

# **LEASE AGREEMENT**

Between

**L519 CA LLC**, a Delaware limited liability company

**“Landlord”**

and

**OAKLAND SCHOOL FOR THE ARTS**

a California nonprofit public benefit corporation

**“Tenant”**

Address: 519 17<sup>th</sup> Street, in the City of Oakland

County: Alameda

State: California

# **LEASE AGREEMENT**

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Exhibit A -	Description of the Premises
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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this “**Lease**”) is made and entered into effective as of April 18, 2025 (the “**Effective Date**”), by and between **L519 CA LLC**, a Delaware limited liability company (“**Landlord**”), and **OAKLAND SCHOOL FOR THE ARTS**, a California nonprofit public benefit corporation (“**Tenant**”).

### RECITALS

WHEREAS, Landlord and Tenant are also parties to that certain Agreement of Sale of even date herewith (the “**Agreement of Sale**”), whereby Landlord as Seller desires to sell the Property (defined in Section 2 of the Agreement of Sale, which is inclusive of the Premises (hereinafter defined)) to Tenant as Buyer, and Tenant as Buyer desires to purchase the Property from Landlord as Seller on the terms and conditions set forth in the Agreement of Sale.

WHEREAS, Landlord and Tenant wish to enter into this Lease to lease the Premises (hereinafter defined) whereby Landlord leases to Tenant and Tenant leases from Landlord during the period between the Approval Date (as defined in the Agreement of Sale) and the Closing Date (as defined in the Agreement of Sale).

### AGREEMENT

NOW, THEREFORE, in consideration of the agreements hereinafter set forth to be kept and performed by the parties hereto, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises hereinafter described, for the term, at the rental and subject to and upon the following terms, conditions and agreements:

1. **Premises and Term.** The premises leased herein consists of that certain improved parcel of land commonly known as 519 Seventeenth Street, Oakland, California 94612, and more particularly described on Exhibit A attached hereto and made a part hereof for all purposes, together with all rights, privileges, easements and appurtenances belonging or in any way pertaining thereto (such land and additional rights being hereinafter collectively referred to as the “**Land**”), together with the building and other improvements and appurtenances that are located on the Land (such building and improvements being hereinafter collectively referred to as the “**Improvements**”) and the machinery, equipment and systems necessary for the operation of the Improvements that are “**fixtures**” pursuant to applicable law (hereinafter collectively referred to as the “**Fixtures**”), TO HAVE AND TO HOLD the same from even date herewith and for a term (the “**Term**”) commencing on the Effective Date and expiring on the day before the first anniversary of the date of the Effective Date (the “**Expiration Date**”); provided however that Tenant shall have the right to extend the Term, and the Expiration Date, for another six (6) calendar months after the originally scheduled Expiration Date but only in accordance with the terms and conditions of Section 10 of the Agreement of Sale. The Land, together with the Improvements and Fixtures thereon, shall hereinafter collectively be referred to as the “**Premises**”.

Notwithstanding anything to the contrary contained herein, in the event that Tenant as Buyer under the Agreement of Sale terminates the Agreement of Sale prior to the Approval Date, this Lease shall be null and void and of no further force or effect, and neither Landlord nor Tenant shall have any further rights, duties, liabilities or obligations to the other by reason hereof.

2. **Acceptance of Premises in “As-Is” Condition.** **TENANT ACKNOWLEDGES THAT TENANT ACCEPTS POSSESSION OF THE PREMISES IN ITS “AS IS” PHYSICAL CONDITION AS OF THE EFFECTIVE DATE. LANDLORD MAKES NO WARRANTY OR**

**REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, EITHER AS TO ITS FITNESS FOR USE, ITS DESIGN OR CONDITION, OR ANY PARTICULAR USE OR PURPOSE TO WHICH THE PREMISES MAY BE FIT, OR OTHERWISE, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY DEFECTS, LATENT OR PATENT, IT BEING AGREED THAT ALL SUCH RISKS ARE BORNE BY TENANT.**

3. **Rent.**

(a) Tenant shall pay to Landlord base rent (hereinafter referred to as the “**Base Rent**”) during the Term in the amount specified on Exhibit B attached hereto and made a part hereof for all purposes, in equal monthly installments, in advance, without notice, demand, set-off or abatement, with the first such monthly installment to be due and payable on the first day of the Term, and thereafter each monthly installment to be due and payable on or before the first (1st) day of each succeeding calendar month during the Term. Rent for any fractional month at the beginning or the end of the Term shall be prorated on a per diem basis.

(b) Except as otherwise provided in this Lease, any sum owed by Tenant to Landlord under this Lease (other than Base Rent), and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered “additional rent,” and shall be paid by Tenant to Landlord no later than thirty (30) days after the date Landlord notifies Tenant of the amount thereof and provides reasonable documentation evidencing the amount to be paid. Base Rent and any additional rent are hereinafter collectively referred to as “rent”. Landlord shall have the same remedies which are provided to Landlord in this Lease, at law or in equity for the non-payment of additional rent as Landlord would have for the non-payment of Base Rent.

(c) All payments of rent shall be made to Landlord as the same shall become due, by wire transfer of immediately available funds to an account designated from time to time by Landlord, or by check or cashier’s check, at the address specified in Section 25 hereof, or to such other party or at such other address as may hereafter be designated by Landlord by written notice delivered to Tenant at least fifteen (15) days prior to the next ensuing monthly rental payment date. In the event Landlord does not receive payment of any installment of the Base Rent or additional rent then due and payable within five (5) Business Days (as defined in Section 31 hereof) of the date the same is due and payable, Tenant shall pay to Landlord as a “late charge” for additional costs incurred by Landlord for administration, an amount equal to Five and 00/100 (\$5.00) Dollars for each One Hundred and 00/100 (\$100.00) Dollars of Base Rent and/or additional rent so overdue, and such “late charge” shall be collectible as additional rent by Landlord. In the event any of Tenant’s checks are returned for insufficient funds or for any other reason, or if said checks are unable to be deposited or cashed by Landlord, Tenant shall pay to Landlord, as additional rent, a “service charge” of One Hundred Fifty and 00/100 (\$150.00) Dollars in each instance, for additional costs incurred by Landlord for administration, and Landlord shall have the right to thereafter request that any amounts due and payable by Tenant to Landlord hereunder be paid by certified or bank check.

4. **Net Lease.** This Lease shall be an absolute “net” lease, so that this Lease shall yield all Base Rent payable hereunder as an absolutely net return to Landlord. Accordingly, with the sole exception of Excluded Amounts (as defined in Section 7(b) hereof) and except as otherwise expressly provided herein, Tenant shall pay all taxes, assessments, insurance, ground rents, repair costs, easement charges, association fees, and other costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, including, without limitation, costs with respect to the ownership and operation, and all repairs, maintenance and replacements thereof, which accrue and are applicable to periods of time during the Term, even if such amounts may not be billed until after the expiration of the Term. Tenant’s obligation to pay all amounts described in this Section 4 shall survive the expiration or earlier termination of the Term.

5. **Use.** Tenant shall use the Premises as an educational and office building with ancillary uses incidental thereto or for any other legally permitted use. Tenant will not permit any unlawful occupation, business or trade to be conducted on the Premises, or any use to be made thereof contrary to Applicable Laws or the terms of each insurance policy carried by Landlord with respect to the Premises or the requirements of the issuer of such policy. Tenant will not use, occupy or permit any of the Premises to be used or occupied, nor do or permit anything to be done in or on any of the Premises, in a manner which would: (i) violate any certificate of occupancy, zoning compliance certificate, or equivalent certificate affecting the Premises; or (ii) make void or voidable any insurance held by Landlord with respect to any of the Premises; or (iii) adversely affect in any material manner the ability of Landlord to reasonably obtain applicable insurance; or (iv) cause any injury or damage to any of the Improvements; or (v) constitute a public or private nuisance or waste. Except as otherwise provided in this Lease, Tenant covenants and agrees that Tenant will obtain and maintain, at Tenant's sole cost and expense, all licenses and permits from any and all governmental or quasi-governmental agencies, authorities, departments, bureaus, bodies or officials having jurisdiction of the demised premises which may be necessary for the conduct of Tenant's business therein.

6. **Utility Charges.** Tenant, at its own expense and risk, shall arrange (with the cooperation of Landlord, but at no cost or expense to Landlord) with the appropriate utility companies and service providers for the provision to the Premises of water, sewer, trash collection, electricity, gas, heating, ventilation and air-conditioning, telephone, window washing, extermination, and all other utilities and services desired by Tenant. Tenant shall pay directly to the appropriate utility companies and service providers all "hook-up" or connection charges, charges for improvements and charges for all utilities consumed in and services performed for the Premises, as and when such charges become due and payable. To the extent the invoices for any such utilities and services are received by Landlord, Landlord shall forward such invoices to Tenant and Tenant shall pay the charge for such utilities and services directly to the utility or service provider. If Tenant does not promptly pay for any such utilities and services, then Landlord may pay for such utilities and services directly and Tenant shall reimburse Landlord for such charges, as additional rent, within fifteen (15) days after Tenant's receipt from Landlord of written demand therefor.

7. **Taxes.**

(a) Tenant shall pay all Impositions (as hereinafter defined) before they become delinquent. Tenant shall deliver to Landlord receipts or other reasonably satisfactory evidence of timely payment of all Impositions so paid by Tenant. To the extent that any such Impositions are imposed upon Landlord, Tenant shall pay such Impositions directly to the taxing authority. If the Term expires on a day other than the last day of a calendar year or tax fiscal year, then Tenant's liability for Impositions for such calendar year or tax fiscal year shall be apportioned by multiplying the amount of Impositions for the full calendar year or tax fiscal year, as the case may be, by a fraction, the numerator of which is the number of days during such calendar year or tax fiscal year falling within the Term, and the denominator of which is three hundred sixty-five (365).

(b) The term "**Impositions**" shall mean, collectively, taxes assessed, levied or imposed upon the Premises, including, without limitation, any real estate taxes applicable to periods of time during the Term, all taxes or other impositions that are in the nature of or in substitution for real estate taxes, vault and/or public space rentals, business improvement district or arena taxes, water charges, sewer rents, gross receipts or rent taxes (including commercial rent tax) with respect to the rent paid by Tenant under this Lease, as well as special user fees, license fees, permits, improvement bonds, levies, improvement district charges, governmental charges, rates and assessments, general, special, ordinary or extraordinary, foreseen and unforeseen, that are imposed upon Landlord, Tenant or the Premises, fixtures, machinery, equipment or systems used in connection with the Premises (including any Tenant's Business

Property) or the business being operated on the Premises, and specifically including any assessments, charges, fees or expenses payable by Landlord or with respect to the Premises pursuant to any Title Encumbrance (as defined in Section 9 hereof). Notwithstanding the foregoing, in no event shall Tenant be liable hereunder for or be required to pay the following (hereinafter collectively referred to as the “**Excluded Amounts**”): (i) income, profit, excise, estate, gift, inheritance or franchise taxes levied, assessed or imposed upon Landlord; (ii) financing costs for any fee mortgages granted by Landlord with respect to the Premises; (iii) any transfer taxes imposed by reason of a transfer of all or a portion of Landlord’s interest in the Premises or this Lease; or (iv) any transfer taxes imposed by reason of this Lease or the lease of the Premises.

(c) At its own expense, Tenant may apply for any applicable real estate tax exemption provided for under Tenant’s use and occupancy of the Premises and may contest by appropriate legal proceedings conducted in good faith, the amount of real estate taxes; provided however, that (i) Tenant shall notify Landlord of such contest in writing, (ii) such proceeding shall suspend the collection thereof from the Premises or any interest therein, (iii) neither the Premises nor any interest therein would be in any danger of being sold, forfeited or lost by reason of such proceedings, (iv) Tenant may not contest real estate taxes if an Event of Default has occurred and is continuing, (v) Tenant shall have deposited with Landlord adequate reserves for the payment of real estate taxes, together with all interest and penalties thereon, unless paid in full under protest, (vi) Landlord shall reasonably cooperate (at no cost or expense to Landlord) with Tenant in any such application for exemption, and (vii) Tenant shall promptly remove any lien that attaches to the Premises in connection with such contest and shall Indemnify Landlord from all Claims that may result from or arise out of such contest. If at any time after the termination of this Lease, as a result of the loss of the Tenant’s exemption, the applicable taxing authority retroactively reinstates the real estate taxes for any part of the term of this Lease occurring prior to such termination, then Tenant shall reimbursement Landlord for such reinstated real estate taxes within thirty (30) days of Landlord’s demand therefor.

(d) Tenant shall pay at least fifteen (15) days before delinquency any business, rent, commercial rent tax, sales, franchise or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant’s use, operation, or occupancy of the Premises, the conduct of Tenant’s business at the Premises, or Tenant’s equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then, at least fifteen (15) days prior to the due date thereof, Tenant shall pay to Landlord, as additional rent, the amount of such tax or fee.

## **8. Insurance.**

(a) Notwithstanding the terms of this Section 8, Landlord shall be responsible to obtain, and at all times during the Term maintain, all applicable insurance as required herein (excluding insurance required under Section 8(b), which will be obtained and maintained by Tenant), provided, however, (i) Tenant shall reimburse Landlord, as additional rent, within thirty (30) days after Landlord’s written demand, for all premiums reasonably incurred by Landlord in procuring the required insurance; and (ii) nothing herein shall prevent Tenant from obtaining additional insurance coverage, provided that the same does not impair or imperil the policies maintained by Landlord. The insurance coverage required to be maintained by Landlord herein shall be:

(1) property insurance against loss or damage by fire, wind (including named storms), lightning and such other perils as are included in a standard “all risk” or “special form” policy, including riot and civil commotion, vandalism, terrorist acts, malicious mischief, burglary and theft, in each case (i) in an amount equal to one hundred percent (100%) of the “Full Replacement Cost” of the Premises, which for purposes of this Lease shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) waiving depreciation. The Full Replacement Cost must be

adjusted annually to reflect increased value due to inflation. If this is not provided, Inflation Guard Coverage shall be required, (ii) written on a no co-insurance form or containing an agreed amount endorsement with respect to the Improvements and, if applicable, personal property at the Premises waiving all co-insurance provisions, (iii) providing for no deductible in excess of \$25,000.00 (except for deductibles for windstorm and earthquake coverage, which deductibles may be up to five percent (5%) of the total insurable value of the Premises set forth in the policy), and (iv) containing "Ordinance or Law Coverage" if any of the Improvements or the use of the Premises shall at any time during the Term constitute legal non-conforming structures or uses, including coverage for Loss to the Undamaged Portion, Demolition Costs and Increased Cost of Construction, all in amounts acceptable to Landlord. In addition, Landlord shall obtain if any portion of the Improvements is currently or at any time in the future located in a federally-designated "special flood hazard area," flood hazard insurance in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or such greater amount as Landlord shall require, provided that such insurance shall be on terms consistent with the comprehensive all risk insurance policy required under this subsection (1);

(2) commercial general liability insurance, including a broad form comprehensive general liability endorsement and coverages against claims for personal injury, bodily injury, sexual assault and molestation, death or property damage occurring upon, in or about the Premises, such insurance (i) to be on the so-called "occurrence" form and containing minimum limits per occurrence of One Million Dollars (\$1,000,000), with a combined limit per policy year, excluding umbrella coverage, of not less than Three Million Dollars (\$3,000,000) applying "per location" if the policy covers more than one location; (ii) to continue at not less than the aforesaid limit until required to be changed by Landlord by reason of changed economic conditions making such protection inadequate; and (iii) to cover at least the following hazards: (A) premises and operations; (B) products and completed operations on an "if any" basis; (C) independent contractors; (D) contractual liability for all insured contracts; and (E) contractual liability covering the indemnities contained in Section 17 hereof to the extent the same is available;

(3) loss of rents insurance (A) covering all risks required to be covered by the insurance provided for in Section 8(a)(1), (B) in an amount equal to rent for the lesser of (i) the remaining Term or (ii) 12-months, and estimated additional rent, with extras expense coverage, and (C) containing an extended period of indemnity endorsement which provides that after the physical loss to the improvements and Tenant's Personal Property has been repaired, the continued loss of income will be insured for one hundred eighty (180) days or until such income either returns to the same level it was at prior to the loss, resumed, notwithstanding that the policy may expire prior to the end of such period; and

(4) boiler and machinery/equipment breakdown insurance in amounts as shall be reasonably required by Landlord on terms consistent with the commercial property insurance Policy (as hereinafter defined) required under Section 8(a)(1) hereof (if applicable).

(b) Tenant shall procure and at all times maintain during the term of the Lease:

(1) insurance on a 100% replacement cost basis to cover such losses or self-insure a portion of or all of such losses with respect to Tenant's personal property. In the event Tenant maintains insurance to cover such losses, then all insurance proceeds from such coverage shall be paid to and become the property of Tenant (except to the extent Landlord performs the restoration or repair of any such property pursuant to Section 21(i) hereof, in which event such proceeds shall be paid to Landlord in respect thereof);

(2) at all times during which construction, repairs or alterations are being made with respect to the Improvements, and only if the property and liability insurance coverage forms do



not otherwise apply, coverage all in form and substance and with limits, terms and conditions acceptable to Landlord including (i) commercial general liability and umbrella insurance covering claims related to the construction, repairs or alterations being made which are not covered by or under the terms or provisions of the commercial general liability and umbrella liability insurance policies required in this Section 8(b)(5); and (ii) the insurance provided for in Section 8(a)(1) hereof written in a so-called builder's risk completed value form, including coverage for one hundred percent (100%) of the total insurable costs of construction (A) on a non-reporting basis, (B) against all risks insured against pursuant to Section 8(a)(1) and Section 8(b)(3), (C) including permission to occupy the Premises, and (D) with an agreed amount endorsement waiving co-insurance provisions;

(3) workers' compensation, subject to the statutory limits of the State of California, and employer's liability insurance with limits which are required from time to time by Landlord in respect of any work or operations on or about the Premises, or in connection with the Premises or its operation (if applicable);

(4) commercial auto liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, with limits which are required from time to time by Landlord (if applicable);

(5) commercial general liability insurance, including a broad form comprehensive general liability endorsement and coverages against claims for personal injury, bodily injury, sexual assault and molestation, death or property damage occurring upon, in or about the Premises, such insurance (i) to be on the so-called "occurrence" form and containing minimum limits per occurrence of One Million Dollars (\$1,000,000), with a combined limit per policy year, excluding umbrella coverage, of not less than Three Million Dollars (\$3,000,000) applying "per location" if the policy covers more than one location; (ii) to continue at not less than the aforesaid limit until required to be changed by Landlord by reason of changed economic conditions making such protection inadequate; and (iii) to cover at least the following hazards: (A) premises and operations; (B) products and completed operations on an "if any" basis; (C) independent contractors; (D) contractual liability for all insured contracts; and (E) contractual liability covering the indemnities contained in Section 17 hereof to the extent the same is available; and

(6) umbrella liability insurance in addition to primary coverage in an amount not less than Five Million and No/100 Dollars (\$5,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required under Section 8(b)(5) hereof and the Policies required in Section 8(b)(3) and (4) hereof.

(c) All insurance provided for in Section 8(b) hereof shall be obtained under valid and enforceable policies (hereinafter collectively referred to as the "**Policies**" or in the singular, the "**Policy**") and shall be subject to the reasonable approval of Landlord as to form and substance including deductibles, loss payees and insureds. Not less than ten (10) days prior to the expiration dates of the Policies theretofore furnished to Landlord, certificates of insurance and, if requested by Landlord, other documentation, in each case acceptable to Landlord evidencing the Policies, accompanied by evidence reasonably satisfactory to Landlord of payment of the premiums then due thereunder (the "**Insurance Premiums**"), shall be delivered by Tenant to Landlord.

(d) All Policies of insurance provided for or contemplated by Section 8(b) hereof shall (i) name Landlord as a named insured and, in the case of liability coverages (except for the Policies referenced in Sections 8(b)(5) and (6) hereof) shall name Landlord's lender and its successors and/or assigns as an additional insured, as its interests may appear; and (ii) provide that the Policy shall not be canceled without at least thirty (30) days' prior written notice to Landlord and its lender, except ten (10) days' notice for non-payment of premiums and, if obtainable by Tenant using commercially reasonable efforts, shall not

be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice.

(e) All property insurance Policies provided for in Section 8(a) hereof shall provide that no act or negligence of Tenant or any other insured under the Policy, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, or foreclosure or similar action, shall in any way affect the validity or enforceability of the insurance insofar as Landlord is concerned.

(f) All insurance policies required to be maintained by Tenant under Section 8(b) hereof shall:

(1) provide for a waiver of subrogation by the insurer as to claims against Landlord and its employees and agents;

(2) with respect to any general liability policy maintained by Tenant, provide that no "other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by Landlord and that the insurance policy shall not be brought into contribution with insurance maintained by Landlord;

(3) with respect to any liability policy maintained by Tenant, provide that such coverage is primary and non-contributory with any liability insurance maintained by Landlord; and

(4) be with a company (i) duly licensed and admitted to do business in California, (ii) having an A.M. BEST Rating of A, X or better (or the equivalent of such rating if there is a change in the basis of the rating, or any successor publication of comparable standing), and (iii) reasonably acceptable to Landlord, providing coverage as directed herein.

9. **Title Encumbrances Affecting the Premises.** Except as otherwise provided in this Lease, Tenant agrees to comply with all obligations imposed upon Landlord or the Premises under any title encumbrances affecting the Premises as of the date hereof (the "Permitted Exceptions"), excluding, without limitation, the current fee mortgage (hereinafter collectively referred to as the "**Title Encumbrances**"), at Tenant's sole cost and expense.

10. **Maintenance and Repairs.** Tenant shall maintain the Premises, including the Improvements, in good operating condition during the Term, including repairs and replacements (when necessary as a result of damage to any part of the Premises or as a result of a portion of the Premises reaching the end of its useful life) to the interior, exterior and structure (including, without limitation, the roof and foundation). Except as provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Applicable Laws (as defined in Section 31 hereof) affecting the Premises during the Term. Landlord shall not be required to maintain or make any repairs to the Premises, including the Improvements, during the Term. At the expiration or earlier termination of this Lease, Tenant shall deliver up the Premises in the same condition as of the Effective Date, except for and subject to any loss by fire or other casualty (which shall be governed by the terms of Section 14 hereof) and condemnation (which shall be governed by the terms of Section 15 hereof).

11. **Alterations.** Tenant shall not make any alterations, additions and improvements ("Alterations") to the Improvements, or any portion thereof, during the Term, without the written consent of Landlord (which shall not be unreasonably withheld, conditioned, or delayed). Tenant shall have no right or authority to cause or allow any mechanics' lien or other monetary lien or claim to encumber Landlord's fee interest in the Premises, and in the event any such lien or claim arises by reason of Tenant or anyone claiming by, through or under Tenant, Tenant shall cure and remove same, by payment, discharge or "bonding-off", within thirty (30) days after notice from Landlord. Landlord shall have no responsibility to Tenant or to any contractor, subcontractor, supplier, materialman, workman or other Person, firm or

corporation who shall engage in or participate in any additions, alterations, changes or replacements thereof on behalf of Tenant or anyone claiming by, through or under Tenant unless Landlord shall expressly undertake such obligation in a written contract or has authorized in writing the purchase of materials and/or the employment of workmen in connection therewith. Notwithstanding anything to the contrary contained herein, Landlord hereby consents to any Alterations necessary ("Mandated Alterations") for Tenant to obtain a Certificate of Occupancy (as defined under the Agreement of Sale (as amended)), provided, however, that (i) Tenant shall prior to performing any such Mandated Alterations deliver to Landlord notice of the Mandated Alterations as required by the City of Oakland's Planning and Building Department; (ii) if the Mandated Alterations are anything other than typical life-safety items Landlord shall have the right to review and approve plans and specifications for such Mandated Alterations prior to Tenant performing such work, which approval shall not be unreasonably withheld, conditioned or delayed; and (iii) Landlord's rights under Section 6 of that certain First Amendment to Agreement of Sale dated April 17, 2025 shall apply notwithstanding Landlord's consent to the Mandated Alterations.

12. **Equipment, Fixtures and Signs.** Tenant shall have the right to erect, install, maintain and operate on the Premises such equipment, trade and business fixtures, signs and other personal property as Tenant may deem necessary or desirable, and such items of personal property shall not be deemed to be Improvements or part of the Premises, but shall remain the property of Tenant. Any such installations shall be in accordance with Applicable Laws. At any time during the Term, Tenant may, and at the expiration or earlier termination of the Term Tenant shall, at Tenant's sole cost and expense, remove all of Tenant's equipment, removable fixtures, signs and other personal property from the Premises and restore the Premises to their original condition as of the date hereof, at Tenant's sole cost and expense. Any such personal property of Tenant remaining at the Premises after such date shall, at the election of Landlord, either be removed by Landlord and stored at Landlord's cost or expense, or shall be deemed to have been abandoned by Tenant and shall automatically become the property and responsibility of Landlord.

13. **Hazardous Materials.**

(a) Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be generated, used, released, stored or disposed of in or about the Premises, provided, however, that Tenant may use, store and dispose of reasonable quantities of Hazardous Materials commonly used in the ordinary course of Tenant's business and as may be reasonably necessary for Tenant to conduct such business, provided such Hazardous Materials are used, stored and disposed of in accordance in all material respects with all Environmental Laws (as hereinafter defined). At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord: (i) free of all Hazardous Materials; and (ii) in compliance with all Environmental Laws in all respects. "**Hazardous Materials**" shall mean (A) petroleum or petroleum products, natural or synthetic gas, mold, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and radon gas; and (B) any substances that are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances", "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law. "**Environmental Law**" shall mean any and all federal, state and local laws, regulations, ordinances, codes and policies, and any and all judicial or administrative interpretations thereof by Governmental Authorities (as defined in Section 35 hereof), as now in effect or hereinafter amended or enacted, relating to: (1) pollution or protection of the environment, natural resources or health and safety, including, without limitation, those regulating, relating to, or imposing liability for emissions, discharges, releases or threatened releases of Hazardous Materials into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, release, transport or handling of Hazardous Materials; or (2) the use of chemical, electrical, radiological or nuclear processes, radiation, sophisticated electrical and/or mechanical equipment, sonar and sound equipment, lasers and laboratory analysis and materials including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980,

42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; and the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.

(b) Tenant shall give Landlord a written notice of any actual or threatened Environmental Event (as hereinafter defined) or of any notice of or claim with respect to an actual or alleged Environmental Event. An “**Environmental Event**” means: (i) a violation of an Environmental Law; or (ii) a release, spill, discharge or detection of a Hazardous Material (in all cases in violation of Environmental Law) in, on or from the Premises (regardless of whether or not a reporting requirement exists); or (iii) an environmental condition requiring responsive action under Environmental Law. Upon any Environmental Event, in addition to all other rights available to Landlord under this Lease, at law or in equity, Tenant shall, at Tenant’s sole cost and expense, promptly cure such Environmental Event, in accordance with all Environmental Laws. In the event that Tenant fails to promptly cure the Environmental Event as required by Environmental Laws within the applicable notice and cure periods set forth in Section 18(a) hereof, Landlord may perform, at Tenant’s sole cost and expense for the actual out-of-pocket reasonable third-party and necessary cost thereof, any action required pursuant to Environmental Laws to address the same, in which event Tenant shall pay the costs thereof to Landlord, as additional rent, within thirty (30) days after demand therefor in writing.

(c) As a material consideration for Landlord’s willingness to enter into this Lease, Tenant hereby waives and releases Landlord from any and all claims for damage, injury or loss (including, without limitation, claims for the interruption of or loss to business) which relate to any Environmental Event, whether occurring prior or subsequent to the Effective Date. Promptly upon Landlord’s request, Tenant shall execute from time to time, affidavits, representations and similar documents concerning Tenant’s knowledge and belief regarding the presence of Hazardous Materials and compliance with Environmental Laws at the Premises.

(d) Landlord’s rights and Tenant’s obligations pursuant to this Section 13 shall survive the expiration or earlier termination of this Lease.

#### 14. **Damage by Fire or Other Casualty.**

(a) If the Improvements, or any material part thereof, located on any of the Premises are destroyed or damaged by fire or other casualty, Tenant shall promptly deliver written notice thereof to Landlord.

(b) If the Improvements are damaged by fire or other casualty then this Lease shall not terminate and Tenant shall proceed with commercially reasonable diligence to rebuild and repair the Improvements to not less than a substantially equivalent condition in which they existed prior to such damage (taking into account Applicable Laws and the commercial reasonableness of doing so). Tenant shall have no right to any abatement of Base Rent or any additional rent as a result of any casualty, whether insured or uninsured.

(c) All insurance proceeds payable under insurance policies maintained by Landlord or Tenant by reason of the occurrence of such fire or other casualty to the Improvements (other than proceeds for business interruption insurance or loss of rents insurance, which shall be paid to Landlord to satisfy the rent obligations under this Lease for the period of the restoration of the Premises) shall be paid to a third party insurance trustee reasonably acceptable to Landlord, Tenant and their respective lenders (if applicable), and made available to Tenant on an advance requisition basis no less frequently than monthly,

to be applied to the cost of repair and restoration or the Improvements with the balance, if any, released to Tenant.

(d) This Lease shall not terminate or be forfeited or be affected in any manner, by reason of damage to or total, substantial or partial destruction of the Improvements or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Premises or any part thereof, and Landlord and Tenant's obligations hereunder, shall continue as though the Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

(e) Notwithstanding anything to the contrary in this Section 14, if a casualty to the Premises is of such a severity that such casualty delays the ability of Tenant to close under its bond financing for the acquisition of the Property pursuant to the Agreement of Sale prior to the Outside Closing Date (as defined in the Agreement of Sale), then the term of the Lease shall be suspended for the period of the restoration of the Premises (provided that Tenant shall have the obligation to pay rent for such "suspension" period at the rental rates then in effect).

15. **Condemnation.** If at any time during the Term, all or any part of the Land and/or the Improvements shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement in lieu thereof among Landlord, Tenant and those authorized to exercise such right, then the provisions of the Agreement of Sale shall apply and if the Agreement of Sale is terminated as a result of such taking then this Lease shall terminate simultaneously therewith.

16. **Liability and Indemnification.**

(a) Except as otherwise provided in this Lease and except to the extent arising out of the negligence, willful misconduct or bad faith of any Landlord Indemnitee, Landlord, its partners, officers, directors, members, managers, trustees, employees, agents and lenders and their respective heirs, successors and assigns (hereinafter collectively referred to as the "**Landlord Indemnitees**") shall have no liability for and shall not assume any liability or responsibility to Tenant, its employees, agents, invitees, licensees, assignees, subtenants, customers, clients, contractors or guests (hereinafter collectively referred to as the "**Tenant Parties**") for any damage, injury, loss, compensation or claim based on, arising out of or resulting from any cause whatsoever, including, but not limited to, claim of loss of business or interruption of operations, or any consequential damages or indirect losses whatsoever. Any inventory, goods, furnishings, fixtures, property or personal effects placed or stored in or about the Premises shall be at the sole risk of Tenant, and none of the Landlord Indemnitees shall be responsible or liable for such property, except to the extent of the negligence, willful misconduct or bad faith of any Landlord Indemnitee. Tenant shall indemnify, defend upon request and hold Landlord and the Landlord Indemnitees harmless from and against any and all unaffiliated third-party demands, causes of action asserted by unaffiliated third-parties, judgments payable to unaffiliated third-parties, actual reasonable necessary out-of-pocket and third party costs, actual damages, unaffiliated third-party claims, unaffiliated third-party liabilities, actual reasonable necessary out-of-pocket and third party expenses, actual losses, actual penalties payable to unaffiliated third-parties and court costs suffered by or claimed against any of them (solely to the extent arising from events from the Effective Date to the expiration or earlier termination of this Lease), directly, to the extent based on or arising out of: (i) the use, condition, operation, maintenance, repair, alteration, and occupancy of the Premises or any part thereof or the business conducted therein or therefrom, except to the extent arising out of Landlord's obligations under this Lease, or (ii) any negligence or willful misconduct of Tenant or any of the Tenant Parties, or (iii) contamination of the Premises or the ground waters beneath or adjacent thereto, any discharge of toxic or hazardous sewage or waste materials from the Premises into any septic



facility or sewer system, or (iv) contamination of the Premises or the ground waters beneath or adjacent thereto by any Hazardous Materials or any violation of Environmental Law, or (v) any breach, violation or nonperformance by Tenant or any Person claiming under Tenant of any of the terms, provisions, representations, warranties, covenants or conditions of this Lease on Tenant's part to be performed beyond the expiration of applicable notice, grace and cure periods, including, without limitation, the failure to comply with Applicable Laws or with any Title Encumbrances, or (vi) any accident, injury, death or damage to the Person, property or business of Tenant, or any other Person that shall happen at, in, upon, or arising out of the Premises, however occurring, provided that in no event shall Tenant be required to indemnify, defend or hold harmless any Landlord Indemnitees to the extent any indemnified claims results from the negligence, willful misconduct or bad faith of any Landlord Indemnitee or the breach of this Lease by Landlord.

(b) Tenant, upon written notice from Landlord, shall defend any claim against a Landlord Indemnitee for which indemnification is applicable, at Tenant's sole expense using legal counsel reasonably satisfactory to Landlord (it being agreed that any counsel provided by Tenant's insurer shall be deemed reasonably acceptable to Landlord), and Landlord shall and shall cause any applicable Landlord Indemnitees to cooperate with Tenant in such defense. Provided that this Lease has not been terminated by reason of the Tenant's default, no Landlord Indemnitee shall compromise or settle any claim for which such Landlord Indemnitee is seeking indemnification from Tenant pursuant to this Section 16 unless such settlement or compromise is consented to in writing by Tenant, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant's indemnity obligations under this Section 16 and elsewhere in this Lease arising prior to the expiration or earlier termination of this Lease shall survive such expiration or earlier termination of this Lease.

(c) Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord or Tenant have the right to seek or receive special, punitive or other similar measures of damages against the other nor shall Landlord or Tenant be entitled to receive any consequential, exemplary, indirect or speculative damages, and each party hereby irrevocably waives, for itself and its successors and assigns, its right to seek or receive any such measure of damages or remedy.

17. **Assignment and Subletting.** Tenant shall have no right to assign, mortgage or encumber this Lease, or to sublet, underlet, license or permit the Premises or any part thereof to be used by others, whether voluntarily or by operation of law or otherwise, during the Term, provided however, that:

A. Tenant may assign this Lease to an entity (i) in which Tenant and/or its principals maintains at least a fifty-one (51%) percent interest in such entity or (ii) which is controlling, controlled by, or under common control with Tenant; and

B. Tenant may sublease or license a part, but not the whole, of the Premises to third-parties, provided that the subtenant's use of such subleased or licensed premises is incidental to, and part of, use of the Premises by Tenant as a performing arts school.

The sale or transfer of stock or membership or partnership interests, if Tenant be an artificial entity, shall be deemed an assignment of this Lease, unless (a) it is made amongst the existing equity-holders of Tenant; or (b) it results from the death of an equity-holder of Tenant. In any event, Tenant shall notify Landlord of such transfer.

18. **Default.**

(a) Each of the following events shall be an "**Event of Default**" by Tenant hereunder:

(1) if Tenant shall fail to make any payment of rent required to be paid by Tenant hereunder for a period of three (3) business days after the same was due;

(2) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements of this Lease and such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot either by their nature, or by reason of an unavoidable delays (as described in Section 26 hereof) (hereinafter referred to as “**Unavoidable Delays**”), reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall continuously prosecute the same to completion with reasonable diligence, subject to Unavoidable Delays); or

(3) if Tenant shall default under the terms and conditions of the Agreement of Sale beyond any applicable notice and cure period set forth therein.

19. **Remedies and Damages.**

(a) If an Event of Default occurs and this Lease and the Term expires and comes to an end as provided in Section 19(b) hereof, then:

(1) Tenant shall immediately quit and peacefully surrender the Premises to Landlord, and Landlord and its agents may, without prejudice to any other remedy which Landlord may have, (A) re-enter the Premises or any part thereof, without notice, either by summary proceedings, or by any other applicable action or proceeding, or by lawful force (without being liable to indictment, prosecution or damages therefor), (B) repossess the Premises and dispossess Tenant and any other Persons from the Premises, and (C) remove any and all of their property and effects from the Premises; and

(2) Landlord, at Landlord’s option, may relet the whole or any portion or portions of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the end of the Term, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine.

(b) Landlord shall have no obligation to relet the Premises or any part thereof and shall not be liable for refusal or failure to relet the Premises or any part thereof, or, in the event of any such reletting, for refusal or failure to collect any rent due upon any such reletting. Any such refusal or failure on Landlord’s part shall not relieve Tenant of any liability under this Lease or otherwise affect any such liability. Landlord, at Landlord’s option, may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability.

(c) In the event of a breach or threatened breach by Tenant, or any Persons claiming by, through or under Tenant, of any term, covenant or condition of this Lease, Landlord shall have the right to: (i) enjoin or restrain such breach; (ii) invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this Lease for such breach; and (iii) seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease. The right to invoke the remedies hereinbefore set forth are cumulative and non-exclusive and shall not preclude Landlord from invoking any other remedy allowed at law or in equity.

(d) Tenant, on its own behalf and on behalf of all Persons claiming by, through or under Tenant, including all creditors, does hereby waive any and all rights which Tenant and all such Persons might have under any present or future law to redeem the Premises, or to re-enter or repossess the

Premises, or to restore the operation of this Lease, after: (i) Tenant has been dispossessed by a judgment or by warrant of any court or judge; or (ii) any re-entry by Landlord; or (iii) any expiration or termination of this Lease and the Term, whether such dispossession, re-entry, expiration or termination is by operation of law or pursuant to the provisions of this Lease. The words “re-enter,” “re-entry” and “re-entered” as used in this Lease shall not be deemed to be restricted to their technical legal meanings.

(e) If this Lease terminates by reason of the occurrence of an Event of Default or by reason of the occurrence of an Insolvency Event, then Tenant shall pay to Landlord, on demand, and Landlord shall be entitled to recover all damages permitted under Applicable Law.

(f) Nothing contained in this Section 19 shall be deemed to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages by any applicable statute or rule of law, or of any sums or damages to which Landlord may be lawfully entitled in addition to the damages set forth in this Section 19.

(g) Forbearance by Landlord to enforce one or more of the remedies herein provided upon the occurrence of an Event of Default by Tenant shall not be deemed or construed to constitute a waiver of such default.

(h) Upon the occurrence of an Event of Default by Tenant which is continuing and remains uncured, 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 Landlord may enter the Premises for such purposes, subject to the rights of occupants thereof). Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section (h) 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, as additional rent, sums equal to the actual, out-of-pocket reasonable third-party and necessary expenditures made by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of this Section. Tenant's obligations under this Section 19 shall survive the expiration or earlier termination of the Term.

(i) In the event of a default by Landlord in the performance of any obligation, provision, covenant or condition on Landlord's part to be observed or performed, Tenant, may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition and the cost thereof shall be payable by Landlord to Tenant upon demand and Tenant shall have the right to offset the same against the rents payable hereunder.

## **20. Landlord's Expenses and Late Charges.**

(a) In the event that either party incurs any costs or expenses in connection with the enforcement of the terms of this Lease or defense of claim by the other, the prevailing party in such contest shall be entitled to recover its costs and expenses from the other, including without limitation court costs and reasonable attorneys' fees. In the event Tenant is liable therefore, such sums shall be payable as additional rent. In the event Landlord is liable therefore, such sums shall be payable by Landlord upon demand and Tenant shall be permitted to offset the same against the rents.

(b) Except as otherwise specifically provided herein, any amounts due from one party to the other pursuant to the terms of this Lease, including amounts to be reimbursed one to the other, shall, if not paid within five (5) Business Days of the due date, bear interest from the due date or the date the right to reimbursement accrues at the prime rate of interest published in *The Wall Street Journal*, or similar publisher of business statistical data, plus five percent (5%) (hereinafter referred to as the “**Applicable**



**Rate**"); provided, however, that such rate shall not exceed, in any event, the highest rate of interest which may be charged under Applicable Law without the creation of liability for penalties or rights of offset or creation of defenses. For purposes of interest calculations, the due date of amounts or the date the right to reimbursement accrues shall be deemed the date that it originally was owing but may have been disputed, as distinguished from the date of final settlement or the making of a judicial or arbitration award.

21. **Access.** After reasonable written notice to Tenant, Landlord and Landlord's agents and representatives shall be entitled to enter upon and show and inspect the Premises for any reason whatsoever at any time during Tenant's normal business hours, so long as such inspection shall not unreasonably interfere with Tenant's business and Tenant shall have the right to have a representative present at such inspection. During an emergency, Landlord's access to the Premises will not be restricted as provided in the immediately preceding sentence.

22. **Covenant of Quiet Enjoyment.** Landlord is the owner in fee simple of the Land, and Landlord alone has the full right to lease the Premises to Tenant for the Term, and Tenant, so long as this Lease has not been terminated, shall peaceably and quietly hold and enjoy the Premises pursuant to this Lease for the Term, without any hindrance or ejection by Landlord or Landlord's successors or assigns, any of Landlord's lenders or any other Person claiming by, through or under Landlord or such successors or assigns, subject to, and in accordance with, the provisions of this Lease.

23. **Subordination.** This Lease shall be subject and subordinate to all ground or underlying leases and to all mortgages or deeds of trust now or hereafter affecting such leases, and to all mortgages or deeds of trust which may now or hereafter affect the Premises, whether such mortgages or deeds of trust cover only the Premises or be a blanket mortgage or deed of trust covering other premises in addition to the Premises, and to any renewals, modifications, consolidations, replacements or extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee or trustee. Tenant shall execute promptly any instrument which Landlord may request in confirmation of such subordination and hereby constitutes and appoints Landlord as Tenant's attorney-in-fact to execute any such instrument for and on behalf of Tenant.

24. **Holding Over by Tenant.** In the event Tenant remains in possession of the Premises after the expiration of the Term, without the execution of a new lease, Tenant, at the option of Landlord, shall be deemed to be occupying the Premises as a tenant from month-to-month and such tenancy shall not be deemed to extend or renew the Term, and Tenant shall pay Landlord for use and occupancy of the Premises, an amount equal to one hundred fifty percent (150%) of the Base Rent in the last year of the term for each month or any part thereof (prorated accordingly), subject to all of the other terms, covenants, conditions, provisions and agreements of this Lease insofar as the same are applicable to a month-to-month tenancy. Further, in the event Tenant holds over and remains in possession of the Premises or any part thereof for more than thirty (30) days after the expiration of the Term, then: (i) Tenant shall indemnify, defend and hold harmless Landlord from all costs, losses, expenses, or liabilities incurred as a result of or related to such failure, including, without limitation, claims made by any succeeding or prospective tenant and real estate brokers' claims and reasonable attorneys' fees; and (ii) Landlord may, at its option, commence a summary holdover proceeding against Tenant seeking possession of the Premises.

25. **Notices and Payments.** Any notice, document or payment required or permitted to be delivered or remitted hereunder or by law shall be deemed to be delivered or remitted, whether actually received or not, on the earlier to occur of: (i) when personally delivered to the respective party, or (ii) one (1) day after delivery to a nationally recognized overnight courier service addressed in accordance herewith; or (iii) within three (3) Business Days after being deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed to the parties hereto at the respective addresses

set forth below, or at such other address as they shall have theretofore specified by not less than twenty (20) days prior written notice delivered in accordance herewith:

Landlord:

Tenant:

Notices:

c/o Ladder Capital Finance LLC  
320 Park Avenue, 15th Floor  
New York, New York 10022  
Attention: Robert Perelman  
email: Robert.Perelman@LadderCapital.com

Notices:

Oakland School for the Arts  
530 18<sup>th</sup> Street  
Oakland, CA 94612  
Attn: Michael Oz  
email: moz@oakarts.org

With a copy to:

With a copy to:

Cole Schotz P.C.  
Court Plaza North  
25 Main Street  
Hackensack, New Jersey 07602-0800  
Attention: W. John Park  
email: jpark@coleschotz.com

Musick Peeler & Garrett LLP,  
333 South Hope Street  
Suite 2900  
Los Angeles, CA 90071  
Attention: Jacob Bedingfield  
email: j.bedingfield@musickpeeler.com

26. **Force Majeure.** The time for performance by Landlord or Tenant of any term, provision or covenant of this Lease (other than any term, provision or covenant, respecting the payment of money) shall be deemed extended by any time lost due to delays resulting from acts of God, strikes, unavailability of building materials, civil riots, floods, material or labor restrictions by governmental authority and any other unanticipated cause not within the reasonable control of Landlord or Tenant, respectively, as the case may be.

27. **Waiver of Subrogation.** Landlord and Tenant hereby release the other from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) under fire and extended coverage of supplementary contract casualties, if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause of endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Each of Landlord and Tenant agrees that its policies will include such a clause or endorsement so long as the same shall be obtainable without extra cost, or if such cost shall be charged therefore, so long as the other party pays such extra cost. If extra cost shall be chargeable therefore, each party shall notify the other party thereof and of the amount of the extra cost, and the other party shall be obligated to pay the extra cost unless, within ten (10) days after such notice it elects not to be obligated so to do by written notice to the original party. If such clause or endorsement is not available, or if either party should not desire the coverage at extra cost to it, then the provisions of this paragraph shall not apply to the policy or policies in question.

28. **Recording.** Tenant covenants not to place this Lease on record without the consent of Landlord, which may be withheld by Landlord in its sole and absolute discretion. A breach of this provision shall be deemed to be a material breach of this Lease.

29. **Landlord's Liability Limited to Landlord's Interest.** If Tenant is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution

against Landlord's estate and interest in the Premises and the insurance proceeds, sales proceeds and condemnation awards related thereto. No other asset of Landlord, any partner, director, member, manager, officer or trustee of Landlord shall be available to satisfy or be subject to such judgment, nor shall any such Person or entity be held to have personal liability for satisfaction of any claim or judgment against Landlord or any such individual.

30. **Miscellaneous.**

(a) The captions used in this Lease are for convenience only and shall not be deemed to amplify, modify or limit the provisions hereof.

(b) Words of any gender used in this Lease shall be construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the context otherwise requires.

(c) This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

(d) This Lease contains the entire agreement of the parties hereto with respect to the subject matter hereof and can be altered, amended or modified only by a written instrument executed by all such parties.

(e) If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances (other than those as to which it is held invalid or unenforceable) shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(f) Nothing herein contained, either in the method of computing rent or otherwise, shall create between the parties hereto, or be relied upon by others as creating, any partnership, association, joint venture or otherwise. The sole relationship of the parties hereto shall be that of landlord and tenant.

(g) This Lease shall be governed by, and construed in accordance with the laws of the State of California without regard to conflicts of law principles.

(h) This Lease shall not be construed either for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach a fair and equitable result.

(i) It is understood that there are no oral agreements or representations between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements or representations and understandings, if any, between the parties hereto with respect to the subject matter hereof. There are no other representations or warranties between the parties hereto and all reliance with respect to representations is solely upon the representations and agreements contained herein.

(j) From time to time during the Term, within ten (10) Business Days after the written request of the other party, each party hereto shall execute and deliver to the other an estoppel certificate in a form reasonably requested by such party. It is intended that any such statement delivered pursuant to this subsection (j) may be relied upon by any prospective purchaser, lender, subtenant, assignee or any entity which is a party to a potential merger, consolidation with, or acquisition of all or substantially all of the

assets or interest of, Landlord or Tenant. Landlord shall also deliver such other information in such certificate as the Tenant and/or any prospective purchaser, lender, subtenant, assignee or any entity which is a party to a potential merger, consolidation with, or acquisition of all or substantially all of the assets or interest of Tenant shall reasonably request.

**(k) TENANT AND LANDLORD WAIVE ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE STATE OF CALIFORNIA OR, WITH RESPECT TO ANY FORCIBLE ENTRY AND DETAINER ACTION OR SIMILAR PROCEEDING GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, IN THE JURISDICTION IN WHICH THE PREMISES IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.**

(l) As it pertains to claims that Landlord unreasonably withheld its consent or approval under this Lease, Tenant shall not claim any money damages by way of set-off, counterclaim, or defense, and in such case Tenant's sole and exclusive remedy shall be an action for specific performance, injunction, or declaratory judgment.

(m) Unless Tenant's financials are publicly available online at no cost to Landlord, within ten (10) days after written request by Landlord (but not more than once during any twelve (12)-month period unless a default has occurred under this Lease, or in the event of a sale, financing, or refinancing by Landlord of all or any portion of the Premises), Tenant shall furnish to Landlord, Landlord's lender, prospective lender or purchaser, reasonably requested financial information. In connection therewith and upon Tenant's request, Landlord and Tenant shall execute a mutually acceptable confidentiality agreement on Landlord's form therefor.

(n) Each party hereto represents and warrants to the other that such party is not a party with whom the other is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Each party hereto is currently in compliance with, and shall at all times during the Term remain in compliance with, the regulations of OFAC and any other governmental requirement relating thereto. Each party hereto shall defend, indemnify, and hold harmless the other from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorneys' fees and costs) incurred by the other to the extent arising from or related to any breach of the foregoing certifications. The foregoing indemnity obligations shall survive the expiration or earlier termination of this Lease.

(o) There shall be no merger of this Lease nor of the leasehold estate created by this Lease with the fee estate in or ownership of any of the Premises by reason of the fact that the same person, corporation, firm or other entity may acquire or hold or own, directly or indirectly: (i) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in such leasehold estate; and (ii) the fee estate or ownership of any of the Premises or any interest in such fee estate or ownership. No such merger shall occur unless and until all persons, corporations, firms and other entities having any interest in: (A) this Lease or the leasehold estate created by this Lease; and (B) the fee estate in or ownership of the Premises or any part thereof sought to be merged shall join in a written instrument effecting such merger and shall duly record the same.

(p) If Tenant or (with Tenant's authorization) any subtenant requests Landlord's consent or approval to alterations, subletting or assignment, or any other matter or thing requiring Landlord's consent or approval under this lease, and if in connection with such request Landlord seeks the advice of its attorneys, architects, engineers and/or other professionals or consultants, then Landlord, as a

condition precedent to granting its consent or approval, may require (in addition to any other requirements of Landlord in connection with such request) that Tenant pay the fee(s) of Landlord's attorneys, architects, engineers and/or other professionals or consultants in connection with the consideration of such request and/or the preparation of any documents pertaining thereto.

31. **Definitions.** The terms defined in this Section 31 shall, for all purposes of this Lease, have the following meanings:

(a) **"Applicable Laws"** mean all statutes, ordinances, regulations, codes, by-laws and requirements of any Governmental Authority (as hereinafter defined) having jurisdiction, including, without limitation, Environmental Laws and zoning, health, fire, safety and building codes, applicable to Tenant or the Premises.

(b) **"Business Day"** shall mean any day that is not a Saturday, a Sunday, a national or New York State holiday. In the event that date for action or performance hereunder falls on a day which is not a Business Day, then the date of such action or performance shall be moved to the next succeeding Business Day.

(c) **"Governmental Authority (Authorities)"** shall mean the United States of America, the State of California, the City of Oakland and any agency, department, commission, board, body, bureau, official, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises or any portion thereof (including any quasi-Governmental Authority).

(d) **"Tenant Indemnitees"** means Tenant, its partners, officers, directors, members, managers, trustees, employees, agents and lenders and their respective heirs, successors and assigns.

(e) **"Person"** means any individual, corporation, partnership, limited liability company, trust, unincorporated organization, Governmental Authority or any other form of entity.

[Remainder of Page Left Intentionally Blank]

**IN WITNESS WHEREOF**, this Lease has been duly executed by the parties hereto as of the day and year first above written.

**LANDLORD:**

**L519 CA LLC,**  
a Delaware limited liability company

By:  \_\_\_\_\_  
Name: Robert Perelman  
Title: Managing Director

**TENANT:**

**OAKLAND SCHOOL FOR THE ARTS,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF**, this Lease has been duly executed by the parties hereto as of the day and year first above written.

**LANDLORD:**

**L519 CA LLC**,  
a Delaware limited liability company

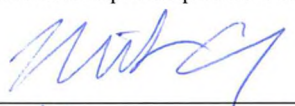
By: \_\_\_\_\_

Name:

Title:

**TENANT:**

**OAKLAND SCHOOL FOR THE ARTS**,  
a California nonprofit public benefit corporation

By:  \_\_\_\_\_

Name:

Title:

Mike Oz  
Executive Director

**EXHIBIT A**

**DESCRIPTION OF THE PREMISES**



**EXHIBIT B**

**BASE RENT SCHEDULE**

<u>Period</u>	<u>Monthly Rent</u>
Effective Date – day prior to the Approval Date (as defined in the Agreement of Sale)	\$47,330.00
Approval Date – 91 <sup>st</sup> Day following the Approval Date (“Adjustment Date”)	\$23,665.00
Adjustment Date – Expiration Date	\$47,330.00
Months 13-18 (if applicable)	\$47,330.00