

The Neighborhood House Association

LEASE AGREEMENT Contract No. 18-006712-L

This Lease Agreement (the "Lease") is made and entered into effective this July 1, 2018 by and between Boys and Girls Clubs of Greater San Diego ("Lessor" or the "Club") and The Neighborhood House Association, a California non-profit, public benefit corporation ("Lessee" or "NHA"). Lessor and Lessee shall each be referred to as a "Party" and collectively referred to herein as the "Parties". In consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

RECITALS

- A. The Club leases the real property located at 2230 E. Jewett Street, San Diego, CA 92111 (the "Property") from the City of San Diego ("City") pursuant to a Lease effective December 9, 2002 ("Master Lease");
- B. NHA, operator of a Head Start Program, desires to lease from the Club the portion of the Property known as the Teen Center (the "Premises") and the Club desires to lease the Teen Center to NHA.
- C. Section 1.2 of the Master Lease requires that any lease to a Head Start Program requires written approval by the City;
- D. The effectiveness of this Lease is contingent to the written approval by the City and subject to the terms of the Master Lease.

NOW, THEREFORE in consideration of the mutual covenants and conditions the Parties acknowledge, the Club and NHA agree as follows:

1. Premises:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor exclusive use of the Teen Center space located at 2230 E. Jewett Street, San Diego, CA 92111, measuring (approximately) 6,700 rentable square feet (the "Premises"), as referenced on Exhibit "A," attached hereto and incorporated herein by this reference, for the days and times as set forth on Exhibit "B" attached hereto and incorporated herein by reference. Lessor grants Lessee possession of the Premises no later than May 1, 2018.

2. Term, Options to Extend and Early Termination:

- 2.1 The term of this Lease shall be for a period of thirty-six (36) months commencing July 1, 2018 and shall continue until it automatically expires on June 30, 2021 unless terminated earlier as provided below.
- 2.2 Lessee shall have the option to extend this Lease for up to two (2) additional 36-month periods. Lessee shall exercise this option by written notice to Lessor not less than ninety (90) days prior to the expiration of the initial term.

3. Term Base Monthly Rent:

Lessee agrees to pay Lessor, without abatement, deduction or offset, a monthly fee for its use of the Premises ("Base Monthly Rent") of \$8,375.00.

- 3.1 Rent Due Date. Lessee agrees that the Base Monthly Rent shall be due and payable on the first (1st) day of each month. The initial payment shall be due beginning on September 1, 2018, at the address following the signature line, or at such other address Lessor may designate in writing. In the event Lessee leases the Premises for any period less than one (1) month during the Term of this Lease, the Base Monthly Rent due Lessor shall be prorated based upon the actual number of calendar days the Premises was held by Lessee.
- 3.2 Unless this Lease provides otherwise, Lessee's Base Monthly Rent shall include the costs referenced in Section 8 and 12.2 below, billed in connection with Lessee's use of the Premises.
- 3.3 Annual Rent Adjustment. Effective on the anniversary of the commencement date, the Parties agree to adjust the Base Monthly Rent to include an amount equal to the change in the Cost of Living Adjustment for the year, as published by the Department of Health & Human Services for programs under the Head Start Act.

4. Additional Rent:

All charges payable by Lessee other than Base Monthly Rent shall be referred to as "Additional Rent."

- 4.1 To the extent applicable, Lessor agrees to submit to Lessee monthly invoice(s) for Additional Rent as appropriate charges accrued by Lessee become due. Lessee agrees to pay all approved invoices within thirty (30) days of receipt by Lessee to Lessor at Lessor's address referenced in the signature page below or at such other place as Lessor may designate in writing.
- 4.2 In the event Lessor fails to submit its invoices as provided above, Lessor shall still be entitled to collect any and all outstanding amounts owed by submitting its outstanding invoice(s) to Lessee not later than July 30 of each year, for the prior twelve (12) month period.

5. Permitted Use:

- 5.1 Subject to and conditioned upon approval by the City, the Parties acknowledge and agree that Lessee shall be permitted to use the Premises to provide Head Start services, with a maximum of 90 children, including comprehensive health, social, and child care services for children in communities located throughout San Diego County. The use of the Premises for any other purpose shall be considered a material breach of the Lease and subject to termination of the Lease.
- 5.2 NHA shall have exclusive use of the Premises and exclusive use of the Teen Center at the time and days as set forth below/as set forth in Exhibit "B" attached hereto and incorporated herein by reference.

- 5.3 Compliance with Law. Lessee shall comply with and observe all statutes, ordinances, regulations, orders and decrees of federal, state, city and any and all governmental departments, bureaus or agencies thereof, and all covenants and restrictions and requirements regulating the use of the Premises whether now in force or promulgated in the future. Any and all expense resulting from such compliance shall be borne by the Lessee. Lessee shall not use or permit the use of the Premises in any manner which will tend to create waste or nuisance or shall tend to disturb any other tenant on the Property.

6. Lessee's Responsibility for Maintenance, Improvements and Alterations:

- 6.1 Condition of Premises. Lessee hereby accepts the Premises in the condition existing as of the Lease commencement date, subject to all applicable zoning, municipal, county, state and federal laws, ordinances and regulations governing and regulating the use of the Premises and any covenants or restrictions. Lessee acknowledges that neither Lessor nor Lessor's agent, if any, has made any representation or warranty as to the present or future suitability of the Premises or the Property for the conduct of Lessee's business.

To comply with the disclosure requirement of California Civil Code section 1938, the Premises has not undergone inspection by a Certified Access Specialist (CASp) as defined in the construction-Related Accessibility Standard Compliance Act (Civil Code section 55.51 et seq.)

- 6.2 Lessee shall, at Lessee's sole expense, keep in good order, condition and repair the Premises and all parts thereof (whether or not the damaged portion of the Premises or the means of repairing the same are reasonably or readily accessible to Lessee) including, without limitation, all glass, doors, frames, plumbing, heating, air conditioning, ventilating and electrical, systems, lighting facilities, fixtures, interior walls, interior surface of exterior walls, ceilings, plate glass and skylights, heating/cooling, and all of Lessee's personal property within the Premises. All operation and maintenance, repair and replacement shall be made in compliance with all applicable laws and governmental regulations. If Lessee fails to perform Lessee's obligations under this Section, Lessor may, at Lessor's sole option, enter the Premises and perform such obligations on Lessee's behalf and put the Premises or any part thereof in good repair. The cost therefor, together with interest thereon at the maximum rate then allowed by law, shall be immediately due and payable as additional rent to Lessor.
- 6.3 Lessee shall not cause or permit any waste or injury to the Premises and shall keep the Premises free from any and all objectionable noises, odors, rubbish and debris inconsistent with the proper operation of Lessee's usual business thereon. Lessee shall further conform to all rules and regulations now or hereafter established by Lessor and City for the general safety, care and cleanliness of the Premises, and the comfort, quiet and convenience of other tenants of the Property, if any. Lessor shall not be responsible to Lessee for the nonobservance or violation of any such rules and regulations by any other lessees. Lessee agrees to be responsible for the day-to-day maintenance and repair of the inside of the interior walls of the Premises.

In the event that a maintenance, repair or replacement issue which directly, or indirectly, relates to the health, safety and or wellbeing of Lessee's personnel becomes present near or upon the Premises due to Lessor's failure to carry out Lessor's Obligations, Lessee may, but shall not be obligated to, cause such maintenance, repair or replacement to be as Lessee deems necessary after providing Lessor notice and a commercially reasonable opportunity to cure. Should Lessor fail to timely cure

the condition and Lessee elects to remedy such condition, Lessor agrees to immediately pay to Lessee all costs related thereto.

- 6.4 Alterations, Additions and Improvements. Subject to written approval by the City and the Lessor, if required by this Lease or the Master Lease, at Lessee's sole cost, Lessee may make alterations, additions and improvements, and install equipment and fixtures in or about the Premises that Lessee deems necessary to conduct the business related to the Permitted Use ("Lessee's Improvements"). If such consent is granted, any such alteration, addition or improvement shall be made in accordance with all applicable federal, state and municipal laws, rules and regulations as well as all covenants and restrictions. This Section shall specifically include carpeting, window coverings, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing, cabinets and fencing. If Lessor and City, if required, grants such consent, Lessor may require Lessee to remove any and all such alterations, additions or improvements at the expiration of the Term and restore the Premises to its condition as of this commencement of this Lease. If Lessor does not require such removal and restoration, all alterations, additions and improvements shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration of the Term.
- 6.5 Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessor may also require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to 1 1/2 times the estimated cost of such alterations, additions or improvements to insure Lessor against any liability for mechanic's and materialmen's liens and to insure completion of the work. The bond shall meet the requirements of Civil Code Section 3143. If Lessee shall, in good faith, contest the validity of any such claim, lien or demand, then Lessee shall, at its sole expense, defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien, claim or demand indemnifying Lessor against liability for the same and holding the Premises free from the effect of such lien, claim or demand. In addition, Lessor may require Lessee to pay Lessor's attorneys' fees and costs of participating in such action.
- 6.6 Lessee shall give Lessor not less than ten (10) days written notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-responsibility in the Premises. Any proposed alterations, additions or improvements shall be presented to Lessor in written form with detailed plans. If Lessee makes any alteration, addition or improvement without the prior written consent of Lessor and City, if required, Lessor may require Lessee to remove any or all of the same.
- 6.7 Lessee may remove Lessee's Improvements at any time prior to the termination of this Lease, and, to the extent applicable, Lessee shall promptly repair any damage arising from such removal. Notwithstanding the above, Lessee shall make no structural alterations to the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

7. Lessor's Obligations For Repair and Maintenance:

Lessor shall repair and maintain in good condition the structural parts of the Property which structural parts include only the foundations, bearing and exterior walls, subflooring, roof, gutters and downspouts on the Property.

8. Common Areas:

Common areas ("Common Areas") means all areas and facilities outside the Premises and within the exterior boundaries of the real property on which the Premises is located and which is for the general use and convenience of Lessee and other tenants of the Property. Common Areas include, without limitation, sidewalks, entrance ways, service areas, patios, landscaped areas, hallways, public restrooms, stairways, parking areas, driveways, roadways, loading areas, and elevators. Lessor shall repair and maintain the Common Areas in good condition. Lessor may establish and enforce reasonable rules and regulations concerning the Common Areas. Further, Lessor may temporarily close any of the Common Areas for maintenance or repair purposes. Lessor may select a person or organization to maintain and operate any of the Common Areas. Lessor shall also have the right to make changes to the Common Areas including, without limitation, changes in the location of driveways, entrances, exits and parking spaces.

9. Real Property Taxes:

Lessee alleges that it is a non-profit, tax-exempt entity and is not subject to real estate taxes when conducting business within the scope of its exempt purpose. Therefore, Lessee alleges that Lessee's use of the Premises shall be tax exempt and Lessor agrees to use its best efforts to obtain such exempt status for the leased Premises throughout the Term of this Lease and any extension thereof, provided however, that in the event Lessee makes any new improvements to the Premises, by or for the benefit of Lessee during the term of this Lease or any extension thereof, Lessee shall be responsible for reimbursement to Lessor for that portion of the real property taxes assessed to such improvement(s). Lessor shall be responsible for all other applicable real property taxes on the Premises.

10. Early Termination:

- 10.1 The Parties understand and accept that Lessor and Lessee are non-profit, community-based organizations which is operated primarily on public funding, which funding may be terminated at any time. Therefore, the Parties agree that either Party may terminate this Lease upon sixty (60) days prior written notice to the other Party if (a) its funding has been altered, making the continued use of the Property and/or the Premises impractical or not feasible; or (b) a Party has been directed by any of its funding sources or governing bodies to alter its operations making the use of the Premises impractical or not feasible.
- 10.2 Lessor may terminate the Lease in the event Lessee breaches any material covenant or condition contained in this Lease or the Master Lease, which breach is not cured within 30 days following written notice from the Lessor alleging said breach.
- 10.3 Lessor may terminate the Lease in the event the City terminates the Master Lease for any reason.

11. Utilities and Services:

- 11.1 Utilities. NHA shall pay to the Club 50% of the share of utilities, including water, gas and electrical for the Premises.

12. Insurance:

- 12.1 Lessee shall, at its sole cost and expense, purchase and keep enforced during the Term of this Lease, liability insurance for personal injury and workers' compensation, with the combined single limit coverage of one million dollars (\$1,000,000). All such insurance shall ensure the performance by Lessee of the indemnity provisions of this Lease as set forth below. Lessor shall be named as an additional insured on the policy. Upon request, copies of the policies shall be provided to Lessor. Lessee agrees that its insurance policy will provide to Lessor written notice of cancellation of insurance or changes in the policies no later than thirty (30) days after such event. Lessee agrees if it does not keep such insurance in full force and effect, Lessor may obtain the necessary insurance and pay the premium, and reimbursement shall be deemed to be Additional Rent and shall be due on the next day on which Base Monthly Rent becomes due. Lessee shall also maintain insurance, at its own cost, for its personal property located on the Premises.
- 12.2 Lessor agrees to procure and maintain throughout the term of this Lease, a policy of Commercial General Liability (CGL) insurance on the Premises in an amount and with coverage determined by Lessor, but in any event not less than one million dollars (\$1,000,000), insuring Lessor against liability arising out of ownership, use or occupancy of the Premises, including coverage for loss of or damage to the Premises in the full amount of its replacement value. Lessor shall not be responsible for nor obtain insurance for Lessee's fixtures, equipment or building improvements installed by Lessee on the Premises.
- 12.3 Lessor shall not be liable in the event of any interruption in the supply of any utility service to the Premises or to the building, except when the resulting interruption in utility services are caused in part or in whole by the neglect, fault or omissions of the Lessor, or its authorized representatives.

13. Signs:

Upon Lessor's and City's consent, Lessee shall at its own expense have the right to place on the Premises, at locations selected by Lessee, any signs which are permitted by applicable zoning ordinances. Lessee shall repair any damage to the Premises resulting from the removal of signs installed by Lessee.

14. Parking:

Lessee and Lessee's agents, employees, guests and invitees shall have for their use and benefit the non-exclusive right in common with Lessor, their respective agents, employees, guests, invitees the use of non-reserved common automobile parking areas, driveways and footways (collectively, the "Parking Area"). Lessee's use of the Parking Area shall be subject to such reasonable and uniformly enforced rules as Lessor may, in its reasonable discretion, adopt from time to time with respect to the Parking Area.

15. Notice of Entry:

Lessor reserves and shall at any reasonable times have the right to enter the Premises for the following reasons: (a) to supply any services to be provided by Lessor to Lessee under this Lease; and (b) to show the Premises to a prospective purchaser, lessees, insurance agents, lenders, service suppliers or contractors.

16. Estoppel Certificate:

Upon ten (10) days prior written notice by Lessor, Lessee agrees to execute, acknowledge and promptly deliver to Lessor's address, referenced in the signature page below, a document certifying: (a) confirmation or ratification of this Lease; (b) the Commencement Date and Termination Date; (c) that this Lease is in full force and effect and has not been assigned, modified or amended (except by such writings as shall be stated); (d) that all conditions under this Lease to be performed by Lessee have been satisfied as of the date of such certification; (e) that there are no defenses or offsets against the enforcement of this Lease by Lessor or stating those that are claimed by Lessee; and (f) the amount of the Security Deposit paid to Lessor.

17. Quiet Possession:

Lessee may occupy and enjoy the Premises for the full Lease Term, subject to the provisions of this Lease, so long as Lessee pays the Base Monthly Rent and complies with all other terms of this Lease.

18. Indemnification:

18.1 The Lessee shall defend, indemnify and hold the Club and the City harmless from and against any claim, demand, judgment, award, fine, mechanics' lien or other lien, loss damage, expense, charge or cost of any kind or character (including actual attorney fees and court costs) arising directly or indirectly from (a) this Lease, (b) labor dispute involving the Lessee or its contractors and agents, (c) the construction repair, alteration, use, occupancy or enjoyment of the Premises, the administrators of Lessor's employee benefit plans, from any third-party claim(s) for damages, or (d) from the conduct of the Lessee's business or from any activity, work or thing done, permitted or suffered by the Lessee in or about the Premises or elsewhere on the Property (hereinafter referred to as "Claims"), including, without limitation, Claims caused by concurrent negligent act or omission whether active or passive of the Lessee or its agents. The Lessee shall further indemnify and hold the Club and the City harmless from and against any and all Claims arising from any breach or default in the performance of any obligation of the Lessee under this Lease or arising from any negligence of the City or any of the City's agents, contractors or employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such Claim or any action or proceeding brought thereon. If any action or proceeding is brought against the Club by reason of any such Claim, the Lessee, upon notice from the Club, shall defend the same at the Lessee's expense by counsel reasonably satisfactory to the Club. The Lessee, as a material part of the consideration to the Club, hereby assumes all risk of damage to property or injury to persons in upon or about the Premises arising from any cause and the Lessee hereby waives all claims in respect thereof against the Club.

18.2 Exemption of the Club and City from Liability. The Lessee hereby agrees that the Club and the City shall not be liable for injury to the Lessee's business or for any loss of income therefrom or for damage to the goods, wares, merchandise or other property of the Lessee, the Lessee's employees, invitees, customers or any other person in or about the Premises. Further, the Club and the City

shall not be liable for any injury to the Lessee, the Lessee's employees, agents or contractors whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain or from breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the damage or injury results from conditions arising upon the Premises or from other sources or places and regardless of whether the cause of damage or injury or the means of repairing the same is inaccessible to the Lessee. The Club shall not be liable for any damages arising from any act or neglect of any other users of the Premises. Lessee agrees to hold harmless Lessor and the City from and against any and all claims, demands, actions, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) relating to or arising from the services provided by Lessee in connection with its use of the Premises under this Lease.

19. Destruction:

If the Premises is damaged by fire, storm or other act of God only to such an extent as to render them partially unleaseable ("Damaged Premises"), Lessor agrees to restore the Damaged Premises as speedily as possible, with Base Monthly Rent to be abated proportionately on the Damaged Premises until the Damaged Premises is fit for Lessee's occupancy. If the Premises are materially damaged by any of the aforesaid causes or Lessor cannot restore the Damaged Premises within sixty (60) days from the date of injury or damage, then Lessee shall have the right, but not the obligation, to terminate this Lease upon thirty (30) days prior written notice and this Lease shall thereupon become null and void and all liability of Lessee shall terminate upon payment of all Base Monthly Rent due and payable to the date of such casualty.

20. Eminent Domain:

If all of the Premises shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose ("Condemned") this Lease shall terminate effective as of the date of possession is required to be surrendered to the authority. If any part of the Premises is Condemned, or if any adjacent property or street shall be Condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, or if Lessor shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Lessee shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority or to continue the Lease, in which case the Basic Monthly Rent shall be proportionately abated.

21. Default: The occurrence of any of the following shall constitute a default under this Lease:

- 21.1 Abandonment, vacating or surrender of the Premises by Lessee.
- 21.2 Failure by Lessee to make any payment of Base Monthly Rent or any other payment required to be made by Lessee when due, if such failure continues for a period of ten (10) business days after Lessor provides written notice to Lessee.
- 21.3 Failure or refusal by either Party to perform a required covenant or condition under this Lease (monetary, or otherwise) that is deemed to be substantive and material, if and only if, such a failure to perform is not cured within thirty (30) business days after written notice is furnished to the non-performing Party.

22. Remedies:

If Lessee fails to perform any of its duties or obligations within applicable cure periods, Lessor may at its option:

- 22.1 Terminate Lessee's right to possession of the Premises and the Lease shall terminate and Lessee shall surrender possession to Lessor. In such event, Lessor shall be entitled to recover the unpaid rent accrued at the time of the termination;
- 22.2 Continue the Lease, allowing Lessee's continued right to possession and recover the Base Monthly Rent as it becomes due;
- 22.3 Pursue any other remedy now or hereinafter available under the laws of California;
- 22.4 If Lessor fails to perform any of its duties or obligations within applicable cure periods, Lessee may at its option (i) terminate the Lease and surrender possession of the Premises to Lessor; (ii) continue the Lease as contemplated in Section 22.2 above; and/or (iii) pursue any other remedy now or hereinafter available under the laws of California.

23. Notices:

Any notice required by this Lease must be in writing and shall be deemed to have been sufficiently communicated when (i) personally delivered; (ii) electronically transferred (ii) on the second (2nd) business day after mailing by overnight delivery, postage prepaid.

24. Attorney Fees:

In the event of any legal action or proceeding brought by either Party against the other under this Lease, the prevailing Party shall be entitled to recover reasonable attorney's fees, costs and expenses.

25. Assignment:

Lessee agrees not to assign this Lease, sublet the Premises, or any part thereof, nor shall Lessee assign any of its rights or obligations hereunder without the prior written consent of Lessor. Any attempt by Lessee to assign any of its rights or obligations under this Lease in violation of this Section shall be void. Subject to the foregoing, this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

26. Surrender of Premises:

Upon surrender of the Premises, Lessee shall remove all of its personal property and any alterations made to the Premises and surrender to Lessor the Premises in the same condition as it existed at the commencement of the Term, with the exception of normal wear and tear. Any improvements that have been made or will be made in the future at Lessor's expense are the property of the Lessor.

27. Headings:

All section and paragraph headings are for reference and convenience only and do not alter, amend, explain,

interpret or otherwise affect the terms and conditions of this Lease.

28. Partial Invalidity:

If any term or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Lease shall remain in full force and effect and shall in no way be affected, impaired or invalidated

29. Hold Over:

If Lessee, with Lessor's consent, remains in possession of the Premises after expiration or termination of the Lease, such possession by Lessee shall be deemed to be a month to-month tenancy, terminable on thirty (30) days' notice given by either Party. All provisions of this Lease except those pertaining to the Term shall apply to the month-to-month tenancy.

30. Binding on Successors:

In the event of any sale or exchange of the Premises by Lessor, the terms, conditions and covenants set forth in this Lease shall apply to and bind the heirs, successors and their representatives.

31. No Waiver of Breach or Default:

Either Party's failure to strictly and/or promptly enforce any of its rights, including but not limited to declaring a default, requiring cure of default, and/or terminating this Lease, shall not operate as a waiver of the default or breach of Lessee's rights, or to defeat or affect in any way the rights of either Party, with respect to any such continuing or subsequent default or breach. No waiver shall be inferred from or implied by anything done or omitted by either Party, except an express written waiver. All rights and remedies of either Party with respect to default and breach shall be cumulative and not alternative. Each Party expressly reserves the right to enforce any and all rights it has herein at any such time as the Party, in its sole discretion, deems appropriate.

32. Late Charges:

Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due under this Lease will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee is not received by Lessor within ten (10) days after such amount is due then Lessee shall immediately pay to Lessor a late charge equal to six percent (6%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of the late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted under this Lease. If a late charge is payable hereunder, whether or not collected, for three (3) installments of rent, then rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding any other provision of this Lease to the contrary.

33. Security Measures:

The Lessee hereby acknowledges that the Rent payable to the Lessor hereunder does not include the cost of guard service or other security measures and that the Club shall have no obligation whatsoever to provide the same. The Lessee assumes all responsibility for the protection of the Lessee, its agents and invitees from acts of third parties.

34. The Club's Right to Effect Performance:

If the Lessee at any time fails to perform any covenant, term or condition of this Lease, the Lessor may immediately, or at any time thereafter without notice, perform the same for the account of the Lessee, and any monies paid by the Lessor on account thereof shall be deemed to be additional Rent under this Lease, shall be immediately due and payable to the Lessor and shall bear interest at the maximum rate allowable by law until paid by the Lessee to the Lessor.

35. Miscellaneous:

35.1 Time of Essence. Time is of the essence.

35.2 Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.

35.3 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof and it shall remain in full force and effect.

35.4 Waiver. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such right or remedy or be construed as a waiver. Any waiver by the Lessor of any breach or default must be in writing and shall not be a waiver of any other breach or default concerning the same or any other provision of this Lease.

35.5 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

35.6 Governing Law. This Lease shall be governed by the laws of the State of California.

35.7 Heirs, Successors and Assigns. This Lease shall be binding on the Parties, their respective heirs, personal representatives, successors and assigns.

35.8 Authority. Each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of that entity. If the Lessor requests, the Lessee shall provide the Lessor with evidence of such authority satisfactory to the Lessor.

35.9 Counterparts. This Lease may be executed in two (2) or more counterparts and by facsimile, each of which shall be deemed to be an original, but all of which together shall constitute one and the

same instrument.

35.10 Incorporation of Recitals. Recitals are hereby incorporated herein by reference.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed in their names and on their behalf by their duly authorized representatives effective as of the effective date first written above.

LESSOR: BOYS & GIRLS CLUBS OF GREATER SAN DIEGO

Dated: 4/27, 2018

By: 

Danny Sherlock, President and CEO
P.O. Box 178569
San Diego, CA 92177

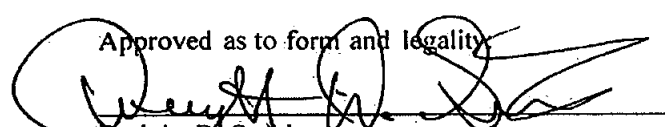
LESSEE: THE NEIGHBORHOOD HOUSE ASSOCIATION

Dated: 4/25/18, 2018

By: 

Rudolph A. Johnson, III
President and CEO

Approved as to form and legality


Dwight D. Smith
General Manager & General Counsel
The Neighborhood House Association

Address: The Neighborhood House Association
5660 Copley Drive
San Diego, CA 92111