



**RIM OF THE WORLD RECREATION AND PARK DISTRICT
COMMERCIAL LEASE AGREEMENT**

Date (For reference only):

Rim of the World Recreation and Park District (also known as the "Landlord" OR "District" OR "Landlord/District") and

Jessica Pratt ("Tenant") agree as follows:

1. PROPERTY: Landlord/District rents to Tenant and Tenant rents from Landlord/District, the real property, and improvements

described as: **Preschool Facility and its amenities located at 26577 State Hwy 18, Rimforest, CA 92378** ("Premises"),

which comprise approximately 1,758 total square footage of rentable space in the entire property. **See Exhibit "A"** for a further description of the Premises. 2 unreserved parking spaces and additional storage is included.

2. TERM: The term shall be for One years and 0 months, beginning on (date) _____ ("Commencement Date"). This Lease shall terminate on (date) _____ at _____ AM/PM. In no event shall the term of any lease extend beyond _____ unless otherwise specifically extended in writing by the parties.

A. Holding Over. Any holding over after the term of this agreement expires, with Landlord/District consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 3B. Rent shall be at a 20% increase in the base rent for the next 12 months, and again another 20% increase in the base rent for the following 12 months if no lease is signed. All other terms and conditions of this Agreement shall remain in full force and effect.

B. Renewal or Extension: This Lease may be renewed or extended on the same terms and conditions with the written consent of both parties.

3. BASE RENT:

A. Tenant agrees to pay a \$350.00 discounted Base Rent for a 1-year lease, on a month-to-month payment schedule. As used here, "rent" shall mean all monetary obligations of Tenant to Landlord/District under the terms of this agreement. Total payment will be:

(1) \$ 2,000 per month, for the term of the agreement.

B. Base Rent is payable in advance on the **1st day** of each calendar month and is delinquent on the 5th day of the month.

C. If Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

D. Payment: Rent shall be paid to **Rim of the World Recreation and Park District**, at P.O. Box 8, Rimforest, CA 92378 OR Park District Office, 26577 State Hwy 18, Rimforest, CA 92378 OR at any other location specified by Landlord/District to Tenant.

4. EARLY POSSESSION: Tenant is entitled to possession of the Premises on _____. If Tenant is in possession prior to the Commencement Date, during this time (i) Tenant is not obligated to pay Base Rent, and (ii) Tenant **is** **is not** obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.

Landlord/District and Tenant acknowledge receipt of a copy of this page.

Landlord/District's Initials (____)

Tenant's Initials (____)(_____)

5. LATE CHARGE; INTEREST; NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord/District to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord/District. If any installment of Rent due from Tenant is not received by Landlord/District within five (5) calendar days after date due, or if a check is returned NSF, Tenant shall pay to Landlord/District, ten percent (10%) of one (1) month's rent as late charge, plus \$100.00 as a NSF fee, all of which shall be deemed additional Rent. Landlord/District and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord/District may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord/District's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord/District's right to collect a Late charge or NSF fee shall not be deemed an extension of the date Rent is due or prevent Landlord/District from exercising any other rights and remedies under this agreement, and as provided by law.

6. CONDITION OF PREMISES: Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions:

Items listed as exceptions shall be dealt with in the following manner:

7. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state, and federal laws, regulations and ordinances ("Laws"). Landlord/District makes no representations or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

8. UTILITIES: During usual business hours (8:00 a.m. to 7:00 p.m. weekdays and Saturday; Sunday and holidays excepted), Landlord/District will provide water, heat, gas, common area janitor service, and electricity to the extent that those reasonable can be provided. Landlord/District also will provide janitorial services to the areas outside the Premises during usual business hours and will access the Premises or cause them to be accessed to do so. See section 10 Maintenance.

11. USE: The Premises are for the sole use as a preschool facility servicing toilet trained children ages 3 to 5 years of age.

No other use is permitted without Landlord/District's prior written consent. If any use by Tenant causes an increase in the premium on Landlord/District's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

9. RULES/REGULATIONS: Tenant agrees to comply with all rules and regulations of Landlord/District attached as **Exhibit "B"** or that are at any time posted on the Premises or delivered to Tenant. Tenant shall not and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

10. MAINTENANCE:

A. **Landlord/District** shall maintain the Premises, which includes heating, air conditioning, electrical, plumbing and water systems, roof, foundation, exterior walls and common areas. Snow removal is contingent on the **Landlord/District** maintenance department's schedule. Except for days on which the **Landlord/District** calls a snow day, the tenant may be obligated to schedule their own snow removal service.

B. Tenant is responsible for damage to glass, windows, interior walls, and doors only if it is deemed by the Landlord/District as an independent act of vandalism/theft or caused by the tenant or tenant's patrons/guests.

11. ALTERATIONS: Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord/District's prior written consent, which shall not unreasonably withheld. Any alterations to the Premises shall be done according to law and with required permits. Tenant shall give Landlord/District advance notice of the commencement date of any planned alteration, so that Landlord/District, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord/District's interest in the Premises. Landlord/District may also require Tenant to provide Landlord/District with lien releases from any contractor performing work on the Premises.

12. GOVERNMENT IMPOSED ALTERATIONS: Any alterations required by law as a result of Tenant's use shall be Tenant's responsibility. Landlord/District shall be responsible for any other alterations required by law.

13. ENTRY: Tenant shall make Premises available to Landlord/District or Landlord/District's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgages,

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Landlord/District's Initials (____)

Tenant's Initials (____)(_____)

lenders, appraisers, or contractors. Landlord/District and Tenant agree that 24 hours prior notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord/District or Landlord/District's representative may enter Premises at any time without prior notice.

14. SIGNS: Tenant authorizes Landlord/District to place a FOR LEASE sign on the Premises within the ninety (90) day period preceding the termination of the Agreement.

15. SUBLETTING/ASSIGNMENT: Tenant shall not sublet or encumber all or any part of Premises or assign or transfer this Agreement or any interest in it, without the prior written consent of Landlord/District, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord/District, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord/District an application and credit information for Landlord/District' approval, and, if approved, sign a separate written agreement with Landlord/District and Tenant. Landlord/District's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant or Tenant's obligation under this agreement.

16. POSSESSION: If Landlord/District is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord/District is unable to deliver possession within **sixty (60) calendar days** after agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord and shall be refunded all Rent and security deposit paid.

17. TENANT'S OBLIGATIONS UPON VACATING PREMISES: Upon termination of agreement, Tenant shall: (i) give Landlord/District all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord/District empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord/District in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord/District of tenant's forwarding address; and , (vii) all improvements installed by Tenant, with or without Landlord/District consent, become the property of Landlord/District upon termination. Landlord/District may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

18. BREACH OF CONTRACT/EARLY TERMINATION: In event Tenant, prior to expiration of this Agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of Tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord/District may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord/District may elect to continue the tenancy in effect for so long as Landlord/District does not terminate Tenant's right to possession, by either written notice of termination of possession or by re-letting the Premises to another who takes possession, and Landlord/District may enforce all Landlord/District's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.

19. DAMAGE TO PREMISES: If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord/District shall have the right to restore the Premises by repair or rebuilding. If Landlord/District elects to repair or rebuild and is able to complete such restoration within 90 days from the date of damage, subject to terms of this paragraph, this agreement shall remain in full force and effect. If Landlord/District is unable to restore the premises within this time, or if Landlord/District elects not to restore, then either Landlord/District or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord/District shall have the right of termination, and no reduction in rent shall be made.

21. HAZARDOUS MATERIALS: Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.

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Landlord/District's Initials (____)

Tenant's Initials (____)(_____)

22. INSURANCE: Tenant’s personal property, fixtures, equipment, inventory, and vehicles are not insured by Landlord/District against loss or damage due to fire, theft, vandalism, rain, water, criminal, or negligent acts of others, or any other cause. Tenant is to carry Tenant’s own property insurance to protect Tenant from any such loss. In addition, Tenant shall obtain and keep in force a Commercial General Liability policy of insurance protecting Tenant and Landlord/District as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Tenant shall add Landlord/District as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization’s Additional Insured-Managers or Lessors of Premises” Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from hostile fire. The policy shall not contain any intra-insured exclusions as between insured person or organizations but shall include coverage for liability assumed under this Lease as an “insured contract” for the performance of Tenant’s indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. Tenant shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Landlord/District, whose insurance shall be considered excess insurance only. Landlord/District shall maintain liability insurance insuring Landlord/District, but not Tenant, in the amount of at least \$1,000,000.00, plus property insurance in an amount sufficient to cover the replacement cost of the property. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant’s complete rental obligation to Landlord/District. Landlord/District is advised to obtain a policy of rental loss insurance. Both Landlord/District and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

23. TENANCY STATEMENT (ESTOPPEL CERTIFICATE): Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord/District or Landlord/District’s agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant’s acknowledgement that the tenancy statement is true and correct and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord/District as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord/District any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.

21. LANDLORD’S TRANSFER: Tenant agrees that the transferee of Landlord/District’s interest shall be substituted as Landlord/District under this agreement. Landlord/District will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord/District is released of any further liability to Tenant, upon Landlord/District’s transfer.

22. SUBORDINATION: This Agreement shall be subordinate to all existing liens and, at Landlord/District’s option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant’s right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.

23. TENANT REPRESENTATIONS; CREDIT: Tenant warrants that all statements in Tenant’s financial documents and rental application are accurate. Tenant authorizes Landlord/District and Broker(s) to obtain Tenant’s credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement Landlord/District may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant’s application is false. A negative credit report reflecting on Tenant’s record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.

24. JOINT AND INDIVIDUAL OBLIGATIONS: If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

25. NOTICE: Notices may be served by mail, email or courier at the following address or location or at any other location subsequently designated:

Landlord/District: Rim of the World Recreation and Park District
P.O. Box 8
26577 State Hwy 18
Rimforest, CA 92378

Landlord/District and Tenant acknowledge receipt of a copy of this page.

Landlord/District’s Initials (____)
Tenant’s Initials (____)(_____)

Premises: _____

Date: _____

Tenant:

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

31. WAIVER: The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.

32. INDEMNIFICATION: Tenant shall indemnify, defend, and hold Landlord/District harmless from all claims, disputes, litigation, judgments, and attorney fees arising out of Tenant's use of the Premises.

33. OTHER TERMS AND CONDITIONS/SUPPLEMENTS:

A. Tenant acknowledges that this lease may be subject to and agrees to pay all Possessory Interest (San Bernardino County property bill(s)).

B. The following ATTACHED supplements/exhibits are incorporated in this agreement.

34. ATTORNEY FEES: In any action or proceeding arising out of this agreement, the prevailing party between Landlord/District and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord/District or Tenant.

35. ENTIRE CONTRACT: Time is of the essence. All prior agreements between Landlord/District and Tenant are incorporated in this Agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees, and successors to the parties. Any remedies given Landlord/District shall be cumulative.

Tenant Signature _____ Date _____

(Print name)

Address _____ City _____ State ____ Zip _____

Tenant Signature _____ Date _____

(Print name)

Address _____ City _____ State ____ Zip _____

Landlord/District's GM Signature _____ Date _____

Address _____ City _____ State ____ Zip _____

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Landlord/District's Initials (____)
Tenant's Initials (____)(_____)