



March 1, 2022

Sonali Murarka
Kelly Krag-Arnold
Office of Charter Schools
Oakland Unified School District
1000 Broadway, Suite 639
Oakland, CA 94607

***Re: Yu Ming Charter School Response to District's Preliminary Proposal
Proposition 39 2022-2023***

Dear Ms. Murarka and Ms. Krag-Arnold:

Yu Ming Charter School ("Yu Ming" or "Charter School") is in receipt of the Oakland Unified School District's ("District") February 1, 2022 letter ("Preliminary Proposal") regarding Yu Ming's request for facilities under Proposition 39 ("Prop. 39") for the 2022-2023 school year.

The District's Preliminary Proposal provides for a multi-site, non-contiguous allocation of facilities to Yu Ming, at both the East Oakland Pride campus and the Markham Elementary School campus. The Preliminary Proposal allocates a total of seventeen (17) teaching stations as well as shared use of the art space (742 sq. ft. at East Oakland Pride) and tech space (673 sq. ft. at Markham), and shared use of the assembly space (3,186 sq. ft.), dining space (1,087 sq. ft.), athletic (0 sq. ft.), library space (879 sq. ft.), operational space (9,348 sq. ft.), interior room space (2,869 sq. ft.), and exterior space (138,307 sq. ft. allocated). The Preliminary Offer does not provide access to any science lab space or athletic space for Yu Ming, even though it serves middle school students and there are science lab spaces and athletic space on the comparison school campuses. The Preliminary Proposal is based on a projected in-District ADA of 347.35.

Section 11969.9(g) of the Proposition 39 Implementing Regulations (the "Implementing Regulations") requires Yu Ming to respond to the District's Preliminary Proposal, to express any concerns, address differences between the preliminary proposal and Yu Ming's facilities request as submitted pursuant to subdivision (b), and/or make counter proposals.

Yu Ming has several concerns with the Preliminary Proposal. These concerns include the lack of support or evidence for the District Board of Education's findings that Yu Ming's projected in-District enrollment cannot be accommodated at a single site, the lack of evidence for the District's determinations regarding which District school sites have sufficient space to share with Yu Ming, which underpin the non-contiguous findings, and the lack of allocation of science lab space or athletic facilities, which would make it very difficult for Yu Ming to operate its program in the allocated facilities.

Yu Ming requests that the District's Final Offer be clarified to address the concerns set forth in this letter.

Yu Ming Must Be Accommodated at a Single Site

Splitting Yu Ming across two sites, when there is sufficient space to accommodate it at a single site on the District, is not legally compliant. Not only would a multi-site offer create significant harm to the safety of Yu Ming students and staff due to the necessity to travel between sites in order to provide the school's dual language immersion program (none of the District's own split-site programs, much less the elementary school programs, do this), but it is not allowed by the law as described below. Yu Ming does note that it would be willing to take fewer classrooms than it has been allocated, in order to have a single site allocation for its program, and has specifically discussed this with District staff. Yu Ming anticipates that District staff will work with it to ensure that the provisions of Prop. 39 are met.

The express provisions of Proposition 39 require that the District allocate facilities to the Charter School that are "contiguous, furnished, and equipped." (Education Code Section 47614(b).) School districts must "begin with the assumption that all charter school students will be assigned to a single site, and attempt from there to adjust the other factors to accommodate this goal." (*California School Bds. Assn. v. State Bd. of Education* (2010) 191 Cal. App. 4th 530, 548-549.)

Section 11969.2(d) further states that "[i]f the in-district average daily classroom attendance of the charter school cannot be accommodated on any single school district school site, contiguous facilities also includes facilities located at more than one site, provided that the school district shall minimize the number of sites assigned and shall consider student safety." In addition, "the district's governing board must first make a finding that the charter school could not be accommodated at a single site and adopt a written statement of reasons explaining the finding." (5 CCR Section 11969.2(d).) "If none of the district-operated schools has grade levels similar to the charter school, then a contiguous facility within the meaning of subdivision (d) of section 11969.2 shall be an existing facility that is most consistent with the needs of students in the grade

levels served at the charter school.” (5 CCR Section 11969.3(a) (emphasis added).) This analysis is purely numerical; the Court in *Ridgecrest* noted that “all else being equal, a charter school should be housed at a single site if one exists with the capacity to handle all the school’s students.” (*Ridgecrest Charter School v. Sierra Sands Unified School Dist.* (2005) 130 Cal. App. 4th 986, 1000 (emphasis added).)

In both its Notice of Proposed Rulemaking File and its Final Statement of Reasons, the State Board of Education specifically reiterated that 5 CCR Section 11969.3(d) was amended to make it clear that “when no school of the district serves grade levels similar to the charter school’s, a contiguous facility is an existing facility that is most consistent with the charter school’s grade levels” in order to bring the Regulations in line with the *Ridgecrest* decision. (Final Statement of Reasons, Page 20.) The Initial Statement of Reasons further clarified that in looking at the issue of a school district making facilities available to a charter school at multiple locations as discussed in the *Ridgecrest* decision, it was clear that an addition to the regulations was necessary to formalize two requirements: “. . . a school district is (1) not permitted to treat a charter school’s in-district students with less consideration than students in the district-run schools and 2) in allocating and providing access to facilities to a charter school, a school district must begin from the premise that the facilities are to be on a single school site . . .” (Initial Statement of Reasons, Page 3.)

The Court in *Ridgecrest* also specifically acknowledged that “we have little doubt that accommodating [Ridgecrest Charter School’s] facilities request will cause some, if not considerable, disruption and dislocation among the District’s students, staff, and programs. But section 47614 requires that the facilities ‘should be shared fairly among all public school pupils, including those in charter schools.’” (*Ridgecrest*, 130 Cal. App. 4th at 1006.)^[1] In other words, the District may not reject a potential contiguous site merely because it would potentially disrupt and dislocate District students.

In addition, while the District does not have to expend general fund monies to rent, buy, or lease facilities to meet this obligation, the law implicitly recognizes that a district must use all resources including any restricted monies (parcel taxes, bond monies, etc.) to meet this obligation.^[2]

The Resolution states that “in determining reasonable equivalent facilities allocations to charter schools and in meeting their Proposition 39 obligations, school districts have the discretion to consider the impact upon existing district programs (see, e.g., *Los Angeles Intern. Charter High School v. Los Angeles* (2012) 209 Cal.App.4th 1348; *Westchester Secondary Charter School v. Los Angeles* (2015) 237 Cal.App.4th 1226)” and “Proposition 39

allows school districts to balance the needs and rights of district students and charter school students and to allocate facilities in a manner that ensures that public school facilities are shared fairly among all students.”

The Resolution then states unequivocally that “[t]he only District site with 16 underutilized classrooms is Brookfield Elementary, which is not in a transit-rich location.” It then states that both East Oakland Pride and Markham have 10 vacant classrooms, are close to transit and each other, and are both elementary schools.

While Yu Ming appreciates the District’s stated effort to find proximate locations close to transit and that are grade-appropriate, the District’s Findings of Fact supporting its non-contiguous allocation of space to the Charter School lack foundation or evidence and are inconsistent with Prop. 39 and the Implementing Regulations.

There is no actual demonstration or evidence that the District Board has considered student safety for both District and Yu Ming students, other than a single statement that the District considered student safety.

In addition, the Resolution also provides “a list of District school sites that are calculated to have 3 or more underutilized classrooms,” which the District used to determine what facilities were available for sharing with charter schools, but does not provide any explanation as to how the District arrived at this determination. This list also does not reflect the numerous District campuses that are substantially under-enrolled, and which have teaching station to ADA ratios (including SDC classes) below 13. This is a critical determination as it dictates which sites the District will consider for a co-location, but Yu Ming is not able to evaluate or otherwise understand how the District made the determination. Moreover, simply stating which school sites have “underutilized” space does not actually demonstrate that the District balanced the needs and rights of district students and charter school students. Instead, it simply looked at what campuses had vacant space, and attempted to fit the charter schools into the space, rather than considering how spaces

According to the District’s classroom inventory attached as Exhibit C to the Preliminary Proposal, there are numerous District sites that are significantly under-enrolled, and that appear to have enough space to accommodate Yu Ming’s entire projected in-District ADA. Yu Ming requests that the District reconsider the need for a multi-site offer and review all District sites that could accommodate Yu Ming on a single site.

The Preliminary Proposal Does Not Allocate Reasonably Equivalent Specialized Classroom Space and Non-Teaching Station Space to Yu Ming.

Yu Ming is entitled to reasonable allocations of specialized and non-teaching station space. Section 11969.3(b)(2) requires that, if a school district includes specialized classroom space, such as science laboratories, in its classroom inventory, the Proposition 39 offer of facilities provided to a charter school must include a share of the specialized classroom space. The Preliminary Proposal must include “a share of the specialized classroom space and/or a provision for access to reasonably equivalent specialized classroom space.” (5 CCR § 11969.3(b)(2).) The amount of specialized classroom space allocated and/or the access to specialized classroom space provided shall be determined based on three factors:

1. the grade levels of the charter school’s in-district students;
2. the charter school’s total in-district classroom ADA; and
3. the per-student amount of specialized classroom space in the comparison group schools.^[3]

As such, the District must allocate specialized classroom space (“SCS”), such as science laboratories, art rooms, computer labs, music rooms, weight rooms, etc., commensurate with the in-District classroom ADA of Yu Ming. The allocated site must include all of the specialized classroom space included across all of the different grade levels.

In addition, the District must provide non-teaching station space commensurate with the in-District classroom ADA of Yu Ming and the per-student amount of non-teaching station space in the comparison group schools. (5 CCR § 11969.3(b)(3).) Non-teaching space is all of the space at the comparison school that is not identified as teaching station space or specialized space and includes, but is not limited to, administrative space, a kitchen/cafeteria, a multi-purpose room, a library, a staff lounge, a copy room, storage space, bathrooms, a parent meeting room, special education space, counseling space, nurse’s office, RSP space, and play area/athletic space, including gymnasiums, athletic fields, locker rooms, and pools or tennis courts. (*Ibid.*)

The allocation of specialized teaching space and non-teaching space is based on an analysis of the square footage of each category of space available to students at the comparison schools (i.e., the per-student amount of specialized classroom space/non-teaching space in the comparison group schools). (5 CCR § 11969.3(b)(2)-(3).) Moreover, just because one kind of specialized classroom or non-teaching station space is not available at all the comparison schools, the District may not fail to provide an allocation of that kind of space (especially here, where the District averaged the specialized classroom and non-teaching station space over all the comparison schools).

a. Allocation of Specialized Classroom Space.

The Preliminary Proposal does not include an allocation of science lab space to Yu Ming, even though 3 out of the 7 comparison elementary schools, and all of the comparison middle schools, have science lab space. Instead, the Preliminary Proposal states that the two allocated sites do not have science lab space, but are located near to each other and in Yu Ming's requested area, and adding science lab space would require the District to add a third site to the allocation of space. It then states that if Yu Ming wants science lab space at a third site, it should let the District know.

The District is aware that a three-site allocation of space is frankly unusable by any charter school, especially if it would require students to travel from one site to another just for one class. Yu Ming would certainly not be in a position to have its students travel just to access science instruction in a lab.

While Yu Ming does not believe that the District has complied with Prop. 39 by allocating spaces for middle school students that interfere with Yu Ming's ability to provide comprehensive instruction to its students, it will instead take this opportunity to request that rather than give Yu Ming an impossible choice, the District consider providing Yu Ming with moveable lab stations that can be used in one of its classrooms for purposes of facilitating science instruction.

b. Allocation of Non-Teaching Station Space to Yu Ming

Similar to the science lab situation outlined above, the District has not allocated athletic space (e.g. gymnasium and locker room) to Yu Ming, and has again noted the lack of these spaces on the two allocated sites, offering Yu Ming the option only of an allocation on a third site to meet these requirements. This is not a feasible option for Yu Ming, and the school would prefer a single site allocation.

In addition, in its allocation of interior rooms, the District has allocated a square footage of interior rooms but has not actually identified the interior rooms to be provided to Yu Ming. As interior rooms include administrative space, special education space, conference rooms, and other small classrooms that are critical to school operations, Yu Ming assumes that the District does not intend to have Yu Ming share offices and special education spaces, as well as the other spaces, with the East Oakland Pride and Markham programs, but rather would allocate exclusive use rooms to Yu Ming to meet this requirement. As such, Yu Ming believes the Preliminary Proposal should have identified the specific interior rooms that the District intends Yu Ming to use, and requests that the District provide this information to Yu Ming as soon as possible, as well as include it in the District's Final Offer.

Pro Rata Charge Worksheet

1. Improper Costs Included in Pro Rata Share Calculation: The District may have included its entire “RRMA transfer from UR to resource 8150” in its pro rata share calculation, rather than only expenditures from the 8150 account. However, as confirmed in the recent case of *Mt. Diablo Unified School District v. Clayton Valley Charter High School* (2021) 69 Cal.App.5th 1004, the District may not include the entire transfer in its pro rata share calculation, but rather may only include actual expenditures from the account on eligible facilities costs. As stated by the Court, “When the state board amended section 11969.7 by both including contributions to the OMM account as facilities costs and adding the exclusion paragraph, did it limit a district's ability to include contributions to the OMM account in its facilities costs? As with plant maintenance and operations costs, we conclude that it did.” Therefore, we request that the District confirm that the \$19,787,444 included in the pro rata share calculation only reflects actual expenditures from the 8150 account, rather than simply the amount of the transfer.

2. Custodial Services: While Yu Ming understands that the Settlement Agreement provided that the District would provide custodial services for co-located charter schools, it still will take this opportunity to object to the District’s requirement as inconsistent with law.

3. Emergency Debt Service Costs: The District has included its emergency debt service costs in the pro rata share calculation. 5 CCR Section 11969.7 states that only unrestricted General Fund facilities costs that are not costs otherwise assumed by Yu Ming are included in the methodology. Under the Implementing Regulations, items that are not specifically included in the pro rata share calculations because they are either obligations of Yu Ming or facilities-related general fund expenses may not be included in the calculation of facilities costs. “Debt servicing” is typically not a cost charged to the unrestricted general fund (e.g., bond repayment obligations are excluded). Further, even if repayment of the District’s emergency loan constitutes debt service that is charged to the unrestricted general fund, the pro rata share is intended to reimburse the District for a charter school’s proportion of the District’s facilities costs in exchange for Yu Ming’s use of District facilities. The Emergency Apportionment state loans are clearly not facility-related debt service costs, and thus may not be included in the calculation. Again, only those facilities costs charged to the unrestricted general fund can be included in the pro rata share calculation. (5 CCR Section 11969.7.) If it is the District’s position that the repayments of the emergency state loan are debt service for “facilities costs” then we request that the District provide some documentation demonstrating that the emergency loan monies were spent on “facilities costs.”

Draft Facilities Use Agreement

Please see attached proposed revisions to the template facilities use agreement. We have attempted in this letter to enumerate all of our concerns with the District's Preliminary Proposal; however, we note that our failure to mention a concern in this letter should not be interpreted as acceptance of that term. Yu Ming looks forward to the opportunity to discuss and negotiate these matters with the District moving forward.

Sincerely,



Sue Park
Head of School

Cc: Sarah Kollman, Young, Minney & Corr, LLP
Yu Ming's Board Members

^[1] The *Ridgecrest* court also stated that “In discussing the timeframe within which a new charter school must submit a facilities request (Regs., § 11969.9, subd. (a)), the Department explained: ‘This section is intended to ensure that a charter school is or has a reasonable chance of becoming a viable concern before requiring the school district to plan modifications to its programs to accommodate the charter school. *For example, accommodating a charter school might involve moving district-operated programs or changing attendance areas.*’ (Italics added.) Plainly then, the regulations contemplate that some disruption and dislocation of the students and programs in a district may be necessary to fairly accommodate a charter school's request for facilities.” (*Ridgecrest*, 130 Cal. App. 4th at 1000 (emphasis added).)

^[2] Therefore, as an example if the District has any restricted monies, it could put additional portables on one of its school sites to meet this obligation.

^[3] *Id.*; see also *Bullis Charter School v. Los Altos School Dist.* (2011) 200 Cal.App.4th 296 (“*Bullis*”) and *California School Bds. Assn. v. State Bd. of Education* (2010) 191 Cal.App.4th 530 (“*CSBA*”).

**FACILITIES USE AGREEMENT BETWEEN
OAKLAND UNIFIED SCHOOL DISTRICT AND
«SCHOOL_NAME»
FOR USE OF CLASSROOM SPACE FOR EDUCATIONAL PURPOSES at
«SITE_ADDRESS»**

THIS FACILITIES USE AGREEMENT (“Agreement”) is effective this 1st day of July, 2022 by and between the OAKLAND UNIFIED SCHOOL DISTRICT, a California public school district (“District”) and «School_Name», a California non-profit public benefit corporation (“Charter School”) for use of classroom space for educational purposes. District and Charter School may be referred to herein individually as a “Party” or collectively as the “Parties.”

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RECITALS

WHEREAS, Charter School is a non-profit public benefit corporation that is operating a charter approved by the Oakland Unified School District under the laws of the Charter Schools Act of 1992 (Education Code §47600 *et seq.*); and

WHEREAS, pursuant to the requirements of California Education Code section 47614 and its implementing regulations (“Proposition 39”), the District Board of Trustees made a written final offer to provide the Charter School with facilities for its in-District students for the 2022-2023 school year; and

WHEREAS, the District and Charter School enter into this Agreement wherein the District and Charter School mutually agree that the Charter School will occupy classrooms and use facilities (the “Premises”), as particularly described in Exhibit A and located at «Site_Address» (the “School Site”), during the 2022-2023 school year, under Proposition 39 and consistent with California Code of Regulations, tit. 5, section 11969.1 *et seq.*

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. **Use of Premises.** District agrees to allow use of the Premises at the School Site(s) by Charter School for the sole purpose of operating Charter School’s educational program in accordance with all applicable federal, state and local regulations relating to the Premises and to the operation of Charter School’s educational program, and all associated uses therewith. Charter School shall not use the Premises for any use other than that specified in this Agreement without the prior written consent of District.

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1.1. Charter School shall not commit, or suffer to be committed, any waste upon the Premises, or allow any sale by auction upon the Premises, or allow the Premises to be used for any unlawful purpose, or place any loads upon the floor, walls or ceiling which endanger the structure, or place any harmful liquids in the plumbing, sewer or storm water drainage system of the Premises. No waste materials or refuse shall be dumped upon or permitted

to remain upon any part of the Premises except in trash containers designated for that purpose.

- 1.2. Any uses which involve the serving and/or sale of alcoholic beverages and the conducting of games of chance are prohibited on the Premises. Charter School shall comply with the District-wide policy prohibiting the use of tobacco products on the Premises at all times.
- 1.3. Charter School shall not use or permit the use of the Premises or any part thereof for any purpose not consistent with a public educational facility.
- 1.4. Charter School shall require all invitees and guests to use the Premises only in conformance with the permitted use and with applicable governmental laws, regulations, rules and ordinances. The Charter School shall comply with school district policies regarding the operations and maintenance of the school facility and furnishings and equipment, except to the extent variation is approved by the District. However, the charter school need not comply with policies in cases where actual school district practice substantially differs from official policies. Charter School shall comply with District policies and practices regarding Campus Security and Disruptions. Charter School shall comply with the District's most recently published policies and procedures regarding operations and maintenance of the Premises, which are accessible at www.OUSD.org under dropdown menu "Board of Education", "Board Policies."
- 1.5. Charter School shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the District's existing insurance rate or affect any fire or other insurance upon the Premises, or cause a cancellation of any insurance policy covering the Premises or any part thereof or any of the contents of the Premises, nor shall the Charter School sell or permit to be kept, used or sold in or about the Premises any articles which may be prohibited by a standard form policy of fire insurance.
- 1.6. **Civic Center Act.** Charter School agrees to comply with the provisions of the Civic Center Act (Education Code § 38131 *et seq.*) to make the Premises accessible to members of the community. The Parties understand that the Premises are to be used primarily for educational programs and activities and, as such, any use of the Premises by the Community shall not interfere with Charter School's educational program or activities. Any request received by Charter School for use of the Premises pursuant to the Civic Center Act shall be promptly forwarded to the District. District shall be responsible for coordinating access to the Premises under the Civic Center Act, and any fee paid for use of the Premises under the Civic Center Act shall be paid to the District.
- 1.7. If the Charter School is utilizing shared space, the Parties agree that Charter School and Site leaders will coordinate protocols that ensure physical distancing, managed circulation, cleaning, disinfecting and other applicable measures in order to limit exposure and transmission of COVID-19 between schools and programs.

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- 1.7.1. Charter School shall respond in a timely manner to members of the community surrounding the Premises and work to resolve any concerns or complaints about Charter School's use of the Premises and impact on the surrounding community, including but not limited to trash removal, traffic, parking, littering, and noise.
- 1.7.2. In the event of an emergency, all District facilities, including the Premises, shall be available for use by the American Red Cross or public agencies as emergency locations, which may disrupt or prevent Charter School from conducting its educational programs. Whether the Premises are selected or used as emergency locations shall be at the sole discretion of District."

2. Term.

- 2.1. The term of this Agreement shall be for **one year**. The commencement date shall be July 1, 2022, ("Commencement Date"), and, unless sooner terminated under any provision hereof, this Agreement shall end on June 30, 2023 ("Term"). However, the Parties agree that Charter School shall take possession of the Premises on a date to be mutually agreed upon between the Parties. The Premises will be made available to Charter not later than August 1, 2022.

3. Pro Rata Share Charge.

- 3.1. For and in consideration of the use of the Premises for the Term of the Agreement Charter School agrees to pay District the following sums ("Pro Rata Share") under California Code of Regulations, Title 5, section 11969.7:

\$4.84 per square foot. Based on Charter School's square footage of «Sq_Footage» SF, the Pro Rata Share is «Pro_Rata» annually.
- 3.2. Charter School understands that the District may include facilities costs related to operations and maintenance in the calculation of the pro-rata share if the District provides those services to the Charter School.
- 3.3. The Pro Rata Share shall be paid in four installments during the school year, according to the following schedule: 25% by October 1; 25% by December 1; 25% by March 1; 25% by June 1.
- 3.4. Charter School shall promptly pay to District the Pro Rata Share on the date due during the Term of the Agreement, without deduction, setoff, prior notice or demand.
- 3.5. Charter School acknowledges that late payment by Charter School to District of the Pro Rata Share and other sums due hereunder will cause District to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Those costs include, but are not limited to, processing and accounting charges. Accordingly, if District does not receive any installment of the Pro Rata Share or any other sum due from Charter School by 4:00 p.m. within ten (10) calendar days after the Pro Rata Share is due, Charter School shall pay to District, as additional sums due, a late charge equal to five percent (5%) of the overdue amount or the maximum amount allowed by law, whichever is less. The Parties hereby agree that any late charge assessed to Charter

School shall represent a fair and reasonable estimate of the costs District will incur by reason of late payment by Charter School. Acceptance of any late sums by District shall in no event constitute a waiver of Charter School's default with respect to any overdue amount, nor prevent District from exercising any of its other rights and remedies granted hereunder.

- 4. Over-Allocation.** The District reserves the right to collect over-allocation and other applicable fees and reimbursements from Charter School, pursuant to California Code of Regulations, Title 5, section 11969.8. The Charter School's projected in-District Classroom Average Daily Attendance ("ADA") for the 2022-2023 school year, and upon which the Premises are provided is «InDistrict_ADA».

Utilities. District shall furnish or cause to be furnished to the Premises necessary utilities. For purposes of the Agreement, utilities include electrical, natural gas, sewer, waste disposal/recycling and water services. The District's failure to furnish or cause to be furnished utilities when the failure is caused by (i) acts beyond the reasonable control of the District; (ii) strikes, lockouts, labor disturbances or labor disputes of any kind; (iii) any laws, rules, orders, ordinances, regulations, requirements or any other action by federal, state, county or municipal authority; or (iv) any other unavoidable delay, shall not cause the District to be in default of the Agreement and shall not result in any liability of the District. Charter School shall comply with all District energy conservation policies relating to use of the Premises.

- 5. Internet.** The Charter School shall obtain its own internet service and telephone provider and shall assume sole responsibility for obtaining all hardware at its own expense, as well as upkeep and maintenance of all telephone systems, data lines, and related equipment, software and hardware. Charter School may use any pre-existing T-1 Line and any other technology infrastructure located in the Dedicated Space, if any. In the event Charter School uses a pre-existing T-1 Line, Charter School shall transfer billing of the line to Charter School upon approval from the District's Technology Services Department.
- 6. Furnishings and Equipment.** The District shall provide, in accordance with the Proposition 39 regulations, furnishings and equipment at the Premises for «InDistrict_ADA» in-District ADA. These furnishings and equipment shall remain the property of the District. The furnishings and equipment provided shall be reasonably equivalent to those furnishings and equipment provided in the comparison group of schools in accordance with California Code of Regulations, Title 5, section 11969.3, but shall not include hardware used to operate the Charter School's internet or telephone service. The District and the Charter School shall develop a mutually agreeable inventory of furnishings and equipment that will be located at the Premises. District shall only be obligated to replace furnishings and equipment supplied by the District in accordance with District established schedules and practices.

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<#>«Share_of_Site»% of the total utilities costs for the School Site, as calculated based on the Charter School's proportional square foot usage of the School Site. Charter School will be billed by the District and payment will be due in three installments during the school year, according to the following schedule: January 10, 2023; May 1, 2023; July 15, 2023.¶

7. **Additional Services.** Charter School and District may negotiate additional services or equipment as requested by Charter School. District shall assess Charter School separately for the cost to provide the additional services or equipment, if any.
8. **Shared School Site and Recreational Facilities.** Charter School acknowledges and understands that the Premises are located in an operating public school site. As such, the School Site and the playgrounds, common areas, recreational facilities and other outdoor play areas (collectively “Shared Space”) will be used by other parties, including the District. The District and Charter School shall have priority for use of the School Site over other parties, and shall meet and confer with respect to joint use agreements that are in effect between the District and a third party at the time of execution of this Agreement. Charter School shall cooperate with the other parties and the District in reaching amicable arrangements concerning the use, maintenance and security of the Shared Space. To facilitate cooperative working relationships on shared campuses, the District encourages charter schools and District schools on a shared campus to negotiate terms of the arrangements in advance of the beginning of the school year.
9. **Parking.** Charter School shall abide by District’s policies concerning the use of parking, including the District policy relating to the drop-off and pick-up of students. Charter School may instruct its visitors, invitees and guests to park on available street parking. Charter School shall not abandon any inoperative vehicles or equipment on any portion of the School Site. District shall not be liable for any personal injury suffered by Charter School or Charter School’s visitors, invitees and guests, or for any damage to or destruction or loss of any of Charter School or Charter School’s visitors, invitees, or guests’ personal property located or stored in street parking, or the School Site, except where such damage is caused by the District’s negligence or misconduct. Charter School accepts parking “as is” and Charter School acknowledges that District has not made and is not making any warranties whatsoever with respect to the parking.
10. **Condition of Premises.**
- 10.1. District shall not be required to make or construct any alterations including structural changes, additions or improvements to the Premises, except as expressly set forth herein. District shall remain responsible for the compliance of the Premises with the requirements of the Americans with Disabilities Act, California Fair Employment and Housing Act, and other applicable building code standards. By entry and taking possession of the Premises pursuant to this Agreement, Charter School accepts the Premises.
- 10.2. Charter School acknowledges that neither District nor District’s agents have made any representation or warranty as to the suitability of the Premises for Charter School’s Program. District warrants that the Premises may be used to operate the Charter School’s educational program. Any agreements, warranties or representations not expressly contained in this Agreement shall in no way bind the District or Charter School, and District and Charter School expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this Agreement.
- 1.1. The Parties agree that if the structural elements of the Premises become damaged to a lesser condition than currently exists, then District will repair the damage in order to

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bring it back to a condition which is similar to the condition which existed at the time Charter School took possession of the Premises. The Charter School will provide all insurance proceeds it receives for the damage to the District. District may, however, terminate this Agreement if the cost to repair the Premises exceeds Two Hundred Fifty Thousand dollars (\$250,000). District may, in its sole discretion, pro-rate the Pro Rata Share during the “repair” period, if the resulting structural damage prohibits Charter School from carrying out its normal daily activities. If District elects not to perform a repair estimated to cost in excess of Two Hundred Fifty Thousand dollars (\$250,000), Charter School may elect to remain in possession of the Premises and pay the Pro Rata Share, unless revised through mutual agreement of the Parties, or Charter School may elect to terminate this Agreement. If either District or Charter School terminates this Agreement as set forth herein, the District shall immediately provide the Charter School with reasonably equivalent alternative facilities to accommodate its projected in-District ADA for the remaining term of this Agreement.

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1.2. As used in the Agreement, the term "structural elements of the building" are defined as and shall be limited to the foundation, footings, floor slab but not flooring, structural walls excluding glass and doors, and the roof excluding skylights. Plumbing, electrical, and HVAC shall be considered “structural elements of the building”.

2. **Title to School Site(s) / Classroom Buildings.** The Parties acknowledge that title to the School Site and Premises is held by District.

3. **District’s Entry and Access to Premises.** District and its authorized representatives shall have the right, after two school-days’ prior written notice to Charter School, to enter the Premises during normal business hours for the purpose of inspection (“Inspection”); or to perform deferred maintenance in or on the Premises in a manner so as not to disrupt the normal classroom and school activities; provided, however, that in an emergency situation, no prior notice shall be required. In an emergency, District shall give notice to Charter School immediately upon District’s receipt of notification of any emergency. If Charter School is not present to open and permit an entry into the Premises in an emergency situation as reasonably determined by District, District may enter by means of a master key without liability to Charter School.

3.1. If Charter School is violating the use restrictions of the Agreement or is not in material compliance with any applicable law, then all reasonable costs and expenses reasonably and actually incurred by District in connection with any Inspection, together with interest at the Interest Rate computed from the date incurred by District until paid, shall become due and payable by Charter School as additional sums due District, within ten (10) days of presentation by District of an invoice for the Inspection.

3.2. If Charter School fails to perform any covenant or condition to be performed by Charter School pursuant to the Agreement, District and its authorized representative shall have the right, after reasonable prior written notice to Charter School, to enter the Premises during normal business hours for the purpose of performing the covenant or condition at District’s option after thirty (30) days’ written notice to and failure to perform by Charter School (provided, no written notice is required in the case of emergencies). All costs incurred by District in shall be reimbursed to District by Charter School within ten (10)

days of written demand, together with interest at the Interest Rate computed from the date incurred by District until paid. Any performance by District of Charter School's obligations shall not waive or cure the default. All reasonable out-of-pocket costs and expenses actually incurred by District, including reasonable attorneys' fees (whether or not legal proceedings are instituted), in collecting the fees herein or enforcing the obligations of Charter School under the Agreement shall be paid by Charter School to District within ten (10) days of written demand.

- 3.3. District may, during the progress of such work, keep and store on the Premises all necessary materials, tools, supplies and equipment, but shall do so in a manner designed to limit the inconvenience, annoyance, disturbance, loss of business or other damage to Charter School. District shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Charter School by reason of making the repairs or the performance of any work.
- 3.4. Notwithstanding the foregoing and without further notice, District shall have the right to enter the Premises to conduct its own operations, to perform any routine or deferred maintenance, custodial services, or conduct inspections of the Premises. District will use reasonable efforts during the course of any access of the Premises to not disrupt Charter School's classroom and instructional activities consistent with District's practices at its schools. Where practicable, District shall provide relevant scheduling information to Charter School.
- 3.5. Charter School expressly waives any claim for damages for any inconvenience to or interference with the Charter School's educational program, any loss or use of quiet enjoyment of the Premises related to District's entry into the Premises for the purposes identified in this Section.

4. Surrender of Premises, Furnishings and Equipment.

- 4.1. On the last day of the Term, or on sooner termination of this Agreement, Charter School shall surrender in good order, condition, and repair the Premises, Furnishings and Equipment to District and any existing improvements made by Charter School that were approved by the District, and any structural improvements made by District subsequent to the Commencement Date, excepting ordinary wear and tear, and free and clear of all liens, claims and encumbrances, though nothing in this provision shall be construed to authorize Charter School to allow or cause to be placed any liens, claims and/or encumbrances of any kind. This Agreement shall operate as a conveyance and assignment to District of any improvements identified by District to remain on the Premises.
- 4.2. Charter School shall remove from the Premises all of Charter School's personal property, trade fixtures, and any improvements made by Charter School which Charter School and District agreed would be removed by Charter School and which may be removed without irreparable or material damage to the Premises. Removal of Charter School's property shall be subject to all applicable laws, including any local permits and/or approval by the California Department of General Services, Division of the State Architect.
- 4.3. All property that is not removed on or before the end of the Term shall be deemed abandoned by Charter School and associated costs to store, remove or dispose of

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abandoned property shall be the responsibility of the Charter School. If the Premises are not surrendered at the end of the Term or upon earlier termination of this Agreement, Charter School shall indemnify District against loss or liability resulting from delay by Charter School in surrendering the Premises including, without limitation, any claims made by any succeeding Charter School or loss to District due to lost opportunities to timely obtain succeeding tenants.

- 4.4. **Holding Over.** If Charter School remains in possession of the Premises or any part thereof after the end of the Term or upon earlier termination of this Agreement without the express written consent of District, Charter School's occupancy shall be a tenancy on a month-to-month basis for a pro rata share equal to one hundred fifty percent (150%) of all monthly sums charged and owing the previous thirty (30) calendar day period.
- 4.5. No payment of money, or continued occupation of the Premises, by Charter School after the termination of the Agreement, or after the giving of notice of termination by the District to the Charter School, shall reinstate, continue or extend the Term or otherwise serve as a waiver of the District's right to reclaim possession or recover any sums owing to the District.

5. **Taxes and Assessments.** Charter School shall pay any assessment on the Premises, including any improvements which Charter School constructs or causes to be constructed on the Premises, whether real estate, general, special, ordinary or extraordinary, or rental levy or tax, improvement bond, and/or fee imposed upon or levied against the Premises or Charter School's legal or equitable interest created by this Agreement, and the taxes assessed against and levied upon Charter School's alterations and utility installations that may be imposed by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Premises' address and where the proceeds so generated are applied by the city, county or other local taxing authority having jurisdiction. The provisions of this Section shall survive the expiration or earlier termination of this Agreement. Nothing in this Section shall be construed to override the requirement in the Section "Title to and Removal of Charter School's Improvements/Premises; Equipment Requirements" of this Agreement that Charter School obtain the express written consent of the District to perform any improvements on the site, unless expressly permitted by this Agreement.

6. **Maintenance.**

Routine Repair, Cleaning and General Maintenance – Co-located School Sites. In cases of co-location between the District and Charter School involving shared indoor space, District shall be responsible for the routine repair, cleaning and general maintenance of the Premises and any furnishing or equipment provided to Charter School. For purposes of the Agreement, "routine repair, cleaning and general maintenance" shall mean the school facility component work performed on an annual basis each year to keep facilities in proper operating condition. District shall also be responsible for ongoing operations and maintenance of the facilities on the Premises as defined in California Code of Regulations, Title 5, section 11969.4(b). The District shall only be obligated to perform routine repair, cleaning and general maintenance on the Premises on an equivalent basis as that performed at other comparable District school sites. Charter School will be responsible for its fair share of routine repair, cleaning, custodial costs of District provided custodian, and general maintenance costs.

- 6.1. **Deferred Maintenance.** District shall be responsible for the major maintenance of the Premises. For purposes of the Agreement, "major maintenance" includes, for example,

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<#><Share_of_Site>% of the total custodial costs for the School Site, as calculated based on the Charter School's proportional square foot usage of the School Site. Custodial costs shall be paid in four installments during the school year, according to the following schedule: 25% by October 1; 25% by December 1; 25% by March 1; 25% by <#>June 1.

the major repair or replacement of plumbing, heating, ventilation, air conditioning, electrical, roofing, and floor systems, exterior and interior painting, and any other items considered deferred maintenance under Education Code section 17582. The District shall only be obligated to perform deferred maintenance on the Premises on an equivalent basis as that performed at other comparable District schoolsites.

7. Title to and Removal of Charter School's Improvements / Premises; Equipment Requirements.

- 7.1. Charter School shall not construct or cause to be constructed on the Premises any improvements ("Charter School's Improvements") without express prior written consent from the District, at the District's sole discretion. ~~At the time the District considers the Charter School's request to construct improvements on the Premises, the District will inform the Charter School, in writing, whether it will require the Charter School to remove the Charter School Improvements at the expiration or earlier termination of the Term.~~
- 7.2. Charter School shall at its expense obtain all necessary environmental and governmental approvals and permits, including, without limitation, the California Environmental Quality Act ("CEQA"), any necessary approvals from any local authority including any Site(s), grading, zoning, design review and other required permits or approvals, if applicable, prior to commencing construction and shall provide District with evidence of approval by all applicable governmental agencies. To the extent that the District assumes lead agency status for any "project" under CEQA related to the provision of facilities under this Agreement, Charter School agrees to reimburse the District for any and all reasonable costs and expenses related to achieving compliance with CEQA.
- 7.3. Any modifications to the Premises must be approved in writing in advance by District. Charter School's contractor must be approved in advance by District, which approval shall not be unreasonably withheld. All contractors and subcontractors of Charter School, if any, shall be duly licensed in the State of California. All contractors and subcontractors of Charter School, if any, shall be: duly licensed in the State of California; bonded as required by law; maintain levels of casualty, liability, and workers' compensation insurance; and performance and payment bonds consistent with District construction requirements. Charter School must follow all applicable procurement laws with respect to Charter School's Improvements including (without limitation): issuing requests for proposals to obtain competitive pricing as required by law; adhering to prevailing wage laws; making best efforts to comply with the local hiring requirements in accordance with District Administrative Regulation and Board Policy 7115 ("Capital Program / Construction Related Local, Small Local and Small Local Resident Business Enterprise Program, and Board Policy"); and adhering to all applicable minimum wage requirements. Charter School is encouraged to incorporate Collaborative for High-Performance Schools standards into the design of all improvements made under this Agreement and is encouraged to incorporate all editions of the California Green Building Standards Code.
- 7.4. Under all circumstances, Charter School must seek and receive approval from the Division of the State Architect for any of Charter School's Improvements if required by DSA.
- 7.5. Charter School shall not install any ovens, stoves, hot plates, toasters, or similar items (not including microwave ovens) without the prior written consent of the District.

Deleted: For District consent and approval, Charter School's Improvements must be considered necessary to the operation of Charter School's educational program. ...

7.6. Charter School shall at all times indemnify and hold District harmless from all claims for labor or materials in connection with construction, repair, alteration, or installation of structures or improvements within the Premises, and from the cost of defending against such claims, including attorney's fees. Charter School shall provide District with at least ten (10) days written notice prior to commencement of any work which could give rise to a mechanics' lien or stop payment notice. District has the right to enter upon the Premises for the purpose of posting Notices of Non-responsibility. In the event a lien is imposed upon the Premises as a result of such construction, repair, alteration, or installation, Charter School shall either:

7.6.1. Record a valid Release of Lien; or

7.6.2. Deposit sufficient cash with the District to cover the amount of the claim on the lien in question and authorize payment to the extent of the deposit to any subsequent judgment holder that may arise as a matter of public record from litigation with regard to the lien-holder claim; or

7.6.3. Procure and record necessary bonds that frees the Premises from the claim of the lien from any action brought to foreclose the lien.

If Charter School fails to accomplish one of these three optional actions within fifteen (15) days after the filing of any lien or stop payment notice, the Agreement shall be in default and shall be subject to immediate termination.

7.7. If required by the District at the time it approved the Charter School's Improvements, on or before the expiration of this Agreement, or within thirty (30) days after any earlier termination of this Agreement, Charter School shall remove Charter School's Improvements, at its sole expense. Charter School shall repair any damage to the School Site and/or the Premises caused by removal of Charter School's Improvements and restore the School Site and the Premises to good condition, less ordinary wear and tear. In the event that Charter School fails to timely remove Charter School's Improvements, District, upon fifteen (15) days written notice, may either (1) accept ownership of Charter School's Improvements with no cost to District, or (2) remove Charter School's Improvements at Charter School's sole expense. If the District chooses to accept ownership of Charter School's Improvements, Charter School shall execute any necessary documents to effectuate the change in ownership of Charter School's Improvements. If the District removes Charter School's Improvements, Charter School shall pay all invoices for the removal of Charter School's Improvements within thirty (30) days of receipt of an invoice.

8. **Safety of Premises.** The School Site, including the Premises, may be monitored by a safety system or protocol implemented, maintained and operated by District ("District's Safety Measures"). However, Charter School specifically acknowledges, understands, and agrees that District is neither responsible for nor has the obligation to supply, provide, establish, maintain, or operate District's Safety Measures for either Charter School or the Premises, except that the District's police service will be responsible for monitoring and surveying the Premises consistent with its practice for other District school sites, will respond to calls for police presence from the Charter School, and will notify the Charter School, consistent with its policies and protocols for all District

schools, if the Premises are broken into, defaced, or damaged or District police are otherwise notified about information related to the Premises.

9. **Fingerprinting and Criminal Background Verification.** Charter School shall be responsible for ensuring compliance with all applicable fingerprinting and criminal background investigation requirements described in California Education Code section 45125.1.

10. **Default.**

10.1. **Charter School's Default.** The occurrence of any one of the following events shall be considered a default of the Agreement by Charter School:

10.1.1. The failure of Charter School to promptly pay the Pro Rata Share or other fees identified herein when due hereunder, which failure continues for fifteen (15) days after written notice thereof by District to Charter School; provided, however, that any notice shall be in lieu of, and not in addition to, any notice required under Code of Civil Procedure section 1161, and the three (3) day cure period shall run concurrently with any cure period required under California law, including Code of Civil Procedure section 1161;

10.1.2. The revocation or non-renewal of the Charter School's charter, upon exhaustion of any pursuant to Education Code sections 47605 or 47607;

10.1.3. The failure of Charter School to observe or perform any of its other covenants or obligations hereunder, which failure continues for thirty (30) days after written notice thereof by District to Charter School (unless the nature of the default is such that more than thirty (30) days are required for its cure and Charter School shall have commenced a cure within the thirty (30) day period and thereafter diligently prosecute the same to completion; provided, however, in no event shall the default continue for more than ninety (90) days after written notice thereof by District to Charter School); provided, however, that any notice shall be in lieu of, and not in addition to, any notice required under Code of Civil Procedure section 1161, and the thirty (30) day cure period shall run concurrently with any cure period required under California law, including Code of Civil Procedure section 1161;

Deleted: administrative, non-judicial appeals as provided underpursuant to

10.1.4. Charter School's abandonment of the Premises for a period of fifteen (15) consecutive days (with or without the payment of fees), it being agreed that the fact that any of Charter School's property remains in the Premises shall not be evidence that Charter School has not vacated or abandoned the Premises; provided, however, any normal holidays or vacation days shall not constitute abandonment of the Premises;

10.1.5. The making by Charter School of any general assignment or general arrangement for the benefit of creditors; the filing by or against Charter School or any guarantor of the Agreement of a petition to have Charter School or any guarantor of the Agreement adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Charter School or any guarantor of the Agreement, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of the Charter School's assets located at the Premises, or of Charter School's interest in the Agreement, where possession is not restored to Charter School within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Charter School's assets located at the Premises or of Charter School's interest in the Agreement, where such seizure is not discharged within thirty (30) days;

10.1.6. The making or furnishing by Charter School of any warranty, representation or statement to District in connection with the Agreement which is false or misleading in any material respect when made or furnished; or

10.1.7. The assignment, subletting or other transfer, or any attempted assignment, subletting or other transfer, of the Agreement.

In the event of any default by Charter School, District shall have the right, in addition to all other rights available to District under the Agreement or now or later permitted by law or equity, to terminate the Agreement by providing Charter School with a notice of termination. Upon termination of the Agreement, District may recover from Charter School the worth at the time of award of the unpaid Pro Rata Share and any other accrued fees which are due at the time of termination. In addition, upon termination, Charter School shall immediately vacate the Premises.

The rights and remedies of District set forth herein are not exclusive, and District may exercise any other right or remedy now or later available to it under the Agreement, at law or in equity.

10.2. **District's Default.** District shall not be in default of any of its obligations hereunder, unless District fails to perform such obligations within a reasonable time, but in no event less than thirty (30) days, after written notice by Charter School to District specifying that District has failed to perform its obligations; provided, however, that if the nature of District's default requires more than thirty (30) days to cure, District shall not be in default if District commences a cure within thirty (30) days and thereafter diligently prosecutes the same to completion. If the District defaults hereunder, then Charter School may have

by reason of such default all remedies available at law or equity, which includes the remedy of self-help and deduction of reasonable self-repair costs from the pro rata share payments owed.

10.2.1. Charter School shall have no rights as a result of any default by District until Charter School gives thirty (30) days' notice to District specifying the nature of the default. If the District defaults hereunder after receipt of the Charter School's written notice, then Charter School may have by reason of such default remedies including the remedy of self-help and deduction of reasonable self-repair costs from the pro rata share payments owed.

Commented [SJK4]: How can we address circumstances where there is an imminent threat to health and safety?

11. Reciprocal Indemnification.

District and Charter School hereby agree and acknowledge that the relationship between District and Charter School for purposes of this Agreement is solely a landlord/tenant relationship and not a principal/agent relationship or any other relationship. Charter School is acting on its own behalf in operating from the Premises any school thereon (or any other purpose(s) thereupon) and is not operating as an agent of District.

Except where the losses, costs, damages, expenses, and liabilities (including without limitation court costs and reasonable attorneys' fees) are caused by District's negligence or misconduct, to the fullest extent permitted by law, Charter School ("Indemnifying Party") shall indemnify, defend, release and protect District, its affiliates, successors and assigns, and its officers, directors, shareholders, board members, other members, partners, agents and employees ("Indemnified Party" or "Indemnified Parties") and hold the Indemnified Parties harmless from any and all losses, costs, damages, expenses and liabilities (including without limitation court costs and reasonable attorneys' fees) (collectively "Claims") incurred in connection with or arising from any cause (i) in the use or occupancy by Charter School of the Premises (including without limitation, the operation by Charter School of the School from the Premises), or (ii) in connection with the operations by Charter School at the Premises, including without limiting the generality of the foregoing:

- (a) Any default by Charter School in the observance or performance of any of the terms, covenants or conditions of the Agreement on Charter School's part to be observed or performed;
- (b) The use or occupancy of the Premises by Charter School of any person claiming by, through or under Charter School or Charter School's employees, agents, contractors, licensees, directors, officers, partners, trustees, visitors or invitees, or any such person in, on or about the Premises either prior to, during, or after the expiration of the Term of the Agreement (singularly, "Liability"; collectively, "Liabilities"); and
- (c) Any claim by a third party that District is responsible for any actions by Charter School in connection with any use or occupancy of the Premises or in any way related to this Agreement.

Except where the losses, costs, damages, expenses and liabilities (including without limitation court costs and reasonable attorneys' fees) are caused by Charter School's negligence or misconduct, to the fullest extent permitted by law, District shall ("Indemnifying Party") shall indemnify, defend, release and protect Charter School, its affiliates, successors and assigns, and its officers, directors, shareholders, board members, other members, partners, agents and employees ("Indemnified Party" or "Indemnified Parties") and hold the Indemnified Parties harmless from any and all losses, costs, damages, expenses and liabilities (including without limitation court costs and reasonable attorneys' fees) (collectively "Claims") incurred in connection with or arising from any cause (i) in the use or occupancy by District of the Premises (including without limitation, the operation by District of operations on the Premises), or (ii) in connection with the operations by District at the Premises, including without limiting the generality of the foregoing:

- (a) Any default by District in the observance or performance of any of the terms, covenants or conditions of the Agreement on District's part to be observed or performed;
- (b) The use or occupancy of the Premises by District or any person claiming by, through or under District or District's employees, agents, contractors, licensees, directors, officers, partners, trustees, visitors or invitees, or any such person in, on or about the Premises either prior to, during, or after the expiration of the Term of the Agreement (singularly, "Liability"; collectively, "Liabilities"); and
- (c) Any claim by a third party that Charter School is responsible for any actions by District in connection with any use or occupancy of the Premises or in any way related to this Agreement.

The provisions of this Section 19 shall survive the expiration or sooner termination of this Use Agreement. An Indemnifying Party shall, upon request by an Indemnified Parties, undertake the defense of any Liabilities threatened or asserted against such Indemnified Party on the following terms and conditions:

- (a) Notice of the assumption of such defense ("Notice") shall be delivered to such Indemnified Party within fifteen (15) days after transmittal.
- (b) Such defense shall be conducted by reputable attorneys retained by Indemnifying Party, and with the prior written approval of all the Indemnified Parties against whom such Liability has been asserted or threatened, which approval shall not be unreasonably withheld, delayed or conditioned, all at Indemnifying Party's sole cost and expense. In the event the interests of Indemnifying Party and any such Indemnified Parties in the action conflict in such manner and to such an extent as to require, consistent with applicable standards of professional responsibility, the retention of separate counsel for any of the Indemnified Parties involved in the action, Indemnifying Party shall pay all fees and costs charged or incurred by separate counsel chosen by such Indemnified Parties.

- (c) Indemnifying Party agrees to promptly notify the other Party of the commencement of any litigation or proceedings pending, threatened or commenced (whether or not served) against Indemnifying Party, or any of the directors, officers, agents or employees of Indemnifying Party, in connection with the matters set forth in this Agreement.

The provisions of this Section shall survive the expiration or sooner termination of this Use Agreement.

12. Insurance.

- 12.1. Insurance is to be placed with insurers with a current A.M. Best Insurance rating of no less than A-minus: VII and subject to the approval of District, except that insurance through a Joint Powers Authority shall be deemed sufficient under this Agreement. Charter School shall furnish District with the original certificates and amendatory endorsements effecting coverage required.
- 12.2. Charter School acknowledges that the insurance to be maintained by District on the School Site will not insure any of Charter School's property or improvements made by Charter School.
- 12.3. Charter School shall, at Charter School's expense, obtain and keep in force during the term of this Agreement, and any other times that it is in occupation of any District Premises, a policy of commercial general liability insurance and a comprehensive auto liability policy insuring District and Charter School against claims and liabilities arising out of the operation, condition, use, or occupancy of the Premises and all areas appurtenant thereto, including parking areas. Charter School's comprehensive auto liability policy shall insure all vehicle(s), whether hired, owned or non-owned. Charter School's commercial general insurance shall be at least as broad as the Insurance Service Office (ISO) CG 00-01 form and in an amount of not less than Two Million dollars (\$2,000,000) for bodily injury or death and property damage as a result of any one occurrence and Five Million dollars (\$5,000,000) general aggregate policy limit. In addition, Charter School shall obtain a products/completed operations aggregate policy in the amount of Two Million dollars (\$2,000,000). The insurance carrier, deductibles and/or self-insured retentions shall be approved by District, which approval shall not be unreasonably withheld. Prior to the Commencement Date, Charter School shall deliver to District a certificate of insurance evidencing the existence of the policies required hereunder and copies of endorsements stating that such policies shall:

12.3.1. State the coverage is primary and any coverage by District is in excess thereto;

12.3.2. Contain a cross liability endorsement; and

12.3.3. Include a separate endorsement naming District as an additional insured.

At least thirty (30) days prior to the expiration of each certificate, and every subsequent certificate, Charter School shall deliver to District a new certificate of insurance consistent with all of the terms and conditions required in connection with the original certificate of

insurance as described herein.

12.4. During the Term of this Agreement, District shall maintain at its cost a policy of standard fire and casualty insurance limited to the value of the buildings and improvements located on the School Site as of the Commencement Date. The District's insurance policy shall be primary in the case of any damage or destruction to the Premises (but not to the Charter School's personal property or alterations or improvements constructed by the Charter School).

12.4.1. No use shall be made or permitted to be made of the Premises, nor acts done, that will increase the existing rate of insurance upon the building or buildings of the Premises or cause the cancellation of any insurance policy, covering same, or any part thereof, nor shall Charter School sell, or permit to be kept, used, or sold in or about the Premises any article that may be prohibited by the standard form of fire insurance policies. Charter School shall, at its sole cost and expense, comply with any and all requirements pertaining to the Premises, of any insurance organization or company, necessary for the maintenance of reasonable fire and casualty insurance, covering the Premises' buildings, or appurtenances. Fire and casualty insurance premium increases to District due to equipment and/or activities of Charter School (other than based only on the Charter School's occupancy of the Premises) shall be charged to Charter School.

12.5. During the Term, Charter School shall comply with all provisions of law applicable to Charter School with respect to obtaining and maintaining workers' compensation insurance. Prior to the commencement and any renewal of this Agreement and Charter School's occupancy of the Premises, Charter School shall provide District, as evidence of this required coverage, a certificate in a form satisfactory to District on or before the commencement or renewal date, providing that insurance coverage shall not be canceled or reduced without thirty (30) days prior written notice to District. If the insurer does not provide such notice, Charter School shall provide the District with notice of cancellation of coverage as soon as it becomes aware of such cancellation.

13. **Signs.** Charter School may, at Charter School's sole cost, have the right and entitlement to place onsite signs on the Premises to advertise Charter School's educational program, provided Charter School obtains the prior written approval and consent of District. District's approval and consent shall not be unreasonably withheld. Any signs shall be at Charter School's cost and in compliance with the local ordinances pertaining thereto. In connection with the placement of any of Charter School's signs, District agrees to cooperate with Charter School in obtaining any governmental permits which may be necessary. Throughout the Term of the Agreement, and any other times that it is in occupation of any District Premises, Charter School shall, at its sole cost and expense, maintain any of its signage and all appurtenances in good condition and repair. At the termination of the Agreement, Charter School shall remove any signs which it has placed on the Premises and School Site, and shall repair any damage caused by the installation or removal of Charter School's signs.

14. **Notice.** Any notice required or permitted to be given under the Agreement shall be deemed to have been given, served and received if given in writing and personally delivered or either

deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service or email, addressed as follows:

DISTRICT:

Oakland Unified School District
Attn: Office of Charter Schools
1000 Broadway, Suite 398
Oakland, CA 94607
charteroffice@ousd.org

CHARTER SCHOOL:

«School_Name»
«Mailing_Address_1»
«Mailing_Address_2»

Any notice personally given or sent by email shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by certified or registered mail shall be effective three (3) days after deposit in the United States mail.

15. **Subcontract, Assignment and Sublease.** Charter School shall not have the right, voluntarily or involuntarily, to assign, license, transfer or encumber the Agreement or sublet all or part of the Premises. Any purported transfer shall be void and shall, at District's election, constitute a default. No consent to transfer shall constitute a waiver of the provisions of this Section.
16. **Joint and Several Liability.** If Charter School is more than one person or entity, each person or entity shall be jointly and severally liable for the obligations of Charter School hereunder.
17. **Independent Contractor Status.** The Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association.
18. **Entire Agreement of Parties.** The Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations and agreements, whether oral or written. The Agreement may be amended or modified only by a written instrument executed by both Parties. Nothing in this provision shall be construed so as to limit, nullify, abridge or modify Charter School's obligations under its Charter, or the its authorizer's oversight authority.
19. **California Law.** The Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of the Agreement shall be maintained in Alameda County.
20. **Compliance with All Laws.**
 - 20.1. Charter School shall at Charter School's expense comply with all requirements of all governmental authorities, in force either now or in the future, affecting the Charter School's use of the Premises or School Site, and shall faithfully observe in Charter School's

use of the Premises all laws, regulations and ordinances of these authorities, in force either now or in the future including, without limitation, all applicable federal, state and local laws, regulations, and ordinances pertaining to air and water quality, hazardous material, waste disposal, air emission and other environmental matters (including the California Environmental Quality Act ("CEQA") and its implementing regulations in Charter School's use of the Premises), and all District policies, rules and regulations ("Environmental Laws").

- 20.2. The judgment of a court of competent jurisdiction, or Charter School's admission in an action or a proceeding against Charter School, whether District be a party to it or not, that Charter School has violated any law or regulation or ordinance in Charter School's use of the Premises shall be considered conclusive evidence of that fact as between District and Charter School. If Charter School fails to comply with any law, regulation or ordinance, District reserves the right to take necessary remedial measures at Charter School's expense, for which Charter School agrees to reimburse District on demand.
- 20.3. Charter School shall not cause or permit any Hazardous Material to be generated, brought onto, used, stored, or disposed of in or about the Premises and any improvements by Charter School or its agents, employees, contractors, subtenants, or invitees, except for limited quantities of standard office, classroom and janitorial supplies (which shall be used and stored in strict compliance with Environmental Laws). Charter School shall comply with all Environmental Laws. As used herein, the term "Hazardous Materials" 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 Materials" includes, without limitation, petroleum products, asbestos, PCB's, and any material or substance which is (i) defined as hazardous or extremely hazardous pursuant to Title 22 of the California Code of Regulations, Division 4.5, Chapter 11, Article 4, section 66261.30 *et seq.* (ii) defined as a "hazardous waste" pursuant to section (14) of the federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.* (42 U.S.C. 6903), or (iii) defined as a "hazardous substance" pursuant to section 10 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 *et seq.* (42 U.S.C. 9601). As used herein, the term "Hazardous Materials Law" shall mean any statute, law, ordinance, or regulation of any governmental body or agency (including the U.S. Environmental Protection Agency, the California Regional Water Quality Control Board and the California Department of Health Services) which regulates the use, storage, release or disposal of any Hazardous Material.
- 20.4. **Notice of Hazardous Substance.** Charter School will promptly notify District in writing if Charter School has or acquires notice or knowledge that any Hazardous Substance has been or is threatened to be, released, discharged, disposed of, transported, or stored on, in, or under or from the Premises or School Site in violation of Environmental Laws. Charter School shall promptly provide copies to District of all written assessments, complaints, claims, citations, demands, fines, inquiries, reports, violations or notices relating to the conditions of the Premises or compliance with Environmental Laws. Charter School shall promptly supply District with copies of all notices, reports, correspondence, and submissions made by Charter School to the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration and any other local, state or federal authority that requires submission of

any information concerning environmental matters or Hazardous Substances pursuant to Environmental Laws. Charter School shall promptly notify District of any liens threatened or attached against the Premises pursuant to any Environmental Laws.

- 20.5. **Inspection.** District and District's agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by District, may (but without the obligation or duty to do so), at any time and from time to time, on not less than ten (10) business days' notice to Charter School (except in the event of an emergency, in which case, no notice will be required), inspect the Premises to determine whether Charter School is complying with Charter School's obligations set forth in this Section, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as District and Charter School may agree.
- 20.6. **Indemnification.** Charter School's indemnification and defense obligations in this Agreement shall include any and all Claims arising from any breach of Charter School's covenants under this Section.
21. **Attorneys' Fees.** If either Party files any action or brings any proceedings against the other arising out of the Agreement, the prevailing party shall be entitled to recover, in addition to its costs of suit and damages, reasonable attorneys' fees to be fixed by the court. The "prevailing party" shall be the Party who is entitled to recover its costs of suit, whether or not suit proceeds to final judgment. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether a Party is entitled to its costs or attorneys' fees.
22. **Waiver.** The waiver by either Party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.
23. **Successors and Assigns.** The Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.
24. **Counterparts and Electronic Signature.** The Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one document. Any counterpart may be executed and delivered by facsimile or other electronic signature (including portable document format) by either Party and, notwithstanding any statute or regulations to the contrary (including, but not limited to, Government Code section 16.5 and the regulations promulgated therefrom), the counterpart shall legally bind the signing Party and the receiving Party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received. Through its execution of this Agreement, each Party waives the requirements and constraints on electronic signatures found in statute and regulations including, but not limited to, Government Code section 16.5 and the regulations promulgated therefrom
25. **Captions.** The captions contained in the Agreement are for convenience only and shall not in any way affect the meaning or interpretation thereof nor serve as evidence of the interpretation thereof, or of the intention of the Parties hereto.

- 26. **Severability.** Should any provision of the Agreement be determined to be invalid, illegal or unenforceable in any respect, such provision shall be severed and the remaining provisions shall continue as valid, legal and enforceable.
- 27. **Incorporation of Recitals and Exhibits.** The Recitals and each Exhibit attached hereto are hereby incorporated herein by reference.
- 28. **Authorization to Sign Agreement.** Each individual executing the Agreement on behalf of a Party represents and warrants that he or she is duly authorized to execute and deliver the Agreement on behalf of the Party that the individual is executing the Agreement and that the Agreement is binding upon that Party in accordance with its terms.

ACCEPTED AND AGREED on the date indicated below:

«School_Name»

By: _____
Date

OAKLAND UNIFIED SCHOOL DISTRICT

Board of Education _____
Date

Kyla Johnson-Trammel, Superintendent/Secretary, Board of Education _____
Date

APPROVED AS TO FORM

General Counsel's Office _____
Date

Exhibit "A"
DESCRIPTION OF PREMISES AND SITE

The Premises that are being allocated to Charter School shall consist of space located in the room(s) and area(s) as depicted on the attached School Site maps.

