

Memo

Carmichael



RECREATION AND
PARK DISTRICT

To: Advisory Board of Directors

From: Tarry Smith, District Administrator
Stephanie Young, Administrative Analyst

Subject: Approval of the Lease Agreement Between Carmichael Recreation and Park District and MCS Preschool, Inc., DBA Montessori Children's School (MCS)

Date: December 13, 2018

Introduction/Background:

Montessori Children's School, a Lease Tenant at La Sierra Community Center, was recently purchased by new owner's Oleg and Galina Brodovinskiy and Alexdr Zakharchuk. Before purchasing the preschool, Oleg and Galina spent months working side-by-side with the former owner's to ensure a smooth transition on the business side as well as with the families whose children attend MCS. CRPD is pleased to welcome them to the La Sierra campus and pleased that MCS can continue offering a quality program to the community.

Discussion:

Proposed terms are as follows:

Total square footage: Footprint for Modular Classroom approximately 960 square feet
 Outdoor Space approximately 4,128 square feet
 Building Space (Suite 170) approximately 3,711 square feet
 Asphalt Space approximately 1,500 square feet

Price per square foot: Footprint for Modular Classroom; 960 square feet at \$0.79 per square foot or \$758.40.
 Building Space; 4,128 square feet at \$1.26 per square foot or \$4,675.86.

Term: The term of the Lease is five (5) years, commencing on December 1, 2018, and in effect until November 30, 2023.

Deposit: Upon execution of the Lease, MCS shall have on deposit a total of \$5,434.26, equivalent to one month's base rent.

Rate includes: Lease Escalator of 3% per square foot adjusted each January. Base rate includes Utilities and Services. Utilities and Services will be re-evaluated annually. The base rate will be adjusted by the actual increase in Utilities and Services for the duration of the lease.

Recommendation:

Staff recommends that the Advisory Board of Directors of the Carmichael Recreation and Park District approve the Lease Agreement between the Carmichael Recreation & Park District and Montessori Children's School and authorize the District Administrator to sign the Lease Agreement.

LEASE AGREEMENT RE: LA SIERRA COMMUNITY CENTER
BETWEEN CARMICHAEL RECREATION AND PARK DISTRICT (LESSOR) AND
MCS PRESCHOOL INC DBA MONTESSORI CHILDREN'S SCHOOL (LESSEE)

THIS AGREEMENT is made and entered into this _____ day of _____,
_____, by and between **CARMICHAEL RECREATION AND PARK DISTRICT**, a Recreation and
Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.),
hereinafter "LESSOR," and **MCS PRESCHOOL INC DBA MONTESSORI CHILDREN'S SCHOOL**,
hereinafter "LESSEE."

1. Demise. LESSOR grants to LESSEE, and LESSEE accepts, as **December 1, 2018**, an
exclusive tenancy in approximately **960 square feet** portion of property/footprint for a modular
classroom/portable trailer with an additional 4,128 square feet of shared outdoor space and approximately
3,711 square feet of AIR CONDITIONED exclusive building space, designated as **Suite 170** with
approximately **1,500 square feet** of asphalt space within the adjacent enclosed fenced area in the La
Sierra Community Center (hereinafter "Community Center"), located at 5325 Engle Road, Carmichael,
California 95608, as shown on Exhibit "A" attached hereto, and which is hereinafter referred to as the
"Leased Premises" or "Premises".

2. Use. The Leased Premises are leased for **licensed pre-school purposes** and LESSEE
shall not use or permit the Leased Premises, or any part thereof to be used, for any other purpose or
purposes. LESSEE shall be responsible that such use conforms to authorized uses as permitted by the
Sacramento County Zoning Code for the Leased Premises.

3. Term.

A. Term. The term of this Lease shall commence on **December 1, 2018**
("Commencement Date"), and expire on **November 30, 2023** ("Expiration Date"), for a period of five (5)
years, hereinafter referred to as the Lease "Term."

4. Security Deposit. Upon execution of this Lease, LESSEE shall deposit with LESSOR the
sum of **\$5,434.26**, either by cash or cashier's check payable to LESSOR. {This sum, in addition to the **\$0.00**
already on file, will bring the total to **\$5,434.26**.} The security deposit is for the faithful performance by
LESSEE of the provisions of this Lease; including but not limited to, the payment of the total monthly rent,
the repair of damages to the Leased Premises caused by LESSEE or LESSEE's use of the Premises, and
the cleaning of the leased premises upon termination, if any, as provided by Civil Code Section 1950.7.
LESSOR is authorized to use the security deposit or any portion thereof, to cure any default of LESSEE.
LESSEE shall immediately on demand pay to LESSOR a sum equal to the portion of the security deposit
expended or applied by LESSOR as provided herein, or as LESSOR may increase said security deposit

from time to time, so as to maintain the security deposit in the amount required to be deposited with LESSOR at all times during the Lease term. LESSOR shall return the security deposit to LESSEE at the expiration of LESSEE's tenancy, subject to the provisions of Civil Code Section 1950.7. LESSOR's obligations with respect to the security deposit are those of a debtor and not a trustee. LESSOR may commingle such security deposit with LESSOR's general and other funds. LESSOR shall not be required to pay LESSEE any interest on such security deposit. The provisions of this Paragraph 4 shall not be deemed as, nor construed to be, liquidated damages.

5. Rent. LESSEE shall pay to LESSOR the Total Monthly Rent set forth below, subject to adjustment as provided herein:

A. Base Rent. Commencing **December 1, 2018** ("Commencement Date"), LESSEE shall pay LESSOR a Lease Base Rent in the initial amount of **\$5,434.26** per month for portion of property/footprint for modular classroom/portable trailer (based upon **\$0.79** per square foot of leased land) for a monthly rent of **\$758.40** and air conditioned space (based upon **\$1.26** per square foot of leased space) for a monthly rent **\$4,675.86, combined total monthly rent of \$5,434.26**, including Utilities and Services, but does not include phone, internet access or janitorial services.

B. Adjustment of Base Rent. The Lease Base Rent shall adjust on January 1 of each year following the Commencement Date at the rate of 3% per annum throughout the initial term of the lease, as follows:

Land Lease/Footprint:

<u>Months</u>	<u>Rent</u>
01	\$0.79 @ 960 = \$ 758.40
02-13	\$0.81 @ 960 = \$ 777.60
14-25	\$0.84 @ 960 = \$ 806.40
26-37	\$0.86 @ 960 = \$ 825.60
38-49	\$0.89 @ 960 = \$ 854.40
50-60	\$0.92 @ 960 = \$ 883.20

Suite 170:

<u>Months</u>	<u>Rent</u>
01	\$1.26 @ 3,711 = \$4,675.86
02-13	\$1.30 @ 3,711 = \$4,824.30
14-25	\$1.34 @ 3,711 = \$4,972.74
26-37	\$1.38 @ 3,711 = \$5,121.18

38-49	\$1.42 @ 3,711 = \$5,269.62
50-60	\$1.46 @ 3,711 = \$5,418.06

C. Definition Of "Total Monthly Rent." The term "Total Monthly Rent" as used in this Lease means the sum total of the rent defined in Paragraphs 5A. and 5B.

6. Payment. Total Monthly Rent from LESSEE is due and payable in advance on the first calendar day of each month. Any such payment received more than five (5) calendar days past the date such payment is due shall be subject to a ten percent (10%) late charge. In the event occupancy shall begin or end with less than a full calendar month, then total monthly rent for the Lease shall be prorated and paid only for the actual number of days the leased premises is occupied during such month. All payments shall be made to LESSOR at 5750 Grant Avenue, Carmichael, CA 95608-3779.

7. Maintenance. LESSOR shall maintain the roof and exterior of the building in which the leased premises is located and keep it in habitable condition. The remainder of the Premises is leased in its "as is" condition and LESSEE shall be responsible for all improvements to, and maintenance of, the Leased Premises, including any glass or windows, throughout the Lease term subject to the provisions of this Lease. LESSEE shall be liable for any damage to the building in which the Premises is located resulting from acts or omissions of LESSEE or its employees or authorized representatives.

8. Fire Or Casualty Loss. If the Leased Premises is totally destroyed by fire or other casualty, this Lease shall terminate. If ten percent (10%) or less of the area of the Leased Premises is rendered unusable for the purposes intended, because of fire or other casualty, LESSOR agrees to restore the Premises to substantially the same condition as it was in immediately before the destruction, if the restoration can be made under the existing laws and can be completed within ninety (90) working days after the date of destruction; in which event this Lease shall not terminate. Within fifteen (15) working days after the date of destruction LESSOR shall notify LESSEE if the restoration can be accomplished within the ninety (90) day period, and if it cannot be done in such period of time then LESSEE shall have the right to terminate this Lease within ten (10) days after receiving such notice. If LESSEE fails to so terminate this Lease, then LESSOR, at its option, may either terminate this Lease or restore the leased premises within a reasonable time by giving LESSEE notice thereof within ten (10) days after LESSEE's notice period has expired. In case of destruction there shall be an abatement or reduction of the total monthly rent between

the date of destruction and the date of completion of restoration, based on the extent to which the destruction interferes with LESSEE's use of the leased premises.

9. Telephone, Internet Access, And Janitor Services. LESSEE shall pay for all telephone, internet access, and interior janitorial services with regard to the leased premises.

10. Insurance. LESSEE shall provide comprehensive general liability insurance with limits not less than \$1,000,000.00 combined single limit per occurrence and \$2,000,000 aggregate on an occurrence form policy. Said coverage shall include bodily injury, property damage, products/completed operations, and contractual liability specifying this Lease. LESSEE's insurance shall include Abuse or Molestation coverage either by endorsement or a separate policy. Limits shall not be less than \$1,000,000 per person/per occurrence and \$1,000,000 aggregate. LESSOR, its governing Board (including the County Board of Supervisors), officers, directors, officials, employees, and authorized volunteers and agents, shall be included as an additional insureds on all policies where commercially permitted. LESSEE shall provide, upon Lease Execution by LESSEE, certificates of insurance and endorsements to the LESSOR indicating the required coverage is in place. Said certificates shall be addressed to LESSOR. LESSEE shall carry Worker's Compensation Insurance in accordance with the Worker's Compensation and Insurance Act, Division IV (commencing with Section 3200) of the Labor Code of California, and any acts amendatory thereof, covering all its employees. LESSEE shall carry employer's liability with limits of \$1,000,000 per accident for bodily injury or disease. All of LESSEE's insurance shall be a carriers with an A.M. Best rating of not less than A-: VII. LESSEE shall require its Workers' Compensation carrier to issue a Waiver of Subrogation in favor of LESSOR. LESSEE agrees that it shall, during the full term of this lease and at its own expense, keep its contents, non-structural improvements and personal property located on the leased premises fully insured against loss or damage by fire or other casualty, commonly covered by standard fire and all risk coverage insurance. Valuation shall be on a replacement cost basis. LESSOR and LESSEE release each other, and their respective authorized representatives and insurers, from any claims for damage to the premises and the building and other improvements in which the premises are located, and to the fixtures, personal property, improvements, and alterations of the parties in or on the premises and the building and other improvements in which the premises are located that are caused by or result from risks insured against under any fire and extended insurance policy carried by the parties and in place at the time of any such damage. LESSEE is required by this Agreement to immediately notify LESSOR if they

receive a communication from their insurance carrier or agent that any required insurance is to be canceled, non-renewed, reduced in scope or limits or otherwise materially changed. LESSEE shall provide evidence that such cancelled or non-renewed or otherwise materially changed insurance has been replaced or its cancellation notice withdrawn without any interruption in coverage, scope or limits. Failure to maintain required insurance in force shall be considered a material breach of the Agreement. If any claim for damages or injury is filed with LESSEE or if any lawsuit is instituted against LESSEE, that arise out of or are in any way connected with LESSEE's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect LESSOR, LESSEE shall give prompt and timely notice thereof to LESSOR. Notice shall not be considered prompt and timely if not given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.

11. Increased Risk Prohibited. LESSEE shall not do anything on the Leased Premises, nor bring or keep anything thereon, which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction. Any fire or safety equipment required by LESSEE's use of the Premises shall be furnished by LESSEE. If any use by LESSEE requires installation of a sprinkling system, LESSEE shall bring water service necessary for said system to the Leased Premises and shall pay for the cost of installation, testing and maintenance of the sprinkler system.

12. Indemnity. To the fullest extent permitted by law, LESSEE shall indemnify, defend, and hold harmless LESSOR, its governing Board (including the County Board of Supervisors), officers, directors, officials, employees, and authorized volunteers and agents, (individually an "Indemnified Party" and collectively "Indemnified Parties"), from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims"), including cost of defense, settlement, arbitration, expert fees, and reasonable attorneys' fees, sustained by any person or to any property in, on, or about the leased premises, resulting from injuries to or death of any person, including employees of either party hereto, and damage to or destruction of property or loss of use or reduction in value thereof, including the property of either party hereto, arising out of, pertaining to, or resulting from the acts or omissions of LESSEE, its officers, directors, officials, employees, volunteers, agents, contractors, invitees or guests. LESSEE understands and agrees that its obligation to indemnify the Indemnified Parties, shall apply regardless of any loss, damage or cost resulting from, whether in whole or

in part, any negligent act or omission, or any other negligence, concurrent or otherwise, on the part of LESSOR or any other party indemnified hereunder, except only those Claims caused by the sole negligence or willful misconduct of an Indemnified Party.

The right to defense and indemnity under this Section arises upon occurrence of an event giving rise to a Claim and, thereafter, upon tender in writing to LESSEE. LESSEE shall defend the Indemnified Parties with counsel reasonably acceptable to LESSOR. Notwithstanding the foregoing, LESSOR shall be entitled, on its own behalf, and at the expense of LESSEE, to assume control of its defense or the defense of any Indemnified Party in any legal action, with counsel reasonably selected by it. LESSOR's election to assume control of its own defense shall not prejudice LESSOR's right to subsequently request that LESSEE thereafter assume control of the defense and pay all reasonable attorneys' fees and costs incurred thereby. This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by the LESSEE.

Nothing in this indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this indemnity obligation shall survive the expiration or termination of the Agreement.

13. Default. In addition to any other default provision contained in this Lease, the occurrence of any of the following shall constitute a default by LESSEE:

A. Failure to pay Total Monthly Rent when due, if the failure continues for fifteen (15) days after notice has been given to LESSEE by LESSOR.

B. Abandonment and vacation of the leased premises. Unless notice is provided to LESSOR in writing to the contrary, failure to occupy and operate the leased premises for thirty (30) consecutive days shall be deemed an abandonment and vacation.

C. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to LESSEE. If the default cannot reasonably be cured within thirty (30) days, LESSEE shall not be in default of this Lease if LESSEE commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default. Notices given under this Paragraph 13 shall specify the alleged default and the applicable Lease provisions, and shall demand that LESSEE perform the provisions of this Lease or pay the rent that is in

arrears, as the case may be, within the applicable period of time, or quit the leased premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless LESSOR so elects in the notice. If LESSOR elects to terminate this Lease by reason of LESSEE's default, then upon such termination LESSOR, or its authorized agents, may enter upon and take possession of the leased premises. In such event, LESSEE waives any and all claims for damages against LESSOR, its officers, agents, or employees.

14. Compliance With Law. LESSEE shall use the Leased Premises in accordance with the rules and regulations of the Community Center, all applicable health, safety, fire and building laws, Government regulations, codes, ordinances and other applicable laws. Should any alteration to the interior or exterior of the leased premises be required to comply with any applicable laws, regulations, codes or ordinances, by reason of LESSEE's occupancy of the leased premises, said alteration shall be done at the sole cost and responsibility of LESSEE.

15. Security. LESSEE shall be responsible for the security of the Leased Premises.

16. Parking. Parking shall be in the area shown on the La Sierra Community Center Site Plan, Exhibit "B", attached hereto. LESSEE shall be responsible to ensure all parking generated by its use is located within the area so designated.

17. No Alterations. LESSEE shall not make any alteration or addition to the interior or exterior of the Leased Premises, including electrical wiring, plumbing, water main or lines, or gas lines, without the prior written approval of LESSOR. LESSEE shall submit all specifications and plans for alterations to LESSOR for approval, which approval may be subject to such reasonable procedures as LESSOR may proscribe and to such terms and conditions deemed necessary to ensure safety, maintain quality, and protect the Community Center site and improvements thereon as LESSOR's property. Such specifications and plans shall comply with the improvement standards of the Community Center. Upon approval, LESSEE shall have the right to remodel or make alterations to the interior or exterior of the leased premises as may be necessary or convenient to its use thereof. LESSEE shall pay all costs of such construction and shall keep the leased premises, and the building in which the leased premises is located, free and clear of all mechanics' liens resulting from construction done by or for LESSEE. When installed, all such alterations or improvements shall at once become the property of LESSOR. Upon completion,

LESSEE may be required to provide LESSOR with two (2) sets of "as built" drawings which accurately and completely depicts all additions and changes made.

18. No Sublease Or Assignment. LESSEE shall not have the right to assign or to sublease any part of the leased premises without the prior written consent of LESSOR, reasonably exercised. No interest of LESSEE in this Lease shall be assignable by operation of law, including, without limitation, the transfer of such interest by testacy or intestacy. An involuntary assignment of LESSEE's interest (as by bankruptcy, receivership, or writ of attachment or execution) shall constitute a default hereunder by LESSEE and LESSOR shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of LESSEE.

19. Notice of Possessory Interest Tax. Under this Lease a possessory interest subject to property taxation may be created. Notice is hereby given pursuant to Revenue and Taxation Code Section 107.6 that such possessory interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest. Also, under this Lease a possessory interest subject to a special taxation pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, commencing at Section 53311, of Part 1, Division 2, Title 5 of the Government Code) may be created. Notice is hereby given pursuant to Government Code Section 53340.1 that the party in whom the possessory interest is vested may be subject to the payment of special taxes levied on such interest pursuant to such Act. LESSEE shall pay all taxes, and all license, permit, occupation and inspection fees assessed or charged against the leased premises by reason of LESSEE's possession, use or occupancy of the leased premises, and LESSEE shall hold LESSOR free and harmless of any loss, or damage or expense arising out of or by reason of any taxes or fees specified in this Paragraph No. 19.

20. Holdover. Should LESSEE occupy the leased premises after the date of the expiration of the Lease Initial Term, or Extended Term if applicable, with the consent of LESSOR, expressed or implied, such possession shall be construed to be a tenancy from month-to-month only, subject to all of the terms and conditions of this Lease, except those pertaining to the term and option to extend the term, and LESSEE agrees to pay a total monthly rent in the amount of 125% of the rent payable in the final month of the Lease Term. Such tenancy shall be terminable on thirty (30) day notice given at any time by either party.

21. Notice. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail. Such matters shall be addressed to the other party at the following address:

To LESSEE at:

Oleg Brodovinskiy

P. O. Box 2287

Carmichael, CA 95609

To LESSOR at:

Carmichael Recreation and Park
District

5750 Grant Avenue

Carmichael, CA 95608-3779

or to such other address as a party may designate to the other by notice. Any communication mailed pursuant to this paragraph shall be deemed delivered to the other party 72 hours after the time of mailing.

22. Administration And Delegation. Unless otherwise set forth herein, the administration of this Lease is hereby delegated to the Administrator of Carmichael Recreation and Park District (herein "Lessor's Administrator" or "Administrator") and his designated representatives, and whenever it is provided herein for LESSOR to give any notice, authorization, permission, approval, rejection, or demand, the Lessor's Administrator is designated as the person to take any such action on behalf of LESSOR.

23. Common Areas.

A. Definition of "Common Areas". As used herein, the term "Common Areas" means all areas and facilities outside the Leased Premises and within the exterior boundaries of the Community Center that are provided and designated by LESSOR from time to time for the general use and convenience of LESSEE and of other tenants of the Community Center, and their respective authorized representatives and invitees. Common Areas include, without limitation, pedestrian walkways, patios, sidewalks, landscaped areas, service corridors, restrooms, loading areas, and parking areas. (Exhibit "C") Sport fields, gymnasiums and other community facilities are available for LESSEE use pursuant to the Carmichael Parks and Receptions District Rate Schedule and availability.

B. Right To Use. LESSOR gives LESSEE and its authorized representatives and invitees the nonexclusive right to use the Common Areas at the Community Center with others who are entitled to use the Common Areas, subject to LESSOR's rights hereunder.

C. Maintenance. LESSOR shall maintain the Common Areas at the Community Center in good condition at all times. LESSOR shall have the right to:

- (1) Establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use, and operation of the Common Areas.
- (2) Close any of the Common Areas temporarily for maintenance or other purposes, or permanently if LESSOR deems such closure is necessary for the public health or safety.
- (3) Make changes to the Common Areas including without limitation, changes in the location of driveways, entrances, exits, or to such other address as a party may designate to the other by vehicular parking spaces, parking areas, or the direction of the flow of traffic.

24. Entry By Lessor.

A. LESSOR and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes.

- (1) To determine whether or not (a) the Premises are in good condition, and (b) if LESSEE is complying with its obligations under this Lease.
- (2) To do any necessary maintenance or to make any restoration to, or remodeling of, the Leased Premises, or the building in which the Premises are located, that LESSOR has the right or obligation to perform.
- (3) When LESSEE has abandoned or surrendered the Premises.
- (4) In case of an emergency.

B. LESSOR shall not be liable in any manner for any inconvenience, disturbance, and loss of business, nuisance or other damage arising out of LESSOR's entry on the leased premises as provided in this Paragraph No. 24, except damage resulting from acts of LESSOR or its authorized representatives. LESSOR shall not abuse such right of access or use it to harass LESSEE.

C. LESSOR shall give LESSEE reasonable notice (no less than twenty-four (24) hours) of LESSOR's intent to enter the leased premises, which entry shall only be made during normal business hours, except:

- (1) in cases of emergency,
- (2) when LESSEE has abandoned or surrendered the leased premises, or
- (3) if it is deemed impracticable to do so.

25. Signs. LESSEE shall not have any right to place any sign on the Leased Premises, including any building located within the Premises, , or in any other area of the Community Center without first obtaining the written consent of LESSOR.

26. Statement Regarding a Certified Access Specialist –

Pursuant to California Civil Code §1938, the LESSOR states that the Premises:

- Have not undergone an inspection by a Certified Access Specialist (CASp).
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards and a disability access inspection certificate has been issued pursuant to California Civil Code §55.51 et seq.
- Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

27. Surrender On Expiration Or Termination.

A. On expiration or termination of the lease term of either the Lease, LESSEE shall surrender the pertinent leased premises, and all of LESSEE's improvements and alterations located thereon, in good condition, except for ordinary wear and tear. LESSEE shall also remove all of its personal property by said termination date. Any of LESSEE's personal property not removed from the leased premises by said termination date shall become LESSOR's property, or LESSOR may elect (1) to store such property for LESSEE's benefit, or (2) dispose of such property in any manner it sees fit. LESSEE waives all damage to LESSEE caused from LESSOR's retention or disposition of such personal property. If LESSOR stores the property for LESSEE's benefit, LESSEE shall be liable for all costs of moving and storing such property.

B. If LESSEE fails to surrender the Leased Premises to LESSOR upon expiration or termination of the lease term, LESSEE shall hold LESSOR harmless from all damages of any nature resulting from LESSEE's failure to surrender the premises, including, without limitation, claims made by a succeeding tenant resulting from LESSEE's failure to surrender the premises.

28. No Waiver. No delay or omission in the exercise of any right or remedy of LESSOR on any default by LESSEE shall impair such right or remedy or be construed as a waiver. The receipt and acceptance by LESSOR of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of LESSOR, including, without limitation, the acceptance of the keys to the leased premises, shall constitute an acceptance of the surrender of the leased premises by LESSEE before the expiration of the term. Only upon notice from LESSOR to LESSEE shall acceptance of the surrender of the leased premises and a termination of this Lease be accomplished, unless otherwise provided herein. LESSOR's consent to or approval of any act by LESSEE requiring LESSOR's consent or approval shall not be deemed to waive or render unnecessary LESSOR's consent to or approval of any subsequent act by LESSEE. Any waiver by LESSOR of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

29. Time Of Essence. Time is of the essence of each provision of this Lease.

30. Successor. This Lease shall be binding and inure to the benefit of the parties and their successors, except as otherwise provided herein.

31. Authorization. If LESSEE is a corporation, LESSEE shall deliver to LESSOR on execution of this Lease by LESSEE a certified copy of a resolution of LESSEE's board of directors authorizing the execution of this Lease and naming the officers that are authorized to execute this Lease on behalf of the corporation.

32. Choice of Law. This Lease shall be construed and interpreted in accordance with the laws of the State of California.

33. Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise

the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

34. Exhibits. All exhibits attached hereto and referred to herein are incorporated herein by reference as if specifically set forth herein. Exhibit A (Demise), Exhibit B (Parking), and Exhibit C (Common Areas) shall be a part of this Lease.

35. Attorney's Fees and Costs. Any party may bring a suit or proceeding to enforce or require performance of the terms of this Agreement, and each party in that suit or proceeding shall be responsible for its own attorney's fees and costs.

36. Lessor's Right to Reassign Space to LESSEE. LESSOR maintains the right, during the Initial Term and, if applicable, any Extended Term, to reassign LESSEE, to alternative space within the La Sierra Community Center complex of a similar nature and at no cost to LESSOR, in the sole discretion of the Administrator. LESSOR shall provide LESSEE with thirty (30) days advanced written notice of LESSOR's intent to relocate LESSEE.

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IN WITNESS WHEREOF the respective parties hereto have executed this Lease as of the date first set forth herein and the initial term hereof shall commence on the date set forth in Paragraph No. 3.

CARMICHAEL RECREATION AND PARK DISTRICT, a Recreation and Park District formed pursuant to the California Public Resources Code (Section 5780, et seq.)

By _____
MICHAEL ROCKENSTEIN
Chairman of Advisory Board of Directors
“LESSOR”

APPROVED AS
TO CONTENT: _____
Tarry Smith
District Administrator

APPROVED
AS TO FORM: _____
District Counsel

MCS PRESCHOOL INC DBA MONTESSORI CHILDREN'S SCHOOL

By _____
OLEG BRODOVINSKIY

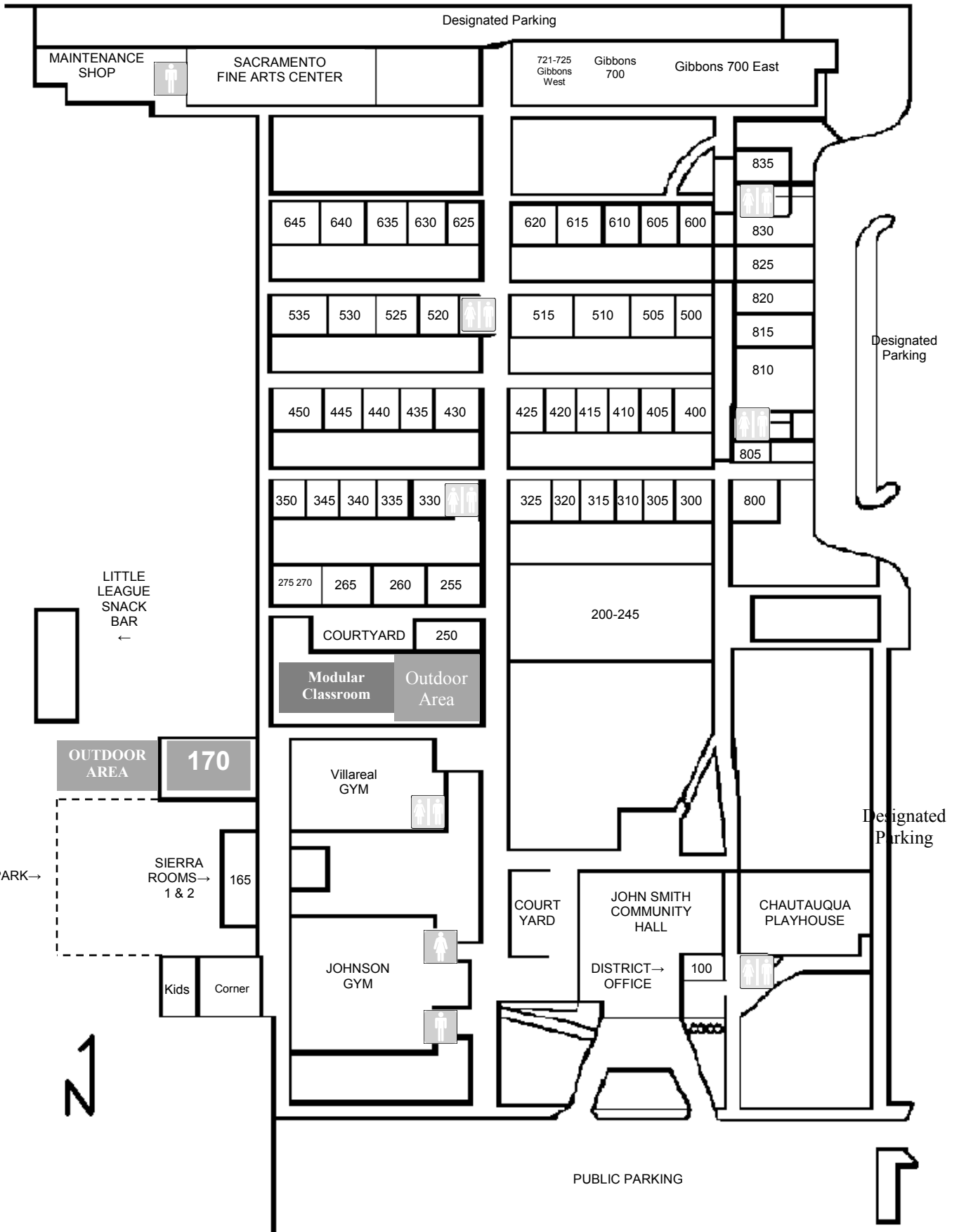
GALINA BRODOVINSKIY

ALEXDR ZAKHARCHUK

“LESSEE”

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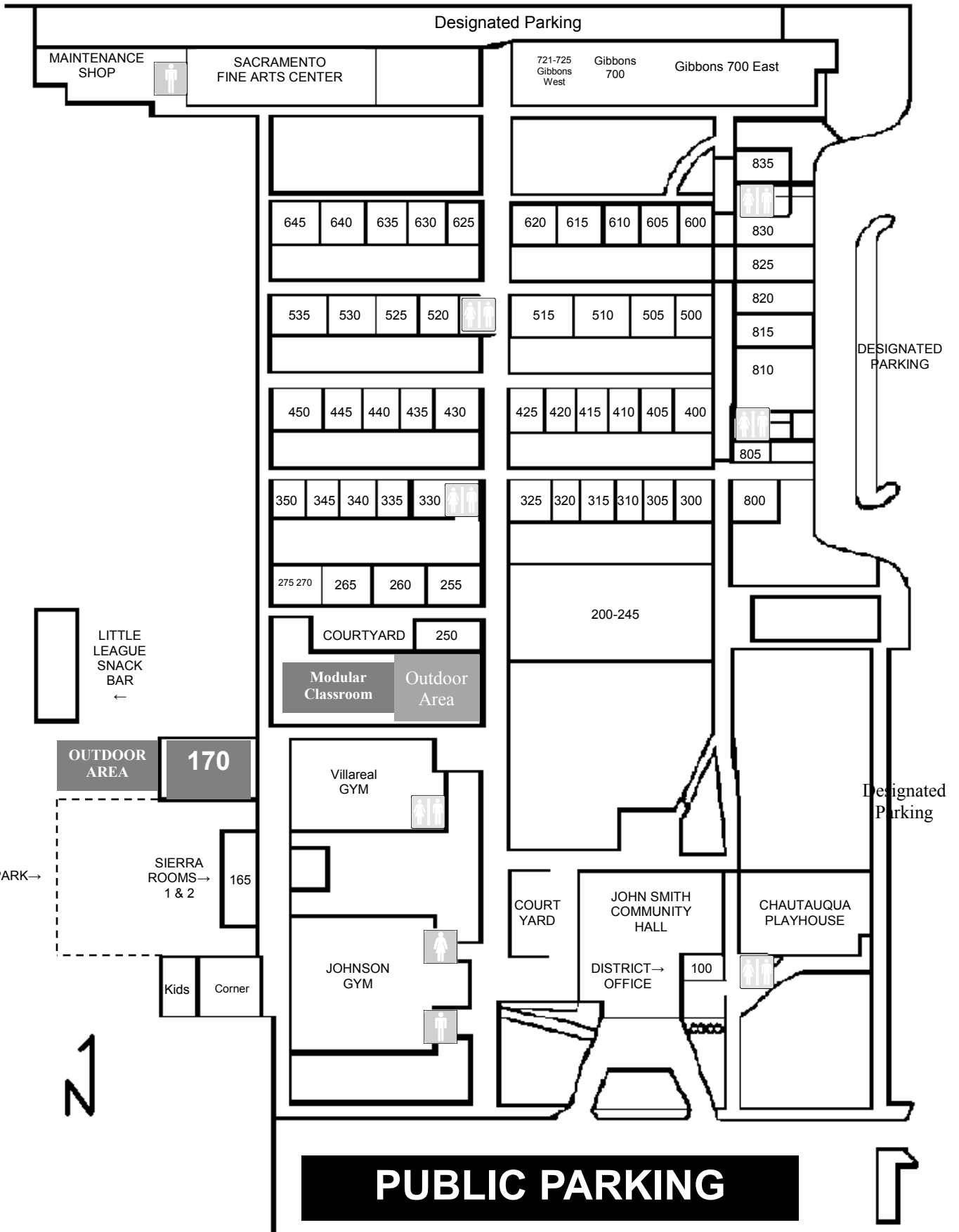
GIBBONS DRIVE



ENGLE ROAD

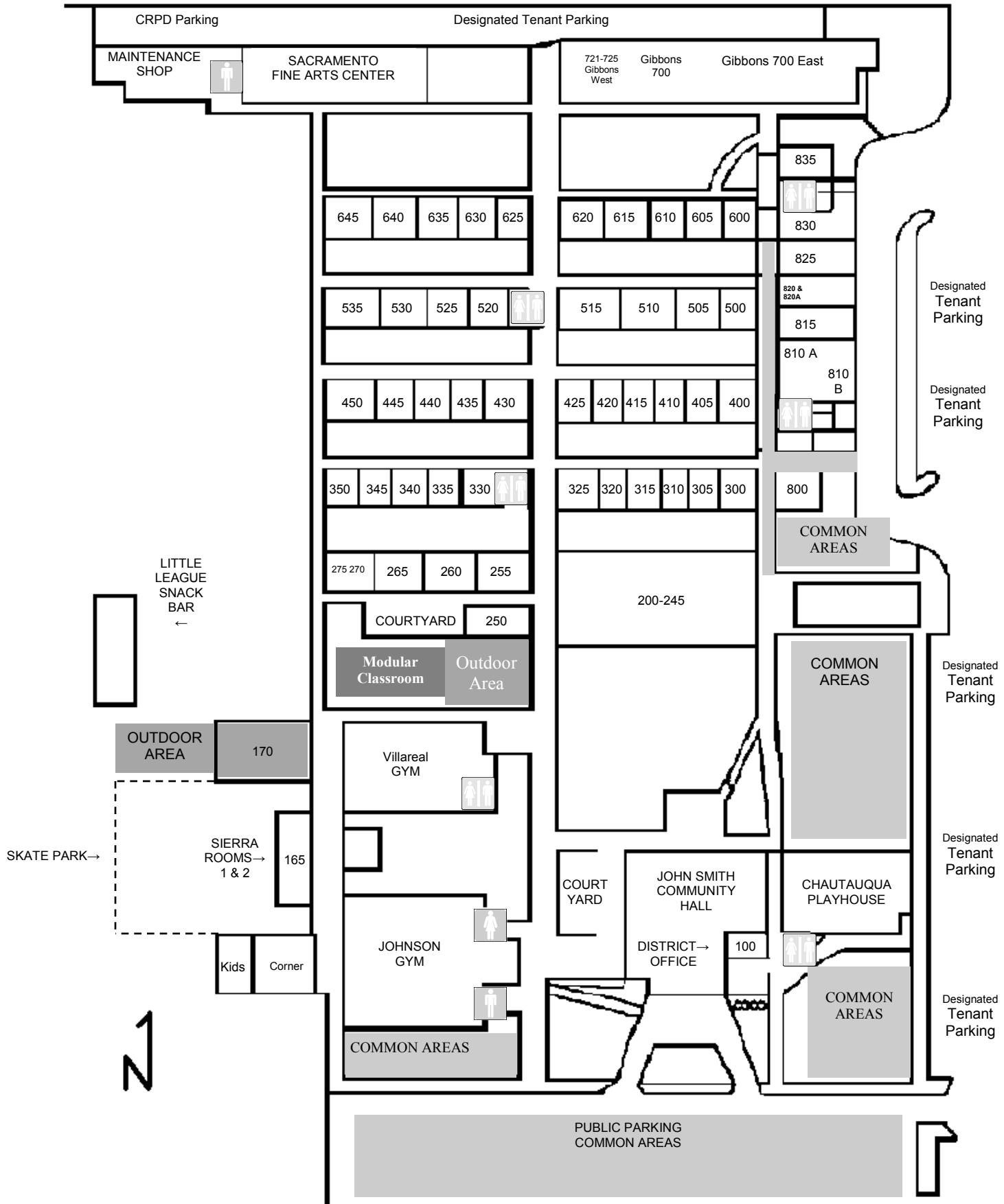
La Sierra Community Center

GIBBONS DRIVE



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ENGLE ROAD