



**June 8, 2026 Board Meeting**  
New Millennium Secondary School  
(Virtual) 1301 W. 182nd Street, Gardena, CA 90248  
2026-06-10 18:00 - 20:00 PDT

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**New Mill School  
Balance Sheet**

Statement of Financial Position

Reporting Book:

As of Date:

Location:

ACCRUAL

04/30/2026

New Mill School

**New Mill School  
Year To Date  
04/30/2026  
Current Year Balance**

912100-NMS-020 - Cash in Bank ASB account CA Credit Union	13,160.74
912200-NMS-020 - Cash in Bank General California Credit Union	1,257,691.43
<b>Total Cash and Cash Equivalents</b>	<b>1,270,852.17</b>
920000 - Accounts Receivables	9,800.51
929000 - Due from Grantor Governments	0.00
<b>Total Accounts Receivable</b>	<b>9,800.51</b>
933000 - Prepaid Expenses	1,966.96
<b>Total Prepaid Expenses</b>	<b>1,966.96</b>
944000 - Furniture Fixtures and Equipment	92,127.32
945000 - Construction in Progress	0.00
946000 - Right of Use Asset	41,644.12
<b>Total Fixed Assets</b>	<b>133,771.44</b>
944500 - Accumulated Depreciation - Furniture & Fixtures	(4,736.02)
<b>Total Accumulated Depreciation</b>	<b>(4,736.02)</b>
<b>Total Assets</b>	<b>1,411,655.06</b>
950000 - Accounts Payable-System	39,532.44
<b>Total Accounts Payable</b>	<b>39,532.44</b>
950100 - Accrued Salaries	0.00
950300 - Accrued STRS	18,607.29
950500 - Accounts Payable-Accrual	19,008.75
950600 - Credit Card Payable	4,463.39
959000 - Due to Grantor Governments	42,666.47
<b>Total Accrued Liabilities</b>	<b>84,745.90</b>
965000 - Deferred Revenue	127,220.62
966000 - Voluntary Deductions	0.00
966100 - Summer Holdback	21,477.18
<b>Total Other Short Term Liability</b>	<b>148,697.80</b>

965500 - ROU liability	43,550.01
<b>Total Other Liabilities</b>	<u><b>43,550.01</b></u>
<b>Total Liabilities</b>	<u><b>316,526.15</b></u>

**Net Increase/(Decrease) in Net Assets** **(773,176.29)**

979000 - Unrestricted Net Assets - Undesignated	1,865,313.86
979300 - Audit Adjustments	(19,008.75)
<b>Total Unrestricted Net Assets</b>	<u><b>1,846,305.11</b></u>
<b>Total Unrest Net Assets with Inc/(Dec) to date</b>	<u><b>1,073,128.82</b></u>

979700 - Temporarily restricted Net Assets	22,000.09
<b>Total Restricted Net Assets</b>	<u><b>22,000.09</b></u>
<b>Total Net Assets</b>	<u><b>1,095,128.91</b></u>

**Liabilities and Net Assets** **1,411,655.06**

Created on : 05/18/2026 11:06 AM PST

New Millennium Secondary School  
Statement of Cash Flows - Indirect Method

Reporting Book:  
As of Date:  
Location:

ACCRUAL  
04/30/2026  
New Mill School

	Month Ending 07/31/2025	Month Ending 08/31/2025
	Actual	Actual
<b>Increase (Decrease) in Cash</b>		
Cash flows from operating activities		
Net Increase/(Decrease) in Net Assets	(243,661.60)	(103,134.31)
Accounts Receivable	296,196.83	8,386.45
Accounts Payable	(32,519.64)	37,043.86
Other Short Term Liabilities	(114.58)	2,110.74
Accrued Liabilities	305.46	11,995.48
Other Assets	12,863.37	0.00
Cash flows from operating activities	<u>33,069.84</u>	<u>(43,597.78)</u>
Cash flows from investing activities	<u>1,380.45</u>	<u>1,385.33</u>
Cash flows from financing activities	<u>(1,435.43)</u>	<u>(320.76)</u>
<b>Total Increase (Decrease) in Cash</b>	<b><u>33,014.86</u></b>	<b><u>(42,533.21)</u></b>
<b>Cash, Beginning Period</b>	<b><u>1,733,344.22</u></b>	<b><u>1,766,359.08</u></b>
<b>Cash, End of Period</b>	<b><u>1,766,359.08</u></b>	<b><u>1,723,825.87</u></b>

Month Ending 09/30/2025	Month Ending 10/31/2025	Month Ending 11/30/2025	Month Ending 12/31/2025	Month Ending 01/31/2026	Month Ending 02/28/2026	Month Ending 03/31/2026
Actual	Actual	Actual	Actual	Actual	Actual	Actual
(38,551.60)	(71,469.64)	(68,598.53)	(82,432.13)	20,732.18	(9,457.60)	(105,844.99)
18,371.13	8,555.85	(1,665.78)	1,800.00	2,614.58	350.22	(94.64)
14,157.69	(26,102.83)	2,414.35	(7,956.36)	(15,930.12)	12,631.15	21,616.82
(87,086.32)	2,226.72	2,225.43	89,675.31	3,026.30	2,432.64	(4,573.99)
(10,411.40)	(5,524.99)	(9,326.62)	(15,625.73)	(5,214.74)	(11,224.35)	(6,318.51)
0.00	0.00	0.00	(1,966.96)	0.00	0.00	0.00
<b>(103,520.50)</b>	<b>(92,314.89)</b>	<b>(74,951.15)</b>	<b>(16,505.87)</b>	<b>5,228.20</b>	<b>(5,267.94)</b>	<b>(95,215.31)</b>
1,395.66	929.87	906.34	904.38	907.63	925.83	914.22
(1,450.63)	168.35	(3,198.75)	(957.69)	(960.94)	(2,500.66)	152.01
<b>(103,575.47)</b>	<b>(91,216.67)</b>	<b>(77,243.56)</b>	<b>(16,559.18)</b>	<b>5,174.89</b>	<b>(6,842.77)</b>	<b>(94,149.08)</b>
<b>1,723,825.87</b>	<b>1,620,250.40</b>	<b>1,529,033.73</b>	<b>1,451,790.17</b>	<b>1,435,230.99</b>	<b>1,440,405.88</b>	<b>1,433,563.11</b>
<b>1,620,250.40</b>	<b>1,529,033.73</b>	<b>1,451,790.17</b>	<b>1,435,230.99</b>	<b>1,440,405.88</b>	<b>1,433,563.11</b>	<b>1,339,414.03</b>

Month Ending  
04/30/2026

Actual

(70,758.07)

2,594.74

565.09

2,427.47

(4,457.32)

0.00

(69,628.09)

922.20

144.03

**(68,561.86)**

**1,339,414.03**

**1,270,852.17**

# New Mill School

## Statement of Activities - Actual vs Budget

Reporting Book:

As of Date:

Location:

ACCRUAL

04/30/2026

New Mill School

04/01/2026 Through  
04/30/2026

Actual 2nd Interim Budget

### Net Increase/(Decrease) in Net Assets

#### Total Revenue

##### LCFF Revenue

801100 - LCFF Revenues	59,456.00	69,174.63
801200 - Education Protection Account Revenue	48,007.00	0.00
801900 - Prior Year Income/Adjustments	1,830.00	0.00
809600 - Charter Schools Funding In-Lieu of Property Taxes	0.00	23,863.89

##### Total LCFF Revenue

**109,293.00 93,038.52**

##### Federal Revenue

818100 - Special Education - Entitlement	0.00	0.00
822000 - Federal Child Nutrition Programs	0.00	3,500.00
828500 - LAUSD Federal SPED	0.00	1,895.96
829100 - Title I Federal Revenue	0.00	14,354.25
829200 - Title II	0.00	1,476.25
829400 - Title IV	0.00	2,500.00

##### Total Federal Revenue

**0.00 23,726.46**

##### State Revenue

852000 - State Child Nutrition Program	0.00	2,500.00
855000 - Mandated Block Grant	0.00	458.37
856000 - State Lottery Revenue	7,164.88	2,434.60
859000 - All Other State Revenues	37,429.00	22,690.25
859900 - Prior Year State Income	0.00	0.00
879100 - SPED State/Other Transfers of Apportionments from Districts	0.00	7,217.23

##### Total State Revenue

**44,593.88 35,300.45**

##### Local Revenue

866000 - Interest Income	55.37	120.00
868400 - Student Body (ASB) Fundraising Revenue	354.89	3,000.00
869800 - E-Rate revenue	0.00	0.00
869900 - All Other Local Revenue	(0.10)	2,000.00

##### Total Local Revenue

**410.16 5,120.00**

#### Total Revenue

**154,297.04 157,185.43**

#### Total Expenses

##### Salaries and Benefits

##### Certificated Salaries

110000 - Teachers' Salaries	49,529.59	60,737.57
120000 - Certificated Pupil Support Salaries	5,590.37	6,007.06
130000 - Certificated Supervisor and Administrator Salaries	8,333.34	10,370.00

##### Total Certificated Salaries

**63,453.30 77,114.63**

##### Classified Salaries

210000 - Instructional Aide Salaries	3,997.00	2,805.88
230000 - Classified Supervisor and Administrator Salaries	12,279.79	8,735.01

<b>240000 - Clerical, Technical, and Office Staff Salaries</b>	10,735.28	9,416.15
<b>Total Classified Salaries</b>	<b>27,012.07</b>	<b>20,957.04</b>
<b>Benefits</b>		
<b>310100 - State Teachers' Retirement System, Certificated</b>	12,119.57	12,795.39
<b>330100 - OASDI/Medicare, Certificated</b>	892.32	971.35
<b>330200 - OASDI/Medicare, Classified</b>	2,000.35	1,603.20
<b>340100 - Health &amp; Welfare Benefits, Certificated</b>	14,929.75	10,156.84
<b>340200 - Health &amp; Welfare Benefits, Classified</b>	6,330.40	3,207.67
<b>350100 - State Unemployment Insurance, Certificated</b>	30.78	453.95
<b>350200 - State Unemployment Insurance, Classified</b>	13.07	226.99
<b>360100 - Worker Compensation Insurance, Certificated</b>	0.00	334.93
<b>360200 - Worker Compensation Insurance, Classified</b>	0.00	104.77
<b>360300 - Unallocated Worker's Comp Insurance</b>	1,025.00	0.00
<b>390200 - Other Employee Benefits, Classified</b>	871.70	0.00
<b>Total Benefits</b>	<b>38,212.94</b>	<b>29,855.09</b>
<b>Total Salaries and Benefits</b>	<b>128,678.31</b>	<b>127,926.76</b>
<b>Operational Expenses</b>		
<b>Books and Supplies</b>		
<b>410000 - Approved Textbooks and Core Curriculum</b>	0.00	0.00
<b>420000 - Books and Other Reference Materials</b>	0.00	500.00
<b>430000 - Materials and Supplies</b>	3,762.57	2,500.00
<b>430700 - Printing and Copying expense</b>	57.06	0.00
<b>431500 - Classroom Materials and Supplies</b>	0.00	400.00
<b>431700 - Student Testing Materials</b>	0.00	0.00
<b>438100 - Materials for Plant Maintenance</b>	0.00	25.00
<b>440000 - Noncapitalized Equipment</b>	0.00	833.33
<b>441000 - Software and Software Licensing</b>	0.00	2,640.00
<b>470000 - Food and Food Supplies</b>	12,529.93	5,000.00
<b>Total Books and Supplies</b>	<b>16,349.56</b>	<b>11,898.33</b>
<b>Services</b>		
<b>520000 - Travel and Conferences</b>	0.00	291.66
<b>521000 - Training and Development Expense</b>	0.00	2,416.66
<b>530000 - Dues and Memberships</b>	0.00	1,666.66
<b>540000 - Insurance</b>	3,128.00	3,647.08
<b>550000 - Operation and Housekeeping Services</b>	0.00	41.66
<b>560000 - Space Rental/Leases Expense</b>	0.00	17,983.25
<b>560200 - Other Space Rental</b>	0.00	416.66
<b>560500 - Equipment Rental/Lease Expense</b>	1,066.23	1,833.33
<b>580000 - Professional/Consulting Services and Operating Expenditure:</b>	432.72	3,366.66
<b>580300 - Banking and Payroll Service Fees</b>	459.86	484.00
<b>580500 - Legal Services</b>	6,405.50	3,333.33
<b>580600 - Audit Services</b>	10,575.00	2,083.33
<b>580700 - Legal Settlements</b>	0.00	416.66
<b>581000 - Educational Consultants</b>	25,142.81	19,166.65
<b>581100 - Student Transportation</b>	191.86	83.33
<b>581200 - Other Student Activities</b>	0.00	0.00
<b>581500 - Advertising/Recruiting</b>	7,000.00	3,958.33
<b>583000 - Field Trip Expenses</b>	3,890.00	2,083.33
<b>583600 - Transportation Services</b>	0.00	0.00
<b>584200 - Services Student Athletics</b>	0.00	83.33

<b>587300 - Financial Services</b>	6,695.00	7,653.33
<b>587400 - Personnel Services</b>	0.00	12.50
<b>587500 - District Oversight Fee</b>	0.00	1,240.40
<b>587700 - IT Services</b>	9,435.00	4,572.50
<b>589000 - Interest Expense/Fees</b>	0.00	12.50
<b>589200 - ASB Activities Expense</b>	49.00	2,333.33
<b>590000 - Communications (Tele., Internet, Copies,Postage,Messenger)</b>	1,171.87	3,000.00
<b>599800 - Unallocated Credit Card Expense</b>	4,384.39	0.00
<b>Total Services</b>	<u>80,027.24</u>	<u>82,180.47</u>
<b>Other Outgo</b>		
<b>714100 - Special Education Encroachment District</b>	0.00	4,959.00
<b>Total Other Outgo</b>	<u>0.00</u>	<u>4,959.00</u>
<b>Total Operational Expenses</b>	<u>96,376.80</u>	<u>99,037.80</u>
<b>Total Expenses</b>	<u>225,055.11</u>	<u>226,964.56</u>
<b>Total Net Increase/(Decrease) in Net Assets</b>	<u>(70,758.07)</u>	<u>(69,779.13)</u>

Created on : 05/18/2026 11:07 AM PST

Year To Date 04/30/2026				Year Ending 06/30/2026	
Actual	2nd Interim Budget	Budget Diff	Budget % Var	2nd Interim Budget	Remaining Budget
671,332.00	630,257.74	41074.26 ↑	6.51 %	768,607.00	97,275.00
202,499.00	284,225.25	(81726.25) ↓	(28.75) %	378,967.00	176,468.00
1,830.00	0.00	1830.00 ↑	(100.00) %	0.00	(1,830.00)
314,161.00	269,321.09	44839.91 ↑	16.64 %	340,912.77	26,751.77
<b>1,189,822.00</b>	<b>1,183,804.08</b>	<b>6017.92 ↑</b>	<b>0.50 %</b>	<b>1,488,486.77</b>	<b>298,664.77</b>
19,197.00	0.00	19197.00 ↑	(100.00) %	0.00	(19,197.00)
8,797.10	28,000.00	(19202.90) ↓	(68.58) %	35,000.00	26,202.90
0.00	18,959.60	(18959.60) ↓	(100.00) %	22,751.52	22,751.52
18,027.00	43,062.75	(25035.75) ↓	(58.13) %	57,417.00	39,390.00
2,000.00	4,428.75	(2428.75) ↓	(54.84) %	5,905.00	3,905.00
0.00	7,500.00	(7500.00) ↓	(100.00) %	10,000.00	10,000.00
<b>48,021.10</b>	<b>101,951.10</b>	<b>(53930.00) ↓</b>	<b>(52.89) %</b>	<b>131,073.52</b>	<b>83,052.42</b>
6,738.71	15,000.00	(8261.29) ↓	(55.07) %	25,000.00	18,261.29
20,377.00	4,176.26	16200.74 ↑	387.92 %	5,093.00	(15,284.00)
11,381.59	14,607.60	(3226.01) ↓	(22.08) %	24,346.03	12,964.44
137,357.84	68,070.75	69287.09 ↑	101.78 %	90,761.00	(46,596.84)
(1,695.60)	0.00	(1695.60) ↓	(100.00) %	0.00	1,695.60
69,103.00	65,756.98	3346.02 ↑	5.08 %	80,191.44	11,088.44
<b>243,262.54</b>	<b>167,611.59</b>	<b>75650.95 ↑</b>	<b>45.13 %</b>	<b>225,391.47</b>	<b>(17,871.07)</b>
652.92	960.00	(307.08) ↓	(31.98) %	1,200.00	547.08
19,480.63	24,000.00	(4519.37) ↓	(18.83) %	30,000.00	10,519.37
8,436.68	0.00	8436.68 ↑	(100.00) %	0.00	(8,436.68)
1,088.96	16,000.00	(14911.04) ↓	(93.19) %	20,000.00	18,911.04
<b>29,659.19</b>	<b>40,960.00</b>	<b>(11300.81) ↓</b>	<b>(27.58) %</b>	<b>51,200.00</b>	<b>21,540.81</b>
<b>1,510,764.83</b>	<b>1,494,326.77</b>	<b>16438.06 ↑</b>	<b>1.10 %</b>	<b>1,896,151.76</b>	<b>385,386.93</b>
474,428.41	528,416.83	53988.42 ↑	10.21 %	607,375.67	132,947.26
55,903.62	60,070.60	4166.98 ↑	6.93 %	72,084.72	16,181.10
83,333.40	103,700.00	20366.60 ↑	19.63 %	124,440.00	41,106.60
<b>613,665.43</b>	<b>692,187.43</b>	<b>78522.00 ↑</b>	<b>11.34 %</b>	<b>803,900.39</b>	<b>190,234.96</b>
35,064.20	28,058.80	(7005.40) ↓	(24.96) %	33,670.56	(1,393.64)
112,349.58	87,350.10	(24999.48) ↓	(28.61) %	104,820.12	(7,529.46)

108,685.29	94,161.50	(14523.79) ↓	(15.42) %	112,993.80	4,308.51
<b>256,099.07</b>	<b>209,570.40</b>	<b>(46528.67) ↓</b>	<b>(22.20) %</b>	<b>251,484.48</b>	<b>(4,614.59)</b>
111,934.52	127,953.90	16019.38 ↑	12.51 %	153,544.68	41,610.16
8,619.68	9,713.50	1093.82 ↑	11.26 %	11,656.20	3,036.52
18,958.48	16,032.00	(2926.48) ↓	(18.25) %	19,238.40	279.92
104,699.22	101,568.40	(3130.82) ↓	(3.08) %	121,882.08	17,182.86
51,735.39	32,076.70	(19658.69) ↓	(61.28) %	38,492.04	(13,243.35)
576.51	4,539.50	3962.99 ↑	87.30 %	5,447.40	4,870.89
123.90	2,269.90	2146.00 ↑	94.54 %	2,723.88	2,599.98
9,142.95	3,349.30	(5793.65) ↓	(172.98) %	4,019.16	(5,123.79)
2,578.72	1,047.70	(1531.02) ↓	(146.13) %	1,257.24	(1,321.48)
1,025.00	0.00	(1025.00) ↓	(100.00) %	0.00	(1,025.00)
7,867.05	0.00	(7867.05) ↓	(100.00) %	0.00	(7,867.05)
<b>317,261.42</b>	<b>298,550.90</b>	<b>(18710.52) ↓</b>	<b>(6.26) %</b>	<b>358,261.08</b>	<b>40,999.66</b>
<b>1,187,025.92</b>	<b>1,200,308.73</b>	<b>13282.81 ↑</b>	<b>1.10 %</b>	<b>1,413,645.95</b>	<b>226,620.03</b>

2,478.48	0.00	(2478.48) ↓	(100.00) %	0.00	(2,478.48)
0.00	5,000.00	5000.00 ↑	100.00 %	6,000.00	6,000.00
25,269.46	25,000.00	(269.46) ↓	(1.07) %	30,000.00	4,730.54
103.84	0.00	(103.84) ↓	(100.00) %	0.00	(103.84)
3,088.38	3,760.00	671.62 ↑	17.86 %	4,000.00	911.62
0.00	0.00	0.00	0.00 %	0.00	0.00
0.00	250.00	250.00 ↑	100.00 %	300.00	300.00
0.00	8,333.30	8333.30 ↑	100.00 %	9,999.96	9,999.96
36,513.67	66,000.00	29486.33 ↑	44.67 %	66,000.00	29,486.33
57,831.90	50,000.00	(7831.90) ↓	(15.66) %	60,000.00	2,168.10
<b>125,285.73</b>	<b>158,343.30</b>	<b>33057.57 ↑</b>	<b>20.87 %</b>	<b>176,299.96</b>	<b>51,014.23</b>

2,011.56	2,916.60	905.04 ↑	31.03 %	3,499.92	1,488.36
10,196.44	24,166.60	13970.16 ↑	57.80 %	28,999.92	18,803.48
14,919.59	16,666.60	1747.01 ↑	10.48 %	19,999.92	5,080.33
37,515.00	36,470.80	(1044.20) ↓	(2.86) %	43,764.96	6,249.96
0.00	416.60	416.60 ↑	100.00 %	499.92	499.92
215,810.98	179,832.50	(35978.48) ↓	(20.00) %	215,799.00	(11.98)
0.00	4,166.60	4166.60 ↑	100.00 %	4,999.92	4,999.92
15,875.09	18,333.30	2458.21 ↑	13.40 %	21,999.96	6,124.87
22,585.87	33,666.60	11080.73 ↑	32.91 %	40,399.92	17,814.05
5,671.90	4,840.00	(831.90) ↓	(17.18) %	5,808.00	136.10
35,503.50	33,333.30	(2170.20) ↓	(6.51) %	39,999.96	4,496.46
32,807.86	20,833.30	(11974.56) ↓	(57.47) %	24,999.96	(7,807.90)
0.00	4,166.60	4166.60 ↑	100.00 %	4,999.92	4,999.92
244,883.22	191,666.50	(53216.72) ↓	(27.76) %	229,999.80	(14,883.42)
1,442.16	833.30	(608.86) ↓	(73.06) %	999.96	(442.20)
240.00	0.00	(240.00) ↓	(100.00) %	0.00	(240.00)
47,264.79	39,583.30	(7681.49) ↓	(19.40) %	47,499.96	235.17
27,481.24	20,833.30	(6647.94) ↓	(31.91) %	24,999.96	(2,481.28)
1,300.00	0.00	(1300.00) ↓	(100.00) %	0.00	(1,300.00)
1,280.00	833.30	(446.70) ↓	(53.60) %	999.96	(280.04)

88,645.00	76,533.30	(12111.70) ↓	(15.82) %	91,839.96	3,194.96
0.00	125.00	125.00 ↑	100.00 %	150.00	150.00
12,314.00	12,404.00	90.00 ↑	0.72 %	14,884.80	2,570.80
51,744.11	45,725.00	(6019.11) ↓	(13.16) %	54,870.00	3,125.89
82.46	125.00	42.54 ↑	34.03 %	150.00	67.54
7,680.29	23,333.30	15653.01 ↑	67.08 %	27,999.96	20,319.67
23,076.02	30,000.00	6923.98 ↑	23.07 %	36,000.00	12,923.98
4,384.39	0.00	(4384.39) ↓	(100.00) %	0.00	(4,384.39)
<b>904,715.47</b>	<b>821,804.70</b>	<b>(82910.77) ↓</b>	<b>(10.08) %</b>	<b>986,165.64</b>	<b>81,450.17</b>
66,914.00	49,590.00	(17324.00) ↓	(34.93) %	59,508.00	(7,406.00)
<b>66,914.00</b>	<b>49,590.00</b>	<b>(17324.00) ↓</b>	<b>(34.93) %</b>	<b>59,508.00</b>	<b>(7,406.00)</b>
<b>1,096,915.20</b>	<b>1,029,738.00</b>	<b>(67177.20) ↓</b>	<b>(6.52) %</b>	<b>1,221,973.60</b>	<b>125,058.40</b>
<b>2,283,941.12</b>	<b>2,230,046.73</b>	<b>(53894.39) ↓</b>	<b>(2.41) %</b>	<b>2,635,619.55</b>	<b>351,678.43</b>
<b>(773,176.29)</b>	<b>(735,719.96)</b>	<b>(37456.33) ↓</b>	<b>(5.09) %</b>	<b>(739,467.79)</b>	<b>33,708.50</b>

---

Percentage remaining

(12.65) %

(46.56) %

100.00 %

(7.84) %

---

(20.06) %

100.00 %

(74.86) %

(100.00) %

(68.60) %

(66.13) %

(100.00) %

---

(63.36) %

(73.04) %

300.09 %

(53.25) %

51.34 %

100.00 %

(13.82) %

---

7.92 %

(45.59) %

(35.06) %

100.00 %

(94.55) %

---

(42.07) %

---

(20.32) %

(17.70) %

(18.56) %

---

(29.68) %

(19.63) %

10.34 %

13.21 %

1.39 %  
7.51 %  
  
(23.07) %  
(22.14) %  
4.05 %  
(14.90) %  
33.28 %  
(89.12) %  
(95.19) %  
127.48 %  
105.10 %  
100.00 %  
100.00 %  
(9.56) %  
(12.25) %

100.00 %  
(100.00) %  
(15.76) %  
100.00 %  
(22.79) %  
0.00 %  
(100.00) %  
(100.00) %  
(44.67) %  
(3.61) %  
(28.93) %

(42.52) %  
(64.83) %  
(25.40) %  
(14.28) %  
(100.00) %  
0.00 %  
(100.00) %  
(27.84) %  
(44.09) %  
2.35 %  
(11.24) %  
31.23 %  
(100.00) %  
6.47 %  
44.22 %  
100.00 %  
(0.49) %  
9.92 %  
100.00 %  
28.00 %

3.81 %
(100.00) %
(17.27) %
(5.69) %
(45.02) %
(72.57) %
(35.89) %
<u>100.00 %</u>
<u>(7.55) %</u>
<u>12.44 %</u>
<u>12.44 %</u>
<u>(9.66) %</u>
<u>(11.05) %</u>
<u><u>12.72 %</u></u>

**Company name:** New Millennium Secondary School  
**Report name:** Check register  
**Created on:** 05/18/2026  
**Location:** NMS020--New Mill School

Bank	Date	Transaction c	Transaction no
NMSS General - California Cr	<b>Account no: 120611247</b>		
	04/01/2026	03/13/2026	100850
		02/27/2026	100752
		02/20/2026	100715
		02/13/2026	100667
		02/06/2026	100617
	04/02/2026	03/18/2026	NMS03152618
	04/02/2026	03/12/2026	14647
	04/02/2026	02/28/2026	009435- C002806
		01/31/2026	009091- 0002806
	04/02/2026	11/21/2025	26-1168
	04/02/2026	03/18/2026	13494994
	04/02/2026	12/10/2025	363971155797- 2
	04/02/2026	04/02/2026	12/15/25 - Payroll Check
	04/02/2026	04/02/2026	12/15/26 - Payroll Check
	04/02/2026	10/01/2025	50089
	04/02/2026	04/01/2026	44141-6
	04/03/2026	04/03/2026	
	04/03/2026	04/03/2026	
	04/14/2026	04/14/2026	
04/14/2026	04/01/2026	04/01/2026 - REIMB	
04/14/2026	04/15/2026	04/15/26-403B	
04/15/2026	04/15/2026		
04/15/2026	04/15/2026		
04/15/2026	04/15/2026		

04/16/2026	04/16/2026	
04/16/2026	04/15/2026	04/15/26 - REIMB
04/16/2026	04/14/2026	04/14/26 - REIMB
04/16/2026	04/14/2026	4/14/26 - REIMB
04/16/2026	03/25/2026	34
04/17/2026	03/27/2026	032726
04/20/2026	04/15/2026	202603117- 6546
04/20/2026	04/16/2026	26-2066
04/21/2026	03/20/2026	E102023659
04/21/2026	03/31/2026	DN1573271
04/21/2026	03/27/2026	4014467
04/21/2026	04/13/2026	261030088506
04/21/2026	04/10/2026	363971124856
04/23/2026	03/21/2026	03/21/26 - 7522
04/28/2026	04/16/2026	667-32025-26
04/28/2026	04/15/2026	04/15/26 - REIMB
04/28/2026	04/15/2026	NMS04152619
04/28/2026	04/15/2026	4/15/26 - REIMB
04/28/2026	04/15/2026	4/15/26 - REIMB
04/30/2026	04/30/2026	
04/30/2026	04/30/2026	
04/30/2026	04/30/2026	
04/30/2026	04/01/2026	139918

04/30/2026	04/01/2026	INV-3677
	03/01/2026	INV-3657
04/30/2026	03/28/2026	032826-7747
04/30/2026	04/30/2026	04/30/26-403B

**Total for NMSS General**

**NMSS ASB - California Credit**    **Account no: 1209942704**  
04/30/2026                            04/30/2026

**Total for NMSS ASB**

Payee	GL account or account	Method	Document no.
V011279--Teachers on Reserve	581000--Educational Cc	EFT	01KN2RD4Z9316GBHBM5C
V011279--Teachers on Reserve	581000--Educational Cc	EFT	01KN2RD4Z9316GBHBM5C
V011279--Teachers on Reserve	581000--Educational Cc	EFT	01KN2RD4Z9316GBHBM5C
V011279--Teachers on Reserve	581000--Educational Cc	EFT	01KN2RD4Z9316GBHBM5C
V011279--Teachers on Reserve	581000--Educational Cc	EFT	01KN2RD4Z9316GBHBM5C
V006133--Enrollment Professor West	581500--Advertising/Re	EFT	01KN5ACNTJ4MEMSKYWQI
V006264--Alliance for African Assistance	580000--Professional/C	EFT	01KN5AF9FH7WVYW2PG1E
V010661--Revolution Foods PBC - 92230	470000--Food and Foo	EFT	01KN5AET3XFWFD1N1QVE
V010661--Revolution Foods PBC - 92230	470000--Food and Foo	EFT	01KN5AET3XFWFD1N1QVE
V006119--Los Angeles Unified School Dis	560000--Space Rental/I	EFT	01KN5AE7V98DX26KS96H.
V003664--Total Education Solutions	581000--Educational Cc	EFT	01KN5AC2CK97EQZ7202B.
V004418--Kaiser Foundation Health Plan	340300--Unallocated Hk	Printed Ch	2001754
V012155--Alejandro Flores	950100--Accrued Salari	Printed Ch	2001751
V029526--Timothy Tan	950100--Accrued Salari	Printed Ch	2001753
V000032--CharterSAFE	580600--Audit Services	Printed Ch	2001752
V000003--Charter School Management C	587300--Financial Servi	Printed Ch	2001750
V000003--Charter School Management C	587300--Financial Servi	Printed Ch	2001750
V000032--CharterSAFE	360300--Unallocated W	EFT	
V000032--CharterSAFE	540000--Insurance	EFT	
V000026--CALSTRS-ACH	950300--Accrued STRS	EFT	
V012973--Pitney Bowes Global Financial	590000--Communicatio	EFT	
V029245--Darrick Rice	520000--Travel and Coi	Printed Ch	2001756
V011369--The Legend Group/ADSERV	966000--Voluntary Ded	Printed Ch	2001755
V003459--Payroll	950100--Accrued Salari	EFT	
V003459--Payroll	950100--Accrued Salari	EFT	
V003459--Payroll	950100--Accrued Salari	EFT	

V012973--Pitney Bowes Global Financial	590000--Communicatio	EFT	
V012034--Nichole Robertson Sims	950500--Accounts Paya	Printed Ch	2001760
V012625--Kyle Kirtz	950500--Accounts Paya	Printed Ch	2001758
V012818--Alexandra Carrethers	590000--Communicatio	Printed Ch	2001757
V009596--Lamar Grant	584200--Services Stud	Printed Ch	2001759
V027908--Camren Nash	580000--Professional/C	EFT	01KPBYSWDZ9D1Z7BJCRZ
V007699--ATX Learning LLC	581000--Educational Cc	EFT	01KPEGXK9EA2TDZJ973AC
V010989--Silva & Silva CPA's	580600--Audit Services	EFT	01KPEGW0SC5VJAD56QVP
V008696--Eide Bailly LLP -PO 88678	580600--Audit Services	EFT	01KPP7PSEHB1JF3G2ZZ9R
V021668--Corodata Shredding, Inc	580000--Professional/C	EFT	01KPP7TFJW476RE3H1SD:
V000060--Jones School Supply Co., Inc.	430000--Materials and .	EFT	01KPP7WRDW6J2EZ3THXJ
V003912--Blue Shield of California	340300--Unallocated Hk	Printed Ch	2001761
V004418--Kaiser Foundation Health Plan	340300--Unallocated Hk	Printed Ch	2001762
V000097--T-Mobile - 742596	590000--Communicatio	EFT	01KPVCN2WTEFF4RDZNF
V000055--Hess & Associates Inc	580000--Professional/C	Printed Ch	2001764
V009738--Lonnita Smith-Russell	430000--Materials and .	Printed Ch	2001766
V006133--Enrollment Professor West	581500--Advertising/Re	Printed Ch	2001763
V029244--Kenda Samaan	430000--Materials and .	Printed Ch	2001765
V012159--Nathaniel Catbagan	430000--Materials and .	Printed Ch	2001767
V003459--Payroll	950100--Accrued Salari	EFT	
V003459--Payroll	950100--Accrued Salari	EFT	
V003459--Payroll	950100--Accrued Salari	EFT	
V008539--Document Consulting Services	430700--Printing and C	EFT	01KQDDZK440RF7483ASB

V008080--Charter School Tech Inc. 587700--IT Services EFT 01KQDDCEPY5EFVPCX3TKI  
V008080--Charter School Tech Inc. 587700--IT Services EFT 01KQDDCEPY5EFVPCX3TKI

V005369--California Credit Union 950600--Credit Card Pa Printed Ch 2001769

V011369--The Legend Group/ADSERV 966000--Voluntary Ded Printed Ch 2001768

V005245--ACH Debit Transactions 589200--ASB Activities EFT

Amount	Amount applied	Cleared	Memo
8,796.46	2,952.54	04/30/2026	Substitute Teachers
8,796.46	3,405.98	04/30/2026	Substitute Teachers
8,796.46	1,150.86	04/30/2026	Substitute Teachers
8,796.46	418.94	04/30/2026	Substitute Teachers
8,796.46	868.14	04/30/2026	Substitute Teachers
3,500.00	3,500.00	04/30/2026	Implementation/Marketing Consultant - April 2026
75.00	75.00	04/30/2026	Translation Services for IEP Meeting
13,098.59	6,373.86	04/30/2026	School Nutrition Program
13,098.59	6,724.73	04/30/2026	School Nutrition Program
11.88	11.88	04/30/2026	After hours use of facilities
15,684.75	15,684.75	04/30/2026	Management and Assessments, February 2025
7,756.81	7,756.81	04/30/2026	Health Insurance Premium - Amount Past Due
3.85	3.85	In transit	Payroll Check # 5681 Reissue
6.75	6.75	In transit	Payroll Check # 5683 Reissue
316.43	316.43	In transit	Workers' Compensation Audit - 24/25
6,695.00	2,008.50	04/30/2026	Office, LCAP, Achievement Data Support
6,695.00	4,686.50	04/30/2026	Office, LCAP, Achievement Data Support
4,153.00	1,025.00	04/30/2026	Premium 2025-2026 - Worker's Compensation
4,153.00	3,128.00	04/30/2026	Premium 2025-2026 - Package Premium
18,607.45	18,607.45	04/30/2026	MARCH 2026 STRS
8.62	8.62	04/30/2026	Leasing 8442566444 - DIRECT DEB PBL
194.24	194.24	In transit	Conference Mileage and Meal Reimbursement
926.36	926.36	04/30/2026	FY 2025/2026 Payroll Deductions
272.86	272.86	04/30/2026	PE 04/15/2026 PD 04/15/2026 ACH Fees
6,225.13	6,225.13	04/30/2026	PE 04/15/2026 PD 04/15/2026 ACH Taxes
34,700.00	34,700.00	04/30/2026	PE 04/15/2026 PD 04/15/2026 ACH DD

151.09	151.09	04/30/2026	es 8442566444 - DIRECT DEB PBL	Leasing
4,387.06	4,387.06	04/30/2026	REIMB: AP Reimbursement, NSims 041526	
191.86	191.86	04/30/2026	Transportation for EAA Flight School Fieldtrip	
12.16	12.16	In transit		REIMB: USPS Postage
640.00	640.00	04/30/2026	Health Screen, Physical Reviews, & Signing	
150.00	150.00	04/30/2026		DJ Service
10,559.70	10,559.70	04/30/2026		Substitute RSP Teacher
7,950.00	7,950.00	04/30/2026		Audit and Tax Services
2,625.00	2,625.00	04/30/2026		Audit Services
117.00	117.00	04/30/2026		Shredding Services
142.42	142.42	04/30/2026		Graduation Medals
3,566.98	3,566.98	04/30/2026		Health Benefits - May 2026
12,768.66	12,768.66	04/30/2026	May 2026 Health Insurance Premium	
1,000.00	1,000.00	04/30/2026	Student Hotspots 02/21/25 - 03/20/26	
82.50	82.50	In transit	CalSTRS & CalPERS Retirement Reporting	
147.72	147.72	In transit		REIMB: Culture Day Event Purchases
3,500.00	3,500.00	In transit	Management/Marketing Consultant - April 2026	
211.06	211.06	In transit		REIMB: Culture Day Event Purchases
162.30	162.30	In transit		REIMB: Culture Day Event Purchases
187.00	187.00	04/30/2026	PE 04/30/2026 PD 04/30/2026 ACH Fees	
6,003.17	6,003.17	04/30/2026	PE 04/30/2026 PD 04/30/2026 ACH Taxes	
33,773.61	33,773.61	04/30/2026	PE 04/30/2026 PD 04/30/2026 ACH DD	
23.39	23.39	04/30/2026	Contract Base Charges 3/01/25 - 3/31/25	

6,290.00	3,145.00	04/30/2026	Monthly Tech Support
6,290.00	3,145.00	04/30/2026	Monthly Tech Support
109.98	109.98	In transit	Acct Ending 7747 - 03/28/26 Stmt
897.80	897.80	In transit	FY 2025/2026 Payroll Deductions

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<b>216,683.64</b>	<b>216,683.64</b>
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49.00	49.00	04/30/2026	04.30.2026 ASB Debits
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<b>49.00</b>	<b>49.00</b>
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<b>Restriction</b>	<b>Location</b>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>6500--6500-SPED State/Cou</i>	<i>NMS020--New Mill School</i>
<i>5310--5310-Child Nutrition S</i>	<i>NMS020--New Mill School</i>
<i>5310--5310-Child Nutrition S</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>6500--6500-SPED State/Cou</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
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<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>6500--6500-SPED State/Cou</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
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<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
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<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>
<i>0000--0000-Unrestricted</i>	<i>NMS020--New Mill School</i>

*0000--0000-Unrestricted NMS020--New Mill School*  
*0000--0000-Unrestricted NMS020--New Mill School*

*0000--0000-Unrestricted NMS020--New Mill School*

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*0000--0000-Unrestricted NMS020--New Mill School*



# CSMC Proposal:

New Millennium Charter School Close Out

**Created By:**

CSMC  
43460 Ridge Park Drive  
Temecula, CA 92590  
888.994.CSMC

**Prepared for:**

Nichole Sims  
Chief Operating Officer

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## EXECUTIVE SUMMARY

CSMC was founded over twenty-five years ago and has been successfully supporting charter schools providing high quality comprehensive financial back-office and compliance support services at affordable prices ever since. We currently serve over 100 charter schools in California and Nevada.

Our founder and current President, Sandro Lanni, started our business as a parent volunteer of children attending a public charter school. He recognized that the burden of managing all the business operations and financial compliance requirements diminished the school leader's ability to focus solely on the educational mission of the school and the needs of the community. Initially volunteering to help with accounting and compliance, he established Charter School Management Company (CSMC) to enable charter leaders to focus on what was most important and to trust CSMC's experience and expertise to handle finance, compliance and business operations and much more.

CSMC is well versed in California state and federal compliance, auditing and reporting requirements and we continue to stay abreast of the ever-changing regulations. We have developed synergy with multiple audit firms and law firms and CSMC is recognized in California as a highly reliable and responsive partner who provides high quality and consistent services.

Our sole focus is supporting charter schools. Like other back-office firms, we are CPAs, MBAs, accountants, and former auditors; however, with CSMC, you get much more. We're former charter school founders, administrators, and authorizers. That experience can never be replicated, only earned. Our leadership team has sat in your chair and worn your shoes. We understand the importance of meeting and exceeding authorizer and auditor requirements and expectations. At CSMC we don't just say "we understand your challenges." We've navigated your challenges ourselves.

## PROVISION OF CORE SERVICES

CSMC's core services include comprehensive financial back-office support including accounting, budgeting, and compliance reporting along with payroll and retirement reporting services and student data services including SIS, attendance, and state reporting support. We have 25 years of experience providing high quality services in California.

One of CSMC's core values is to improve the client partner experience. One way we commit to doing this is by being responsive and accessible. We can be nimble on how you prefer we communicate with you and your team.

We are accessible from 8 am to 7 pm via email, Teams, phone, and text. With advance planning we can be available on weekends. We want our communication protocols to be tailored to your needs and preferences. As a rule of thumb, you will receive an email response within 24 hours. We will accommodate your Board meeting schedule.

CSMC goes above and beyond our core services with our expertise in *Accountability and Education Program Compliance and Grant Writing Services* (outlined below.) We include your free access to regularly scheduled webinars facilitated by our experts.

As former charter school founders, administrators, and authorizers, we bring a unique and valued perspective that our client partners recognize by helping convey financial compliance and authorizer expectations in a way that best supports the dynamic leadership and Board at each of our client partners.

### BUDGETING:

- ❑ **Create annual and multi-year budgets including monthly cash flow projections** – At beginning of the Agreement, CSMC works with the Charter School leader to create annual and multi-year budgets in time for submission to the State and authorizer. Annual budgets are strategic documents that capture the operations and direction of the Charter School.
- ❑ **Make budget revisions (as needed and upon Charter School request)** – CSMC can make budget revisions as needed and when the Charter School requests them to reflect changing circumstances (e.g., enrollment or personnel changes, grant awards, etc.) We create customized budget scenarios to inform decision making by school leadership and the Governing Board. CSMC tracks the budget to actuals and can update the budget forecast as requested or appropriate.
- ❑ **Updated monthly budget forecasts** – CSMC tracks budget to actuals and updates the budget forecast as appropriate.

### FINANCIAL STATEMENTS:

- ❑ **Monthly year-to-date financial statements** – CSMC prepares Year to Date (YTD) actual results compared to the budget for board meetings or as requested.
- ❑ **Sage Intacct** - Your real time access to the accounting system allows you to drill down to detail, in multiple high value reports commonly used by school leadership and business staff including but not limited to: Statement of Activities; Balance Sheet; Statement of Activities by Restriction/Resource; Budget vs. Actual; Balance Sheet by Location (for multi-location schools.) See samples of these user-friendly reports in the Appendix section.
- ❑ CSMC typically closes books monthly within fifteen business days of the following month, provided all supporting documentation has been transmitted to CSMC. If the required supporting documentation has not been provided, CSMC will notify school leadership and may produce monthly financials with the information it has, noting what is not included.
- ❑ **Monitors cash position** – CSMC monitors the Charter School's cash position to anticipate possible cash shortfalls.
- ❑ **Cash Management** – As needed for cash critical periods, CSMC can provide projected cash balances for up to 30 days and will notify leadership when anticipating potential cash

shortages. Available cash is monitored to ensure adequate balances for recurring transactions such as payroll, retirement, rent, insurance, and taxes.

- **Customized financial analysis** – CSMC performs reasonable financial analyses that the Charter School staff or board requests, e.g., providing a comparative analysis of the school's budget relative to industry norms or fulfilling a request for information from the authorizing entity. Upon request, CSMC can also develop financial health analysis so the board and staff can quickly focus on the most important financial issues.
- **Support in resolving financial issues** – CSMC helps the Charter School leader find solutions to financial issues by recommending budget changes and/or identifying sources of potential funding.

#### **ACCOUNTING:**

- **Setup of Charter School's chart of accounts and general ledger** – CSMC sets up and maintains the school's Standardized Account Code Structure (SACS)-compliant chart of accounts.
- **Customized account codes** – CSMC can add customized account codes for unique features of the Charter School program.
- **Restricted funds tracking** – CSMC tracks revenue and expenditures by fund, e.g., tracking by implementation grant funds, expenses, or Title I expenditures. Restricted fund balances, expenses and deadlines are routinely reviewed on standing calls.
- **Assessing Training Needs** – training on CSMC accounting systems and process will begin at the initial stages of onboarding and continue to be provided based on school needs. CSMC will also collaborate with school leadership (as needed) to thoroughly assess existing business operations and compliance reporting processes. CSMC will recommend refinement focused on increasing efficiency, timely exchange of information and sound internal controls.
- **Transaction recording** – CSMC records all transactions in a computerized accounting system that is available for viewing.
- **Journal entries and account maintenance** – CSMC prepares and records journal entries and maintains the general ledger according to accepted accounting standards.
- **Bank reconciliation** – CSMC reconciles primary bank and investment accounts to the general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required. CSMC alerts school leadership of any irregularities, unreconciled amounts, or missing documentation.
- **Capitalized Assets** – CSMC records capital assets in the general ledger according to Charter School financial policy and according to Generally Accepted Accounting Standards. CSMC also records depreciation on an annual basis and maintains a schedule of capitalized assets and accumulated depreciation. Charter School is responsible for tagging and conducting inventories for all fixed assets whether capitalized or non-capitalized for internal control purposes and other compliance reporting.
- **Sage Intacct accounting reports** - The Sage Intacct portal allows the Charter School and CSMC to generate financial reports on an as-needed basis. Charter School can generate reports including, but not limited to detailed account activity, including scans of all invoices entered through the accounts payable system; check register activity; summary of the budget, expenditures by account; cash balances; payroll register (for periods when payroll is processed by CSMC); revenues; and general ledger. See sample reports in Appendix.
- **LLC Accounting Services (fee for service)**
  - Setup Chart of Accounts.
  - Bank Reconciliation: Reconcile Bank Accounts and/or Trustee accounts to the General Ledger monthly.

- Maintain General Ledger: Prepare and record entries to the General Ledger according to Generally Accepted Accounting Standards.
- Capitalized Assets: Prepare and maintain Depreciation Schedule, record depreciation entries to the General Ledger per the schedule.
- Bonds entries: Prepare and record Bonds entries per amortization schedule.
- Reconcile Due to/Due from Account with the Charter School.
- Provide reports and support for LLC audit process.
- Fee for service applies. \$1,000.00 per month. \$12,000.00 per year.

**ACCOUNTS PAYABLE & RECEIVABLE:**

- **Revenue verification** – CSMC reviews revenue intake and verifies that the Charter School is receiving accurate amounts of state and federal funds based on its enrollment and other pertinent factors. CSMC reviews revenue intake and verifies through available state Department of Education schedules.
- **Revenue collection for improperly calculated payments** – if the funds received from the state or the county/district do not reflect the proper amounts and there appears to be a calculation error, CSMC will contact the appropriate officials and alert them of the issue. CSMC will use reasonable efforts to negotiate on behalf of the Charter School in disputes with funding agencies over improperly calculated payments.
- **Accounts Payable functions:** CSMC’s automated accounts payable system increases visibility and accountability for both the timely generation of invoices by vendors and timely payment by the charter school, in facilitating the review, approval and processing of accounts payable. The streamlined coding process saves time and simplifies research on status of vendors and bills.
  - Vendors submit invoices electronically and directly into the automated AP.
  - Vendors can choose how they receive payment. All payments are issued by the third party and funds are taken via ACH from the school’s bank account once invoices are approved for processing, in accordance with board approved fiscal policies and procedures.
  - **Invoice review** - CSMC reviews invoices to assist in the prevention of double payments or double billings on multiple invoices. CSMC alerts Charter School to payment issues with vendors.
  - **Invoice payment support** - CSMC also verifies that funds are available to pay the bill and notifies Charter School if there are not sufficient funds.
  - **Fund verification is only available** if there is online read-only bank access and if all checks are processed through CSMC. Your school’s provision of read-only access at the outset of the service agreement is critical.
- **Rush Check and Express Shipping - Fee for Service**
  - CSMC automated accounts payable system and schedule allow sufficient time for processing and paying invoices.
  - A service fee applies to all rush check requests, including any overnight or express shipping charges.
  - Each rush check incurs a fee of \$50.00. The charter school is responsible for all overnight and express shipping charges and will be invoiced accordingly.

**AUDIT SUPPORT AND GOVERNMENT FINANCIAL REPORTING:**

CSMC has developed a strong rapport with multiple audit firms who recognize our responsiveness and timely provision of data required to complete a timely and compliant audit. We are committed to facilitating the delivery of a clean and timely audit for your school. We project-manage your audit for you, so you don’t have to. Whenever possible, we collaborate to establish clear deadlines for a draft and/or final audit report maximizing your Board’s time to review, understand and approve the audit prior to the December 15 due date.

- ❑ **Audited financial reports** – Subject to timely receipt of information and/or materials from the school and/or the auditor, as applicable, CSMC prepares all financial information for the audit so that the auditor can file reports before state-required deadlines.
- ❑ **Project Management** - You can expect us to inform school leadership immediately if we experience unforeseen delays from the audit firm or challenges securing required information from school staff.
- ❑ We're always available to attend a meeting or call with the school and audit firm if needed to ensure the best outcome in the audit report process.
- ❑ **Preliminary and final budget reports** – CSMC prepares and files the preliminary budget report by July 1st (or earlier if required by the authorizer) based on the board-adopted budget unless Charter School agrees to file reports. CSMC can also prepare a final budget upon request.
- ❑ **Interim financial reports** – CSMC prepares and files the two interim financial reports to the county by the December 15 and March 15 (or earlier if required by the authorizer) deadlines.

### **SB 740 COMPLIANCE**

- ❑ **SB 740 applications** – CSMC works with the client to submit SB 740 facilities applications and reimbursements on the Charter School's behalf for classroom-based charter schools with eligible facilities costs.
- ❑ **SB 740 funding determination form** – CSMC provides ongoing management and support in meeting the SB-740 Funding Determination targets and funding requirements for all non-classroom-based Charters. CSMC prepares and submits the Funding Determination Application each cycle, supporting the school throughout the entire process to ensure maximum funding.

### **MONTHLY FINANCIAL REPORTS AND UPDATE**

- ❑ **Monthly Financials and Board Packet-** To keep the charter school leadership informed so that they can make prudent financial decisions, CSMC's creates a detailed board report for each regularly scheduled board meeting that includes budget to actuals with a written narrative analysis, cash flow projections; Balance Sheet Summary; school's performance against key financial metrics; and Compliance Reporting Look Ahead. We provide you with the option of including additional financial reports in the supplemental section. See a sample Board Report in the Appendix section.
- ❑ Typically, CSMC closes each monthly reporting period by the 15<sup>th</sup> day of the following month, enabling us to provide comprehensive monthly financials shortly after closing.
- ❑ CSMC is committed to providing comprehensive and timely financials and will notify school staff and leadership of missing back up or information needed from the school.

### **BOARD TRAINING; BOARD MEETING SUPPORT, AND PRESENTATION OF MONTHLY FINANCIALS**

- ❑ **Board Training** - CSMC has experts who regularly provide Board training on various topics including but not limited to: Governance Best Practices; Fiscal Oversight for Governing Boards; Brown Act Compliance; and Roles and Responsibilities of Board and Leadership Team. Members of the CSMC team regularly present at professional conferences and collaborate with authorizing districts and counties to provide professional development and information sessions.
- ❑ **Board meeting presentations** - – CSMC participates in board meetings via teleconference and presents financial reports and analysis. If periodic in person attendance is what you prefer, CSMC and the charter school will make appropriate arrangements.

### **COMPLIANCE & ACCOUNTABILITY**

- ❑ CSMC can support all required compliance reporting, and we recognize the importance of timeliness and accuracy. On our *Client Partner Standing Call*, CSMC routinely reviews all

compliance and submission requirements up to three months in advance of the due date. This facilitates a shared understanding of roles between your school staff and CSMC and task completion timelines, so nothing falls through the cracks.

- ❑ **Compliance Calendar** - CSMC provides a compliance calendar with a "Look Ahead" feature that provides an outline for review (of all compliance requirements) with school leadership up to three months in advance of due dates to facilitate planning.
- ❑ **Compliance support** - Charter School is solely responsible for complying with legal requirements. CSMC will provide advice and guidance in a non-legal capacity to support Charter School's compliance efforts. Please note that CSMC's guidance does not constitute professional legal services. Since rules, regulations, and interpretations regularly change, Charter Schools should seek independent verification and counsel from their attorneys or other sources to ensure legal compliance.
- ❑ **SPED financial reporting** – With input and information from Charter School, CSMC provides required SPED financial reports.
- ❑ **Funding compliance** – CSMC makes compliance recommendations regarding funding requirements, implementation grant funding and other restricted funds. Note that funding compliance is especially complex with many requirements the Charter School must satisfy.
- ❑ **District and state regulation compliance** – CSMC can problem-solve with the Charter School areas deemed not in compliance with the district or state regulations.

#### **FISCAL POLICIES AND PROCEDURES -DEVELOPMENT AND TRAINING**

- ❑ CSMC routinely reviews and makes recommendations for improving compliance and increasing efficiencies in your school's fiscal policies and procedures. We can support your best practice of annual review, refinement, and Board approval of your fiscal policies, based on feedback from your auditor, authorizer, leadership, and staff. We also are experienced at providing training for your staff and Board aligned to annual edits and focused on key elements of your policy.

#### **GRANT MANAGEMENT AND SUPPORT**

- ❑ **Fund accounting** – CSMC tracks restricted revenues and expenses based on information received from the Charter School.
- ❑ **Financial reports** – CSMC prepares customized financial reports for grant purposes.
- ❑ **Con App** – CSMC assists in the preparation and filing of the Con App parts 1 and 2 for eligible schools.

In addition to the above, CSMC now offers fees for service support with grant research and application development for schools interested in pursuing other specialized grant funds.

#### **AUTHORIZER OVERSIGHT SUPPORT**

CSMC's goal is for your school to maintain a good standing and strong rapport with your authorizer. We have decades of experience collaborating with the CDE, County Offices of Education, and Local District authorizers.

- ❑ Support with strategy and written responses to your authorizer and review all communications and develop strategic responses.
- ❑ Participate in teleconferences/meetings and meet in person with the school and authorizer, as needed. Including on-site visits.
- ❑ Review and present highlights and feedback from prior oversight visit to business operations staff, leadership, and Board) culminating in a strategic plan and messaging authorizer.
- ❑ Advance review of fiscal preparation guide and all authorizer requests and requirements related to oversight audit. CSMC compiles fiscal documents/folders (and identifies items where school site input is required) so nothing is missed.

**VENDORS AND FACILITY FINANCING SUPPORT**

- ❑ CSMC can provide support with vendor negotiations and reviewing contracts.
- ❑ CSMC can assist with facility financing and support lender and underwriter relationships.

**SERVICE DELIVERY – CLIENT STANDING CALLS**

CSMC utilizes a **CLIENT STANDING CALL** routine with most clients.

- ❑ This is a pre-set, recurring meeting, set to fit your schedule.
- ❑ It gives you direct access to your key CSMC contacts in each service division. One-stop.
- ❑ Ensures Responsiveness and Accessibility to Your Client Services and Support Team.
- ❑ Your assigned CSMC School Business Manager, Account Manager, and Payroll Tech participate in these calls along with your School Leadership and Business Operations team.
- ❑ CSMC can facilitate the development of an advance agenda with you to address your priorities while providing your school team with the evolving information, support, and training it needs.
- ❑ Each CSMC service division contributes to this agenda to keep everyone ahead of upcoming deadlines and keep your team coordinated with ours.
- ❑ CSMC follows up with a written summary of your agreed-upon action steps and delegated tasks for our team and yours.

CSMC routinely includes these important topics on these calls:

- ❑ Review of All Compliance Due Dates. Calendar Look Ahead that integrates into Board meeting planning.
- ❑ Restricted funds spending; and tracking. Coding of invoices.
- ❑ LCAP coding; spending; and tracking
- ❑ Outstanding payroll items
- ❑ Outstanding retirement items

CSMC's strategic onboarding and transition plan will include a schedule of these meetings. For most new client partners, these meetings occur weekly and then transition to bi-weekly or monthly.

This time is solely for **your school, and your team**, to collaborate with your entire CSMC Client Services and Support Team!

ROLES & RESPONSIBILITIES - BACK-OFFICE

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Clarity on certain roles and responsibilities between CSMC and Charter School will help ensure high-quality, timely business services.

Table 1 below outlines the roles and responsibilities of both parties:

**Table 1: Roles & Responsibilities - Back Office**

CSMC	New Millennium Charter School Close Out
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<p>Timely and accurate check payments                  Payment of invoices according to Charter School's approval policies                  Recordkeeping/processes adhering to generally accepted accounting standards for accuracy and security and approved by independent auditors.                  Payment systems linked to financial statements and creating analyses for informed managerial decision-making.                  Bank account reconciliations.                  Invoice/payment research.                  Advising clients on outstanding checks to ensure adequate cash</p>	<p>Submission of Payment and Deposit Information                  Weekly submission to CSMC of invoices, reimbursement requests, deposits, and other expenditures using CSMC forms and processes.                  Coding all expenses and non-state funding deposits using CSMC forms and processes and codes from the most recent budget.                  Banking: Monitoring and maintaining adequate bank account balances to meet expense obligations                  Provide online read-only access to the bank account</p>
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Accounting Deadlines and Calendars referenced above shall be provided separately by CSMC.

**SCOPE OF SERVICES: PAYROLL, RETIREMENT REPORTING & HUMAN RESOURCES**

**Payroll Support**

CSMC uses an external payroll processor to handle payroll processing for U.S. employees to accomplish the following tasks. CSMC helps interface between the Charter School and payroll processors. CSMC and performs quality checking and review of payroll processes. The Charter School pays all payroll processing fees directly to the payroll processor.

- ❑ **Payroll Processing** – CSMC calculates and processes payroll and payroll-related payments/deductions for salaried and hourly employees based on information submitted by authorized Charter School representatives. CSMC generates checks for signature by authorized Charter School representatives (or through electronic signature) or facilitates Direct Deposit at the Charter School's request. The fees set forth above include semi-monthly payroll processing.
- ❑ **Payroll Calendar**-CSMC will produce a payroll calendar to follow the Charter Schools payroll processing needs. This will be reviewed and approved by the Charter School then will be used throughout the fiscal year to meet necessary payroll deadlines.
- ❑ **Payroll Reporting** – CSMC and its payroll processor prepare, and file all required payroll reports for submission to federal and state agencies and submits electronic payroll, payroll tax reports, and payroll tax deposits to the appropriate authorities for a single EDD/tax ID number. CSMC provides payroll reporting services for multiple reporting EDD/tax ID numbers.
- ❑ **W-2 Processing** – CSMC works with the payroll processor to prepare W-2 forms, which are mailed to the Charter School, provided that this Agreement remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from Charter School, per CSMC policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of services.
- ❑ **IRS, SDI, WC Support** – CSMC assists in resolving payroll tax issues before the IRS and other federal and state reporting agencies in a non-legal capacity. CSMC also assists the Charter School with any State Disability, Workers Comp, or Unemployment Insurance claims by providing supporting payroll reports.
- ❑ **STRS/PERS and Other Retirement Plan Administration** – The Charter School is responsible for STRS/PERS account set-up, administration forms and notices tied to enrollments, leaves

of absence, and terminations, and any fees from outside parties including late fees and interest levied by STRS/PERS.

- ❑ CSMC retirement team will help the Charter School set up STRS/PERS accounts as requested and make appropriate deductions and payments to the county for STRS and/or PERS based on information provided by the Charter School. Some counties charge separately for this mandated service.
- ❑ CSMC will process the Charter Schools monthly retirement reporting and submit either directly to retirement agency or to the county that the Charter School resides.
- ❑ CSMC retirement team will work with the Charter School and county to obtain access to county specific reporting and submission requirements and server specific desktop applications when applicable.
- ❑ The CSMC retirement team can help the Charter School get signed up for all the required notices for the retirement agencies they have accounts with to make sure they are current on rules and regulations.
- ❑ CSMC retirement team will assist with retirement questions and resolutions with the Charter School. When applicable, provide direct contacts at the county the Charter Schools reside in or retirement agency the Charter School have account(s) with for clarification(s).
- ❑ CSMC clients have discovered that corrections are needed to retirement reporting (STRS/PERS) that was done before hiring CSMC as their back-office service provider. Often these required corrections may not be recognized or identified by clients, their employees, or the agencies involved until a time after the clients have contracted with CSMC. Resolution of these issues can often take months, including penalties and interest due to how retirement agencies process and audit correcting reports. CSMC recognizes the importance of ensuring accurate retirement reporting for all your employees. CSMC has the expertise and experience to support our clients with resolving these issues, however, depending on the time and effort required, CSMC's retirement team support may require a fee for this service arrangement.

## Human Resources Support

- ❑ Employee File Setup – CSMC supplies the Charter School with new hire packets to facilitate compliance with state and federal requirements, including Live Scan procedures, TB test guidelines, and credential verification.
- ❑ Teacher Credentialing Support – CSMC offers non-legal guidance and assistance to Charter School leaders in assessing teacher credentials.
- ❑ Handbook Development – CSMC provides non-legal business advice on employee handbooks, focusing on their business implications.

### ROLES & RESPONSIBILITIES - PAYROLL

Clarity on certain roles and responsibilities between CSMC and Charter School will help ensure high-quality, timely business services. Table 2 below outlines the roles and responsibilities of both parties:

**Table 2: Roles & Responsibilities - Payroll**

CSMC	New Millennium Charter School Close Out
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<ul style="list-style-type: none"> <li>❑ Accurate, complete payroll on a semi-monthly basis</li> <li>❑ Published Payroll Calendar with payroll deadlines.</li> <li>❑ Reminders for payroll deadlines</li> <li>❑ Final payroll information is sent to the client for approval by at least one working day before Charter School's payroll approval date when payroll is received per approved calendar.</li> <li>❑ Audited payroll register will be provided to the Charter School to review and approve prior to payroll submission due date as shown on the payroll deadline calendar.</li> <li>❑ Advice on setting up STRS/PERS CSMC will provide all payroll tax filing and W-2s.</li> <li>❑ Maintain client partners payroll systems based on information provided by the Charter School.</li> <li>❑ Completes monthly retirement reporting for STRS and PERS whichever is applicable.</li> <li>❑ CSMC will enter STRS retirement profiles for Charter Schools that report directly to STRS and not a county.</li> <li>❑ CSMC will maintain the appointments of CalPERS employees for Charter Schools that report directly to PERS and not to a county.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Timecards and Changes: Submission to CSMC of timecards for new hires and other payroll changes by payroll calendar deadlines and using CSMC forms/processes.</li> <li>❑ Payroll Approval: Approval (email or text) to CSMC by - Payroll Calendar deadlines</li> <li>❑ New Hires: Timely submission to CSMC of new hire paperwork.</li> <li>❑ Enrolling (or working with a broker to enroll) staff in any 403b, health plans, and other insurance/retirement/contribution/deduction programs.</li> <li>❑ Completing and submitting retirement forms for new hires, new enrollments, leave of absences, terminations, and retiring.</li> <li>❑ Terminating staff from health plans, retirement plans, other insurance, and other applicable contribution/ deduction programs.</li> </ul>
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The Payroll Deadlines / Calendars referenced above shall be provided separately by CSMC.

**SCOPE OF SERVICE: HR SERVICES**

CSMC partners with leading payroll and HR technology providers with a full suite of HR tools and services available as optional add-on modules, implemented and supported through our payroll partners.



**1. Talent Acquisition & Hiring**

*Available through payroll platform add-ons*

- ❑ Applicant tracking system (ATS)
- ❑ Job posting distribution and recruiting workflows
- ❑ Candidate screening and background checks
- ❑ Drug screening coordination
- ❑ New hire onboarding workflows
- ❑ Employment eligibility verification (I-9 / E-Verify)

- ❑ Tax credit screening and administration

These tools streamline recruiting while ensuring compliance with state and federal requirements.

## 2. Onboarding & Employee Records

### *System-based HR administration*

- ❑ Digital onboarding checklists and workflows
- ❑ Employee self-service portals
- ❑ Secure employee document storage
- ❑ Electronic forms and acknowledgements
- ❑ Centralized personnel records
- ❑ Position and job classification management
- ❑ Organizational charts and directories

## 3. Time, Attendance & Leave Management

### *Integrated workforce management tools*

- ❑ Time and attendance tracking
- ❑ Time-off requests and approvals
- ❑ Scheduling and shift management
- ❑ Geofencing and location-based time tracking
- ❑ Punch change requests and approvals
- ❑ Labor allocation by job, department, or location

## 4. Benefits Administration

### *Carrier-connected benefits tools*

- ❑ Employee benefits enrollment and life-event changes
- ❑ Carrier data exchange and reconciliation
- ❑ COBRA administration
- ❑ ACA tracking and reporting
- ❑ Evidence of insurability tracking
- ❑ Open enrollment coordination (optional managed service)

## 5. Payroll-Related HR Support

### *Delivered through payroll platform*

- ❑ Employee self-service payroll access
- ❑ Payroll deductions tied to benefits
- ❑ Garnishment administration
- ❑ Expense reimbursement tools
- ❑ Mileage tracking
- ❑ Payroll reporting and analytics
- ❑ General ledger mapping and exports

## 6. Performance, Learning & Development

### *Optional talent management modules*

- ❑ Performance review workflows
- ❑ Goal setting and evaluations
- ❑ Compensation planning and budgeting
- ❑ Learning management systems (LMS)
- ❑ Training content libraries
- ❑ Certification and credential tracking
- ❑ Employee surveys and engagement tools

## 7. Compliance & Reporting

### *Technology-enabled compliance support*

- Standard HR, payroll, and audit reports
- Custom reporting and dashboards
- Government reporting support, including:
  - ACA
  - COBRA
  - OSHA
  - EEOC
  - VETS-4212
- Compliance alerts and documentation tracking

## 8. Employee & Manager Experience Tools

### *Platform features improving day-to-day operations*

- Manager self-service dashboards
- Mobile access for employees and managers
- HR request routing and ticketing
- Employee communications and announcements
- Workforce analytics and insights

CSMC does not provide HR consulting, legal advice, or compliance determinations.

HR services described above are made available through third-party payroll and HR technology partners and are subject to the terms, pricing, and availability of those providers.

## SCOPE OF SERVICES: STUDENT DATA AND INFORMATION SYSTEM SUPPORT

### **Student Information System (SIS) Management:**

**Implementation and Maintenance:** CSMC specializes in the full spectrum of Student Information Systems (SIS) services, from initial setup and configuration to ongoing maintenance, ensuring the system is tailored to meet the unique operational and educational needs of each client partner.

**Training:** To maximize the effectiveness of your SIS, CSMC offers detailed training sessions for both administrative and teaching staff, covering critical functionalities like report card management, grading, and scheduling. These sessions are designed to enhance user confidence and proficiency with the system.

#### □ **SIS Platform Expertise:**

CSMC works with a variety of industry-leading SIS platforms, including **PowerSchool, Aeries, School Pathways, Synergy**, and other similar systems. Our team is experienced in optimizing these platforms to support school operations, compliance reporting, and data management needs.

### **Attendance Reporting Support:**

- **Comprehensive Reporting Assistance:** CSMC provides end-to-end support for all state and local attendance reporting requirements, such as P-1, P-2, and Annual attendance reports, ensuring institutions meet all regulatory compliance mandates efficiently.
- **Data Verification and Audit Support:** Our team offers thorough assistance in verifying attendance data for accuracy, conducting mock audits, and resolving any discrepancies. This proactive approach is aimed at maintaining the integrity of attendance records and ensuring compliance with state and local regulations.

### **CALPADS Reporting and Support:**

- **Submission Management:** CSMC manages every aspect of CALPADS reporting, encompassing the preparation, submission, and necessary amendments of reports to satisfy state deadlines and requirements effectively.
- **Error Resolution and Compliance:** We offer dedicated support in resolving enrollment conflicts and fatal errors, guaranteeing precise CALPADS data submissions. CSMC provides proactive updates and guidance on adapting to CALPADS mandates and changes, ensuring our client-partners are always in compliance.
- **Ongoing Maintenance:** CSMC conducts bi-weekly uploads of student enrollment files and student information files, ensuring the continual accuracy and timeliness of CALPADS reporting data.

#### Help Desk Support System:

- **Efficient Ticket Submission and Resolution:** CSMC operates a structured desk system, allowing for the efficient submission and tracking of support requests pertaining to SIS, attendance, and CALPADS issues. We are committed to promptly addressing and resolving tickets within 48 hours.
- **Urgent Support and Communication:** CSMC has established procedures for the escalation and swift resolution of urgent matters. We maintain continuous communication through our help desk system, providing timely updates and gathering necessary information to facilitate quick resolutions.
- **Service Delivery Commitment:** Charter School Management Corporation (CSMC) is dedicated to delivering these services with unmatched professionalism and expertise. Our team is committed to ensuring that your institution's student data management needs are met with the utmost accuracy, efficiency, and compliance. This service agreement underscores CSMC's pledge to offer comprehensive support across your student data systems, including specialized assistance for SIS, meticulous attendance reporting, CALPADS management, and a responsive help desk support system.
- **Client Responsibilities: Maintenance and Accuracy of Student Data:** The client partner is responsible for the continuous collection, entry, and upkeep of student data within the designated Student Information System (SIS). This encompasses ensuring both the accuracy and completeness of student data, which is fundamental for the integrity of state reporting, compliance efforts, and maintaining data in a state ready for reporting in line with regulatory requirements. The Client acknowledges the significance of this responsibility in supporting the integrity of compliance and reporting processes. Collaboration for Compliance and Reporting: CSMC commits to providing essential guidance and support regarding compliance and reporting standards. While CSMC will assist in ensuring the Client's understanding and implementation of these requirements, the primary responsibility for the Maintenance and accuracy of the data within the SIS.

**PRICING SHEET**

New Millennium Charter School Close Out  
1301 W. 182nd Street Gardena, CA 90248

SERVICES INCLUDED
Back-Office Service - Payroll Service - Bundled: SIS Support, State Reporting, CALPADS *Pricing reflected in this Scope of Services has been reduced in consideration of the school's closure. This proposal supersedes the contract dated 06.2024.

TERM	START DATE	END DATE	TOTAL
Term 1	Jul 01, 2026	Jun 30, 2027	\$4,000/month



# TENANT REPRESENTATION AND BROKER COMPENSATION AGREEMENT

(C.A.R. Form TRBC, 7/24)

Date Prepared: 05/22/2026

1. **RIGHT TO REPRESENT:** New Millennium Secondary School ("Tenant") grants Real Brokerage Technologies ("Broker") the exclusive right to represent Tenant in obtaining a lease or rental for Property described below on the following terms and conditions.
2. **TERMS OF REPRESENTATION:** The items in this paragraph are contractual terms of the Agreement. Referenced paragraphs provide further explanation. This form is 2 pages. Tenant is advised to read both pages.

Paragraph #	Paragraph Title or Contract Term	Terms and Conditions
<b>A</b>	<b>Representation Period</b>	Beginning: <u>05/01/2026</u> (date) Ending at 11:59 P.M. on <u>07/31/2026</u> (date) OR if earlier, upon Tenant taking possession pursuant to a lease or rental agreement.
<b>B Property to be Leased or Rented</b>		
<b>B(1)</b>	<b>Property type:</b>	Single family residential (SFR), OR, if checked, <input type="checkbox"/> SFR is excluded from this Agreement. <input type="checkbox"/> Condominium ( <input type="checkbox"/> apartment style, <input type="checkbox"/> townhouse style) <input type="checkbox"/> Apartment <input type="checkbox"/> Mobilehome <input type="checkbox"/> Industrial, <input type="checkbox"/> Vacant Land, <input checked="" type="checkbox"/> Commercial, <input checked="" type="checkbox"/> Office <input type="checkbox"/> The following specified property(ies) only: _____
<b>B(2)</b>	<b>Location</b>	<input type="checkbox"/> City(ies): <u>All Cities Within Los Angeles County</u>
<b>B(3)</b>	<b>Additional Description</b>	_____
<b>C</b>	<b>Additional Tenant Preferences</b>	<input checked="" type="checkbox"/> One year lease term <input type="checkbox"/> Month-to-month rental Minimum # of bedrooms: _____ <input type="checkbox"/> Minimum # of bathrooms: _____ <input type="checkbox"/> Minimum square footage: _____ <input type="checkbox"/> Single story, <input type="checkbox"/> Multi-level, <input type="checkbox"/> Corner lot <input type="checkbox"/> Yard ( <input type="checkbox"/> Grass, <input type="checkbox"/> Drought tolerant), <input type="checkbox"/> Pool ( <input type="checkbox"/> built-in <input type="checkbox"/> above ground) <input type="checkbox"/> Solar Panels ( <input type="checkbox"/> leased/liened, <input type="checkbox"/> owned outright, <input type="checkbox"/> any), <input type="checkbox"/> Gas appliances, <input type="checkbox"/> Electric appliances <input type="checkbox"/> School district: _____ <input type="checkbox"/> Accessibility/Disability features: _____
<b>D Broker Compensation: NOTICE: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Tenant and Broker.</b>		
<b>D(1)</b>	<b>3 Amount of Compensation</b>	(A) For a fixed term lease: <input type="checkbox"/> _____ percent of the total rent payments due under the lease or \$ _____, (B) For a month to month rental: <input type="checkbox"/> _____ percent of _____ or \$ _____, If, in a resulting transaction, Broker represents both Tenant and housing provider, Broker shall be entitled to the compensation specified in both this paragraph and the amount in a lease listing or property management agreement for representing the housing provider OR <input type="checkbox"/> Tenant shall owe no compensation.
<b>D(2)</b>	<b>Payments received by Broker from Housing Provider</b>	If Broker receives compensation from housing provider, or others, the amount due Broker for representing Tenant shall be credited against Tenant's obligation to pay Broker.  If housing provider has signed a lease listing agreement or property management agreement with Broker, the amount due Broker for representing housing provider shall NOT be credited against Tenant's obligation to pay Broker.
<b>E</b>	<b>Other Terms</b>	<u>Tenant agrees Broker's Compensation shall be equal to 50% of one month's rent. Broker may also receive compensation from Landlord/Owner.</u>

TRBC 7/24 (PAGE 1 OF 2)

Tenant's Initials NS / \_\_\_\_\_ Broker's Initials BJ / \_\_\_\_\_



## TENANT REPRESENTATION AND BROKER COMPENSATION AGREEMENT (TRBC PAGE 1 OF 2)

**3. COMPENSATION TO BROKER:**

**Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Tenant and Broker.**

- A. **ADVISORY:** Real estate commissions include all compensation and fees to Broker and are fully negotiable.
- B. **BROKER RIGHT TO COMPENSATION:** Broker shall be entitled to compensation specified in **paragraph 2D(1)** from Tenant if during the Representation Period, or any extension, Tenant enters into an agreement to lease, or rent the Property, and Tenant thereafter takes possession of the Property or does not do so because of Tenant's default.

**4. AGENCY RELATIONSHIPS:**


- A. **DISCLOSURE:** If a fixed term lease is to exceed one year, Broker will provide Tenant with a Disclosure Regarding Real Estate Agency Relationships (C.A.R. Form AD) as soon as practicable prior to writing an offer.
- B. **POSSIBLE DUAL AGENCY WITH SELLER:** Broker will represent Tenant in any resulting transaction. Broker may act as an agent for both Tenant and housing provider. Broker, in writing, shall confirm the agency relationship with only Tenant, or both Tenant and housing provider, prior to or concurrent with Tenant's execution of a lease or rental. Tenant acknowledges and consents to Broker, including agents in Broker's firm, representing other prospective tenants for the Property.

**5. BROKER AUTHORIZATIONS AND OBLIGATIONS:** Broker is authorized to diligently represent Tenant in any resulting transaction for the Property entered into during the Representation Period.

**6. TENANT OBLIGATIONS:** Tenant will act timely and in good faith to communicate and cooperate with Broker regarding any material issues or factors in any resulting transaction during the Representation Period. If requested, Tenant shall provide relevant personal and financial information.

**Tenant acknowledges that Tenant has read, understands, received a copy of and agrees to the terms of this Agreement.**

**TENANT SIGNATURE(S):**


Tenant:  Nichole Sims Chief Operating Officer New Millennium Secondary School Date 05/29/26

Tenant: \_\_\_\_\_ Date \_\_\_\_\_

**BROKER SIGNATURE(S):**

Real Estate Broker (Firm) Real Brokerage Technologies DRE Lic# 02022092

Address 39899 Balentine Dr City Newark State CA Zip 94560

By  Breysheke Sampson Breysheke Sampson Date 05/22/26

Tel. (310)890-9421 E-mail jayeellishomes@gmail.com DRE Lic# 02325111

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**THE TORRANCE - SMALL SUITES PROGRAM**  
**BASIC LEASE TERMS**

DATE: ~~May~~ <sup>June</sup> 9, 2026

**TENANT INFORMATION:**

1. Business Name: New Millennium Secondary School	2. State/Entity Type: California Non-Profit Public Benefit Corporation	3. Signatory: Nichole Sims, COO
4. Current / Billing Address: 1301 W 182 <sup>nd</sup> St, Ste G	5. City/State: Gardena, CA	6. Zip Code: 90248
7. Telephone: (310)999-6162	8. Email: nsims@newmillenniumschool.org	

**PREMISES INFORMATION:**

9. Address: 21250 Hawthorne Blvd., Torrance, CA 90503	10. Suite/Rentable Square Footage: Suite J; 1,397 rentable square feet
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**LEASE TERM:**

11. Commencement Date: June 9, 2026	12. Expiration Date: June 30, 2027	13. Term: 12 months and 22 days
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**RENT & SECURITY DEPOSIT:**

14. Monthly Base Rent			15. Security Deposit:
Period of Lease Term	Annual Base Rent	Monthly Base Rent	
6/9/2026 – 6/30/2027	\$72,084	\$6,007	\$12,014

**USE:**

16. Type of Business: Educational / Administrative School Operations	17. # of Employees: <u>(6)</u>
18. Unreserved Parking Spaces: Four (4)	19. # of Access Cards: <u>4</u> (up to 4)

**ADDITIONAL RENT:**

20. Tenant's Share: 0.45% (i.e., 1,397 rentable square feet in the Premises/310,638 rentable square feet within the Building)  Notwithstanding anything in the Lease to the contrary, Tenant shall have no obligation to pay Tenant's Share of Operating Expenses and Tax Expenses for the initial Lease Term.	21. Base Year: Calendar year 2026
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**BROKERS (IF ANY):**

22. CBRE, Inc., representing Landlord, and Real Brokerage, representing Tenant.
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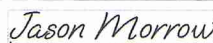
**COMMENTS:**

Tenant shall pay, upon Lease signing, \$10,412.13 for June (partial month) and July Rent, along with the Security Deposit of \$12,014 for a total of \$22,426.13
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*This Lease incorporates the above Basic Lease Terms into the attached Lease Document (together, the "Lease"). Tenant confirms that they have read and understand the Lease. Both Landlord and Tenant agree to comply with all of the terms and obligations.*

**TENANT:**

**LANDLORD:**

Name: Nichole Sims	Name: Jason Morrow
Signature 	Signature  <small>BOX SIGN 42K62R5W-4QW51YZQ</small>
Date: 6/1/2026	Date: Jun 9, 2026

## THE TORRANCE

### SMALL SUITES PROGRAM – OFFICE LEASE

This Office Lease (the "**Lease**") is made by and between RREF II PACIFIC CENTER LLC, a Delaware limited liability company ("**Landlord**") and that certain person or entity set forth in Sections 1 and 2 of the Basic Lease Terms, as defined below ("**Tenant**"), and is dated as of the date of the Basic Lease Terms to which this Lease is attached (the "**Basic Lease Terms**"), which Basic Lease Terms form an integral part of this Lease.

#### ARTICLE 1

### REAL PROPERTY, BUILDING AND PREMISES

1.1 Real Property, Building and Premises. Upon and subject to the terms, covenants and conditions set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain space set forth in Sections 9 and 10 of the Basic Lease Terms (the "**Premises**") located in the building located at 21250 Hawthorne Blvd., Torrance, CA 90503 (the "**Building**"). The floor plan of the Premises, if any, is attached hereto as Exhibit B. The Building, which is commonly known as "The Torrance", the existing five (5) story parking structure located adjacent to and serving the Building (the "**Building Parking Facility**"), any outside plaza areas, land and other improvements surrounding the Building which are designated from time to time by Landlord as common areas appurtenant to or servicing the Building, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the "**Real Property**." Tenant shall have the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other public or common areas of the Building and/or Real Property, including, without limitation, the Shared Common Rooms (as defined and subject to the limitations set forth in Section 1.3 below); provided, however, that the use thereof shall be subject to such reasonable, non-discriminatory rules and regulations as Landlord may make from time to time (including, without limitation, with respect to the "Small Suites Program" of which Tenant, and the Premises, is a part of). Landlord reserves the right to make alterations or additions to or to change the location of elements of the Real Property and the common areas thereof.

1.2 Condition of Premises. Except as set forth in this Lease: (i) Tenant shall accept the Premises, Building and Real Property, including the base, shell, and core of the Premises and the floor of the Building on which the Premises is located (collectively, the "**Base, Shell, and Core**"), in their "AS-IS" condition as of the Lease Commencement Date (as defined below); (ii) Landlord shall not be obligated to provide or pay for any improvements (including without limitation, internet services and/or cabling) to or for the Premises; and (iii) Landlord has made no representation or warranty regarding the condition of the Premises, the Building or the Real Property.

#### 1.3 Shared Common Rooms.

1.3.1 Shared Common Rooms. Subject to the following terms of this Section 1.3, Tenant and its individual employees shall have the non-exclusive right, throughout the Lease Term, to use (i) those certain common area conference rooms (collectively, the "**Conference Rooms**") that are currently located in the common area of the Building and designated by Landlord for use by tenants of the "Small Suites Program", and (ii) common area break room (the "**Break Room**") that is currently located on the floor of the Building upon which the Premises are located, for the limited purposes of (A) with respect to the Conference Rooms, conducting business meetings, presentations, trainings and/or other functions directly related to Tenant's permitted use set forth in Article 4 below, and (ii) with respect to the Break Room, conducting customary break room activities consistent with first-class office use and directly related to Tenant's permitted use set forth in Article 4 below. The Conference Rooms and the Break Room are sometimes collectively referred to herein as the "**Shared Common Rooms**".

1.3.2 Use of Shared Common Rooms. Subject to Section 1.3.3 below with respect to reservation procedures and cleaning fees for the Conference Rooms, Tenant's use of the Shared Common Rooms shall be on a "first come, first serve" and non-exclusive basis in common with the other tenants and/or occupants of the Real Property.

1.3.3 Reservation of Conference Rooms. Tenant shall reserve the Conference Rooms by delivering to Landlord no less than one (1) hour prior written notice, provided that: (i) all reservations shall be on a "first come, first serve" basis; and (ii) Landlord may, at Landlord's sole discretion, reasonably modify such reservation procedures at any time during the Lease Term on a uniform basis for the Building. Unless otherwise approved by Landlord (in Landlord's sole discretion), Tenant may only reserve use of the Conference Rooms for periods during the hours of 8:00 a.m. to 5:00 p.m. on Monday through Friday. Tenant will be charged a cleaning fee at the Building's then-prevailing conference room cleaning rates (each, a "**Cleaning Fee**") for Tenant's reservation to use of the Conference Room, which Cleaning Fee shall be paid by Tenant to Landlord within thirty (30) days after receiving an invoice therefor.

1.3.4 Limitations on Use of Shared Common Rooms. Tenant shall not do or permit anything to be done in or about the Shared Common Rooms that would in any way unreasonably obstruct or interfere with the rights of other tenants or occupants of the Building; nor shall Tenant use or allow the Shared Common Rooms to be used for any unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance or offensive sound, smell or light in, on or about the Shared Common Rooms. Additionally, Tenant shall not use or permit the Shared Common Rooms to be used for any parties, social functions, or fundraisers or permit any live music, comedy acts, dancing, stage shows, or any other form of "live entertainment" in the Shared Common Rooms without Landlord's prior written consent, which may be withheld by Landlord in its sole and absolute discretion. Tenant shall not make any alterations or additions to the Shared Common Areas or place any additional equipment and/or personal property therein without Landlord's prior written consent (in Landlord's sole and absolute discretion); provided, however, Tenant may bring and use a reasonable and customary scope of personal property for personal use into the Shared Common Rooms while Tenant is in use of the applicable Shared Common Rooms, but must remove such personal property from the Shared Common Rooms on a daily basis. Tenant's use of the Shared Common Rooms shall be subject to (and Tenant shall comply with) such reasonable, non-discriminatory rules, regulations and restrictions as may be promulgated by Landlord from time to time, including, without limitation, any scheduling requirements or scheduling limitations for the use thereof.

1.3.5 Maintenance. Tenant will be responsible for any damage done to the Shared Common Rooms and the Building arising out of or in any way pertaining to Tenant's use of the Shared Common Rooms.

1.3.6 HVAC. If Tenant desires to use HVAC in the Shared Common Rooms during hours other than the Business Hours (as defined below), then (i) Tenant shall give Landlord such prior notice, as Landlord shall from time to time establish as appropriate, of Tenant's desired use, (ii) to the extent such HVAC can be provided to the applicable Shared Common Rooms, Landlord, shall supply such after-hours HVAC to Tenant in the applicable Shared Common Rooms at the After-Hours HVAC Rate (as defined below), which rate shall be disclosed to Tenant prior to accrual of such charges, and (iii) Tenant shall pay such cost to Landlord within ten (10) days after billing.

1.3.7 Indemnification. Tenant shall indemnify, defend and hold Landlord and the Landlord Parties harmless from and against any and all Claims (as defined below) arising out of or in any way pertaining to Tenant's use of the Shared Common Rooms, including, without limitation, as a result of any failure of Tenant to maintain the Shared Common Rooms in a safe condition during its occupancy thereof or otherwise. None of Landlord or the Landlord Parties shall be responsible for any loss or theft whatsoever of any property or anything placed by Tenant in the Shared Common Rooms. Tenant, as a material part of the consideration of this Lease, waives all claims or demands against Landlord and the Landlord Parties for any such loss, damage or injury of Tenant or Tenant's property, and agrees to so indemnify and hold Landlord and the Landlord Parties harmless therefrom.

1.3.8 Original Tenant. Tenant's rights under this Section 1.3 are personal to the original Tenant executing this Lease (the "**Original Tenant**") and may only be utilized by the Original Tenant (and may not be exercised or utilized by any other person or entity) when the Original Tenant is in actual and physical possession of the entire Premises.

## **ARTICLE 2** **LEASE TERM; HOLDING OVER**

2.1 Lease Term. The terms and provisions of this Lease shall be effective as of the date of execution of this Lease. The term of this Lease (the "**Lease Term**") shall (i) be as set forth in Section 13 of the Basic Lease Terms, (ii) commence on the date set forth in Section 11 of the Basic Lease Terms (the "**Lease Commencement Date**"), and (iii) terminate on the date forth in Section 12 of the Basic Lease Terms (the "**Lease Expiration Date**"), unless this Lease is sooner terminated as hereinafter provided.

2.2 Holding Over. If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be a tenancy at sufferance only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the greater of (i) the Base Rent applicable during the last rental period of the Lease Term under this Lease or (ii) the fair market rental rate of the Premises as of the commencement of such holdover period. Such holdover shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 2.2 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

2.3 Early Entry Period. During the period from full execution of this Lease through and including June 8, 2026 (i.e., the date which is the day before the Lease Commencement Date) (the "**Early Entry Period**"), Tenant shall have the right to access the Premises for the sole purpose of installing Tenant's furniture, fixtures and equipment (including cabling and wiring) in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 2.3, Tenant shall submit a schedule to Landlord for Landlord's approval, which schedule shall detail the timing and purpose of Tenant's entry. All of the terms and conditions of this Lease (including, without limitation, with respect to Tenant's insurance and indemnification obligations) shall apply to the Premises during the Early Entry Period as though the Lease Commencement Date had occurred (although the Lease Commencement Date shall not actually occur until the date provided in Section 13 of the Basic Lease Terms); provided, however, that Tenant shall not be obligated to pay any Base Rent or Tenant's Share of increases in Operating Expenses or Tax Expenses for the Premises during the Early Entry Period. Subject to the provisions of Article 8 below, Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building and the Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 2.3.

### **ARTICLE 3** **RENT; ADDITIONAL RENT**

#### 3.1 Base Rent;

3.1.1 Base Rent. Tenant shall pay to Landlord at RREF II Pacific Center LLC, c/o CM Management Services, P.O. Box 610, Del Mar, CA 92014-0610, Attn: Ann Bruce, or at such other place as Landlord may from time to time designate in writing, in currency or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") in monthly installments in the amount of "Monthly Base Rent" set forth in Section 14 of the Basic Lease Terms. The Base Rent shall be paid in advance on or before the first (1<sup>st</sup>) day of each and every month during the Lease Term, without any notice, demand, setoff or deduction whatsoever, except that the Base Rent for the first full month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any rental payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

#### 3.2 Additional Rent.

3.2.1 Additional Rent – General Provisions. In addition to paying the Base Rent, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share of the annual Operating Expenses which are in excess of the amount of Operating Expenses applicable to the Base Year; plus (ii) Tenant's Share of the annual Tax Expenses (as defined below) which are in excess of the Tax Expenses applicable to the Base Year. Such additional rent, together with any and all other amounts payable by Tenant to Landlord, as additional rent or otherwise, pursuant to the terms of this Lease (other than the Base Rent), shall be hereinafter collectively referred to as the "**Additional Rent**". The Base Rent and Additional Rent are herein collectively referred to as the "**Rent**." All amounts due under this Article 3 as Additional Rent shall be payable in the same manner, time and place as the Base Rent, except as otherwise expressly set forth in this Article 4. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 3 shall survive the expiration of the Lease Term.

3.2.2 Definitions. As used in this Article 3, the following terms shall have the meanings hereinafter set forth:

3.2.2.1 "**Tenant's Share**" shall mean the percentage set forth in Section 20 of the Basic Lease Terms. Tenant's Share was calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building. Landlord shall have the right from time to time to redetermine the rentable square feet of the Premises and/or the Building, and Tenant's Share shall be appropriately adjusted to reflect any such determination.

3.2.2.2 "**Base Year**" shall mean the year set forth in Section 21 of the Basic Lease Terms.

3.2.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

3.2.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord shall pay or incur during any Expense Year because of or in connection with the ownership, management, maintenance, repair, restoration or operation of the Real Property, including, without limitation, any amounts paid or incurred for: (i) the cost of supplying all utilities (including, without limitation, any telephone risers or intra building network cabling) (but excluding those charges for which tenants directly reimburse Landlord or otherwise pay directly to the utility company), the cost of janitorial service,

alarm and security service, window cleaning, and trash removal, the cost of operating, maintaining, repairing, replacing, renovating and managing the utility systems, mechanical systems, sanitary and storm drainage systems, and escalator and elevator systems, and the cost of supplies, tools, and equipment and maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with the implementation and operation of a transportation system management program or similar program; (iii) the cost of insurance carried by Landlord in connection with the Real Property, in such amounts as Landlord may reasonably determine, or as may be required by any mortgagees of any mortgage, or the lessor of any ground lease affecting the Real Property; (iv) the cost of landscaping, relamping, supplies, tools, equipment (including equipment rental agreements) and materials, and all fees, charges and other costs, including management fees (or amounts in lieu thereof), consulting fees, legal fees and accounting fees, incurred in connection with the management, operation, administration, maintenance and repair of the Real Property; (v) the cost of parking area repair, restoration and maintenance, including, but not limited to, resurfacing, repainting, restriping, and cleaning; (vi) wages, salaries and other compensation and benefits of all persons engaged in the operation, management, maintenance or security of the Real Property, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; (vii) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Real Property; (viii) amortization (including interest on the unamortized cost at a rate equal to the floating commercial loan rate announced from time to time by Bank of America, a national banking association, or its successor, as its prime rate, plus two percent (2%) per annum [the "**Amortization Rate**"]) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Real Property; (ix) the cost (including rent) of Landlord's property management office for the Real Property and all utilities, supplies and materials used in connection therewith; (x) the cost of any capital alterations, capital additions, or capital improvements made to the Real Property or any portion thereof (A) which are Conservation Costs (as defined below) and/or which are deemed reasonably necessary by Landlord to maintain the quality, integrity and/or character of the Real Property and all systems, equipment and/or facilities which serve the Real Property (including replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of curbs, walkways and parking areas), (B) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Real Property, or any portion thereof, or (C) that are required under any governmental law or regulation that is then being enforced by a federal, state or local governmental agency; provided, however, that each such permitted capital expenditure shall be amortized (including interest on the unamortized cost at the Amortization Rate in effect at the time such expenditure is placed in service) over its useful life as Landlord shall reasonably determine and only such amortized amount for each year shall be included in the Operating Expenses for that year; (xi) the funding of any commercially reasonable reserves maintained by Landlord to pay for any Operating Expenses; and (xii) the costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented or enacted from time to time at the Building and/or Real Property, including, without limitation, in connection with any LEED (Leadership in Energy and Environmental Design) rating or compliance system or program, including that currently coordinated through the U.S. Green Building Council or Energy Star rating and/or compliance system or program (collectively, "**Conservation Costs**").

If Landlord is not furnishing any particular work or service (the cost of which, if performed or provided by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Building is less than 95% occupied during all or a portion of any Expense Year (including the Base Year), Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such Expense Year (including the Base Year) as reasonably determined by Landlord employing sound accounting and management principles, to determine the amount of Operating Expenses that would have been paid had the Building been 95% occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for such Expense Year.

Landlord shall have the right, from time to time, to equitably allocate and prorate some or all of the Operating Expenses and/or Tax Expenses among different tenants of the Building (the "**Cost Pools**"). Such Cost Pools may include, without limitation: (i) the office space tenants and retail space tenants, if any, of the Building; and/or (ii) the tenants within the "Small Suite Program" at the Building.

Notwithstanding anything to the contrary set forth in this Article 4, when calculating Operating Expenses for the Base Year, Operating Expenses shall exclude market-wide labor-rate increases due to extraordinary circumstances, including, but not limited to, boycotts and strikes, and utility rate increases due to extraordinary circumstances including, but not limited to, conservation surcharges, boycotts, embargoes or other shortages, and costs relating to capital improvements or expenditures. In addition, if in any Expense Year subsequent to the Base Year, the amount of Operating Expenses decreases due to a reduction in the cost of providing utilities, security and/or other services to the Real Property for any reason, including, without limitation, because of deregulation of the utility industry and/or reduction in rates achieved in contracts with utilities and/or service providers, then for purposes of the Expense Year in which such decrease in Operating Expenses occurred and all subsequent Expense Years, the Operating Expenses for the Base Year shall be decreased by an amount equal to such decrease.

Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include: (1) except as otherwise set forth above in this Section 3.2.2.4, interest on debt and amortization on mortgages; (2) ground lease payments; (3) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Real Property; (4) the cost of providing any service directly to and paid directly by any tenant; (5) any costs expressly excluded from Operating Expenses elsewhere in this Lease; (6) costs of any items to the extent Landlord receives reimbursement from insurance proceeds (such proceeds to be excluded from Operating Expenses in the year in which received, except that any deductible amount under any insurance policy shall be included within Operating Expenses) or from a third party; (7) costs, including permit, license and inspection costs, incurred in renovating or otherwise improving, decorating, or redecorating rentable space (including vacant rentable space) for tenants or other occupants in the Building; (8) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments or file returns when due; (9) costs arising from Landlord's charitable or political contributions; or (10) costs incurred due to the violation by Landlord of the terms and conditions of any lease of space in the Building.

3.2.2.5 **"Tax Expenses"** shall mean all federal, state, county, or local governmental or municipal taxes, fees, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit assessment fees and taxes, business or license taxes or fees, annual or periodic license or use fees, open space charges, housing fund assessments, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Real Property), which Landlord shall pay or incur during any Expense Year because of or in connection with the ownership, leasing and operation of the Real Property or Landlord's interest therein. For purposes of this Lease, Tax Expenses shall be calculated as if the tenant improvements in the Building were fully constructed and the Building and all tenant improvements in the Building were fully assessed for real estate tax purposes. Tax Expenses shall include, without limitation: (i) any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, conservation, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Real Property's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies (it is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies and charges be included within the definition of Tax Expenses for purposes of this Lease); (ii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any gross receipts with respect to the receipt of such Rent, and/or any tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iii) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (iv) any expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses. Notwithstanding anything to the contrary contained in this Section 3.2.2.5, there shall be excluded from Tax Expenses (A) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Real Property), and (B) any items paid by Tenant under Section 3.3 below.

### 3.2.3 Calculation and Payment of Additional Rent.

3.2.3.1 Calculation of Excess. If for any Expense Year ending or commencing within the Lease Term, (i) Tenant's Share of Operating Expenses for such Expense Year exceeds Tenant's Share of the Operating Expenses for the Base Year, and/or (ii) Tenant's Share of Tax Expenses for such Expense Year exceeds Tenant's Share of the Tax Expenses for the Base Year then Tenant shall pay to Landlord, in the manner set forth in Section 3.2.3.2, below, and as Additional Rent, an amount equal to such excess (the "**Excess**").

3.2.3.2 Statement of Actual Expenses and Payment by Tenant. Following the end of each Expense Year, Landlord shall give to Tenant a statement (the "**Statement**"), which shall state the Operating Expenses and Tax Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount, if any, of any Excess. Within thirty (30) days after Tenant's receipt of the Statement for each Expense Year ending during the Lease Term, Tenant shall pay to Landlord the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as Estimated Excess (as defined in and pursuant to Section 3.2.3.2, below). If any Statement reflects that the amount of Estimated Excess paid by Tenant to Landlord for such Expense Year is greater than the actual amount of the Excess for such Expense Year, then Landlord shall, at Landlord's option, either (i) remit such overpayment to Tenant within thirty (30) days after such applicable Statements is delivered to Tenant, or (ii) credit such

overpayment toward the Additional Rent next due and payable to Tenant under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, if the Statement for the Expense Year in which this Lease terminates reflects that Tenant's payment to Landlord of Estimated Excess for such Expense Year was greater than or less than the actual amount of Excess for such last Expense Year, then within thirty (30) days after Landlord's delivery of such Statement to Tenant, Landlord shall refund to Tenant any such overpayment, or Tenant shall pay to Landlord any such underpayment, as the case may be. The provisions of this Section 3.2.3 shall survive the expiration or earlier termination of the Lease Term.

3.2.3.3 Statement of Estimated Expenses. Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Operating Expenses and Tax Expenses for the then-current Expense Year shall be and the estimated Excess (the "**Estimated Excess**") as calculated by comparing (i) Tenant's Share of Operating Expenses for such then-current Expense Year, which shall be based upon the Estimate, to Tenant's Share of Operating Expenses for the Base Year, and (ii) Tenant's Share of Tax Expenses for such then-current Expense Year, which shall be based upon the Estimate, to Tenant's Share of Tax Expenses for the Base Year, which Estimate Statement may be revised and reissued by Landlord from time to time. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Excess under this Article 4. If pursuant to the Estimate Statement (or a revision thereof) an Estimated Excess is calculated for the then-current Expense Year, Tenant shall pay, with its next installment of Base Rent due, but in no event later than thirty (30) days after receipt of such Estimate Statement, a fraction of the Estimated Excess (or the increase in the Estimated Excess if pursuant to a revised Estimate Statement) for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 3.2.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant.

3.3 Taxes and Other Charges for Which Tenant Is Directly Responsible. Tenant shall reimburse Landlord, as Additional Rent, within ten (10) days after demand, for all taxes and assessments required to be paid by Landlord (except to the extent included in Tax Expenses by Landlord), excluding state, local and federal personal or corporate income taxes measured by the net income of Landlord from all sources and estate and inheritance taxes, whether or not now customary or within the contemplation of the parties hereto, when: (i) said taxes are measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or by the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, to the extent the cost or value of such leasehold improvements exceeds the cost or value of a building standard build-out as determined by Landlord regardless of whether title to such improvements shall be vested in Tenant or Landlord; (ii) said taxes are assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Real Property; or (iii) said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

3.4 Late Charge/Interest. If any installment of Rent shall not be received by Landlord or Landlord's designee within five (5) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to ten percent (10%) of the amount due. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment of Rent by Tenant. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to such late charge, any Rent owing hereunder which is not paid by the date due shall thereafter bear interest until paid at a rate (the "**Interest Rate**") equal to the lesser of (i) twelve percent (12%) per annum, or (ii) the highest rate permitted by Applicable Laws (as defined below).

#### ARTICLE 4 USE OF PREMISES; COMPLIANCE WITH LAW

4.1 Use. Tenant shall use the Premises solely for general office purposes consistent with the character of the Building as a first-class office building and Tenant shall not use or permit the Premises to be used for any other purpose whatsoever. Tenant shall not use or permit any person or persons to use the Premises for any use or purpose contrary to the provisions of the Rules and Regulations (attached hereto as Exhibit "A") or such other reasonable, non-discriminatory rules and regulations as Landlord may make from time to time, and all recorded covenants, conditions, and restrictions now or hereafter affecting the Real Property, or in violation of any applicable laws or ordinances (including laws pertaining to Hazardous Materials, as defined below). Tenant shall comply with the Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of such Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building.

4.2 Hazardous Materials. Except for the use of general office supplies within the Premises which are of a kind typically used in normal office areas in the ordinary course of business, for use in the manner for which they were designed and only in accordance with all Applicable Laws pertaining to Hazardous Materials and the highest standards prevailing in the industry for such use, and then only in such amounts as may be normal for the office business operations conducted by Tenant on the Premises, Tenant shall not use or allow another person or entity to use any part of the Premises for the storage, use, treatment, manufacture or sale of any Hazardous Material, as that term is defined below. As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste which is or becomes regulated by any state, federal or local governmental authority.

4.3 Compliance with Law. Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way violate any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply with all Applicable Laws (including those pertaining to Hazardous Materials). In addition, Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Real Property, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

## ARTICLE 5 SERVICES AND UTILITIES

5.1 Standard Tenant Services. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below.

5.1.1 Subject to reasonable changes implemented by Landlord and to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heat, ventilation and air conditioning ("**HVAC**") when necessary for normal comfort for normal office use in the Premises and the Shared Common Rooms, from Monday through Friday, during the period from 7:00 a.m. to 7:00 p.m. and on Saturdays from 8:00 a.m. to 1:00 p.m. (collectively, the "**Business Hours**"), except for the date of observation of nationally and/or locally recognized holidays as designated by Landlord (collectively, the "**Holidays**").

5.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as reasonably determined by Landlord. Tenant shall bear the cost of replacement of lamps, starters and ballasts for lighting fixtures within the Premises.

5.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.

5.1.4 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Premises.

5.2 Overstandard Tenant Use. If Tenant uses water or HVAC in excess of that supplied by Landlord pursuant to Section 5.1 above, or if Tenant's consumption of electricity shall exceed three (3) watts per usable square foot of the Premises, connected load, calculated on a monthly basis for the Business Hours (the "**Consumption Standard**"), Tenant shall pay to Landlord, as Additional Rent, (i) the cost of such excess consumption, including a fifteen percent (15%) administrative fee, (ii) the cost of the installation, operation and maintenance of equipment which is installed in order to supply such excess consumption, and (iii) the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord (or Landlord's property manager) may install devices to separately meter any increased use, and in such event Tenant shall pay the increased cost directly to Landlord or Landlord's property manager, within ten (10) days after demand, including the cost of installing, maintaining and repairing such additional metering devices and a fifteen percent (15%) administrative fee to cover the additional cost incurred by Landlord in keeping account of any chilled water and/or electrical current so consumed. If Tenant desires to use HVAC or lighting during hours other than the Business Hours (A) to the extent controls for such after-hours HVAC or lighting are not contained with the Premises, Tenant shall give Landlord prior notice, as Landlord shall from time to time establish as appropriate of Tenant's desired use, (B) to the extent such services may be provided without overloading the Building systems and equipment, Landlord (or Landlord's property manager) shall supply such utilities to Tenant at such hourly cost to Tenant as Landlord (or Landlord's property manager) shall from time to time establish (the "**After-Hours HVAC Rate**"), which rate shall be disclosed to Tenant prior to accrual of such charges, and (C) Tenant shall pay such cost to Landlord within ten (10) days after Tenant's receipt of Landlord's invoice therefor.

5.3 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing, for any reason, any service (including telephone and telecommunication services), or for any diminution (for any reason) in the quality or quantity thereof, and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 5.

## ARTICLE 6 REPAIRS

Subject to Article 9 below, Tenant shall, at Tenant's own expense, keep the non-structural, interior portions of the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof so incurred by Landlord plus a five percent (5%) administration fee, within ten (10) days after invoice therefor from Landlord. There shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Real Property, Building or Premises or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives and releases its right to make repairs at Landlord's expense Sections 1941 and 1942 of the California Civil Code, or under any similar applicable laws, statutes, or ordinances now or hereafter in effect.

## ARTICLE 7 ADDITIONS AND ALTERATIONS; NO LIENS

7.1 Landlord's Consent to Alterations. Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than fifteen (15) days prior to the commencement thereof, and which consent may be withheld in Landlord's sole and absolute discretion. Tenant shall pay for all overhead, general conditions, fees and other costs and expenses of the Alterations, and shall pay to Landlord a Landlord supervision fee of five percent (5%) of the cost of the Alterations.

7.2 Manner of Construction. Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved and/or designated by Landlord. Tenant shall construct such Alterations and perform such repairs in conformance with all Applicable Laws and Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Applicable Laws (including, without limitation, California Energy Code, Title 24). All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not to obstruct access to the Building or the common areas for any other tenant of the Real Property, and as not to obstruct the business of Landlord or other tenants in the Building or Real Property, or interfere with the labor force working in the Building or Real Property. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 8 below immediately upon completion thereof. Tenant shall also require that the third-party contractor/vendor maintain all liability policies as outlined in Section 8.2. The contractor/vendor shall defend, hold harmless, indemnify, and provide additional insured status to Landlord and Additional Insureds on a primary non-contributory basis without any privity of contract requirement on all required liability policies herein and shall waive its right of subrogation and have each insurance policy so endorsed. Tenant shall obtain certificates of insurance from each as evidence of required insurance terms and make each available to Landlord upon Landlord's reasonable request. In addition, Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. Upon completion of any Alterations, Tenant shall (i) cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Building is located in accordance with the terms of Section 8182 of the Civil Code of the State of California or any successor statute, (ii) deliver to the Building management office a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

7.3 Landlord's Property. All Alterations, improvements and fixtures which may be installed or placed in or about the Premises shall be at the sole cost of Tenant and shall be and become the property of Landlord. Furthermore, Landlord may require that

Tenant remove any improvement or Alteration made by or on behalf of Tenant upon the expiration or early termination of this Lease, and repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by such removal, Landlord may do so and may charge the cost thereof to Tenant (which Tenant shall pay within ten (10) days after invoice therefor from Landlord).

7.4 No Liens. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Real Property, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. If any such lien is not released and removed on or before the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

## ARTICLE 8 INDEMNIFICATION AND INSURANCE

8.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to property and injury to persons, in, on, or about the Premises from any cause whatsoever and agrees that Landlord, and its partners and subpartners, and their respective officers, agents, property managers, servants, employees, Additional Insureds, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage to property or injury to persons or resulting from the loss of use thereof, which damage or injury is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability including, without limitation, court costs and reasonable attorneys' fees (collectively, "**Claims**") incurred in connection with or arising from any cause in, on or about the Premises (including, without limitation, Tenant's installation, placement and removal of Alterations, improvements, fixtures and/or equipment in, on or about the Premises), and any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, licensees or invitees of Tenant or any such person, in, on or about the Premises, Building and Real Property; provided, however, that the terms of the foregoing indemnity shall not apply to any Claims to the extent caused by the gross negligence or willful misconduct of Landlord and not insured or required to be insured by Tenant under this Lease. The provisions of this Section 8.1 shall survive the expiration or sooner termination of this Lease.

8.2 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts.

8.2.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Broad Form Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 8.1 above (and with owned and non-owned automobile liability coverage, and liquor liability coverage if alcoholic beverages are served on the Premises), for limits of liability not less than \$2,000,000.00 per occurrence and annual aggregate applying on a per location basis for bodily injury, property damage liability, products and completed operations coverage, and personal injury liability.

8.2.2 Physical Damage Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, and(ii) all improvements, alterations and additions now existing or hereafter made to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

8.2.3 Workers' compensation insurance as required by California law, and (ii) loss-of-income, business interruption and extra-expense insurance in such amounts as will reimburse Tenant for direct and indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention loss of access to the Premises or to the Building as a result of such perils.

8.2.4 Form of Policies. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord and its successors and assigns, and its members, managers, principals, beneficiaries, partners, officers, directors, employees, and agents, and any other party it so specifies (collectively, "**Additional Insureds**"), as an additional insured (through a blanket additional insured endorsement); (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 8.1 above;

(iii) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee or ground lessor of Landlord, except that if Tenant's insurance company does not provide notice to additional insureds, Tenant shall notify Landlord within two (2) business days after receiving any notice of change or cancellation of coverage; (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord; and (vii) have commercially reasonable deductible amounts. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificates, within such time periods, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 12.1 below, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within ten (10) days after invoice.

8.3 Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance carried by Landlord and Tenant, respectively, is not invalidated thereby. As long as such waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insurable under policies of insurance for fire and all risk coverage, theft, public liability, or other similar insurance.

## ARTICLE 9 DAMAGE AND DESTRUCTION; CONDEMNATION

9.1 Damage and Destruction. Upon any damage or destruction of the Premises or the Building by fire or other casualty, Landlord shall have the right to terminate this Lease upon written notice to Tenant. If Landlord does not elect to terminate this Lease, and if such damage is a Tenant Damage Event (as defined below), the repair of which cannot, in the professional judgment of a licensed architect or contractor engaged by Landlord, be substantially completed by the date which is sixty (60) days after the date of the damage, then Tenant may elect to terminate this Lease by delivering written notice thereof to Landlord within fifteen (15) days after Tenant becomes aware of such damage. As used herein, a "**Tenant Damage Event**" shall mean damage by fire or other casualty to all or any part of the Premises or any common areas of the Building providing access or essential services to the Premises, which damage (i) is not the result of the negligence or willful misconduct of Tenant or any of the Tenant's agents, employees, contractors, licensees or invitees, (ii) substantially interferes with Tenant's use of or access to the Premises and (iii) would entitle Tenant to an abatement of Base Rent and Tenant's Share of increases in Operating Expenses and Tax Expenses pursuant to the following provisions of this Section 9.1. If either party elects to terminate this Lease pursuant to the foregoing, this Lease shall terminate as of the date of such party's termination notice. If neither party elects to terminate this Lease, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Section 9.1, restore the Base, Shell, and Core of the Premises and such common areas. Such restoration shall be to substantially the same condition of the Base, Shell, and Core of the Premises and common areas prior to the casualty, except for modifications required by Applicable Laws or by the holder of a mortgage on the Building, or any other modifications to the common areas deemed desirable by Landlord, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 8.2.2 (ii) above, and, to the extent Landlord is obligated to restore the Base, Shell, and Core of the Premises and the common areas pursuant to the foregoing provisions of this Section 9.1, Landlord shall also repair any damage to any improvements and Alterations installed in the Premises resulting from such casualty; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of increases in Operating Expenses and Tax Expenses during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied and used by Tenant as a result thereof. The provisions of this Lease, including this Section 9.1, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Real Property, and any statute or regulation of the State of California (including Sections 1932(2) and 1933(4) of the California Civil Code), with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Real Property.

9.2 Condemnation. If the whole of the Premises, or such part thereof as shall substantially interfere with Tenant's permitted use of the Premises, is taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party will have the right to terminate this Lease effective as of the date possession is required to be surrendered to such authority. In connection with any taking of the Premises, Building or Real Property, Landlord will be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

**ARTICLE 10**  
**ASSIGNMENT AND SUBLETTING**

As a material consideration to Landlord entering into this Lease, Tenant agrees that Tenant shall not have the right to, and shall not, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees.

**ARTICLE 11**  
**SURRENDER; OWNERSHIP AND REMOVAL OF TENANT PROPERTY**

11.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

11.2 Removal of Tenant Property by Tenant. Upon the expiration or earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 11, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises (i) all debris and rubbish, (ii) Tenant's signs described in Section 15.8 below, (iii) such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises (including, without limitation, any cabling and/or wiring installed in the Premises by or for Tenant, including cabling and wiring installed about the ceiling of the Premises), and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and (iv) any items installed by or for Tenant required to be removed from the Premises pursuant to Applicable Laws unless otherwise provided in writing by Landlord, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. If Tenant is in default under this Lease, Landlord shall have a lien on such personal property, trade fixtures and other property as and to the extent provided by applicable laws.

**ARTICLE 12**  
**TENANT'S DEFAULTS; LANDLORD'S REMEDIES**

12.1 Events of Default by Tenant. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

12.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due;

12.1.2 To the extent permitted by applicable laws, (i) Tenant being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general assignment by Tenant for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or against Tenant of any proceeding under an insolvency or bankruptcy law, unless in the case of such a proceeding filed against Tenant the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant, unless possession is restored to Tenant within thirty (30) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

12.1.3 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for fifteen (15) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under all applicable laws.

12.2 Landlord's Remedies Upon Default. Upon the occurrence of any such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

12.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following: (i) the worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 12.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Section 12.2.1(i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 12.2.1(iii) above, the "worth at the time of award" shall be 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%).

12.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

12.2.3 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). If Tenant fails to perform any of its obligations or covenants under this Lease, and such failure to perform poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 12.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 12.2.3 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease. Tenant shall pay to Landlord, within ten (10) days after invoice, sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the foregoing provisions of this Section 12.2.3.

12.3 Efforts to Relet. For the purposes of this Article 12, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

12.4 Waiver of Default. No waiver by one party of any violation or breach by the other party of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach by the non-performing party of the same or any other of the terms, provisions, and covenants herein contained, even if such violation shall continue or be repeated subsequently. Any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Forbearance by one party in enforcement of one or more of the remedies herein provided upon a default by the other party shall not be deemed or construed to constitute a waiver of such default. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord

may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

### **ARTICLE 13** **ENTRY BY LANDLORD**

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants; (iii) to post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with all Applicable Laws, or for structural alterations, repairs or improvements to the Building, or as Landlord may otherwise reasonably desire or deem necessary. Notwithstanding anything to the contrary contained in this Article 13, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial or other services required of Landlord pursuant to this Lease. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to enter without notice and use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

### **ARTICLE 14** **SECURITY DEPOSIT**

Concurrent with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in the amount set forth in Section 15 of the Basic Lease Terms. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or any balance thereof, shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Lease Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of applicable laws, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant.

### **ARTICLE 15** **MISCELLANEOUS PROVISIONS**

15.1 **Subordination.** This Lease is subject and subordinate to all present and future ground leases of the Real Property and to the lien of any mortgages or trust deeds, now or hereafter in force against the Real Property, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees if any proceedings are brought for the foreclosure of any such mortgage, or if any ground lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds or ground leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

15.2 Terms; Captions. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

15.3 Binding Effect; Governing Law; Attorneys' Fees. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 10 above. This Lease shall be construed and enforced in accordance with the laws of the State of California. In the event of the commencement of litigation by either party against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment.

15.4 Covenant Of Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

15.5 Transfer of Landlord's Interest. Tenant acknowledges and agrees that: (i) Landlord has the right to transfer all or any portion of its interest in the Real Property and in this Lease; (ii) upon the effective date of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after such effective date; and (iii) the liability of any transferee of Landlord shall be limited to the interest of such transferee in the Real Property and such transferee shall be without personal liability under this Lease, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

15.6 Prohibition Against Recording. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

15.7 Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

15.8 Signage Rights and Limitations. Tenant shall be entitled, at its sole cost and expense, to one (1) identification sign on or near the entry doors of the Premises. Such sign shall be installed by a signage contractor designated by Landlord. The location, quality, design, style, lighting and size of such sign shall be consistent with the Landlord's Building standard signage program for the "Small Suites Program" and shall be subject to Landlord's prior written approval. Upon the expiration or earlier termination of this Lease, Tenant shall be responsible, at its sole cost and expense, for the removal of such signage and the repair of all damage to the Building caused by such removal. Tenant may not install any signs on the exterior or roof of the Building or on or in the common areas of the Building or the Real Property or anywhere which can be seen from the exterior of the Premises. Any other signs, any window coverings or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or any other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

15.9 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between the parties.

15.10 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

15.11 Time of Essence. Time is of the essence of this Lease and each of its provisions.

15.12 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

15.13 Landlord Exculpation. Notwithstanding anything in this Lease to the contrary, and notwithstanding any Applicable Law to the contrary, the liability of Landlord and the Landlord Parties under this Lease (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal

to the interest of Landlord in the Real Property, and neither Landlord nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

15.14 Entire Agreement. The parties hereto agree that there are no oral agreements between them affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease contains all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein.

15.15 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building and Real Property as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building and Real Property. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Real Property.

15.16 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

15.17 Waiver of Redemption by Tenant. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

15.18 Notices. All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant (A) prior to the Commencement Date, at the address set forth in Sections 4, 5 and 6 of the Basic Lease Terms, and (B) after the Commencement Date, at the Premises, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at RREF II Pacific Center LLC, c/o CM Management Services, Inc., 236 S. Sierra Ave., Suite 100, Solana Beach, CA 92075, Attn: Ann Bruce (with a copy to c/o CM Management Services, Inc., 21250 Hawthorne Boulevard, Suite 160-B, Torrance, CA 90503, Attn: Lindsay Palomera), or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date it is mailed as provided in this Section 15.18 or upon the date personal delivery is made or rejected. If Tenant is notified of the identity and address of Landlord's mortgagee or ground lessor, Tenant shall give to such mortgagee or ground lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

15.19 Joint and Several. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

15.20 Authority. Tenant hereby represents and warrants to Landlord that (i) Tenant is a duly formed and existing entity qualified to do business in the State of California, and (ii) Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

15.21 Jury Trial. IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THEN, AS AND TO THE EXTENT PERMITTED BY APPLICABLE LAWS, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY.

15.22 Estoppel Certificates. Within ten (10) days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be in the form as may be required by any prospective mortgagee or purchaser of the Building, indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Failure of Tenant to timely

execute and deliver such estoppel certificate shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

15.23 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both parties.

15.24 Broker. Landlord and Tenant each hereby represents and warrants to the other party that it (i) has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only any broker representing Landlord (if any) and/or any broker representing Tenant (if any), as the case may be, as set forth in Section 22 of the Basic Lease Terms (collectively, the "**Brokers**"), and (ii) knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing in connection with this Lease on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers.

15.25 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

15.26 Building Name and Signage. Landlord shall have the right at any time to change the name of the Building and/or Real Property and to install, affix and maintain any and all signs on the exterior and on the interior of the Building and Real Property as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Building or Real Property or use pictures or illustrations of the Building or Real Property in advertising or other publicity, without the prior written consent of Landlord.

15.27 Landlord Renovations. Tenant acknowledges that Landlord may from time to time, at Landlord's sole option, renovate, improve, or modify (collectively, the "**Renovations**") all or any portion of the Building, Premises, and/or Real Property, and in connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Real Property, including portions of the common areas, or perform work in the Building and/or the Real Property, which work may create noise, dust or leave debris in the Building and/or Real Property. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection therewith, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection therewith.

15.28 Parking. During the Lease Term, Tenant shall have the right to use up to the total number of unreserved parking passes set forth in Section 18 of the Basic Lease Terms (collectively, the "**Unreserved Passes**"), located in those portions of the Building Parking Facility as shall be designated by Landlord from time to time. Tenant shall not be obligated to pay any parking charges to Landlord for the use of such unreserved parking passes during the Lease Term. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations that are prescribed from time to time for the orderly operation and use of the Building Parking Facility and upon Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. In addition, Landlord may assign any parking spaces and/or make all or a portion of such spaces reserved or institute an attendant-assisted tandem parking program and/or valet parking program if Landlord determines in its sole discretion that such is necessary or desirable for orderly and efficient parking. Landlord specifically reserves the right, from time to time, to change the size, configuration, design, layout, location and all other aspects of the Building Parking Facility, and Tenant acknowledges and agrees that Landlord, from time to time, may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, temporarily close-off or restrict access to the Building Parking Facility, or temporarily relocate Tenant's parking passes to other parking structures and/or surface parking areas within a reasonable distance from the Building Parking Facility, for purposes of permitting or facilitating any such construction, alteration or improvements or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Real Property. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to Landlord. The parking passes provided to Tenant pursuant to this Section 15.28 are provided solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

15.29 Substitution of Other Premises. Landlord shall have the right to move Tenant to other space at the Real Property comparable in size to the Premises, and all terms hereof shall apply to the new space with equal force. In such event, Landlord shall give Tenant prior notice of Landlord's election to so relocate Tenant, and shall move Tenant's effects to the new space at Landlord's sole

cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. The new space shall be delivered to Tenant with improvements substantially similar to those improvements existing in the Premises at the time of Landlord's notification to Tenant of the relocation. Simultaneously with such relocation of the Premises, the parties shall immediately execute an amendment to this Lease stating the relocation of the Premises.

15.30 CASp. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of and in connection with such notice: (i) Tenant, having read such notice and understanding Tenant's right to request and obtain a CASp inspection and with advice of counsel, hereby elects not to obtain such CASp inspection and forever waives its rights to obtain a CASp inspection with respect to the Premises, Building and/or Real Property to the extent permitted by applicable laws now or hereafter in effect; and (ii) if the waiver set forth in clause (i) hereinabove is not enforceable pursuant to applicable laws now or hereafter in effect, then Landlord and Tenant hereby agree as follows (which constitute the mutual agreement of the parties as to the matters described in the last sentence of the foregoing notice): (A) Tenant shall have the one-time right to request for and obtain a CASp inspection of the Premises, which request must be made, if at all, in a written notice delivered by Tenant to Landlord on or before the Lease Commencement Date; (B) any CASp inspection timely requested by Tenant shall be conducted (1) between the hours of 9:00 a.m. and 5:00 p.m. on any business day, (2) only after ten (10) days' prior written notice to Landlord of the date of such CASp inspection, (3) in a professional manner by a CASp designated by Landlord and without any testing that would damage the Premises, Building or Real Property in any way, and (4) at Tenant's sole cost and expense, including, without limitation, Tenant's payment of the fee for such CASp inspection, the fee for any reports prepared by the CASp in connection with such CASp inspection (collectively, the "**CASp Reports**") and all other costs and expenses in connection therewith; (C) Tenant shall deliver a copy of any CASp Reports to Landlord within three (3) business days after Tenant's receipt thereof; (D) Tenant, at its sole cost and expense, shall be responsible for making any improvements, alterations, modifications and/or repairs to or within the Premises to correct violations of construction-related accessibility standards disclosed by such CASp inspection; and (E) if such CASp inspection identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building and Real Property located outside the Premises that are otherwise Landlord's obligation to repair under this Lease, then Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by applicable laws to correct such violations, and Tenant shall reimburse Landlord for the cost of such improvements, alterations, modifications and/or repairs within ten (10) business days after Tenant's receipt of an invoice therefor from Landlord.

15.31 Counterparts; Electronic Signatures. This Lease may be executed in multiple counterparts, each of which is to be deemed original for all purposes, but all of which together shall constitute one and the same instrument. Each of the parties to this Lease (i) has agreed to permit the use from time to time, where appropriate, of telecopy or other electronic signatures (including, without limitation, DocuSign) in order to expedite the transaction contemplated by this Lease, (ii) intends to be bound by its respective telecopy or other electronic signature, (iii) is aware that the other will rely on the telecopied or other electronically transmitted signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this Lease and the documents affecting the transaction contemplated by this Lease based on the fact that a signature was sent by telecopy or electronic transmission only.

## EXHIBIT A

### RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building or Real Property.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. The number of keys set forth in the Basic Lease Terms will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building and to exclude from the Building between the hours of 5:00 p.m. and 8:00 a.m. and at all hours on Saturday, Sunday and Holidays (as defined in the Lease) all persons who do not present a pass or card key to the Building approved by Landlord. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen or damaged cards. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building or Real Property of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or Real Property during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building and/or Real Property, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than twenty-four (24) hours' prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

6. Landlord shall have the right to control and operate the public portions of the Building and Real Property, the public facilities, the HVAC, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.

7. The requirements of Tenant will be attended to only upon application at the management office of the Real Property or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

8. Tenant shall not disturb, solicit, or canvass any occupant of the Building or Real Property and shall cooperate with Landlord or Landlord's agents to prevent same.

9. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

10. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on

EXHIBIT A

the interior walls of the Premises (but at the end of the Lease Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

11. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

12. Tenant shall not use any method of HVAC other than that which may be supplied by Landlord, without the prior written consent of Landlord.

13. Tenant shall not use or keep in or on the Premises or the Real Property any kerosene, gasoline or other inflammable or combustible fluid or material. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building or Real Property by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therein.

14. Tenant shall not bring into or keep within the Real Property or the Premises any animals, birds, bicycles or other vehicles.

15. No cooking shall be done or permitted by any tenant on the Premises and/or any common area kitchen areas, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises and/or any common area kitchen areas for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable laws, and does not cause odors which are objectionable to Landlord and other tenants.

16. Landlord will approve where and how telephone and telegraph wires are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

17. Landlord reserves the right to exclude or expel from the Building and/or Real Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's HVAC system, and shall refrain from attempting to adjust any controls.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city in which the Building is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building and Real Property shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

24. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Real Property.

25. The term "personal goods or services vendors" as used herein means persons who periodically enter the Building for the purpose of selling goods or services to a tenant, other than goods or services which are used by the Tenant only for the purpose of conducting its business in the Premises. "Personal goods or services" include, but are not limited to, drinking water and other beverages, food, barbering services and shoeshining services. Landlord reserves the right to prohibit personal goods and services vendors from access to the Building and/or Real Property except upon Landlord's prior written consent and upon such reasonable terms and conditions,

#### EXHIBIT A

including, but not limited to, the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Building and Real Property, the preservation of good order thereon, and the relief of any financial or other burden on Landlord or other tenants occasioned by the presence of such vendors or the sale by them of personal goods or services to Tenant or its employees. Under no circumstance shall the personal goods or services vendors display their products in a public or common area, including corridors and elevator lobbies. If necessary for the accomplishment of these purposes, Landlord may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Building and/or Real Property .

26. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

27. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority.

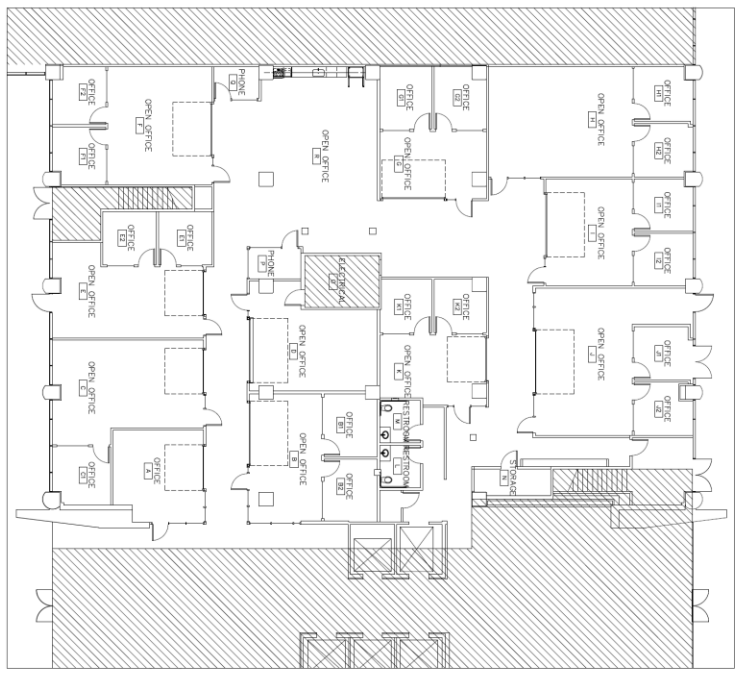
28. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building and/or Real Property. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building and Real Property, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

#### EXHIBIT A

**EXHIBIT B**  
**DEPICTION OF PREMISES**

**CRUZAIN**  
TORRANCE SMALL SUITES

SCALE: 1/16" = 1'-0"



**THE TORRANCE - SMALL SUITES PROGRAM**  
**BASIC LEASE TERMS**

DATE: ~~May~~ <sup>June</sup> 9, 2026

**TENANT INFORMATION:**

1. Business Name: New Millennium Secondary School	2. State/Entity Type: California Non-Profit Public Benefit Corporation	3. Signatory: Nichole Sims, COO
4. Current / Billing Address: 1301 W 182 <sup>nd</sup> St, Ste G	5. City/State: Gardena, CA	6. Zip Code: 90248
7. Telephone: (310)999-6162	8. Email: nsims@newmillenniumschool.org	

**PREMISES INFORMATION:**

9. Address: 21250 Hawthorne Blvd., Torrance, CA 90503	10. Suite/Rentable Square Footage: Suite J; 1,397 rentable square feet
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**LEASE TERM:**

11. Commencement Date: June 9, 2026	12. Expiration Date: June 30, 2027	13. Term: 12 months and 22 days
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**RENT & SECURITY DEPOSIT:**

14. Monthly Base Rent			15. Security Deposit:
Period of Lease Term	Annual Base Rent	Monthly Base Rent	
6/9/2026 – 6/30/2027	\$72,084	\$6,007	\$12,014

**USE:**

16. Type of Business: Educational / Administrative School Operations	17. # of Employees: <u>(6)</u>
18. Unreserved Parking Spaces: Four (4)	19. # of Access Cards: <u>4</u> (up to 4)

**ADDITIONAL RENT:**

20. Tenant's Share: 0.45% (i.e., 1,397 rentable square feet in the Premises/310,638 rentable square feet within the Building)  Notwithstanding anything in the Lease to the contrary, Tenant shall have no obligation to pay Tenant's Share of Operating Expenses and Tax Expenses for the initial Lease Term.	21. Base Year: Calendar year 2026
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**BROKERS (IF ANY):**

22. CBRE, Inc., representing Landlord, and Real Brokerage, representing Tenant.
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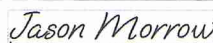
**COMMENTS:**

Tenant shall pay, upon Lease signing, \$10,412.13 for June (partial month) and July Rent, along with the Security Deposit of \$12,014 for a total of \$22,426.13
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*This Lease incorporates the above Basic Lease Terms into the attached Lease Document (together, the "Lease"). Tenant confirms that they have read and understand the Lease. Both Landlord and Tenant agree to comply with all of the terms and obligations.*

**TENANT:**

**LANDLORD:**

Name: Nichole Sims	Name: Jason Morrow
Signature 	Signature  <small>BOX SIGN 42K62R5W-4QW51YZQ</small>
Date: 6/1/2026	Date: Jun 9, 2026