

● **Insurance Proposal
Prepared For**

**Mountain Desert
Regional Career &
Occupational Pathways
JPA**

12555 Navajo Road
Apple Valley, CA 92308

Presented: October 26, 2018



Arthur J. Gallagher & Co.

Arthur J. Gallagher & Co. Insurance Brokers of CA., Inc.
License Number - 0726293
18201 Von Karman Ave Suite 200
Irvine, CA 92612

www.ajg.com

Mountain Desert Regional Career & Occupational Pathways
JPA

Your Program

Mountain Desert Regional Career & Occupational Pathways JPA

Named Insured

Named Insured Schedule:

Add / Change / Delete	Named Insured	General Liability	Excess Accident Medical
	Mountain Desert Regional Career & Occupational Pathways JPA	X	X

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

Mountain Desert Regional Career & Occupational Pathways JPA

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
New Hampshire Insurance Company	General Liability	Recommended Quote	\$2,016.00
United States Fire Insurance Company	Excess Accident Medical	Recommended Quote	\$120.00

Mountain Desert Regional Career & Occupational Pathways JPA

Program Details

Coverage: General Liability
Carrier: New Hampshire Insurance Company
Policy Period: November 1, 2017 to November 1, 2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
General Liability	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
General Liability Aggregate	Limit	\$2,000,000
General Liability Products/Completed Operations	Limit	\$1,000,000
General Liability Personal/Advertising Injury	Limit	\$1,000,000
Each Occurrence	Limit	\$1,000,000
Damages to Premises Rented to You	Limit	\$300,000

Endorsements include, but are not limited to:

DESCRIPTION
Policy holder Notice- Taxes, Assessments and/or Surcharges - 118477 (3/15)
Declaration Page - 94858
Addendum To Declarations - 78711 (01 77)
Commercial General Liability Coverage Part Declarations - JDL 1 90 (2)-X-A (1-95)
Claims Reporting Instructions
AIG Policyholder Notice - 91222 (9/16)
Forms And Endorsements List
Economic Sanctions Endorsement - 89644 6-13
Commercial General Liability Coverage Form - CG 00 01 04 13
Common Policy Conditions - IL 00 17 11 98
Commercial General Liability Enhancement Endorsement - 86563 12 04
Limited Event Coverage - Annual - 100472 3_09
Limited Event Addendum- Annual
Securities and Financial Interest - 73003 4 99
Additional Insured Endorsement - 100455 3 09
TRIA Disclosure - 96556 (1/15)

Mountain Desert Regional Career & Occupational Pathways JPA

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
AI- Managers Lessors - CG 2011 0413
AI- Designated Persons - CG 20 26 0413
AI Subdivision - CG 20 12 07 98
AIG Combined Privacy Notice (Non WC) - 123112 (09/16)
Calculation of Premium - IL 0003 (09/08)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Bodily Injury and Property Damage from pollutants - Absolute Exclusion
General Liability	Losses arising from the ownership maintenance or use of aircraft, autos, or watercraft, with some minor exceptions including certain contractual obligations
General Liability	Employment Related Practices Exclusion
General Liability	Liquor Liability Exclusion
General Liability	Aircraft Products Exclusion
General Liability	Professional Liability Exclusion - 97020 2 08
General Liability	Real Property in Your Care, Custody, and Control Exclusion
General Liability	Absolute Asbestos Exclusion
General Liability	Absolute Lead Exclusion
General Liability	War and Nuclear Hazard
General Liability	Mold / Fungus
General Liability	Abuse or Molestation Exclusion - CG 21 46 07 98
General Liability	Assault & Battery Exclusion - 101145 4 09
General Liability	Asbestos and Silica Exclusion - 82540 (8/07)
General Liability	Collapse of Temporary Structure Exclusion - 100462 3 09
General Liability	Attendance Limitation Exclusion - 100461 3_09
General Liability	Field of Entertainment Exclusion - 60368 5
General Liability	Fireworks Exclusion - 96725 1207
General Liability	Medical Payments Exclusion - CG 21 35 10 01
General Liability	Nuclear Energy Exclusion - IL 00 21 05 04
General Liability	Silicosis Exclusion - 64003 901
General Liability	Stunt Exclusion - 72981 499
General Liability	Total Lead Exclusion - 58332 (07/93)
General Liability	Sports Leisure Entertainment Exclusions - 100456 3 09
General Liability	War Exclusion - CG 00 6312

Mountain Desert Regional Career & Occupational Pathways JPA

Program Details (Cont.)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Violation Statutes Exclusion - 87295 105
General Liability	Exclusion Access or Disclosure - CG 2106 (05/14)
General Liability	Radioactive Matter Exclusion - 62898 (7 /12).

Binding Requirements:

DESCRIPTION
Subject to If insured is located outside your resident state, we must receive a copy of your non-resident license prior to binding.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
No Flat Cancellations

Premium	\$1,616.00
Fees	
Broker Fee	\$400.00
Total Fees	\$400.00
ESTIMATED PROGRAM COST	\$2,016.00
Minimum Earned Premium -	25.00 %
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	Included

Subject to Audit: Not applicable

Mountain Desert Regional Career & Occupational Pathways JPA

Program Details

Coverage: Excess Accident Medical
Carrier: United States Fire Insurance Company
Policy Period: November 1, 2017 to November 1, 2018

Form Number:

Form Type:

COVERAGE	CLASS 1 COVERAGE	RETROACTIVE DATE	PENDING & PRIOR DATE
Excess Accident Medical	All active spectators and/or ticketholders who are attending an Insured Group's sponsored, scheduled and supervised short-term event	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Accidental Death & Dismemberment (AD&D)	Limit	\$5,000	
Accident Medical Expense Benefit	Limit	\$5,000	
Aggregate Limit of Indemnity (Applicable to AD&D only)	Limit	\$50,000	Per Accident
Dental Maximum	Limit	\$250	Per Tooth Per Accident

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
Deductible	Corridor Deductible - Per Incident Per Person	\$100

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
No Flat Cancellations

Mountain Desert Regional Career & Occupational Pathways JPA

Program Details (Cont.)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
ADD	<p>(1) Is proximately caused by the Covered Person's own:</p> <ul style="list-style-type: none"> (a) Intentionally self-inflicted Injury, suicide or any attempt thereat; (b) Voluntary self-administration of any drug or chemical substance not prescribed by, and taken according to the directions of, a doctor (Accidental ingestion of a poisonous substance is not excluded.); (c) Commission or attempt to commit a felony; (d) Participation in a riot or insurrection; (e) [Injury caused by, contributed to or resulting from the Covered Person's use of alcohol, illegal drugs or medicines that are not taken in the dosage or for the purpose as prescribed by the Covered Person's Physician. <p>(2) Is proximately caused by:</p> <ul style="list-style-type: none"> (a) Declared or undeclared war or act of war; (b) Aviation, except as specifically provided in this Certificate; (c) Sickness, disease, bodily or mental infirmity or medical or surgical treatment thereof, bacterial or viral infection, regardless of how contracted. <p>This does not include bacterial infection that is the natural and foreseeable result of an accidental external bodily injury or accidental food poisoning.</p>

Premium	\$120.00
ESTIMATED PROGRAM COST	\$120.00
Minimum Earned Premium -	25.00 %

Subject to Audit:

Mountain Desert Regional Career & Occupational Pathways JPA

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE	ESTIMATED COST	EXPIRING PROGRAM CARRIER	EXPIRING PROGRAM CARRIER	PROPOSED PROGRAM CARRIER	ESTIMATED COST
General Liability	Premium Total Fees Estimated Cost Annualized Cost TRIA Premium	NOT APPLICABLE	NOT APPLICABLE	New Hampshire Insurance Company (American International Group, Inc)	\$1,600.00 \$400.00 \$2,000.00 N/A \$16.00
Excess Accident Medical	Premium Estimated Cost Annualized Cost TRIA Premium	NOT APPLICABLE	NOT APPLICABLE	United States Fire Insurance Company (Fairfax Financial (USA) Group)	\$120.00 \$120.00 N/A
Total Estimated Program Cost					\$2,136.00

Quote from New Hampshire Insurance Company (American International Group, Inc) is valid until 11/2/2017

Quote from United States Fire Insurance Company (Fairfax Financial (USA) Group) is valid until 11/2/2017

Gallagher is responsible for the placement of the following lines of coverage:

General Liability
Excess Accident Medical

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

This proposal of insurance features insurance policies which contain cancellation provisions to refund premium other than on a pro-rata basis for such occurrences including but not limited to non-payment of premium (short rate penalty provisions). At your request, we can detail the terms of such cancellation provisions.

Mountain Desert Regional Career & Occupational Pathways JPA

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
New Hampshire Insurance Company	General Liability	Payment Due Upon Receipt	Agency Bill
United States Fire Insurance Company	Excess Accident Medical	Payment Due Upon Receipt	Agency Bill

LEASE AGREEMENT

THIS LEASE (“**Lease**”) is made by and between Apple Valley Unified School District, a California public school district, as landlord (“**Landlord**”), and Mountain Desert Regional Career Occupational Pathways JPA, a California joint powers authority, as tenant (“**Tenant**”), dated _____, 2017 (“**Effective Date**”).

RECITALS

A. Landlord is the owner of that certain real property, located at 12555 Navajo Road, Apple Valley, California, known as the Educational Service Center in the County of San Bernardino, California (the “**Property**”) and all improvements situated on the Property (“**Buildings**”).

B. Tenant operates certain career technical education programs (“**Programs**”) to support local career technical education and/or provide advanced training and support services to students.

C. Tenant desires to lease a portion of the Property and the Buildings from Landlord and Landlord is willing to lease a portion of the Property and Buildings to Tenant under the terms and conditions of this Lease.

NOW THEREFORE, in consideration of the terms and covenants contained in this Lease, Landlord and Tenant agree as follows:

1. Lease of Premises.

1.1 Lease. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises on the Property, commonly known as Room C-23, consisting of approximately four hundred and fifty (450) square feet (the “**Premises**”). A copy of the site plan showing the location of the Premises is attached to this Lease as Exhibit A.

2. Basic Lease Provisions.

2.1 For convenience of the parties, certain basic provisions of this Lease are set forth herein, which provisions are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1.1 Annual Basic Rent: One Dollar (\$1.00)

2.1.2 Term Commencement Date: The Effective Date of this Lease, as defined above.

2.1.3 Term Expiration Date: The date five (5) years from the Effective Date of this Lease, subject to any earlier termination as provided for in Section 3.2 below.

2.1.4 Permitted Use: Tenant’s Programs, as defined in Recital B, above.

2.1.5 Address for Rent Payments and Notices:

To Landlord:

Apple Valley Unified School District
12555 Navajo Rd.
Apple Valley, CA 92308
Attn: Matthew Schulenberg
Assistant Superintendent, Administrative Services
matthew_schulenberg@avusd.org

To Tenant:

3. Term.

3.1 This Lease shall take effect upon the date of execution by each of the parties (“**Effective Date**,” as defined above) and each of the provisions shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution.

3.2 The term of this Lease will be that period from the Term Commencement Date as defined in Section 2.1.2 above through the Term Expiration Date as defined in Section 2.1.3 above; provided, however, that Landlord and Tenant shall have the right to terminate this Lease for any reason during the term of this Lease by giving thirty (30) days’ prior written notice to the other party. Additionally, Landlord and Tenant shall have the right to extend the term of this Lease upon mutual agreement for such extension.

4. Possession.

4.1 As-is Condition. Landlord shall tender possession of the Premises to Tenant in “as is” condition on the Term Commencement Date for occupancy by Tenant thereafter.

4.2 Furniture and Equipment. Landlord and Tenant shall collectively provide the furniture and equipment for Tenant to operate Tenant’s Programs during the Lease term, and each party shall retain ownership over their own items, unless otherwise agreed to in writing by the parties.

5. Rent.

5.1 Basic Monthly Rent. Tenant agrees to pay Landlord the sum set forth in Section 2.1.1 on or before the first day of January in each year during the term of this Lease (“**Basic Monthly Rent**”).

5.2 Additional Rent. In addition to Basic Monthly Rent, Tenant agrees to pay to Landlord all other amounts that Tenant assumes or agrees to pay under the provisions of this Lease, including but not limited to any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant.

5.3 Rent. Basic Monthly Rent and all other amounts Tenant owes under the provisions of this Lease shall together be referred to as "**Rent.**" Except as expressly set forth in this Lease, Rent shall be paid to Landlord at the address set forth in Section 2.1.5 herein or to such other person or at such other place as Landlord may from time to time designate in writing.

6. Condition of Premises. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty, express or implied, with respect to the condition of the Premises, except as set forth herein, or with respect to their suitability for the conduct of Tenant's business.

7. Use.

7.1 Compliance with Law. Tenant shall conduct its business operations and use the Premises in compliance with all federal, state, and local laws, regulations, ordinances, requirements, permits and approvals applicable to the Premises. Tenant shall not use or occupy the Premises in violation of any law or regulation, and shall, upon five (5) days' written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law. As part of conducting its business operations in compliance with all federal, state and local laws as described above and to the extent its employees are required to be licensed, fingerprinted or otherwise certified for their jobs, Tenant shall ensure that its employees have and maintain current licenses or certifications in good standing, as applicable, during the term of this Lease.

7.2 Compliance with Insurers. Tenant shall not do or permit to be done anything which will invalidate or increase the cost (unless Tenant agrees to pay such increased cost) of any fire, extended coverage or any other insurance policy covering the Premises, or which will make such insurance coverage unavailable on commercially reasonable terms and conditions, and shall comply with all rules, orders, regulations and requirements of the insurers of the Premises.

7.3 No Unlawful Use. Tenant shall not use or knowingly allow the Premises to be used for any unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance or waste in, on, or about the Premises. Tenant shall take all reasonable precautions to prevent the Premises from being used for any unlawful purposes and to prevent any nuisance or waste in, on, or about the Premises.

7.4 Exclusive Use. Landlord shall provide Tenant with exclusive use of the Premises, subject to any restrictions and terms as set forth in this Lease.

8. Repairs and Maintenance.

8.1 Tenant's Obligations. Throughout the term of this Lease, at Tenant's sole cost and expense, Tenant shall keep the interior of the Premises in good condition and repair. Upon the expiration or earlier termination of the term of this Lease, Tenant shall surrender the Premises to Landlord in the same condition as when received, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted.

8.2 Landlord's Obligations. Landlord shall maintain the Property in good condition and repair. Landlord shall maintain and repair the structural and exterior portions of the Premises. Landlord shall provide and pay for custodial service, maintenance personnel, and other persons who perform duties connected with the operation and maintenance of the interior of the Premises. However, if repairs are required because of any act or neglect by Tenant, its agents, employees or invitees, Tenant shall pay to Landlord the entire cost of such repairs attributable to Tenant's act or neglect, unless such repairs are covered by insurance carried by Landlord.

9. Utilities, Trash, Personal Property Taxes

9.1 Utilities. Tenant may be requested to pay a reasonable share for all water, gas, electricity, telephone, cable television, and other utilities that may be furnished to the Premises during the term of this Lease, together with any taxes thereon, as agreed by the parties.

9.2 Failure of Utilities. Landlord shall not be liable for any failure of any such utility or service.

10. Parking Facilities.

10.1 No reserved parking is available on the Property.

10.2 Tenant shall not place any equipment, storage containers or any other property on the surface parking area or otherwise outside of the Premises without the prior written consent of Landlord.

11. Control by Landlord. Landlord reserves full control over the Premises to the extent not inconsistent with Tenant's quiet enjoyment and exclusive use of the Premises. Such control shall include but is not limited to Landlord's right to enter upon the Premises for the purpose of viewing and ascertaining the condition of the Premises.

12 Improvements.

12.1 Landlord Approval. Tenant shall make no alternations, additions or improvements (collectively referred to in this section as “**improvements**”) in or to the Premises without the Landlord’s prior written consent.

12.2 Surrender. Tenant shall surrender the improvements at the expiration of the term or earlier termination of this Lease, free and clear of all liens and encumbrances. Tenant agrees to execute, acknowledge and deliver to Landlord, at Landlord’s request, any instrument necessary to perfect Landlord’s right, title and interest to the improvements.

13. Quiet Enjoyment. So long as Tenant is not in default, Landlord covenants that Landlord or anyone acting through or under Landlord will not disturb Tenant’s occupancy of the Premises except as permitted by the provisions of this Lease.

14. Defaults and Remedies.

14.1 Defaults. The occurrence of any one or more of the following events shall constitute a default by Tenant:

14.1.1 The failure by Tenant to make any payment of Rent, as and when due, where such failure continues for a period of ten (10) business days after written notice from Landlord to Tenant. Such notice shall be in lieu of, and not in addition to, any notice required under California law; and

14.1.2 The failure by Tenant to observe or perform any obligation to be performed by Tenant, where such failure continues for a period of thirty (30) days after written notice from Landlord to Tenant; provided, however, that if the nature of Tenant’s default is such that more than thirty (30) days are reasonably required to cure the default, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently continues the same to completion. Such notice shall be in lieu of, and not in addition to, any notice required under state law.

14.2 Remedies. In the event of a default by Tenant, and at any time thereafter, and without limiting Landlord in the exercise of any right or remedy which Landlord may have, Landlord shall be entitled to terminate Tenant’s right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall have the immediate right to reenter and remove all persons and property, and such property may be removed and stored at the cost of Tenant, all without service of notice and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby. In the event that Landlord elects to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant’s default, including: all amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant’s failure to perform its obligations under this Lease.

14.3 Landlord Default. Landlord shall not be in default unless Landlord fails to perform its obligations within a reasonable time, but in no event later than thirty (30) days after

written notice by Tenant; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently continues the same to completion.

15. Indemnification.

15.1 Tenant Indemnification. Tenant agrees to indemnify Landlord, its Board of Trustees, each member of the Board, its affiliates, officers, agents, contractors and employees (collectively, "**Landlord's Agents**"), against, and to protect, defend, and save them harmless from, all demands, claims, causes of action, liabilities, losses, judgments, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorneys' fees), brought or claimed by a third party, for death of or injury to person or damage to property arising out of (i) any occurrence in, upon or about the Premises during the term of this Lease, (ii) Tenant's use, occupancy, repairs, maintenance, and improvements of the Premises and all improvements, fixtures, equipment and personal property thereon, and (iii) any act or omission of Tenant, its shareholders, directors, officers, agents, employees, servants, contractors, and invitees, except to the extent caused by the negligence or willful misconduct of Landlord. Tenant's obligation under this Section 15.1 shall survive the expiration or earlier termination of the term of this Lease.

15.2 Tenant's Personal Property. Landlord shall not be liable to Tenant and Tenant assumes all risk of damage to any fixtures, goods, inventory, merchandise, equipment, records, research, computer hardware and software, leasehold improvements, and other personal property of any nature whatsoever, and Landlord shall not be liable for injury to Tenant's business or any loss of income related to such damage, unless caused by Landlord's or Landlord's Agents' willful misconduct or gross negligence.

15.3 Insurance Proceeds. The indemnity obligations of both Landlord and Tenant under this Section 15 shall be satisfied to the extent of proceeds of applicable insurance maintained by the indemnifying party to the extent thereof, and thereafter to proceeds of any applicable insurance maintained by the other party; Landlord and Tenant shall be required to satisfy any such obligation only to the extent it is not satisfied by proceeds of applicable insurance as set forth above.

15.4 Criminal Acts by Third Parties. Security devices and services, if any, while intended to deter crime, may not in given instances prevent theft or other criminal acts and it is agreed that Landlord shall not be liable for injuries or losses caused by criminal acts of third parties and the risk that any security device or service may malfunction or otherwise be circumvented by a criminal is assumed by Tenant. Tenant shall, at Tenant's expense, obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

16. Insurance.

16.1 Commercial General Liability. Commencing prior to Tenant's first entry onto the Premises and no later than the Term Commencement Date, and continuing at all times during the term of this Lease, Tenant shall maintain, at Tenant's expense, commercial general liability

insurance, on an occurrence basis, insuring Tenant and Tenant's agents, employees and independent contractors against all bodily injury, property damage, personal injury and other covered loss arising out of the use, occupancy, improvement, and maintenance of the Premises and Tenant's Program, or any other occupant, on the Premises. Such insurance shall have a minimum combined single limit of liability per occurrence of not less than \$1,000,000.00 and a general aggregate limit of \$2,000,000.00. The amounts of such insurance may be increased from time to time as Landlord may reasonably determine. Such insurance shall: (i) name Landlord as additional insured; (ii) include a broad form contractual liability endorsement insuring Tenant's indemnity obligations under Section 15.1; (iii) provide that it is primary coverage and noncontributing with any insurance maintained by Landlord, which shall be excess insurance with respect only to losses arising out of Tenant's negligence; and (iv) provide for severability of interests or include a cross-liability endorsement, such that an act or omission of an insured shall not reduce or avoid coverage of other insureds.

16.2 Workers Compensation Insurance. At all times during the term of this Lease, Tenant shall maintain workers' compensation insurance in accordance with state law, and employers' liability insurance with limits typical for companies similar to Tenant.

16.3 Requirements for Insurance Policies. All of the policies and certificates of insurance relating to this Section 16 shall be written by subject to Landlord's approval. Tenant's certificates shall state that it will give Landlord at least ten (10) days' prior written notice by registered mail before the applicable policy is cancelled for non-payment of premium, and thirty (30) days' prior written notice by registered mail before the applicable policy is cancelled or altered in coverage, scope, amount or other material term for any other reason (although any failure of an insurer to give notice as provided herein shall not be a breach of this Lease by Tenant). No policy shall provide for a deductible amount in excess of \$100,000, unless approved in advance in writing by Landlord. Tenant shall deliver to Landlord copies of the insurance policies required to be carried by Tenant, certified by the insurer, or certificates evidencing such insurance policies, issued by the insurer, together with evidence of payment of the required premiums, prior to the required date for commencement of such coverage. At least thirty (30) days prior to expiration of any such policy, Tenant shall deliver to Landlord a certificate evidencing renewal, or a certified copy of a new policy or certificate evidencing the same, together with evidence of payment of the required premiums. If Tenant fails to provide to Landlord any such policy or certificate by the required date for commencement of coverage, or within fifteen (15) days prior to expiration of any policy, or to pay the premiums when required, Landlord shall have the right, but not the obligation, to procure said insurance and pay the premiums. Any premiums so paid by Landlord shall be repaid by Tenant to Landlord with the next due installment of rent, and failure to repay the same shall have the same consequences as failure to pay any installment of Rent.

17. Damage or Destruction.

17.1 Restoration of Premises. In the event of damage to or destruction of all or any portion of the Premises, including the improvements and fixtures, arising from a risk covered by the insurance described in Section 16, Landlord shall, within a reasonable time, commence and proceed diligently to repair, reconstruct and restore (collectively, "restore") the Premises to substantially the same condition as they were in immediately prior to the casualty. Landlord

shall be responsible for all insurance deductibles attributable to the Premises and for all costs of restoration of the Premises in excess of insurance proceeds for the Premises. Except as expressly set forth below, this Lease shall continue in full force and effect notwithstanding such damage or destruction.

17.2 Damage Not Covered by Insurance. In the event of any damage to or destruction of all or any portion of the improvements arising from a risk which is not covered by the insurance described in Section 16, Landlord shall, within a reasonable time, at its expense, commence and proceed diligently to restore the Premises to substantially the same condition as they were in immediately prior to the casualty. This Lease shall continue in full force and effect notwithstanding such damage or destruction; provided, however, that if the damage or destruction (i) occurs during the last two years of the term and the expense of restoration to either Landlord or Tenant exceeds \$100,000, or (ii) occurs at any other time and the expense of restoration to either Landlord or Tenant exceeds \$200,000, the party responsible for the cost may at its election terminate the Lease unless the other party elects to pay the full cost of restoration.

17.3 Equivalent Restoration. In satisfying its obligations under this Section 17, neither party shall be required to fulfill its restoration responsibilities with improvements identical to those which were damaged or destroyed; rather, with the consent of the other party, which consent will not be unreasonably withheld, the restoring party may restore the damage or destruction with improvements reasonably equivalent or of reasonably equivalent value to those damaged or destroyed.

17.4 No Abatement or Compensation. In the event of damage, destruction and/or restoration as herein provided, there shall be no abatement of Rent, and Tenant shall not be entitled to any compensation or damages occasioned by any such damage, destruction or restoration.

18. Assignment or Subletting.

18.1 Landlord Approval. Except as provided in this Lease, Tenant shall not, either voluntarily or by operation of law, sell, assign, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit or suffer the Premises or any part thereof to be used or occupied as work space, storage space, concession or otherwise by anyone other than Tenant or Tenant's employees, without the prior written consent of Landlord in each instance. Landlord retains the right to grant or withhold such consent at its sole discretion.

18.2 Any assignment or subletting of the Premises without Landlord approval shall be void and shall, at the option of Landlord, terminate this Lease.

19. Removal of Property.

19.1 Except as provided below, all fixtures and personal property owned by Tenant shall remain the property of Tenant and may be removed by Tenant at the expiration or earlier termination of this Lease.

19.2 Tenant shall repair any damage to the Premises caused by Tenant's removal of any fixtures or personal property owned by Tenant, and Tenant shall, prior to the expiration or

earlier termination of this Lease, restore and return the Premises to the condition they were in when first occupied by Tenant, reasonable wear and tear excepted.

20. Waiver and Modification. No provision of this Lease may be modified, amended or added to except by an agreement in writing. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

21. Hazardous Material.

21.1 Compliance with Law. During the term of this Lease, Tenant, at its sole expense, shall comply with all federal, state and local laws, statutes, ordinances, codes, regulations and orders relating to the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release and disposal of Hazardous Material (as defined below) in or about the Buildings or Premises. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors, or invitees, in a manner or for a purpose prohibited by any federal, state or local agency or authority.

21.2 Notice of Spill or Violation. Tenant shall immediately provide Landlord with notice, which shall promptly be confirmed by written notice, of any and all spillage, discharge, release and disposal of Hazardous Material onto or within the Premises, including the soils and subsurface waters, which by law must be reported to any federal, state or local agency, and any injuries or damages resulting directly or indirectly therefrom. Further, Tenant shall deliver to Landlord every notice identifying a violation which may have the potential to adversely impact the Premises, received from any federal, state or local agency concerning Hazardous Material promptly upon receipt of each such notice by Tenant.

21.3 Indemnification. From and after the Term Commencement Date, Tenant shall be responsible for and shall indemnify, protect, defend and hold harmless Landlord and Landlord's Agents from any and all liability, damages, injuries, causes of action, claims, judgments, costs, penalties, fines, losses, and expenses which arise at any time and which result from Tenant's actions relating to Hazardous Material in, upon, or about the Premises and Property. Landlord shall be responsible for and shall indemnify, protect, defend, and hold harmless Tenant on the same basis as above for any claims which result from Landlord's or from Landlord's Agents actions relating to Hazardous Material in, upon, or about the Premises.

21.4 Obligations Survive Termination. Tenant's obligations under this Section 21 shall survive the termination of the Lease.

21.5 Definition of Hazardous Material. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the state of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) petroleum, (ii) asbestos, (iii) designated as a "hazardous substance" pursuant to Paragraph 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (iv) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation

and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903), or (v) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

22. Miscellaneous.

22.1 Terms and Headings. The section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

22.2 Time. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

22.3 Covenants and Conditions. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

22.4 Consents. Whenever consent or approval of either party is required, that party shall not unreasonably withhold or delay such consent or approval, except as may be expressly set forth to the contrary.

22.5 Entire Agreement. The terms of this Lease are intended by the parties as a final expression of their agreement with respect to the terms as are included herein, and may not be contradicted by evidence of any prior or contemporaneous agreement.

22.6 Severability. Any provision of this Lease which shall prove to be invalid, void, or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

22.7 Successors and Assigns. Each of the covenants, conditions, and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators, successors, assigns, or any person who may come into possession of said Premises or any part thereof in any manner whatsoever. Nothing in this Section 22.7 shall in any way alter the provisions against assignment or subletting in this Lease.

22.8 Notices. Any notice or other communication required or permitted to be given hereunder must be in writing and may be given by personal delivery, by email, or by U.S. mail, and if given by personal delivery or email, transmission shall be deemed given on the date of delivery or transmission, and if given by U.S. mail shall be deemed sufficiently given three (3) days after time when deposited in United States Mail if sent by registered or certified mail, addressed to Tenant at the Premises, or to Tenant or Landlord at the addresses shown in Section 2.1.5. Either party may, by notice to the other given pursuant to this Section 22.8, specify additional or different addresses for notice purposes.

22.9 Authority to Execute Lease. Landlord and Tenant each acknowledge that it has all necessary right, title and authority to enter into and perform its obligations under this Lease, that this Lease is a binding obligation of such party and has been authorized by all requisite action under the party’s governing instruments, that the individuals executing this Lease on

behalf of such party are duly authorized and designated to do so, and that no other signatories are required to bind such party.

22.10 Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date defined herein.

[SIGNATURE PAGE TO FOLLOW]

LANDLORD

APPLE VALLEY UNIFIED SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

TENANT

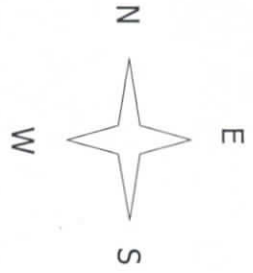
**MOUNTAIN DESERT REGIONAL CAREER
OCCUPATIONAL PATHWAYS JPA**

By: _____

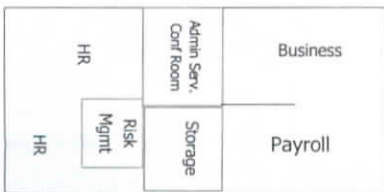
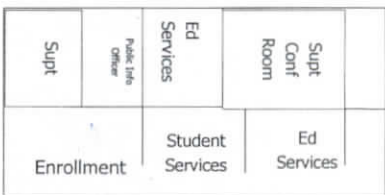
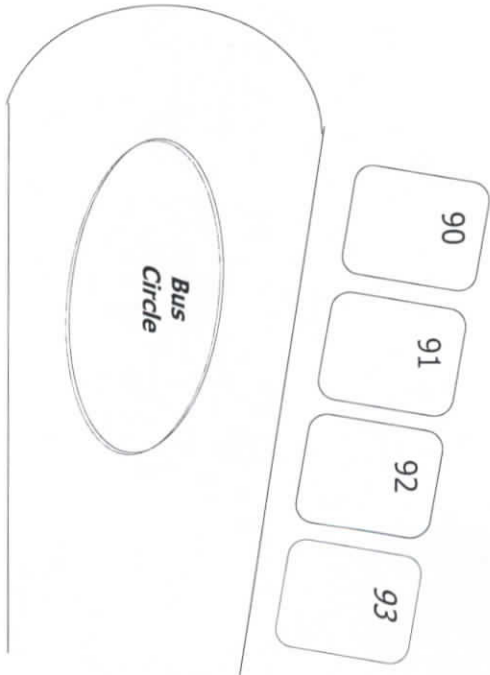
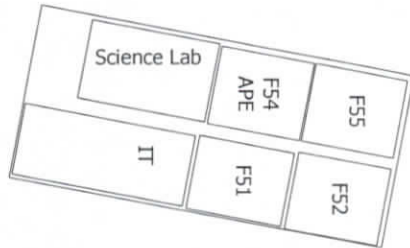
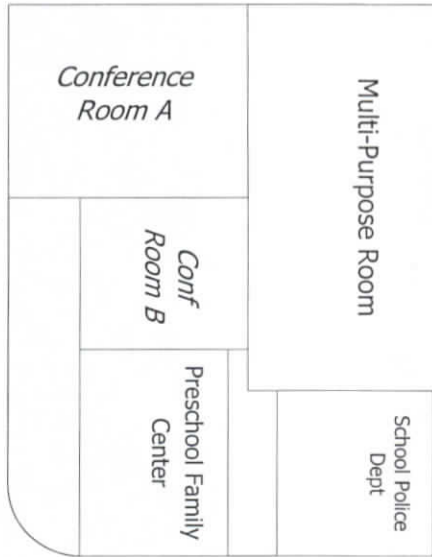
Name: _____

Title: _____

Date: _____



Apple Valley Unified School District
 Educational Support Center (AVESC)
 12555 Navajo Road



Navajo Road

Pahute Road