LEASE AGREEMENT
Between
HILL COUNTRY COMMUNITY CLINIC
And
CALIFORNIA HERITAGE YOUTHBUILD ACADEMY

This Lease Agreement ("Agreement") is made and entered into on Jan. 1, 2026 (the "Effective Date"), by and between **HILL COUNTRY COMMUNITY CLINIC**, hereinafter referred to as "Lessor," and **CALIFORNIA HERITAGE YOUTHBUILD ACADEMY (CHYBA)**, hereinafter referred to as "Lessee." Each may be referred to individually as a "Party" and collectively as the "Parties," and agree to the following terms:

1. **DESCRIPTION OF LEASED PREMISES**: Lessor agrees to lease to Lessee 1090 square feet (SF) of space, located at 29632 Highway 299 East, Round Mountain, California 96084, hereinafter known as the "Premises". In addition to the leased space, Lessee shall have occasional, scheduled access to the kitchen and community room as agreed upon by both parties.

2. **USE OF LEASED PREMISES**: Lessor leases the Premises to Lessee and Lessee hereby agrees to lease the Premises for the following purpose:
   a. The Premises will serve as an educational and workforce development facility for staff and students involved in Lessee's Workforce Recovery Training Program.
   b. There will be no change in use or purpose of the Premises other than as described above during the period of the lease.

TERM OF LEASE: The term of this Agreement shall be five (5) years (the "Initial Term"), starting on the Effective Date and ending on December 31, 2031. Upon the expiration of the Initial Term, this Agreement may be renewed with written notice from either party at least sixty (60) days before the expiration date.

3. **RENT:** The total lease payment for the five (5) years of this Agreement is **$77,000**, payable in full upfront upon commencement of this Agreement. This amount includes $66,000 for the 1,090 square feet of leased space, calculated at $1.10 per square foot per month ($1,100 per month for 60 months). Additionally, an annual access fee of $2,200/per year for scheduled use of the kitchen and community room is included, totaling $11,000 over five years.

4. **GROSS LEASE**: This Agreement is intended to be a "Gross Lease," meaning that the Rent paid by the Lessee is the total monthly rent. As such, Lessee shall not be responsible for any additional expenses, including but not limited to utilities, real estate taxes, property insurance (except for insurance covering Lessee's personal property or any improvements made by Lessee), or any other charges or expenses related to the ownership and operation of the Premises.

5. **LEASEHOLD IMPROVEMENTS**:
   a. Lessee may not make any improvements, alterations, or changes to the Premises or building exterior (except as listed in addenda) without written consent from Lessor, which will not be unreasonably withheld. Any improvements that become affixed to the Premises will remain the property of Lessor at the end of the lease. All improvements must comply with applicable federal, state, or local codes.
   b. Lessee is not authorized to place a mechanic's lien or any other encumbrance on the Premises or rents. If a lien is placed due to Lessee's actions, Lessee must pay it, bond against it, and remove it immediately. If not, Lessor may remove it at Lessee's expense, and failure to do so will be considered a default.

11. DEFAULT AND POSSESSION:

Termination by Lessor: Lessor may not terminate this lease or take possession of the Premises before the expiration of the lease term unless Lessee has committed a material and uncured breach of this Agreement. In the event of an alleged default by Lessee, Lessor must provide written notice specifying the nature of the default and allow Lessee at least 60 days to cure such default before pursuing termination.

If termination occurs due to force majeure, destruction of premises, or legal restrictions making the lease impossible to fulfill, both parties shall coordinate in good faith with the granting agency to determine appropriate next steps.

If Lessee fails to comply with any material term or condition of this Agreement, and such failure remains uncured for 60 days after receiving written notice from Lessor specifying the default, Lessor may declare this Agreement terminated and take possession of the Premises. However, Lessor shall not terminate this lease for any reason that would violate the terms of Lessee's federally funded grant agreement, and Lessor agrees to cooperate in good faith to address any grant-related compliance issues before pursuing termination.

Lessee's Property: If this Agreement is terminated for any reason, Lessor shall not seize, withhold, or dispose of Lessee's personal property, equipment, or fixtures. Lessor may only retain property expressly abandoned by Lessee in writing.

Legal Action: If either Party initiates legal action to enforce this Agreement, the prevailing Party shall be entitled to recover **reasonable attorney's fees and court costs**.

13. INDEMNIFICATION: Each Party agrees to indemnify, defend, and hold harmless the other Party from and against any claims, damages, liabilities, losses, or expenses (including reasonable attorney's fees) arising from the indemnifying Party's negligence, willful misconduct, or failure to comply with its obligations under this Agreement.

However, neither Party shall be required to indemnify the other for claims, damages, or liabilities resulting from the negligence, misconduct, or unlawful actions of the indemnified Party or its agents.

14. BANKRUPTCY - INSOLVENCY: If Lessee's assets are placed in receivership or bankruptcy proceedings, or if Lessee makes an assignment for the benefit of creditors, this Agreement or any interest in the Premises shall not be considered an asset in those proceedings. In such cases, in addition to other remedies available to Lessor, Lessor may terminate this Agreement, re-enter the Premises, take possession, remove all persons, and Lessee shall have no further claim to the Premises.

15. FORCE MAJEURE: If performance under this Agreement is delayed, hindered, or prevented due to a Force Majeure event (including, but not limited to, natural disasters, pandemics, government restrictions, or damage to the Premises), the affected Party shall **not be deemed in breach of this Agreement**.

If a Force Majeure event **renders the Premises unusable for a period of thirty (30) consecutive days or more**, Lessee shall have the right to:

- **Suspend its use of the Premises and extend the lease term accordingly, or**
- **Terminate this Agreement without penalty.**

In the event of termination, the Parties agree to coordinate in good faith with CHYBA's grantor to determine the appropriate handling of prepaid lease funds.

22. **AMENDMENT**: This Agreement may be modified or amended in writing, if the writing is signed by both parties obligated under the amendment.

23. **BINDING EFFECT**: This Agreement and any amendments thereto shall be binding upon Lessor and Lessees and/or their respective successors, heirs, assigns, executors, and administrators.

IN WITNESS WHEREOF, Parties have executed and entered into this Agreement as of the effective date above.

HILL COUNTRY COMMUNITY CLINIC

By. Jo Campbell
Jo Campbell, Chief Executive Officer

Date: January 20, 2026

CALIFORNIA HERITAGE YOUTHBUILD ACADEMY

By. Cathy Taylor
Cathy Taylor, Executive Director

Date: Updated August 18, 2025