LEASE AGREEMENT

Adventure Time Extended Day Care at James Madison Elementary School

This lease made and entered into as of _____, 2013 and between the SAN LEANDRO UNIFIED SCHOOL DISTRICT OF ALAMEDA COUNTY, STATE OF CALIFORNIA, a public corporation, hereinafter referred to as "LESSOR", and ADVENTURE TIME, a. CHILD CARE SERVICE PROVIDER organized under the laws of the State of California, hereinafter referred to as "LESSEE".

The LESSOR has determined that it is in the best interests of the community and the LESSOR to have child care services offered before and after school hours at JAMES MADISON ELEMENTARY SCHOOL. Students enrolled in JAMESMADISON ELEMENTARY SCHOOL will be given first consideration and priority for placement in the extended day care center operated by ADVENTURE TIME. Other District students will be given second consideration and priority for placement in this same center. The LESSEE agrees to provide school age child care services under the following terms and conditions.

AGREEMENT

WHEREAS, LESSOR is the Owner of that certain real property located in the County of Alameda, State of California, and commonly only known as JAMES MADISON; and

WHEREAS, In order to accommodate additional students, Lessee desires to lease from Lessor one modular classroom, Room _____, at James Madison Elementary School.

NOW, THEREFORE, in consideration of the mutual covenants and agreements, herein contained, the LESSOR does hereby lease to the LESSEE and the LESSEE does hereby lease modular classroom, Room ____.

LESSEE will comply with all Local, State and Federal regulations governing the operation of a child care facility at JAMES MADISON ELEMENTARY SCHOOL

Subject to licensing regulations of the State of California, the classroom will be licensed for a minimum of 35 youths at one time.

The school age child care program will operate from 7:00 a.m. to 6:00 p.m. Any adjustments in time must be approved by the LESSOR.

The TERM OF THIS LEASE is for a period of one (1) year commencing July 1, 2013, and ending on the thirtieth day of June, 2014. By mutual consent of the parties, the lease may be extended for three (3) additional one (1) year periods. The lessee shall have the option of not using said facilities from July 1 through August 31, 2013 of each year in which case no payments will be due and payable for that period of time. Each party has 30 days to terminate the agreement in writing.

The RENTAL AMOUNT shall be $1,045.94 per month beginning January 1, 2014 through June 31, 2014, and be payable at the beginning of each month for the duration of this lease agreement.

*The RENTAL AMOUNT will be adjusted annually by The San Francisco Bay Area Consumer Price Index (CPI) percentage.

LESSEE shall not make, or suffer to be made, any alterations of said premises, or any part thereof of the said premises, except movable furniture and trade fixtures.

LESSEE shall not use any equipment, material or supplies belonging to the LESSOR without first obtaining the written consent of the LESSOR.

LESSEE shall use the leased premises during the term hereof exclusively for educational purposes as stated on the Bid Form. LESSEE shall have the full right of occupancy and enjoyment to said real property and personal property located thereon during the term of this lease; except that the LESSOR shall have the right to enter on said premises at reasonable times for the purpose of inspecting same and for the purpose of carrying out its obligations under this lease agreement.

Should a possessory interest tax, or any real property or personal property tax, or a non- use payment be assessed against the District as a result of the lease of the above premises, the LESSEE, in addition to rental, shall reimburse the District for the full amount of said taxes, assessments, or payments.

LESSEE agrees to secure public liability and property damage insurance covering its use of these leased premises with a single limit of One Million Dollars ($1,000,000). Said insurance shall name the SAN LEANDRO UNIFIED SCHOOL DISTRICT, its officers and employees as additional insured. The policy or policies shall provide that the insurance thus afforded LESSOR shall be primary insurance and other liability and property damage insurance of LESSOR shall be excess and shall not be called upon to contribute until the limits of the policy or policies procured by LESSEE are exhausted.

A certificate or certificates of insurance shall be filed with the LESSOR prior to the commencement of the Agreement and shall provide that LESSOR shall be notified in writing no less than thirty (30) days in advance of cancellation of said insurance. Notification shall be in writing to SAN LEANDRO UNIFIED SCHOOL DISTRICT, 14735 Juniper Street, San Leandro, California 94579, Attention: Business Office.

LESSEE agrees that if the premium on LESSOR's basic fire insurance policy covering the premises is increased because of the use by LESSEE, it will pay the additional premium. LESSOR agrees to have issued a fire legal liability release on behalf of the LESSEE. LESSEE agrees to indemnify and save harmless the SAN LEANDRO UNIFIED SCHOOL DISTRICT, its Board of Trustees, officers, agents, and employees and representatives from all claims, lawsuits or actions of every name, kind and description, brought for, or on account of injuries to or death of any person, including LESSEE or any servant of LESSEE, or damage to property of any kind whatsoever including intangible property and to whomsoever belonging, INCLUDING BUT NOT LIMITED TO SUCH INJURIES, DEATH, OR DAMAGE CAUSED BY THE CONCURRENT ACTIVE OR PASSIVE NEGLIGENCE OF THE SCHOOL DISTRICT, ITS BOARD OF TRUSTEES, OFFICERS, AGENTS, EMPLOYEES AND REPRESENTATIVES, where such injuries, death or damages occurred in, upon, or in any manner by reason of LESSEE's use of the School District's premises or property, provided that this indemnity obligation shall not apply to injuries for which School District has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence.

The duty of LESSEE to indemnify and save harmless as set forth herein shall include the duty to defend as established in Section 2778 of the California Civil Code, and the duty to defend shall arise upon the making of any such claim against the School District or its officers or employees or agents notwithstanding that no adjudication of the underlying facts has occurred, and whether or not LESSEE has also been sued.

LESSEE agrees at the expiration of the term of this lease or upon earlier termination thereof for any reason, to quit and surrender said premises, fixtures, and equipment in as good a state and condition as reasonable use and wear will permit, damage by the elements excepted, and to repair all damage to said leased premises caused by its occupancy thereof.

This Agreement is and shall be binding upon the successors and assign of the respective parties hereto.

Time is hereby expressly declared to be the essence of this Agreement and of all the covenants, agreements, and conditions and obligations herein contained.

LESSOR and LESSEE hereby further covenant and agree to keep and perform and be bound by the covenants and agreements hereinbefore set forth to be kept and performed by them respectively.

LESSEE shall not use, or permit said premises, or any part thereof, to be used, for any purpose or purposes other than the purpose or purposes for which the said premises are hereby leased; and no use shall be made or permitted to be made of said premises, nor acts done, which will cause a cancellation of any insurance policy covering said building, or any part thereof, nor shall LESSEE sell, or permit to be kept, used or sold, in or about said premises, any· article which may be prohibited by the ·standard form of fire insurance policies. LESSEE shall, at his sole cost and expense, comply with any and all requirements, pertaining to said premises, of any insurance organization or company, necessary for the

maintenance of reasonable fire and public liability insurance, covering said buildings and appurtenances.

LESSEE shall not commit waste on the premises demised herein, nor maintain, commit, or permit the maintenance or commission of a nuisance or hazard thereon, and shall maintain the buildings and grounds in a neat, clean, safe and sanitary condition. Nor shall LESSEE use such premises for an unlawful purpose. LESSEE shall conform to all applicable laws and ordinances respecting the use and occupancy of the property leased herein.

LESSEE shall, at his sole cost and expense, comply with all of the requirements of any Municipal, State and Federal authorities now and shall faithfully observe in the use of the premises all Municipal Ordinances and State and Federal Statutes now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of LESSOR/LESSEE in any action or proceeding against LESSEE, whether LESSOR be a party hereto or not, that LESSEE has violated any such ordinance or statute in the use of the premises, shall be conclusive of the fact as between LESSOR and LESSEE. Commencement of the Agreement shall be conditioned upon notification by the LESSEE to the LESSOR that all such requirements have been met.

LESSEE shall not assign this Agreement, or any interest therein, and shall not sublet the said premises or any part thereof, or any right or privilege appurtenant thereof, or suffer any other person (the agents and servants of LESSEE excepted) to occupy or use the said premises, or any portion thereof, without the written consent of LESSOR first had and obtained a consent to one assignment, subletting, occupation or use by any other person, shall not be deemed to be consent to any subsequent assignment, subletting occupation or use, by another person. Any such assignment or subletting without such consent shall be void, and shall, at the option of LESSOR, terminate this Agreement. This Agreement shall not, nor shall any interest therein, be assignable as to the interest of LESSEE, by operation of law, without the written consent of LESSOR.

LESSEE shall permit LESSOR and his agents to enter into and upon the leased premises at all reasonable times for inspection of the general condition of the premises and for maintenance necessary for the protection of the Lessor's interest in the premises as a whole.

This Agreement may be terminated at the option of LESSOR or LESSEE for failure of either party to perform the covenants herein contained at the time and in the manner herein provided, and if either party does not correct the failure or breach within thirty (30) days of written notice.

If this Agreement is declared void by a court of law, LESSEE agrees that LESSOR shall not be held liable to LESSEE in damages.

All play areas are to be made available for community use as required from time to time by LESSOR. Arrangements for use of playground facilities shall be made by ADVENTURE TIME with the SCHOOL SITE PRINCIPAL.

If LESSEE shall default in the payment of any rent or charge or sum of money due, or to be paid by LESSEE hereunder, and such default shall continue for a period of five (5) · days after written notice thereof from LESSOR, or if LESSEE shall conduct, or permit any act of waste or nuisance on or with respect to the leased premises or any portion thereof, and the same shall not be corrected within five (5) days after written notice thereof from LESSOR, or if LESSEE shall default in the performance or observance of any other term, covenant, agreement, or obligation of this Agreement to be performed or observed by LESSEE, and such default shall continue for a period of ten (10) days after written notice thereof by LESSOR, or if the LESSEE shall vacate or abandon the leased premises, then LESSOR shall have, in addition to any other remedies available at law, without further notice to LESSEE, and without barring later election of any other remedy, any one or more of the following remedies at LESSOR's election:

a) LESSOR may require strict performance of all the terms, covenants, agreements, and obligations hereof as the same shall accrue, and have the right of action therefor; or

b) By written notice to LESSEE, LESSOR may terminate this Agreement, re-enter the leased premises by process of law, remove all parties in possession therefrom and repossess said leased premises, in which event,

c) LESSOR shall have the right to recover from LESSEE:

    1) The worth, at the time of the award of the unpaid rent that had been earned at the time of termination of this Agreement.

    2) The worth, at the time of the award of the amount by which the unpaid rent would have been earned after the date of termination of this Lease until the time of award exceeds the amount of loss of rent that LESSEE proves could have been reasonably avoided.

    3) The worth, at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that LESSEE proves could have reasonably been avoided.

    4) Any other amount, and court costs, necessary to compensate LESSOR for all detriment approximately caused by LESSEE's default.

    5) "The worth, at the time of the award", as used in I) and 2) of this Subparagraph c) is to be computed by allowing interest at the rate of ten (10%) percent per annum, or the maximum lawful rate, whichever is the lesser; "the worth, at the time of the award", as referred to in 3) of this Subparagraph c) is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one (I%) percent, or the maximum lawful rate, whichever is the lesser.

Both parties shall make every reasonable effort to resolve any emergent issues at the site level.

LESSOR may, at its discretion, conduct an annual parent survey to verify the LESSOR's interests as stated in this agreement are being satisfactorily met Any such survey will be coordinated with LESSEE prior to being conducted and results of any survey will be shared openly with LESSEE.

IN WITNESS WHEREOF, on the day and year first above written, the LESSOR and LESSEE have executed this Agreement

(LESSEE)	(LESSOR)
ADVENTURE TIME	**SAN LEANDRO UNIFIED SCHOOL DISTRICT**
_____	_____
DATE: ----------	DATE: ----------