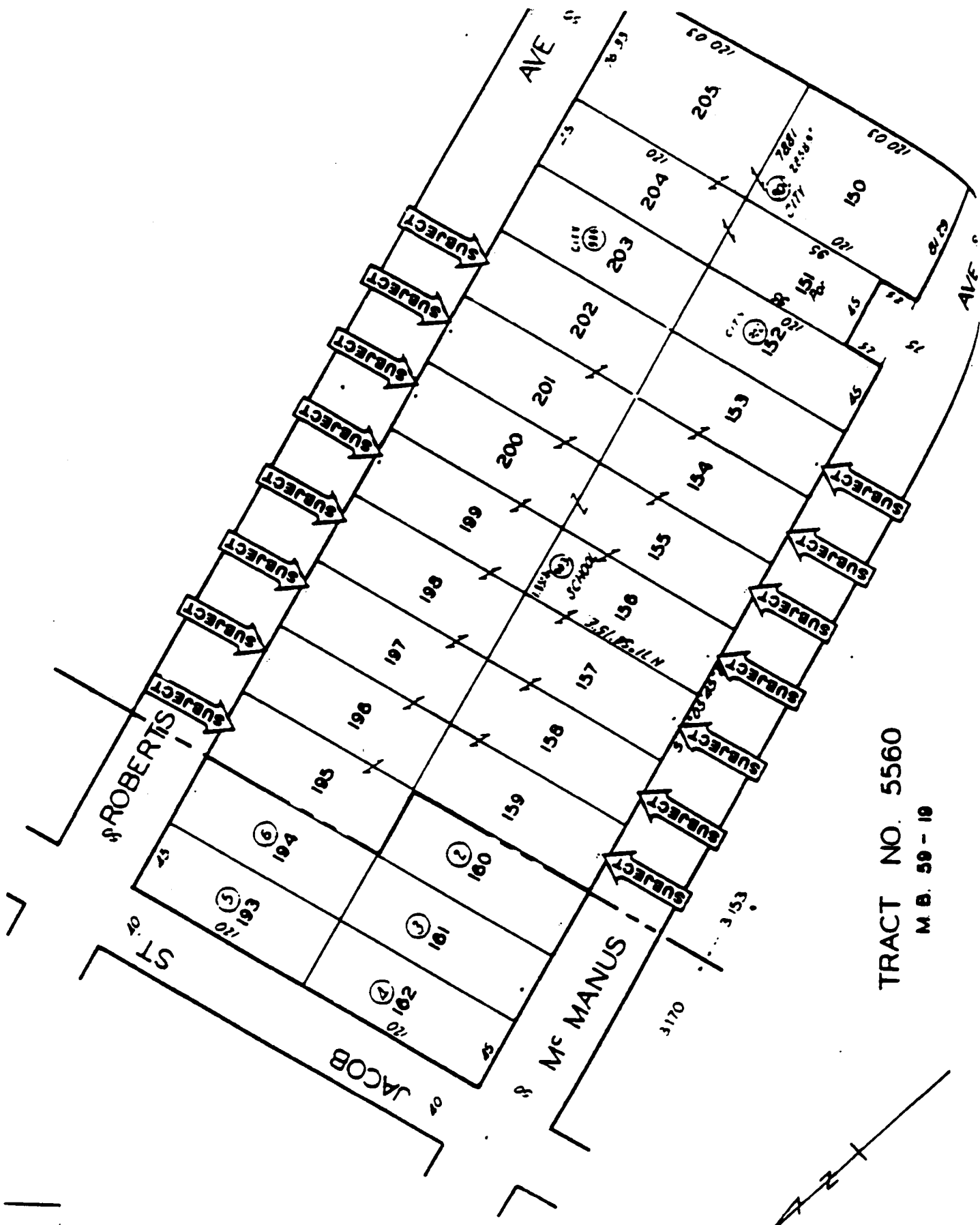
Its: Chairman

ROBERTS AVE.



WASHINGTON ELEMENTARY SCHOOL
3430 MC MANUS STREET,
CULVER CITY, CALIFORNIA 90230

MC MANUS AVE



TRACT NO. 5560
M.B. 50 - 10

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE is made and entered into this 4th day of February, 1992, in the County of Los Angeles, State of California, by and between the CULVER CITY UNIFIED SCHOOL DISTRICT (Lessor), located at 4034 Irving Place, Culver City, California and ECHO FOUNDATION (Lessee), located at 3430 McManus Avenue, Culver City, California.

R E C I T A L S

WHEREAS, Lessor is the owner of premises and school buildings known as the Washington School Site; and

WHEREAS, Lessor has leased such facility to Lessee pursuant to a Lease made and entered into as of January 21, 1992, the term of which commences on July 1, 1992 ("the Lease");

WHEREAS, Article 15 of the Lease permits an amendment thereto by mutual written agreement of Lessor and Lessee; and

WHEREAS, Lessor and Lessee now wish to amend the Lease;

NOW, THEREFORE, in consideration of the above recitals, the parties mutually agree that Article 8.2 ("Insurance") of the Lease the term of which commences July 1, 1992, is hereby amended by adding the following paragraph:

From the commencement date of this Lease until the additions and renovations contemplated by Article 2.5 of this Lease are completed, or until such time as Lessor and Lessee otherwise mutually agree, the replacement value fire insurance described in this Article 8.2 shall be provided by Lessor with respect to the improvements existing on the

Premises as of the commencement date of this Lease. The Lessor will supply evidence of coverage to the Lessee. During said period, Lessee will reimburse Lessor for such insurance in the amount of \$170.00 per month. At all times from the commencement of the construction of the additions and renovations contemplated by Article 2.5 of the Lease, Lessee will provide, at its own cost, the replacement value fire insurance described in Article 8.2 of the Lease with respect to such additions and renovations.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day first above written.

CULVER CITY UNIFIED SCHOOL DISTRICT (Lessor)

By: 
C.I. Rethmeyer, Superintendent

ECHO FOUNDATION (Lessee)

By: 
Fred A. Fern, Chairman

**FIRST AMENDMENT
TO
AGREEMENT BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT
AND
ECHO FOUNDATION
TO LEASE FACILITIES AT 3430 MCMANUS AVENUE, CULVER CITY, CALIFORNIA**

THIS FIRST AMENDMENT TO AGREEMENT BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND ECHO FOUNDATION TO LEASE FACILITIES AT 3430 MCMANUS AVENUE, CULVER CITY, CALIFORNIA ("Amendment") is entered by and between the CULVER CITY UNIFIED SCHOOL DISTRICT, a California public school District ("District"), and ECHO FOUNDATION, a California corporation ("Tenant"), referred to collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain AGREEMENT BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND ECHO FOUNDATION TO LEASE FACILITIES AT 3430 MCMANUS AVENUE, CULVER CITY, CALIFORNIA, effective July 1, 1992 ("Lease Agreement"), whereby Tenant operates its Pre-K-6th grade elementary school;

WHEREAS, Section 3.3 of the Lease Agreement provides for a "Base Rent Adjustment" at the 28th, 38th, and 48th years of the Lease term (including any extensions) such that the Base Rent shall be adjusted to bring it in line with fair market value. "The rent to be paid subsequent to each reappraisal shall be the greater of the amount of the six percent (6%) return on the reappraisal value or the amount of rent as adjusted annually pursuant to Article 3.2 ("New Rent"). The New Rent shall not, however, exceed a twenty-five percent (25%) increase over the then current rent";

WHEREAS, the Parties wish to amend the Lease Agreement to postpone the initial 28th year Base Rent Adjustment in acknowledgement of the declared state of emergency due to the coronavirus (COVID-19) pandemic; and

WHEREAS, Section 15 of the Lease Agreement provides that the Parties may amend the Lease provided that any and all amendments or modifications of the Lease shall be by mutual written agreement of the Parties.

AMENDMENT

NOW THEREFORE, based on the aforementioned facts, understandings, and intentions, and in consideration of the mutual covenants and promises of the Parties, the Parties hereto agree:

1. To amend the Lease Agreement as follows:

Section 3.1 of the Lease Agreement (Base Rent) is deleted in its entirety and replaced with the following provision:

"3.1 **Base Rent.** Subject to the adjustment pursuant to Section 3.2, during the term hereof Lessee shall pay Lessor annual rent for the Premises in the amount of Three Hundred Eighty-Two Thousand, Forty-Seven Dollars (\$382,047), payable in equal monthly installments in advance on the 1st day of each month during the term hereof at the rate of Thirty-One Thousand, Eight Hundred Thirty-Seven and 25/100 Dollars (\$31,837.25) per month ("Adjusted

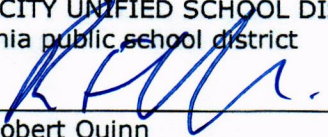
Rental Amount"). The Adjusted Rental Amount shall be applicable from July 1, 2022, until the end of the Term of the Lease Agreement on June 30, 2032.

2. Except as amended herein, the definitions, terms and conditions of the Agreement, including the Consumer Price Index Change specified in Section 3.2, shall remain in full force and effect.
3. Each person signing this Amendment represents and warrants that he/she is duly authorized and has legal capacity to execute this Amendment. Each Party represents and warrants to the other that the execution and delivery of this Amendment and the performance of such Party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties approve of this Amendment as of ^{MAY}~~April~~ 18, 2022.

DISTRICT:

CULVER CITY UNIFIED SCHOOL DISTRICT,
a California public school district

By: 
Name: Robert Quinn
Title: Assistant Superintendent, Business
Services

PROVIDER:

ECHO FOUNDATION,
a California corporation

By: 
Name: MARGARET PROCTER
Title: HEAD OF SCHOOL

**FIRST AMENDMENT
TO
GROUND LEASE BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND
THE WILDWOOD SCHOOL**

THIS FIRST AMENDMENT TO GROUND LEASE BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND THE WILDWOOD SCHOOL ("Amendment") is entered by and between the CULVER CITY UNIFIED SCHOOL DISTRICT, a California public school District ("District"), and WILDWOOD SCHOOL, INC., a California nonprofit public benefit corporation ("Wildwood"), referred to collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain GROUND LEASE Between CULVER CITY UNIFIED SCHOOL DISTRICT and THE WILDWOOD SCHOOL, dated April 19, 2011 (the "Lease") and evidenced by a Memorandum of Lease filed as Instrument No. 20130894838 in the Office of the County Clerk of the County of Los Angeles on June 17, 2013;

WHEREAS, Section 2.02 of the Lease provides for a "Base Rent Adjustment" at the end of year ten (10) of the Lease term and again at the end of year twenty (20) of the of the Lease term shall be implemented such that the Base Rent shall be adjusted to ten percent (10%) of the fair market value of the Premises;

WHEREAS, the Parties wish to amend the Lease to postpone the initial ten (10) year Base Rent Adjustment by one (1) year in acknowledgement of the current declared state of emergency due to the coronavirus (COVID-19) pandemic; and

WHEREAS, Section 13.08 of the Lease provides that the Parties may amend the Lease provided that any and all amendments or modifications of the Lease shall be in writing and shall be dated and signed by the Parties.

AMENDMENT

NOW THEREFORE, based on the aforementioned facts, understandings, and intentions, and in consideration of the mutual covenants and promises of the Parties, the Parties hereto agree:

1. To amend the Lease as follows:

- a. Section 2.02: "At the end of year ten (10) of the Lease term . . ." shall be replaced with "At the end of year eleven (11) of the Lease term . . ."
- b. Section 2.03(a): "At the end of year ten (10) of the Lease term . . ." shall be replaced with "At the end of year eleven (11) of the Lease term . . ."
- c. Section 2.03(b): The existing paragraph shall be replaced in its entirety with the following paragraph – "(b) The parties shall have thirty (30) days after the conclusion of the eleventh (11th) year of the Lease term and again at the end of the twentieth (20th) year of the Lease term during which to agree on an increase to the monthly Base Rent commencing as of the first month of the

twelfth (12th) year of the Lease term and the first month of the twenty-first (21st) year of the Lease term, respectively. If the parties agree on an increase to the monthly Base Rent during such thirty (30) day period, they shall immediately execute an amendment to this Lease stating the new monthly Base Rent, which monthly amount shall be retroactive to the first day of the first calendar month of said twelfth (12th) year and twenty-first (21st) year, respectively."

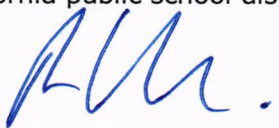
2. Except as amended herein, the definitions, terms and conditions of the Lease shall remain in full force and effect.

3. Each person signing this Amendment represents and warrants that he/she is duly authorized and has legal capacity to execute this Amendment. Each Party represents and warrants to the other that the execution and delivery of this Amendment and the performance of such Party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties approve of this Amendment as of October 31, 2020.

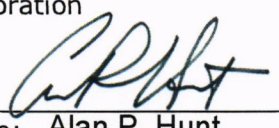
DISTRICT:

CULVER CITY UNIFIED SCHOOL DISTRICT,
a California public school district

By: 
Name: Robert Quinn
Title: Assistant Superintendent, Business
Services

WILDWOOD:

THE WILDWOOD SCHOOL INC.,
a California nonprofit public benefit
corporation

By: 
Name: Alan P. Hunt
Title: CFO

GROUND LEASE

Between

CULVER CITY UNIFIED
SCHOOL DISTRICT

and

THE WILDWOOD SCHOOL

GROUND LEASE

This Ground Lease ("Lease") is dated March __, 2011, for identification purposes. The Culver City Unified School District ("District"), hereby leases to The Wildwood School, a California corporation ("Tenant"), the land and premises ("Premises") in the City of Los Angeles ("City"), County of Los Angeles, State of California, described in Exhibit "A" attached hereto and incorporated herein by reference, and commonly known as 12201 Washington Place, Los Angeles, CA 90066.

Whereas, the District entered into a lease agreement ("Original Lease") with the University of West Los Angeles ("University") dated December 17, 1985, for the lease of the Premises;

Whereas, the University and Tenant entered into an Assignment and Assumption of Lease dated March 17, 1992, ("Assignment"), whereby University assigned all of its rights and interest in and to the Original Lease to Tenant and whereby Tenant accepted such assignment;

Whereas, the District executed a Consent of Lessor ("Consent") consenting to the Assignment;

Whereas, the District, University and Tenant entered into a Modification of Lease Agreement ("Modification") dated March 17, 1992, whereby the Original Lease was amended and modified as a condition of Tenant's obligation to consummate the Assignment;

Whereas, the District, University and Tenant entered into a First Addendum to Modification of Lease Agreement ("First Addendum") dated March 24, 1992, whereby the terms of the Original Lease and the Modification were amended (the Original Lease, Assignment, Consent, Modification and First Addendum are hereinafter collectively referred to as the "Original Lease Documents"); and

Whereas, the District and Tenant wish to terminate and replace the Original Lease Documents with this Lease.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, District and Tenant agree as follows:

ARTICLE 1. TERM OF LEASE

Section 1.01. Lease. District hereby leases to Tenant, and Tenant hereby leases from District, the Premises, for the term, at the rental, and upon all the terms, covenants and conditions set forth in this Lease.

Section 1.02. Original Lease Documents. The Original Lease Documents are hereby terminated and replaced in their entirety by this Lease.

Section 1.03. Term. The term of this Lease shall commence on January 1, 2011, ("Commencement Date"). This Lease shall terminate as of December 31 of the year which is thirty-five (35) years after the year in which the Commencement Date occurs.

ARTICLE 2. RENT

Section 2.01. Base Rent. Tenant agrees to pay to District an initial Base Rent for the use and occupancy of the Premises of Eight Hundred Eight Thousand Eighty Dollars (\$808,080) per Lease year ("Base Rent"), payable monthly in advance in the amount of Sixty Seven Thousand Three Hundred Forty Dollars (\$67,340) per month commencing on the Commencement Date and continuing each month during the Lease term, subject to adjustment pursuant to Section 2.02 below. Lease year shall mean the calendar year. Base Rent shall be prorated as necessary for the first and last month and year, if partial months or years. The Base Rent is calculated on a triple net basis.

Section 2.02. Base Rent Adjustment. The Base Rent shall be adjusted every year on the anniversary date of the Commencement Date of this Lease to reflect the annual inflation allowance (Consumer Price Index Change) as established by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index ("CPI") for all Urban Consumers for the Long Beach-Los Angeles area plus one percent (1%) or two and one quarter percent (2.25%), whichever is greater. At the end of year ten (10) of the Lease term and again at the end of year twenty (20) of the of the Lease term, the Base Rent shall be adjusted to ten percent (10%) of the fair market value of the Premises, as determined by an appraisal conducted pursuant to the requirements of Section 2.03, below, provided that the Base Rent shall not be decreased from the then current Base Rent.

Section 2.03. Reappraisal of Premises.

(a) District and Tenant agree that there shall be a reappraisal of the Premises and an adjustment of Base Rent accordingly, at the end of year ten (10) of the Lease term and again at the end of year twenty (20) of the of the Lease term.

(b) The parties shall have thirty (30) days after the conclusion of the tenth (10th) year of the Lease term and again at the end of the twentieth (20th) year of the Lease term during which to agree on an increase to the monthly Base Rent commencing as of the first month of the eleventh (11th) year of the Lease term and the first month of the twenty-first (21st) year of the Lease term, respectively. If the parties agree on an increase to the monthly Base Rent during such thirty (30) day period, they shall immediately execute an amendment to this Lease stating the new monthly Base Rent, which monthly amount shall be retroactive to the first day of the first calendar month of said eleventh (11th) year and twenty-first (21st) year, respectively.

(c) If the parties are unable to agree on an increase to the monthly Base Rent within said thirty (30) day period, then within ten (10) days after the expiration of such thirty (30) day period, each party, at its cost and by giving notice to the other party, shall appoint a real estate appraiser (i) who shall be a member in standing of the American Institute of Real Estate Appraisers, with at least five (5) years full-time commercial

appraisal experience in the area in which the Premises are located, and (ii) who shall not have previously performed any work or services for either District or Tenant, to appraise the Premises and set the fair market value of the Premises (the "Initial Fair Market Value"). If a party does not appoint an appraiser within ten (10) days, the single appraiser appointed shall be the sole appraiser and shall set the Initial Fair Market Value which shall be conclusive and binding on District and Tenant.

If the two appraisers are appointed by the parties as stated in this paragraph 2.03, they shall meet promptly and attempt to set the Initial Fair Market Value. If they are unable to agree within thirty (30) days after the second appraiser has been appointed, they shall attempt to elect a third appraiser meeting the qualifications stated in this paragraph 2.03(c) within ten (10) days after the expiration of such thirty (30) day period. If the two appraisers are unable to agree on the third appraiser, either of the parties to this Lease, by giving ten (10) days notice to the other party, can file a petition with the American Arbitration Association in Los Angeles, California, solely for the purpose of selecting a third appraiser who meets the qualifications stated in this paragraph. Each party shall bear one-half (1/2) the cost of the American Arbitration Association in Los Angeles, California, appointing the third appraiser and of paying the third appraiser's fee. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either party.

(d) Within thirty (30) days after the selection of the third appraiser, a majority of the appraisers shall set the Initial Fair Market Value. If a majority of the appraisers are unable to agree upon the Initial Fair Market Value within the foregoing thirty (30) day period, the three appraisals shall be added together and their total divided by three; the resulting quotient shall be the Initial Fair Market Value for the Premises which shall be used to calculate the increase in Base Rent.

(e) If, however, the low appraisal and the high appraisal are more than ten percent (10%) lower and/or higher than the middle appraisal, the low appraisal and the high appraisal shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and their total divided by two; the resulting quotient shall be the Initial Fair Market Value for the Premises which shall be used to calculate the increase in Base Rent. If both the low appraisal and the high appraisal are disregarded as stated in this paragraph, the middle appraisal shall be the Initial Fair Market Value for the Premises which shall be used to calculate the increase in Base Rent.

(f) After the Initial Fair Market Value has been set, the appraisers shall immediately notify the parties.

(g) In setting the Initial Fair Market Value, the appraiser or appraisers shall consider the highest and best use for the Premises without regard to the restriction on use contained in this Lease (or the existence of the Lease itself).

Section 2.04. Place for Payment of Rent. All Base Rent that becomes due and payable to District under this Lease shall be paid to District at the address of District listed herein below, or such other place as District may from time to time designate by written notice given to Tenant.

Section 2.05. Net Rent. Tenant shall pay all of the Base Rent provided for in this Lease to District, absolutely net throughout the term of this Lease, without deduction for any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall District be expected or required to make any payment of any kind whatsoever or to perform any act or obligation whatsoever or be under any obligation or liability hereunder or with respect to the Premises except as specifically set forth in this Lease or as required by any common law, statute or regulation.

Section 2.06. Transfer of Premises. Tenant shall have the right to use the Premises itself or to enter into transactions with subsidiaries, affiliates and other related entities for the purposes related to the use of the Premises. Tenant may not transfer its leasehold interest in the Premises to non-affiliated third parties without the express written consent of District, which consent shall not be unreasonably withheld.

Section 2.07. No Joint Venture. Nothing in this Lease shall constitute District and Tenant as partners, joint venturers, or tenants in common, nor require District to participate in any costs, liabilities, expenses or losses of Tenant.

ARTICLE 3. USE OF PREMISES

Section 3.01. Use and Operation. Tenant shall use the Premises for educational programs related to the operation of the Wildwood School, a K-12 private school ("Project"). Any change from this use shall be accomplished only with the written approval of District which approval shall not be unreasonably withheld provided such change does not reduce District's Base Rent under Article 2 and will not adversely affect the Tenant's financial stability or ability to pay Base Rent. Tenant shall conduct its business at all times in a respectable, reputable and lawful manner and in good faith. It is understood that subject to the express limitations contained in this Lease, Tenant shall have control of the operation of the Project, and the right of District to receive Base Rent shall not be deemed to give District any interest, control or discretion in the operation of the Project.

Section 3.02. Zoning and Use Permits. When District's approval is necessary or appropriate to obtain any governmental approval such as a use permit, variance, or rezoning of said Premises in order to construct or operate the Project, District agrees to execute such documents, petitions, applications and authorizations as may be necessary or appropriate in obtaining the same; provided, however, that any such permits, variances or rezoning shall be obtained at the sole cost and expense of Tenant, and Tenant agrees to protect and save District and the property of District, including said Premises, free and harmless from any such cost and expense.

Section 3.03. Approval of Plans Required. No structure or other improvement of any kind shall be erected or maintained on said Premises unless Tenant has obtained all the approvals required from all governmental agencies having jurisdiction, and Tenant has

obtained any written approval from District required under the terms of this Lease, which approval shall not be unreasonably withheld. Any such structure or improvement must be substantially constructed in accordance with plans and specifications prepared by a licensed architect, engineer or contractor.

Section 3.04. Only Lawful Uses Permitted. Tenant shall not use said Premises or any portion of said Premises to be improved, developed, used or occupied in any manner or for any purpose that is in violation of any valid law, ordinance or regulation of any federal, state, county or local governmental agency, body or entity. Furthermore, Tenant shall not maintain or commit any nuisance as now or hereafter defined by any statutory or decisional law applicable to said Premises on said Premises or any part of said Premises.

ARTICLE 4. TAXES AND UTILITIES

Section 4.01. Tenant: to Pay Taxes. In addition to the Base Rents required to be paid under this Lease, Tenant shall pay, and Tenant hereby agrees to pay, any and all taxes, including possessory interest taxes, assessments, and other charges levied or assessed during the term of this Lease by any governmental agency or entity on or against said Premises, any portion of said Premises, any interest in said Premises (other than the interest of District), or any improvements or other property in or on said Premises owned by Tenant, except for any increase in real estate taxes or assessments on account of any transfer or change in ownership by District of its fee title to the Premises other than to Tenant. Pursuant to Revenue and Taxation Code Section 107.6, Tenant is on notice that a possessory interest subject to property taxation may be created by this Lease and that Tenant may be subject to the payment of property taxes levied on such interest.

Section 4.02. Payment Before Delinquency. Unless Tenant contests the imposition of the tax or assessment, or has filed an application and is waiting for the tax assessor to approve a property tax exemption for the Project, any and all taxes and assessments and installments of taxes and assessments required to be paid by Tenant under this Lease shall be paid by Tenant before each such tax, assessment or installment of tax or assessment becomes delinquent, and the official and original receipt for the payment of such tax, assessment or installment shall immediately be given to District.

Section 4.03. Contest of Tax. Tenant shall have the right to contest, oppose, or object to the amount or validity of any tax, assessment, or other charge levied on or assessed against said Premises or any part of said Premises; provided, however, that the contest, opposition or objection must be filed before the tax, assessment or other charge at which it is directed becomes delinquent, and written notice of the contest, opposition or objection must be given to District concurrently with filing any such contest, opposition or objection.

Section 4.04. Tax Hold-Harmless Clause. Tenant shall indemnify and hold District and the property of District, including said Premises and any improvements now or hereafter on said Premises, free and harmless from any liability, loss or damage resulting from any taxes, assessments or other charges required by this Article to be paid by Tenant and from all interests, penalties and other sums imposed thereon and from any sales or other proceedings to enforce collection of any such taxes, assessments or other charges.

Section 4.05. Utilities. Tenant shall pay or cause to be paid, and hold District and the property of District, including said Premises, free and harmless from, all charges for the furnishing of gas, water, electricity, telephone service, and other public utilities to said Premises and for the removal of garbage and rubbish from said Premises.

Section 4.06. Payment by District. Unless Tenant contests the imposition of the tax, assessment or other charge, should Tenant fail to pay within the time specified in this Article any taxes, assessments or other charges required by this Article to be paid by Tenant, District may, upon ten (10) days' prior written notice to Tenant, pay, discharge or adjust such tax, assessment or other charge for the benefit of Tenant. In such event, Tenant shall promptly on written demand of District reimburse District for the full amount paid by District in paying, discharging or adjusting such tax, assessment or other charge, together with interest thereon at the rate of the reference rate established by the then largest commercial bank in California on the date of payment plus three percent (3%) per annum from the date of payment by District until the date of repayment to the District by Tenant. Where no time within which any charge required by this Article to be paid by Tenant is specified in this Article, such charge must be paid by Tenant before it becomes delinquent.

ARTICLE 5. CONSTRUCTION

Section 5.01. Tenant's Right to Construct Improvements. District expressly grants Tenant the right to construct, alter, modify, and remove any and all improvements on the Premises, subject to the terms and conditions set forth in this Lease.

Section 5.02. Notice of Commencement of Construction. With regard to any work, the costs of which are estimated to exceed Two Hundred Fifty Thousand Dollars (\$250,000), such work shall not commence until and no building or other materials shall be delivered for the Project nor shall any other building or land development work be commenced or building materials be delivered on said Premises until at least ten (10) days after written notice has been given by Tenant to District of the commencement of such work or the delivery of such materials. District shall, at any time and all times have the right to post and maintain on said Premises and to record as required by law any notice or notices of non responsibility provided for by the mechanics' lien laws of the State of California.

Section 5.03. Condition Precedent to Construction. With regard to any construction on the Premises, Tenant shall enter into a construction contract with a licensed California general contractor ("General Contractor"), and such construction shall be completed in accordance with approved plans and, subject to the force majeure provisions of Section 13.01 hereof. With regard to any work, the cost of which is estimated to exceed Two Hundred Fifty Thousand Dollars (\$250,000), District must first approve the General Contractor in writing.

Section 5.04. Condition Precedent to Construction. Before commencement of any work upon the Premises, the costs of which are estimated to exceed Two Hundred Fifty Thousand Dollars (\$250,000), Tenant shall deliver to District (i) copies of all site permits

and approvals obtained to date, (ii) evidence of builder's risk insurance in accordance with requirements of the District, (iii) evidence of proper worker's compensation insurance as procured to cover all persons employed by Tenant and its agents in connection with the construction of the improvements on the Premises, and (iv) evidence of construction funding and construction equity for the entire Project.

Section 5.05. Compliance With Law and quality. Any additional construction undertaken for the Project shall be constructed, and all work performed on said Premises and all buildings or other improvements erected on said Premises shall be in accordance with all valid laws, ordinances, regulations and orders of all federal, state, county or local governmental agencies or entities having jurisdiction over said Premises. All work performed on said Premises pursuant to this Lease, or authorized by this Lease, shall be done in a good workmanlike manner.

Section 5.06. Mechanics' Lien. Tenant hereby agrees to indemnify and save District harmless from and against any loss, damage or liability arising out of any mechanics' liens for claims for labor or services, materials or supplies or equipment performed or furnished to the Premises.

Section 5.07. Ownership of the Project. Upon expiration or sooner termination of this Lease, the Project and all buildings and improvements shall belong to and become the property of District, free from any rights, claims and liens of Tenant or any person, agency, political subdivision, firm or corporation claiming under Tenant without any compensation therefor from District to Tenant or to any other person, agency, political subdivision, firm or corporation except as to the rights of Tenant to compensation in the event of condemnation as set forth in Article 9. On the expiration or sooner termination of this Lease such building and improvements shall be surrendered to District, excepting that movable furniture, personal property and trade fixtures may be removed by Tenant at or before the expiration or sooner termination of this Lease, provided, however, that the removal of any of the property so excepted will not structurally injure the building or improvements or render the buildings or improvements or any part thereof unfit for use and occupancy. Tenant shall pay the cost of restoration of, or repairing any damage to, the Premises arising from the removal of the property so excepted within thirty (30) days of a written demand by the District.

ARTICLE 6. ENCUMBRANCE OF LEASEHOLD ESTATE; MORTGAGEE PROTECTION

Section 6.01. Definitions.

(a) The term "Leasehold Mortgagee" shall mean the holder of the beneficial interest of a Leasehold Deed of Trust, who has given written notice to District of its name and address for notices.

(b) The term "Leasehold Deed of Trust" shall mean any encumbrance of this Lease, by a deed of trust, mortgage or other security instrument including, without limitation, assignments of rents, issues and profits from the Property, to secure repayment of loans made to, or obligations of, Tenant.

(c) The term "Property" shall mean the Premises together with all other real property and personal property leased to Tenant pursuant to the Lease.

Section 6.02. Tenant's Right to Encumber Leasehold.

No financing, refinancing or encumbrance of the leasehold estate or the Project shall be permitted without the written approval of District which shall not be unreasonably withheld.

Section 6.03. Notice to and Service on Leasehold Mortgagee. District shall mail to Leasehold Mortgagee a duplicate copy of any and all notices District may from time to time give to or serve on Tenant pursuant to or relating to this Lease. Any notices or other communications permitted by this or any other Section of this Lease or by law to be served on or given to Leasehold Mortgagee by District shall be deemed duly served on or given to Leasehold Mortgagee by deposit in the United States mail, certified, return receipt requested or by overnight courier, return receipt, addressed to Leasehold Mortgagee at the last mailing address for Leasehold Mortgagee furnished in writing to District by Tenant or Leasehold Mortgagee. The date of notice shall be the date marked on the return receipt.

Section 6.04. No Modification Without Leasehold Mortgagee Consent. Tenant and District hereby expressly stipulate and agree that they will not modify this Lease in any way nor cancel this Lease by mutual agreement without the written consent of Leasehold Mortgagee.

Section 6.05. Rights of Leasehold Mortgagee. The Leasehold Mortgagee shall have the right, subsequent to the receipt of a Second Default Notice as provided for in Section 6.06 below, without further consent of District, at any time during the term of this Lease to:

(a) Do any act or thing required of Tenant under this Lease, and any such act or thing done and performed by Leasehold Mortgagee shall be as effective to prevent a forfeiture of Tenant's rights under this Lease as if done by Tenant itself.

(b) Transfer, convey or assign the right, title and interest of Tenant in and to the leasehold estate created by this Lease to any purchaser at any foreclosure sale, whether the foreclosure is conducted pursuant to court order or pursuant to a power of sale.

(c) Acquire and succeed to the right, title and interest of Tenant under this Lease by virtue of any foreclosure proceeding, whether the foreclosure is conducted pursuant to a court order or pursuant to a power of sale contained in the Leasehold Deed of Trust, or by virtue of a transfer in lieu of foreclosure and, following such foreclosure, transfer, convey or assign the right, title and interest of Tenant in and to the leasehold estate granted by this Lease to any third party.

Section 6.06. Right of Leasehold Mortgagee to Cure Defaults. Before District may terminate this Lease because of any default under or breach of this Lease by Tenant, District must give (i) written notice of the default or breach (the "Initial Default Notice")

and then (ii), subsequent to the time provided to cure such default or breach provided in Article 11 of this Lease, written notice of the failure of the Tenant to cure the default or breach (the "Second Default Notice") to Leasehold Mortgagee concurrent with transmittal of such notices to Tenant and afford Leasehold Mortgagee the opportunity after service of such Second Default Notice to:

(a) Cure the breach or default (including the payment of all accrued and delinquent Base Rent) within sixty (60) days after service on Leasehold Mortgagee of the Second Default Notice where the default can be cured by the payment of money to District or some other person;

(b) Cure the breach or default within ninety (90) days after service on Leasehold Mortgagee of the Second Default Notice where the breach or default must be cured by something other than the payment of money and can be cured within that time; or

(c) Cure the breach or default in such reasonable time as may be required where something other than the payment of money is required to cure the breach or default and cannot be reasonably performed within ninety (90) day after service on Leasehold Mortgagee of the Second default Notice provided that acts to cure the breach or default are commenced within that time period after service of the Second Default Notice on Leasehold Mortgagee by District and are thereafter diligently continued by Leasehold Mortgagee.

In order to complete the cure of the default or breach Leasehold Mortgagee shall have access to the Premises if necessary. If Leasehold Mortgagee completes the cure of the default or breach in a timely and proper manner, District shall accept the cure as fulfilling the terms of this Lease.

Section 6.07. Foreclosure in Lieu of Curing Default. Notwithstanding any other provision of this Lease, Leasehold Mortgagee may forestall termination of this Lease by District for a default under or breach of this Lease by Tenant by commencing proceedings to foreclose the encumbrance on the Tenant's leasehold estate ("Encumbrance"). The proceedings so commenced may be for foreclosure of the Encumbrance by order of court or for foreclosure of the Encumbrance under a power of sale contained in the instrument creating the Encumbrance. The proceedings shall not, however, forestall termination of this Lease by District for the default or breach by Tenant unless:

(a) They are commenced within sixty (60) days after service on Leasehold Mortgagee of the Second Default Notice;

(b) They are, after having been commenced, diligently pursued in the manner provided by law; and

(c) Leasehold Mortgagee keeps and performs all of the terms, covenants and conditions of this Lease (including the payment of Base Rent, including past due Base Rent, under this Lease) requiring the payment or expenditure of money by Tenant until

the foreclosure proceedings are complete or are discharged by redemption, satisfaction, payment or conveyance of the leasehold estate to Leasehold Mortgagee.

Section 6.08. Assignment Without Consent on Foreclosure. Provided that Leasehold Mortgagee gives written notice of transfer to District setting forth the name and address of the transferee as well as the effective date of the transfer, the written consent of District shall not be required for transfer of Tenant's right, title and interest under this Lease to:

(a) Any purchaser, which includes the Leasehold Mortgagee, at a foreclosure sale of the Encumbrance, whether the foreclosure is conducted pursuant to court order or pursuant to a power of sale in the instrument creating the Encumbrance; or

(b) A purchaser from Leasehold Mortgagee after foreclosure where Leasehold Mortgagee was the purchaser of Tenant's interest at the foreclosure sale of the Encumbrance, or acquired Tenant's interest by transfer in lieu of foreclosure. Any purchaser at a foreclosure sale, and any purchaser from the Leasehold Mortgagee shall be subject to all the terms and conditions of this Lease including, without limitation, the right of the purchaser to assign this Lease pursuant to Article 10.

The Leasehold Mortgagee, the purchaser at a foreclosure sale, or the purchaser from the Leasehold Mortgagee shall be subject to all the terms and conditions of this Lease except that (i) the time for performance of any unperformed acts required by Article 5 of this Lease shall be extended for that period equal to the delay in performance of the act caused by Tenant's inability or failure to perform the act and the time required to transfer the Lease to the purchaser at a foreclosure sale and/or to the purchaser from Leasehold Mortgagee, (ii) the performance of any acts required by Article 5 of this Lease that have already been performed shall be deemed satisfied and (iii) Leasehold Mortgagee shall be able to absolutely assign or transfer this Lease without District's consent as provided hereinabove and any purchaser, assignee or transferee of this Lease from Leasehold Mortgagee shall be able to assign this Lease pursuant to Article 10.

Section 6.09. Leasehold Mortgagee as Assignee of Lease. The Leasehold Mortgagee shall not be liable to perform the obligations of the Tenant under this Lease unless and until such time as Leasehold Mortgagee becomes the owner of the leasehold estate created hereby and acquires the right, title and interest of Tenant under this Lease through foreclosure, transfer in lieu of foreclosure, assignment or otherwise, and thereafter the Leasehold Mortgagee shall remain liable only so long as the Leasehold Mortgagee remains as the owner of the leasehold estate.

Section 6.10. Estoppel Certificates. District shall provide to the Leasehold Mortgagee, on request, an estoppel certificate pursuant to the provisions of this Lease certifying to such matters as status of Base Rent payments, satisfaction of conditions, and defaults.

ARTICLE 7. REPAIRS AND RESTORATION

Section 7.01. No Obligation of District. District shall not be required or obligated to make any changes, alterations, additions, improvements or repairs in, on, or about the Premises, or any part thereof.

Section 7.02. Maintenance by Tenant. At all times Tenant shall, at Tenant's cost and expense, keep and maintain said Premises and all improvements hereafter constructed or installed on said Premises as well as all facilities now or hereafter appurtenant to said Premises in good order and repair and in a clean condition free from rubbish and debris, reasonable wear and tear excepted, and shall repair all damage resulting from use, including willful action (whether proper or improper) or negligence, by Tenant or any persons permitted to be on the Premises by or with the consent of Tenant, express or implied, except District, or resulting from Tenant's failure to observe or perform any covenant of Tenant under this Lease.

Section 7.03. Compliance with Applicable Law. Tenant shall, at Tenant's expense, promptly comply with the requirements of every applicable law with respect to the condition, maintenance, use or occupation of the Premises including the making of any alteration or addition in and to any structure upon, connected with, or appurtenant to the Premises, whether or not such alteration be structural, or be required on account of any particular use to which the Premises, or any part thereof, may be or is now put, and whether or not such law be of kind now within the contemplation of the parties hereto; and shall likewise comply with an applicable regulation or order of the applicable Board of Fire Underwriters or other body having similar functions, or of any liability or fire insurance company by which Tenant may be insured.

Section 7.04. Damage or Destruction. Except for any improvements presently located on the Premises, should, at any time during the term of this Lease, any buildings or improvements hereafter located on said Premises be destroyed in whole or in part by fire, theft, the elements, or any other cause (collectively hereinafter referred to as a "Casualty"), this Lease shall continue in full force and effect; provided, however, that Tenant shall have the option of terminating this Lease on the last calendar day of any month by giving District at least thirty (30) days' prior written notice of Tenant's intent to do so and by removing, within one hundred twenty (120) days of the Casualty, at Tenant's own cost and expense all debris and remains of the damaged improvements from said Premises in the event that:

(a) Any buildings or improvements hereafter located on said Premises are so damaged or destroyed by a Casualty after twenty years of this Lease that such buildings or improvements cannot be repaired and restored at a cost which is less than thirty percent (30%) of the cost to replace all of the buildings and improvements located on the Premises if totally destroyed; or

(b) Any buildings or improvements hereafter located on said Premises are so damaged or destroyed by a Casualty after fifteen years of this Lease that such buildings or improvements cannot be repaired and restored at a cost which is less than forty percent (40%) of the cost to replace all of the buildings and improvements located on the Premises if totally destroyed; or

(c) Any buildings or improvements hereafter located on said Premises are so damaged or destroyed by a Casualty after ten years of this Lease that such buildings or improvements cannot be repaired and restored at a cost which is less than fifty percent (50%) of the cost to replace all of the buildings and improvements located on the Premises if totally destroyed; or

(d) Any buildings or improvements hereafter located on said Premises are damaged or destroyed by a Casualty at any time during the term of this Lease and insurance proceeds available to Tenant from the insurance required are not sufficient to cover one hundred percent (100%) of the cost, less Fifty Thousand Dollars (\$50,000), to repair and restore such damaged or destroyed buildings or improvements.

Section 7.05. Application of Insurance Proceeds. Except as hereinafter provided in this Section 7.05, all insurance money paid either to Tenant on account of any damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss (which costs, fees or expenses shall be reimbursed to the party incurring such expenses) shall be applied to the payment of the cost of the restoration or repairs of such damage or destruction. Such work may include the cost of demolition and temporary repairs and for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding, or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacement, rebuilding or operations are hereinafter collectively referred to as the "Restoration"). Such proceeds shall be paid out from time-to-time to Tenant or in accordance with Tenant's directions, as such Restoration progresses upon the written approval of District and the written request of Tenant. Upon the receipt by District of satisfactory evidence that the Restoration has been fully completed and paid for in full and that there are no liens of the character referred to in Section 5.05 hereof, and there is no default under the terms, conditions, covenants and agreements of this Lease which cannot be cured by the payment of money or any default hereunder which has become an event of default, any balance of the insurance money at the time held by an insurance trustee shall be paid to Tenant. In the event Tenant terminates this Lease pursuant to Section 7.04 Tenant shall surrender possession of the Premises to District immediately and assign to District (or, if the same has already been received by Tenant, pay to District) all of its right, title and interest in all of the proceeds from Tenant's insurance upon the Premises. Notwithstanding the foregoing, the payment of insurance proceeds to District and the administration of the Restoration as set forth in this Section 7.05 shall apply only to damage in excess of Fifty Thousand Dollars (\$50,000). To the extent insurance proceeds do not exceed Fifty Thousand Dollars (\$50,000), Tenant shall administer such proceeds in accordance with the terms of this Lease.

Section 7.06. Continuing Obligation to Pay Base Rent. Except for Tenant's right to terminate this Lease as provided in Section 7.04, no destruction of, or damage to the structures or any part thereof by fire or any other cause shall permit Tenant to surrender this Lease nor relieve Tenant from its obligations to pay the full Base Rent payable under this Lease or from any of its other obligations under this Lease. Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Premises or any suspension, diminution, abatement or reduction of rent on account

of any such destruction or damage, including specifically the provisions of Section 1932 (2) and Section 1933 (4) of the California Civil Code.

ARTICLE 8. INDEMNITY AND INSURANCE

[This Article remains subject to review by Tenant's Insurance Broker.]

Section 8.01. Indemnification.

(a) As a material part of the consideration to District, Tenant agrees to indemnify, protect, defend and hold harmless, individually and collectively District and its directors, officers, employees, agents, consultants, contractors, representatives, and successors to and assignees of its interests in the Project (individually a "District Indemnitee") from and against all lawsuits, causes of action, claims, demands, damages, injuries, fines, losses, judgments, liens, encumbrances, charges, obligations, liabilities, costs and expenses (including but not limited to injury or loss of life to persons or damage to or loss of property, travel expenses and reasonable attorneys' fees, expert witness fees and other costs of defense or of enforcing this indemnity, regardless of whether legal proceedings are actually commenced) (collectively "Claims") arising out of or relating to any of the following:

(i) Design, permitting or construction of any work of improvement on the Premises (subject to any limitations in applicable law);

(ii) Any act or omission by any person or entity (other than by a District Indemnitee) occurring on the Premises, or with respect to any work of improvement;

(iii) Any mechanics', materialpersons', vendors' or suppliers' lien claimed by any person, furnishing construction, labor, materials, supplies or services to or for the Project, or with respect to any work of improvement;

(iv) Ownership, use, possession or development of the Premises or the Project, any unsafe or dangerous condition on the Premises, and any accident, injury or damage whatsoever to any person or entity occurring on the Premises, or with respect to any work of improvement;

(v) The breach or falsity of any material representation or warranty made or given by Tenant under this Lease;

(vi) The breach of any obligation of Tenant contained in this Lease;

(vii) Any willful misconduct or negligent act or omission by Tenant or any of its officers, employees, agents or representatives; and

(viii) Any assertion, claim or cause of action that a District Indemnitee is liable or responsible for the payment or performance of any indebtedness or obligation of Tenant or for any act or omission committed or made

by Tenant or any other person or entity (excluding District or its Indemnitees) in connection with the ownership, operation or development of the Project, whether on account of any theory of relationship, derivative liability, comparative negligence or otherwise.

(b) If District receives notice of a Claim or otherwise has actual knowledge of a Claim, it shall promptly (i) inform Tenant in writing of such claim of which it has knowledge and (ii) send to Tenant a copy of all written materials it receives from the claimant relating to such Claim. Such written material shall consist of copies of any complaint, motion or other documents filed with any court, tribunal or other body before which a proceeding has been filed. Failure of District to so inform Tenant or to provide materials shall not, however, waive, cause forfeiture of or limit the remedies available to any indemnified party with respect to enforcement of its indemnification rights as stated herein or as stated in any of the Documents, except to the extent such failure inhibits Tenant from taking corrective action.

(c) Tenant shall, immediately upon receipt of written notification of any such Claim or demand, assume in full the responsibility for the defense of any such Claim or demand and pay in connection therewith any loss, damage, deficiency, liability, obligation, cost or expense, including without limitation, reasonable attorneys' fees, expert witness fees and court costs incurred in connection therewith. Subject to subsection (d) below, in the event of any action or proceeding, in court, arbitration or otherwise, in connection with any such Claim or demand, Tenant shall have the right and responsibility to assume the defense of any such action, all at Tenant's own cost and by counsel selected by Tenant and approved by the indemnified party (which approval shall not be unreasonably withheld); and Tenant shall immediately satisfy and discharge any final decree or judgment rendered therein. Tenant shall fully and regularly inform the indemnified party of the progress of the defense and any settlement discussions. Tenant shall notify District in writing within ten (10) days of Tenant becoming aware of any claim, action, proceeding, arbitration or other matter relating to such lawsuit.

(d) The indemnified party shall have the right to directly conduct its own defense using counsel it selects, at its own cost and expense. The indemnified party shall elect whether to directly conduct its own defense and select its own counsel within sixty (60) days after being served with the complaint, cross-complaint, petition or other similar court papers. If such election is not made within such 60-day period, then the indemnified party may thereafter make such an election only if it determines in good faith that a conflict exists between it and Tenant which prevents or potentially prevents Tenant from presenting a full and effective defense or that Tenant is otherwise not providing an adequate defense in connection with the Claim or demand. If the election is made because of such conflict or inadequate defense, then the direct conduct by the indemnified party of its defense using counsel it selects shall be at Tenant's expense, in which case the indemnified party may make any payments sustained or incurred by reason thereof, and subject to the terms of this subsection, Tenant shall immediately repay to District, in cash the amount of such payment.

(e) Notwithstanding anything herein to the contrary, the foregoing indemnification expressly excludes any Claims to the extent caused by the willful misconduct, negligence or breach of any of the District Indemnitees; provided, however, that (i) the willful

misconduct, gross negligence or breach of one of such Indemnitees shall not defeat or affect Tenant's indemnification of the other Indemnitees; and (ii) unless and until such willful misconduct, gross negligence or breach is determined by final judgment or expressly admitted in writing by the subject party, Tenant shall remain obligated to hold harmless and defend such party as set forth above.

(f) District (as to any District Indemnitee), hereby agrees to indemnify, protect, defend and hold harmless, individually and collectively, Tenant and its directors, officers, employees, agents, consultants, contractors, attorneys, representatives, and successors to and assignees of their respective interests in the Project from and against any Claim to the extent caused by the willful misconduct or gross negligence by any District Indemnitee.

(g) The provisions of this Section 8.01 shall survive the termination of this Lease.

Section 8.02. Environmental Indemnity.

(a) Tenant hereby agrees to indemnify, hold harmless and defend District from and against any and all liabilities, claims, penalties, liens, claims of liens, forfeitures, suits, costs and expenses of any type or nature (including, without limitation, costs of defense and settlement and attorneys' fees), which District may hereafter incur, become responsible for or pay out as a result of (i) death or injury to any person, (ii) destruction or damage to any property, (iii) contamination of or adverse effect on the environment or (iv) any violation of governmental laws, regulations or orders, caused directly or indirectly by, or due in whole or in part to, the release or threatened release of toxic wastes (as defined in Section 13.16.(b)) which were, or are claimed or alleged to have been deposited, stored, disposed of, placed or otherwise located or allowed to be located on, above, beneath or about the Premises subsequent to July 1, 1992. Nothing herein shall be construed to hold Tenant responsible for and Tenant shall have no obligation to indemnify, hold harmless or defend District with respect to any toxic wastes determined to have been deposited, stored, disposed of, placed or otherwise located on, above, beneath or about the Premises prior to July 1, 1992 or afterwards by District.

(b) District hereby agrees to indemnify, hold harmless and defend Tenant from and against any and all liabilities, claims, penalties, liens, claims of liens, forfeitures, suits, costs and expenses of any type or nature (including, without limitation, costs of defense and settlement and attorneys' fees), which Tenant may hereafter incur, become responsible for or pay out as a result of (i) death or injury to any person, (ii) destruction or damage to any property, (iii) contamination of or adverse effect on the environment or (iv) any violation of governmental laws, regulations or orders, caused directly or indirectly by, or due in whole or in part to, the release or threatened release of toxic wastes (as defined in Section 13.16.(b)) which were, or are claimed or alleged to have been deposited, stored, disposed of, placed or otherwise located or allowed to be located on, above, beneath or about the Premises prior to July 1, 1992. Nothing herein shall be construed to hold District responsible for and District shall have no obligation to indemnify, hold harmless or defend Tenant with respect to any toxic wastes determined to have been deposited, stored, disposed of, placed or otherwise located on, above, beneath or about the Premises subsequent to July 1, 1992, or afterwards by Tenant.

Section 8.03. Obligation to Maintain Insurance. Tenant shall, and shall cause any contractor making substantial improvements on the Project to, procure or shall have procured and continuously maintain such insurance policies as are required under this Section 8.03 (individually an "Insurance Policy" and collectively, the "Insurance Policies").

(a) Insurance Policies. Tenant shall procure or cause to be procured and maintain or cause to be maintained in full force and effect the Insurance Policies:

(i) General Liability Insurance. Comprehensive or commercial general liability insurance, including supplementary coverage of Blanket Contractual Liability (specifically including Tenant's indemnity obligations under this Lease and any other Documents), Broad Form Property Damage, Personal Injury Liability with the "employee" and "contractual" exclusions deleted, Product and Completed Operations Liability, Fire Legal Liability, Business Automobile Bodily Injury and Property Damage Liability extending to owned, non-owned and hired vehicles of Tenant or its general contractor used in performance of any Tenant obligations hereunder, amended as necessary to comply with Governmental Requirements. Such coverage shall insure on an occurrence basis against claims for "personal injury" and "property damage", including but not limited to bodily injury, death or property damage occurring upon, in or about the Project, including construction and staging areas, or any adjoining sidewalk, streets and passageways. Such coverage shall take effect and afford protection immediately upon execution of this Lease. Such policy shall have an initial minimum coverage limit per occurrence of not less than \$5,000,000 with respect to personal injury or death to any one or more persons or damage to property (i.e. combined single limit), and carry a deductible per occurrence of not more than \$25,000. At any time during the term of this Lease, and from time to time, District may provide notice to Tenant that the level of general liability insurance being maintained by Tenant under this subsection (i) is no longer adequate because it is less than the level of insurance coverage that is then customary with comparable operations in Los Angeles County, and request that the minimum limit hereinabove designated shall be increased accordingly. Tenant shall promptly provide for the requested increase in general liability insurance coverage.

(ii) Builder's Risk Insurance. Throughout the course of any work of improvement that is "substantial", coverage of the type now known as builder's completed value risk insurance, as delineated on an All Risk Builder's Risk 100% Value Non-Reporting Form. Such insurance shall insure against direct physical loss or damage by fire, lightning, wind, storm, explosion, collapse, underground hazards, flood, vandalism, malicious mischief, glass breakage and such other causes as are covered by such form of insurance. Such policy shall include (i) an endorsement for earthquake, unless earthquake insurance is not commercially available, (ii) an endorsement for broad form property damage, breach of warranty, demolition costs and debris removal, (iii) a "Replacement Cost Endorsement" in amount sufficient to prevent Tenant from becoming a co-insurer under the term of the policy, but in any event in an amount not less than 100% of the then full replacement cost, to be determined at least once annually and subject to reasonable approval by District, and (iv) an endorsement to include coverage for

budgeted soft costs. The replacement cost coverage shall be for work performed and equipment, supplies and materials furnished to the Property or any adjoining sidewalks, streets and passageways, or to any bonded warehouse for storage pending incorporation into the work, without deduction for physical depreciation and with a deductible not exceeding \$25,000 per occurrence (except that earthquake coverage shall carry a deductible not to exceed 10% of the policy amount, or such other deductible amount as the District may determine is acceptable, in light of the cost of the premium for such insurance.

(iii) All Risk Insurance.

(1) Coverage of the type now known as All Risk Replacement Cost Insurance, insuring against loss or damage by fire, lightning, wind, storm, explosion, collapse, underground hazards, flood, vandalism, malicious mischief, glass breakage and such other causes as are covered by such form of insurance, covering all improvements on the Premises against direct physical loss or damage. Such policy shall include (A) an endorsement for earthquake, unless earthquake insurance is not commercially available, (B) an endorsement for broad form property damage, breach of warranty, demolition costs and debris removal, and (C) a "Replacement Cost Endorsement" in amount sufficient to prevent Tenant from becoming a co-insurer under the terms of the policy, but in any event in an amount not less than 100% of the then full replacement cost of the improvements at the Project (exclusive of the cost of excavations, foundations and footings below the lowest basement floor), to be determined at least once annually and subject to reasonable approval by District without deduction for physical depreciation and with a deductible not exceeding \$25,000 per occurrence (except that earthquake coverage shall carry a deductible not to exceed 10% of the policy amount); and

(2) Coverage of the type now known as business income insurance, or business interruption insurance, indemnifying Tenant against loss of all rent and other Gross Income coming due for a period of not less than 12 months due to occurrence of perils covered by the above all risk insurance (including earthquake, if commercially available). The policy limit shall be determined at least once annually and subject to reasonable approval by District.

(iv) Workers' Compensation Insurance. Workers' compensation insurance, to be carried by Tenant and all its general contractors, subcontractors and consultants, in an amount and form sufficient to meet all applicable Governmental Requirements and employer's liability coverage to a limit of not less than \$1,000,000, with respect to personal injury or death to any one or more persons or damage to property. Such policies shall cover all persons or damage to property. Such policies shall cover all persons providing labor or services to or on behalf of Tenant, its general contractor, subcontractors or consultants and all risks to such persons arising out of construction, ownership, use, occupancy, repair or maintenance of the Project or entry onto the Project.

(v) Errors and Omissions Insurance. Unless waived by District, errors and omissions insurance, specifically and exclusively designated for any work of improvement undertaken under Article 5 of this Lease, to be carried by each of

Tenant's architects and engineers. Such insurance shall provide a minimum coverage limit per claim of not less than \$500,000, or such lesser amount as District may approve, in writing. Such policy may be written on a "claims made" basis provided it commences as to each named insured upon execution of each covered contract, continues until completion and includes at least a five year discovery period after the end of each such policy period for submitting claims. Such policy shall provide coverage against loss or liability arising out of willful, negligent or innocent errors, omissions and misfeasance of the insured party in performing its contractual and professional obligations relating to the design, engineering and construction of a work of improvement, and shall include such endorsements as reasonably required by District.

(b) Requirements Regarding Insurance. Each Insurance Policy required under Section 8.03(A) (or the particular Insurance Policies specified below) shall:

(i) Be in a form and substance as is then standard in California for policies of like coverage;

(ii) Be issued by insurance carriers qualified and licensed to engage in the insurance business in the State of California and having a current Policyholder's Management and Financial Size Category Rating of not less than "A X" according to A. M. Best's Insurance Reports Key Rating Guide or if such rating system shall cease, then of recognized financial responsibility approved by District in writing;

(iii) Provide coverage on an occurrence basis, except for the errors and omissions Insurance Policies;

(iv) Provide that the Insurance Policy cannot be canceled, suspended, lapsed or modified upon less than thirty (30) days' prior written notice by registered or certified mail to District and Tenant;

(v) With respect to the Insurance Policies described in Sections 8.03(A)(1)-(4), (A) name District and its respective board members, commissioners, directors, officers and employees as additional loss payee or as additional insured, as their interests appear, (B) provide that the coverage thereof is primary and non-contributory coverage with respect to all additional insureds, (C) contain a Standard Cross Liability endorsement providing that the insurance applies separately to each insured against whom a claim is filed, and that the policy covers claims or suits by one insured against the other, and (D) provide that the interests and protections of the additional insureds shall not be affected by any misrepresentation, act or omission of a named insured or any breach by a named insured of any provision in the policy which would otherwise result in forfeiture or reduction of coverage;

(vi) With respect to the Insurance Policies described in Sections 8.03(A)(2)-(5), contain either (A) a waiver by the insurer of the right of subrogation against District and its respective board members, commissioners, directors, officers, employees, agents and representatives, or (B) a statement that the insurance shall

not be invalidated should any insured waive in writing its right of recovery or right of subrogation prior to occurrence of a loss covered by the Insurance Policy;

(vii) The Insurance Policies described in Sections 8.03(A)(1)-(4) shall have attached thereto a Loss Payable Endorsement (Form 438 BFU NS), or its equivalent, for and in favor of District; and

(viii) With respect to the Insurance Policy described in Section 8.03(A)(4), contain the right to an assignment of statutory lien for the benefit of and upon request of District.

(c) Delivery of Insurance Policies. After delivery of each initial Insurance Policy pursuant to Section 8.03, not less than thirty (30) days prior to the expiration date of each Insurance Policy required under Section 8.03, Tenant shall deliver to the District: (a) a complete certified copy of each such Insurance Policy or renewal or replacement Insurance Policy [provided, however, that if the insurance carrier agrees in writing to provide such certified copy to the District upon request, delivery of a certificate of insurance shall be sufficient for purposes of this clause (a)]; (b) satisfactory evidence of payment of the premium therefore; and (c) a certificate of the insurance broker or agent in form reasonably satisfactory to District, stating the identity of all carriers, identity of named and additional insureds, type of coverage, description of all endorsements, policy limits, deductibles, subrogation waiver, other essential policy terms (e.g. full replacement coverage, tail periods, etc.) and a statement of noncancellation consistent with Section 8.03(b)(iv). If Tenant has not provided District with the foregoing proof of coverage and payment within ten (10) business days after receipt of written request therefor, the requesting party may, in addition to any other available remedy, without obligation and without further inquiry as to whether such insurance is actually in force, obtain such an Insurance Policy and Tenant shall reimburse the requesting party for the cost thereof upon demand.

(d) Co-Insurer Liability. If on account of Tenant's failure to comply with the provisions of this Section 8.03 District is adjudged to be a co-insurer by an insurance carrier, then any loss or damage it shall sustain by reason thereof shall be borne by Tenant and Tenant shall immediately pay the same upon receipt of written demand therefor and evidence of such loss or damage.

(e) Compliance with Insurer's Requirements. Tenant shall observe and comply with the requirements of all Insurance Policies. Tenant also shall perform and satisfy the reasonable requirements of insurance companies writing such types of Insurance Policies so that at all times companies of good standing and meeting the requirements of Section 8.03 shall be willing to write or to continue such coverage. Tenant shall at all times comply with all rules, regulations, orders and requirements of any recognized organization which establishes fire ratings for structures such as the improvements at the Project.

(f) Blanket Insurance. Any insurance coverage required in this Section 8.03 may be effected by a policy or policies of blanket insurance; provided that (a) the Project (or, in the case of errors and omissions coverage, the contract) is specifically identified therein, by endorsement or otherwise, as included in the coverage provided; (b) the amount of the total insurance allocated to the Project (or contract) shall be such as to furnish protection

equivalent to that which would be afforded by separate Insurance Policies in the amounts herein required; and (c) in all other respects any such blanket policy or policies shall comply with all other provisions of this Section 8.03. In any such case, Tenant shall deliver to District a certified copy of such policy. District shall be named loss payee under the insurance policy mentioned herein.

(g) No Limit on Liability. District makes no representation that the limits of liability specified for the Insurance Policies to be carried pursuant to this Section 8.03 are adequate to protect Tenant against its undertakings under this Lease, or to protect any general contractor, architects, engineers or other consultants against their respective undertakings. In no event shall the limits of any coverage maintained or caused to be maintained by Tenant limit Tenant's liability under this Lease or limit the liability of any general contractor, architect, engineer or other consultants under their respective contracts, warranties, guarantees and indemnities, District shall not be limited to the amount of the insurance premium not paid in the proof of any damages any of them may claim against Tenant or any other person arising out of or by reason of failure of Tenant, any general contractor, architects, engineers or other consultants to provide and keep in force the Insurance Policies required by this Section 8.03; but District shall instead be entitled to recover the full amount of damages available.

Section 8.04. Insurance Limitations. Any insurance proceeds payable to Tenant from any policy of insurance (other than liability insurance) required by this Lease shall be paid to Leasehold Mortgagee. Leasehold Mortgagee shall have the right to participate in all adjustments, settlements, negotiations or actions with the insurance company regarding the amount and allocation of any such insurance proceeds. Any insurance policies permitted or required by this Lease shall name Leasehold Mortgagee as an additional insured or loss payee, as appropriate.

ARTICLE 9. CONDEMNATION

Section 9.01. Definitions. As used in this Lease:

(a) "Condemnation" means (i) the taking or damaging, including severance damage, by eminent domain or by inverse condemnation or for any public or quasi-public use under any statute, whether by legal proceedings or otherwise, by a condemnor (hereinafter defined), and (ii) a voluntary sale or transfer to a condemnor, either under threat of condemnation or while condemnation legal proceedings are pending.

(b) "Award" means all compensation, sums or anything of value awarded, paid or received for a total taking, a substantial taking or a partial taking (hereinafter defined), whether pursuant to judgment or by agreement or otherwise.

(c) "Condemnor" means any public or quasi-public authority or private corporation or individual having the power of condemnation excluding, however, District or any successor of District, or any entity acting on behalf of District or any successor of District.

(d) "Total Taking" means the taking by condemnation of the fee title to all the Premises and all the improvements.

(e) "Substantial Taking" means the taking by condemnation of so much of the Premises or improvements or both that one or more of the following conditions results:

(i) The remainder of the Premises would not be economically and feasibly usable by Tenant; and/or

(ii) A reasonable amount of reconstruction would not make the land and improvements a practical improvement and reasonably suited for the uses and purposes for which the Premises are leased hereunder.

(f) "Partial Taking" means any taking of the fee title and/or improvements that is not either a Total Taking or a Substantial Taking.

(g) "Notice of Intended Condemnation" means any notice or notification on which a reasonably prudent person would rely and which he would interpret as expressing an existing intention of condemnation as distinguished from a mere preliminary inquiry or proposal. It includes but is not limited to service of a condemnation summons and complaint on a party hereto. The notice is considered to have been received when a party receives from the condemnor a Notice of Intended Condemnation to condemn, in writing, containing a description or map reasonably defining the extent of the condemnation.

Section 9.02. Notice and Representation.

(a) The party receiving a notice of one or more of the kinds specified below shall promptly notify the other party of the receipt, contents and dates of such notice.

(i) Notice of Intended Condemnation.

(ii) Service of any legal process relating to condemnation of the Premises or improvements.

(iii) Notice in connection with any proceedings or negotiations with respect to such a condemnation.

(iv) Notice of intent or willingness to make or negotiate a private purchase, sale or transfer in lieu of condemnation.

(b) District and Tenant shall each have the right to represent its respective interest in each condemnation proceeding or negotiation and to make full proof of its claims. District and Tenant shall each execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to condemnation.

Section 9.03. Total or Substantial Taking.

(a) On a Total Taking this Lease shall terminate on the date physical possession is taken by the condemnor.

(b) If a taking is a Substantial Taking, Tenant may, by notice ("Tenant's Notice") to District given within sixty (60) days after Tenant receives a Notice of Intended Condemnation, elect to treat the taking as a Substantial Taking. If Tenant does not so notify District, the taking shall be deemed a Partial Taking. If Tenant gives Tenant's Notice and District gives Tenant notice disputing Tenant's contention within sixty (60) days following receipt of Tenant's Notice the dispute shall be promptly submitted to judicial reference pursuant to Section 12.01.

If District gives no such notice, the taking shall be deemed a Substantial Taking. A Substantial Taking shall be treated as a Total Taking if (i) Tenant delivers possession of the Premises to District within thirty (30) days after determination that the taking was a Substantial Taking (i.e., within 30 days after expiration of the 60-day period after delivery of Tenant's Notice where District does not dispute Tenant's contention that the taking was a Substantial Taking or within 30 days after determination that the taking was a Substantial Taking through judicial reference or settlement with District), (ii) an Event of Default by Tenant is not outstanding or, if an Event of Default is outstanding, Tenant remedies same by performance (but only to the extent that such performance is practical in light of the taking) concurrent with or within a reasonable period after its receipt of the award to which it is entitled, and (iii) Tenant has delivered to District any portion of the award in its possession to which District is entitled pursuant to the terms of this Lease. If these conditions are not met, the taking shall be treated as a Partial Taking. In the event that, for purposes of this Section 9.03(b), a dispute arises as to whether an Event of Default is outstanding or whether District is entitled to any portion of the award held by Tenant, then such dispute shall be resolved through judicial reference in accordance with Section 12.01.

(c) Tenant may continue to occupy the Premises and improvements until the condemnor takes physical possession. At any time following notice of intended Total Taking or within the time limit specified for delivering possession in the provision on Substantial Taking, Tenant may elect to deliver possession of the Premises to District before the actual taking of physical possession. The election shall be made by notice to District declaring the election and agreeing to pay all Base Rents required under this Lease to the date that Tenant goes out of possession and Tenant's right to apportionment of or compensation from the award shall then accrue as of the date that Tenant goes out of possession.

(d) On a Total Taking, all sums, including damages and interest, awarded for the fee or leasehold or both shall be deposited promptly with a title company agreed to by both parties (the "Title Company") as escrow agent and shall be distributed and disbursed in the following order of priority:

(i) The balance due under any obligations secured by a Leasehold Mortgage (as defined in Section 6.01 above) permitted hereunder and to which District's fee in the Premises is not subordinated.

(ii) The balance due under any note or mortgage encumbering District's fee in the Premises but not having priority over the Lease, provided that the amount so paid shall be deducted from any amounts otherwise due to District.

(iii) To District and Tenant, respectively, and pro-rata, any expenses or disbursements reasonably paid or incurred by or on behalf of District or Tenant for or in connection with the condemnation proceedings.

(iv) To District, a sum equal to the fair market value of the Premises taken, valued as unimproved land exclusive of improvements and subject to all leases and subleases plus the fair market value of District's reversionary interest in any improvements.

(v) To Tenant, the present value of the remaining years of Tenant's leasehold interest.

(vi) To District, the balance of the award.

Section 9.04. Partial Taking.

(a) On a Partial Taking this Lease shall remain in full force and effect covering the remainder of the Premises and improvements, except that the Base Rent shall be reduced as of the date physical possession is taken by the condemnor by a percentage equal to the percentage decrease in the square footage of the Premises.

(b) Promptly after a Partial Taking, at Tenant's expense up to the extent of Tenant's award and in the manner specified in provisions of this Lease relating to maintenance, repairs and alterations, Tenant shall repair, alter, modify or reconstruct the improvements ("restoring") so as to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased. If Tenant does not restore as above, the cost of such restoring shall be deducted from Tenant's share of the award and paid to any leasehold mortgagee entitled to it and otherwise to District in order that such mortgagee or District may affect such restoring.

(c) On a Partial Taking, all sums, including damages and interest, awarded for the fee or leasehold or both, shall be deposited promptly with the Title Company as escrow agent and shall be distributed and disbursed in the following order of priority.

(i) To Tenant, the cost of restoring the improvements, plus any amount assessed, awarded, paid or incurred to remove or relocate subtenants, plus any amount awarded for detriment to business and the value of the improvements.

(ii) To District and Tenant, respectively and pro-rata, any expenses or disbursements reasonably and necessarily incurred or paid by or on behalf of District for or in connection with the condemnation proceedings.

(iii) To District a sum equal to that percent of the value of the Premises equal to the percentage the area of the Premises taken bears to the total area of the Premises; the value of the Premises shall be as unimproved land exclusive of improvements and subject to all leases and subleases plus the fair market value of District's reversionary interest in any improvements taken.

(iv) To Tenant, the balance of the Lease term.

Section 9.05. Condemnation; Leasehold Mortgage. Any condemnation award to which Tenant is entitled shall be paid directly to Leasehold Mortgagee. Leasehold Mortgagee shall have the right to participate in all condemnation award proceedings held by the condemning authority and the allocation of such award.

ARTICLE 10. ASSIGNMENT AND SUBLEASING

Section 10.01. Tenant's Right to Assign. Tenant's right to assign its interest in this Lease, the Premises, and/or the improvements constructed thereon shall be as set forth in Section 2.05 of this Lease, which consent will not be unreasonably withheld, conditioned or delayed.

Section 10.02. Tenant's Right to Sublease. Notwithstanding the provisions of Section 10.01, Tenant, and its successors and assigns, shall have the right to sublease from time to time, and at all times during the term of this Lease, with District's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed.

ARTICLE 11. DEFAULT AND TERMINATION

Section 11.01. Abandonment by Tenant. Should Tenant breach this Lease and abandon said Premises prior to the natural expiration of the term of this Lease, such action shall constitute a default under this Lease by Tenant.

Section 11.02. Termination for Breach by Tenant. All covenants and agreements contained in this Lease are declared to be conditions to this Lease and to the term hereby demised to Tenant.

Should Tenant fail to cure any default or breach of this Lease within thirty (30) days after receipt of written notice of the default where the default can be cured by the payment of money to District or some person, or within one hundred twenty (120) days after receipt of written notice of the default where the default must be cured by other than the payment of money and can be cured within said one hundred twenty (120) days or within such reasonable time as may be required to cure the default which default cannot be cured by payment of money or cannot be performed within one hundred twenty (120) days so long as Tenant diligently pursues the cure, then such default shall be deemed an "Event of Default" and District, in addition to any other remedies available to District at law or in equity shall have the immediate option to terminate this Lease and all rights attendant hereunder by giving written notice of such intention to terminate in the manner specified in Section 13.04 hereof.

In the event that District shall elect to so terminate this Lease, then District may recover from Tenant:

(i) The worth at the time of the award of any unpaid Base Rent which had been earned at the time of such termination;

(ii) Any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under

this Lease for which in the ordinary course of things would be likely to result therefrom; plus

(iii) Such other amounts in addition to or in lieu of the foregoing which may be permitted from time to time by applicable California law.

As used in subsection (i) the "worth at the time of award" is computed by allowing interest at a rate equal to the greater of ten percent (10%) per annum or one percent (1%) over the Bank of America reference rate in effect at the time of award, not to exceed the maximum legal rate permitted by law. As used above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

Section 11.03. Alternative Remedy. In the event of the vacation or abandonment of the Premises by Tenant (as defined in Section 11.01), and if District does not elect to terminate this Lease and Tenant's right to possession of the Premises by electing the remedy provided in Section 11.02, then District may, pursuant to Section 1951.4 of the Civil Code of the State of California, recover all Base Rent as it becomes due.

Section 11.04. No Automatic Termination. District entry into the Premises for maintenance purposes or in an attempt to relet the Premises shall not be considered to terminate Tenant's right to possession of the Premises and no entry of the Premises by District shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. District may at any time after any Event of Default by Tenant elect to terminate this Lease pursuant to Section 11.02.

Section 11.05. Holding Over. Any holding over by Tenant after termination shall not constitute a renewal or extension of this Lease or give Tenant any rights in or to the Premises other than on a month to month tenancy. Upon the expiration of this Lease, or sooner termination hereof pursuant to the terms hereof, Tenant shall promptly vacate and surrender the Premises to District and leave the Premises in the condition required in Section 11.08.

Section 11.06. District's Rights of Self-Help. In the event that the Tenant shall default in the performance of any of the agreements, conditions, covenants or terms herein contained, which event of default remains uncured after the grace period provided for in Section 11.02 hereof, the District may immediately, or at any time thereafter, perform the same for the account of the Tenant, and any amount paid, or any expense or liability incurred, by the District in the performance of the same shall be repaid to District, as additional Base Rent, payable by the Tenant within ten (10) days after demand hereunder together with interest from the date the cost or expense is incurred at an amount equal to the lesser of ten percent (10%) per annum or the maximum lawful rate of interest then in effect under the laws of the State of California; and the District shall have the right to enter (by force or otherwise) the Premises for the purpose of correcting or remedying such default and to remain therein until the same shall have been corrected or remedied.

No performance by District of any of the obligations on Tenant's part to be performed hereunder shall be or be deemed to be a waiver of the Tenant's default in or failure to perform the same nor shall the performance thereof by District release or relieve Tenant from any obligations on its part to be performed under this Lease.

Section 11.07. Waiver of Breach. The waiver by District of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or waiver of any subsequent breach by Tenant either of the same or different provision of this Lease. The receipt by District of Base Rents payable under this Lease, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provisions of this Lease.

Section 11.08. Surrender of Premises. On expiration or sooner termination of this Lease, Tenant shall surrender said Premises, all improvements in or on said Premises, and all facilities in any way appertaining to said Premises, to District in as good and clean condition as practicable, reasonable wear and tear excepted.

Section 11.09. Miscellaneous. Any default by Tenant in payment of Base Rent, reimbursement or otherwise to District is a material default hereunder. Any default by Tenant on insurance payments is a material default hereunder and District shall be able to force place insurance at the sole expense of Tenant.

Section 11.10. Termination Right. Tenant shall have the right to terminate this Lease upon receiving the Initial Fair Market Value determination at the end of the tenth (10th) and twentieth (20th) years of the Lease term as set forth in Section 2.02 above, provided that:

(a) Tenant's governing board makes a finding that it reasonably believes the increased Base Rent set by the Initial Fair Market Value determination would be unaffordable.

(b) Tenant shall deliver written notice of such termination (the "Termination Notice") to District on or before the date which is one hundred twenty (120) days after the date written notice of the Initial Fair Market Value determination is delivered to Tenant;

(c) The Termination Notice shall state that Tenant intends to terminate this Lease at least two (2) years after the date of the Termination Notice and not more than five (5) years after the date of the Termination Notice (the "Termination Date"), pursuant to the terms and conditions of this Section 11.10;

(d) Tenant acknowledges that Tenant shall pay the increased Base Rent set by the Initial Fair Market Value determination as established by the provisions of Article 2 above through the Termination Date; and

(e) Tenant shall not be in default, beyond the applicable cure period, under this Lease as of the date of Tenant's delivery of the Termination Notice and as of the Termination Date.

Provided that Tenant terminates this Lease pursuant to this Section 11.10, this Lease shall automatically terminate and be of no further force or effect as of the Termination Date, and District and Tenant shall be relieved of their respective obligations

under this Lease, specifically including, without limitation, any right, if any, Tenant may have to contest Tenant's payment of any costs or expenses owed pursuant to the terms of this Lease; provided, however, notwithstanding anything to the contrary contained in this Lease, with respect to any obligation of Tenant under this Lease which accrues prior to the Termination Date and is not satisfied prior to the Termination Date (e.g., Tenant's payment of any costs or expenses and Tenant's repair obligations), and Tenant's obligations that survive the termination of this Lease, District shall have all the rights and remedies with respect to such obligations as set forth in this Lease. Tenant shall vacate the Premises pursuant to this Lease, and surrender and deliver exclusive possession thereof to District on or before the Termination Date in accordance with the provisions of this Lease.

ARTICLE 12. JUDICIAL REFERENCE

Section 12.01. Judicial Reference. In the event of a dispute described in Section 9.03(b), such dispute shall be resolved through judicial reference provided pursuant to Section 638 et. seq. of the California Code of Civil Procedure (or such successor statute or amendment thereto as may hereafter be enacted). District and Tenant agree that such reference shall be maintained in Los Angeles County and that the Superior Court of the State of California for Los Angeles County shall have personal jurisdiction over it in any such action or proceeding. Such reference shall be ordered by said Court to any member of the Los Angeles County trial panel of retired judges, properly upon commencement of such action or proceeding, by agreement of District and Tenant or (failing such agreement) upon motion brought by District or Tenant.

ARTICLE 13. MISCELLANEOUS

Section 13.01. Force Majeure — Delays. Except as otherwise expressly provided in this Lease, should the performance of any act required by this Lease to be performed by either District or Tenant be prevented or delayed by reason of any act of God, strike, lockout, labor trouble, inability to secure materials, moratorium on building, construction or planning approvals, or other restrictive governmental laws or regulations which prohibit or effectively prohibit performance, or any other cause except financial inability not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused; provided, however, that nothing contained in this Section shall excuse the prompt payment of Base Rent by Tenant when due and payable under the terms of this Lease, the performance of any act rendered difficult or impossible solely because of the financial condition of the party, District or Tenant, required to perform the act, or the delivery of possession of the Premises by District to Tenant as required by this Lease.

Section 13.02. Attorney's Fees. Should any litigation be commenced between the parties to this Lease concerning said Premises, this Lease, or the rights and duties of either in relation thereto, the party, District or Tenant, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation to a reasonable sum as and for his attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

Section 13.03. Notices to District and Tenant. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party shall be in writing and shall be deemed duly served and given by deposit in the United States mail, certified, return receipt requested, by email with delivery confirmation, or by overnight courier, return receipt, addressed to the respective party as follows:

If to District:

Culver City Unified School District
4034 Irving Place
Culver City, CA 90232
Attention: Superintendent

If to Tenant:

The Wildwood School
12201 Washington Place
Los Angeles, CA 90066
Attention: Director of Finance and Operations

The date of notice shall be the date marked on the return receipt. Either party may change its address for the purpose of this section by giving written notice of such change to the other party as provided in this Section 13.03, and by providing written notice of such change to any Leasehold Mortgagee as provided in Section 13.04.

Section 13.04. Notices to Leasehold Mortgagees. Notices and other communications required by this Lease to be given to Leasehold Mortgagee shall be deposited in the United States mail, certified, return receipt requested, by email with delivery confirmation, or by overnight courier, return receipt, at the address provided by Leasehold Mortgagee. This address may be changed by a notice given in the same manner. Notices shall be effective upon receipt.

Section 13.05. Governing Law. This Lease, and all matters relating to this Lease, shall be governed by the laws of the State of California in force at the time any need for interpretation of this Lease or any decision or holding concerning this Lease arises. The parties acknowledge that each party has been represented by independent counsel in connection with this Lease and that the preparation of this Lease has been a joint effort of both parties. Accordingly, any doctrine which would result in this Lease being interpreted in favor of or against any particular party shall not be applicable.

Section 13.06. Binding on Heirs and Successors. This Lease, and the terms, covenants and conditions hereof, shall be binding on and shall inure to the benefit of the heirs, executors, administrator, successors and assigns of the parties hereto, District and Tenant, but nothing in this Section shall be construed as a consent by District to any assignment of this Lease or any interest therein by Tenant except as provided in Article 10 of this Lease.

Section 13.07. Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

Section 13.08. Sole and Only Agreement: Amendment. This Lease constitutes the sole and only agreement between District and Tenant respecting said Premises, the leasing of said Premises to Tenant, the operation of the Project described in this Lease on said Premises, or the lease terms herein specified, and correctly set forth the obligations of District and Tenant to each other as of their dates, and supersede any and all prior agreements or understandings whether written or oral. Any agreements or representations respecting said Premises, their leasing to Tenant by District, or any other matter discussed in this Lease not expressly set forth in this instrument are null and void. Any and all amendments or modifications of this Lease shall be in writing and shall be dated and signed by the parties hereto

Section 13.09. Time of Essence. Time is expressly declared to be the essence of this Lease.

Section 13.10. Memorandum of Lease for Recording. A memorandum or "short form" of this Lease shall be executed by the parties to the Lease and recorded in the Official Records of Los Angeles County, California in connection with executing this Lease. In the event that there are any costs to District for recording such memorandum or "short form" of this Lease, District shall be recompensed by Tenant. The memorandum or "short form" of this Lease shall describe the parties, District and Tenant, set forth a description of the leased Premises, specify the term of this Lease, and shall incorporate this Lease by reference.

Section 13.11. Gender. Single and Plural, Joint and Several. Whenever the context herein so requires, the masculine gender includes the feminine or neuter and the singular includes the plural. All obligations of the parties hereto, District and Tenant, and their heirs, executors, administrator, successors and assigns, shall be joint and several.

Section 13.12. Signs. Tenant will be entitled to place on the Premises such advertising signs as it deems necessary or proper for the development and marketing of the Premises.

Section 13.13. Reasonable Consent. Wherever in this Lease, District or Tenant is entitled to give its approval to review or give its consent the same shall not be unreasonably withheld, conditioned or delayed.

Section 13.14. Quiet Possession. Tenant, upon payment of the Base Rent herein and upon observing and performing all the obligations to be performed by Tenant hereunder, shall and may peaceably and quietly have, hold and enjoy the Premises, and the whole thereof, for the full term of this Lease, without hindrance or interruption by District or any other person or persons lawfully claiming by, through, or under District, except as herein expressly provided.

Section 13.15. Estoppel Certificate. A party hereto ("Certifying Party") shall at any time upon no less than ten (10) days' prior written notice from the other party or any

Leasehold Mortgagee ("Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing certifying the following:

- (a) the existence of this Lease and amendments to it;
- (b) if District is the Certifying Party, the last date District received Base Rent under this Lease, the date such Base Rent was due and the amount thereof;
- (c) whether there are any Events of Default under this Lease (or whether there is or has been any event, act or omission which would constitute an Event of Default with notice or lapse of time or both), to the best knowledge of Certifying Party as of the date of the certificate;
- (d) acknowledging receipt of Leasehold Mortgagee's name and address for notice; and
- (e) that Certifying Party understands the Requesting Party will rely on the certificate.

Any such statement may be conclusively relied upon by any prospective assignee, subtenant, or purchaser of the interest of the Requesting Party in the Premises. Certifying Party's failure to deliver such statement within such time shall be conclusive upon the Certifying Party (i) that this Lease is in full force, without modification except as may be represented by the Requesting Party, (ii) that there are no uncured defaults in the Requesting Party's performance, and (iii) that not more than one month's Base Rent has been paid in advance.

Section 13.16. Representations and Warranties of Tenant. Tenant hereby represents and warrants to District that to the best of its knowledge:

(a) Tenant has the full power and authority to enter into this Lease and that by entering into this Lease, Tenant will not be in violation of any agreement, order, judgment, law, rule or regulation that applies to Tenant;

(b) Tenant shall not unlawfully discharge on the Premises, and shall use its best efforts to protect against the unlawful discharge thereon by its tenants of, any substance which is known at the time of such discharge to be a toxic waste. As used herein, the term "toxic waste" shall include, but not be limited to, substances defined as "hazardous substances", "hazardous materials", or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; any similar substance as defined and used in any similar environmental control law applicable to the Premises; and in the regulations adopted or publications promulgated pursuant to said laws and any amendments thereto. Tenant shall indemnify, save and hold District harmless from and against any and all loss, claim, liability or damages which District may sustain or incur as a result of any breach of any

representation or warranty of Tenant contained in this paragraph, or any failure by Tenant to perform any obligation set forth in this paragraph notwithstanding the subsequent assignment or termination of this Lease.

Section 13.17. Representations and Warranties of District. Except as hereinafter provided, District, to the best of its knowledge, has made no representations or warranties with respect to the Premises and no rights, easements or license are acquired by Tenant by implication or otherwise except as are expressly set forth herein. Except as set forth in Section 8.02(b), District shall not be responsible for any unknown latent defect or change in the condition of the Premises, and the Base Rents hereunder shall in no case be withheld or diminished on account of any defect in the leased Premises nor for any change of condition, nor for any damage occurring thereto, nor because of any violation of law. District hereby represents and warrants to Tenant that:

(a) District has the full power and authority to enter into this Lease and that by entering into this Lease, District will not be in violation of any agreement, order, judgment, law, rule or regulation that applies to District;

(b) To the best of District's knowledge, there are no toxic wastes or hazardous materials located on or beneath the Premises or any part thereof;

(c) District knows of no conditions other than City development approval requirements, that would prevent Tenant from developing the Premises in accord with this Lease.

Section 13.18. Attornment. In the event that Tenant defaults under this Lease, District shall notify all subtenants (if any) of the default and said subtenants shall attorn to District and perform all of their obligations under the subleases in favor of District. As to each subtenant not in default at the time of notice, District shall continue to recognize the estate of each such subtenant. The sublease shall continue with the same force and effect as if District and subtenant had entered into a lease with the same provisions as in the sublease.

Section 13.19. Bankruptcy. In the event that bankruptcy proceedings are commenced by or against Tenant, this Lease and the obligations contained herein are subject to the provisions of 11 U.S.C. Section 365, as amended from time to time. Notwithstanding the foregoing, the sixty (60) day period, for assumption or rejection of this Lease as provided therein shall not be extended or enlarged absent the express consent of the District, which consent shall be within their sole and absolute discretion to give or withhold. Tenant agrees that the provisions of 11 U.S.C. Section 365(c)(1)(A) apply to this Lease because the identity, character, and business qualifications of Tenant are material to District.

Section 13.20. Notice of Intent to Sell the Premises. The District shall provide at least sixty (60) days' prior written notice to Tenant before marketing the Premises for sale, and at least ninety (90) days' prior written notice to Tenant of any transfer of the Premises.

[Signatures appear on following page.]

Executed on this ____ day of _____, 2011, at Culver City, California
by District:

DISTRICT:

CULVER CITY UNIFIED SCHOOL DISTRICT

By: _____

Its: _____

Executed on this ____ day of _____, 2011, at Los Angeles,
California by Tenant:

TENANT:

THE WILDWOOD SCHOOL, a California corporation

By: _____

Its: _____

**SECOND AMENDMENT
TO
GROUND LEASE BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND
THE WILDWOOD SCHOOL**

THIS SECOND AMENDMENT TO GROUND LEASE BETWEEN CULVER CITY UNIFIED SCHOOL DISTRICT AND THE WILDWOOD SCHOOL ("Second Amendment") is entered by and between the CULVER CITY UNIFIED SCHOOL DISTRICT, a California public school District ("District"), and WILDWOOD SCHOOL, INC., a California nonprofit public benefit corporation ("Wildwood"), referred to collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain GROUND LEASE Between CULVER CITY UNIFIED SCHOOL DISTRICT and THE WILDWOOD SCHOOL, dated April 19, 2011, (the "Lease") and evidenced by a Memorandum of Lease filed as Instrument No. 20130894838 in the Office of the County Clerk of the County of Los Angeles on June 17, 2013;

WHEREAS, the Parties entered into that certain FIRST AMENDMENT TO GROUND LEASE Between CULVER CITY UNIFIED SCHOOL DISTRICT and THE WILDWOOD SCHOOL, dated October 31, 2020, (the "First Amendment");

WHEREAS, Section 2.02 of the Lease provides that a "Base Rent Adjustment" at the end of year ten (10) of the Lease term and again at the end of year twenty (20) of the of the Lease term shall be implemented such that the Base Rent shall be adjusted to ten percent (10%) of the fair market value of the Premises;

WHEREAS, via the First Amendment the Parties amended the Lease to postpone the initial ten (10) year Base Rent Adjustment in acknowledgement of the declared state of emergency due to the coronavirus (COVID-19) pandemic;

WHEREAS, the Parties reappraised the Premises pursuant to Section 2.03 of the Lease and the appraisal determined that the fair market value of the Premises is currently \$22,475,000;

WHEREAS, the Parties wish to amend the Lease to acknowledge that the Base Rent Adjustment shall now be implemented in accordance with the terms of the Lease in order to adjust the Base Rent to ten percent (10%) of the fair market value of the Premises;

WHEREAS, the Parties acknowledge that, per the terms of the Lease and the First Amendment, the Base Rent Adjustment shall be effective as of the first day of the first calendar month of the twelfth (12th) year of the Lease term, which day is January 1, 2023; and

WHEREAS, Section 13.08 of the Lease provides that the Parties may amend the Lease provided that any and all amendments or modifications of the Lease shall be in writing and shall be dated and signed by the Parties.

AMENDMENT

NOW THEREFORE, based on the aforementioned facts, understandings, and intentions, and in consideration of the mutual covenants and promises of the Parties, the Parties hereto agree:

1. To amend the Lease as follows:

- a. Section 2.01. Base Rent: The existing paragraph shall be replaced in its entirety with the following paragraph – "Tenant agrees to pay to District an adjusted Base Rent for the use and occupancy of the Premises of Two Million Two Hundred Forty Seven Thousand Five Hundred Dollars (\$2,247,500) per Lease year ("Base Rent"), payable monthly in advance in the amount of One Hundred Eighty Seven Thousand Two Hundred Ninety One and 67/100 Dollars (\$187,291.67) per month commencing on January 1, 2023, which date is the first day of the first calendar month of the twelfth (12th) year and continuing each month during the Lease term, subject to adjustment pursuant to Section 2.02 below. Lease year shall mean the calendar year. Base Rent shall be prorated as necessary for the first and last month and year, if partial months or years. The Base Rent is calculated on a triple net basis."

2. Except as amended herein, the definitions, terms and conditions of the Lease shall remain in full force and effect.

3. Each person signing this Second Amendment represents and warrants that he/she is duly authorized and has legal capacity to execute this Second Amendment. Each Party represents and warrants to the other that the execution and delivery of this Second Amendment and the performance of such Party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the Parties approve of this Second Amendment as of November __, 2022.

DISTRICT:

WILDWOOD:

CULVER CITY UNIFIED SCHOOL DISTRICT,
a California public school district

THE WILDWOOD SCHOOL INC.,
a California nonprofit public benefit
corporation

By: _____
Name: Robert Quinn
Title: Assistant Superintendent, Business
Services

By: _____
Name: _____
Title: _____