

AGENDA

Method Schools Regular Meeting of the Board of Directors

Tuesday, May 23, 2023, 6:00 PM

38750 Sky Canyon Dr, Ste. B, Murrieta, California

<https://methodschools.zoom.us/j/9807801621?pwd=MVl3bjQ5YmJzN08wOHhLTUVTdndGUT09>

Meeting ID: 980 780 1621

Passcode: 24620

Instructions for Presentations to the Board by Parents and Citizens

Method Schools ("School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

Agendas and "Submit a Public Comment" forms are available via the link on our website on the Board Page. If you wish to speak, please fill out the form and specify the agenda item on which you wish to speak. When addressing the Board, speakers are requested to state their name and address and adhere to the time limits set forth.

Public Communication on Non-Agenda Issues: This is an opportunity for members of the audience to raise issues that are not specifically on the agenda. You will be given an opportunity to speak for a maximum of three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. Non-English speakers requiring translation are allotted a maximum of six (6) minutes. Due to public meeting laws, the Board can only listen to your issue and not respond or take action. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item

Agenda items: To address the Board on agenda items, please specify the item on which you wish to speak on your "Public Comment". You will be given an opportunity to speak for up to three (3) minutes when the Board discusses that item.

3. Public Records: Any public records relating to an agenda item for an open session of the Board that are distributed to the Board members shall be available for public inspection at the School office. Minutes of each Board meeting will also be available at the School office.

Americans with Disabilities Act (ADA): Upon request, the School will furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate assistance in order to participate in Board meetings are invited to contact Method Board Secretary Gloria Vargas at gvargas@methodschools.org by noon of the business day preceding the board meeting.

Translation services: Translation services are available by notifying the above school office by noon of the business day preceding the board meeting.

AGENDA

Method Schools Regular Meeting of the Board of Directors

1.0 Call to Order:

2.0 Roll Call

Present:

Absent:

Method Staff:

3.0 Public Communication on Non-Agenda Items

-

4.0 Reports

- **CEO:**
- **CBO:**
- **Senior Director of Schools:**
 - **Student Highlights**

5.0 Action: Oceanside Office Lease

Discussion:

6.0 Action: Method Schools Organization Chart

Discussion:

7.0 Action: 23-24 Staff Compensation

Discussion:

8.0 Consent Items: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board's votes on them.

- **Approval of March 7, 2023 Meeting Minutes**
- **March-April 2023 Check Register**

9.0 Information/ Discussion Items:

-

10.0 Upcoming Agenda Items

- **June 2023 Meeting CBO Report: Marketing Update**
- **June 2023 Senior Director of Schools Report: CA Dashboard Local Indicators**
- **June 2023 Meeting Action Item: LCAP**
- **June 2023 Meeting Action Item: Updates to 3010 Fiscal Policy - Second Reading**
- **June 2023 Meeting: 23-24 Adopted Budgets**

AGENDA

Method Schools Regular Meeting of the Board of Directors

11.0 Board Member Reports:

12.0 Action: Motion to Adjourn the Meeting

STANDARD MULTI-TENANT OFFICE LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only May 19, 2023, is made by and between Grattan Holdings, Inc. ("Lessor") and Method Schools Corporation ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain Portion of the Project (as defined below), commonly known as (street address, suite, city, state): 4015 Avenida De La Plata, Ste 401, Oceanside, CA 92056 ("Premises"). The Premises are located in the County of San Diego, and consist of approximately 3,008 rentable square feet and approximately 3,008 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 13,388 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** Nine (9) unreserved and n/a reserved vehicle parking spaces at a monthly cost of n/a per unreserved space and n/a per reserved space. (See Paragraph 2.6)

1.3 **Term:** Three (3) years and Zero (0) months ("Original Term") commencing July 1, 2023 ("Commencement Date") and ending June 30, 2026 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing June 15, 2023 ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$4,512.00 per month ("Base Rent"), payable on the first (1st) day of each month commencing July 1, 2023. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50.

~~1.6 **Lessee's Share of Operating Expense Increase:** _____ percent (____%) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.~~

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$4,512.00 for the period July 1 - July 31, 2023.

(b) **Security Deposit:** \$4,786.78 ("Security Deposit"). (See also Paragraph 5)

~~(c) **Parking:** _____ for the period _____.~~

~~(d) **Other:** _____ for _____.~~

(e) **Total Due Upon Execution of this Lease:** \$9,298.78.

1.8 **Agreed Use:** general & administrative office. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2023. Lessor is the "Insuring Party". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers.** (See also Paragraphs 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm Lee & Associates Commercial Real Estate and Services Inc. - NSDC License No. 01096996 Is the broker of (check one): ☒ the Lessor; or ☐ both the Lessee and Lessor (dual agent).

Lessor's Agent James Bengala License No. 01950077 is (check one): ☒ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

~~Lessee's Brokerage Firm _____ License No. _____ Is the broker of (check one): ☐ the Lessee; or ☐ both the Lessee and Lessor (dual agent).~~

~~Lessee's Agent _____ License No. _____ is (check one): ☐ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).~~

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement ~~(or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent)~~ for the brokerage services rendered by the Brokers.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Jessica Spallino ("Guarantor"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** 8:00 a.m. to 5:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 5:00 p.m. on Saturdays (except Building Holidays). "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and n/a.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

- ☒ Janitorial services
- ☒ Electricity

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 1 of 18

☒ Other (specify): phone/internet/data

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☐ ~~an Addendum consisting of Paragraphs _____ through _____;~~

☐ ~~a plot plan depicting the Premises;~~

☒ a current set of the Rules and Regulations;

☐ ~~a Work Letter;~~

☐ ~~a janitorial schedule;~~

☒ other (specify): Rent Adjustments and Agency Disclosure.

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

INITIALS

INITIALS

2.6 **Vehicle Parking.** So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Operating Expense Increase.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.9.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months).

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 3 of 18

Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 4 of 18

showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 5 of 18

in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder."

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed \$2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements,

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 6 of 18

parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Insurance Premiums. The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(c) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 7 of 18

renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 8 of 18

Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definitions. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Services Provided by Lessor. Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 Services Exclusive to Lessee. Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2(vi), if a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option,

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 9 of 18

either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 Hours of Service. Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 Excess Usage by Lessee. Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 Interruptions. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.6 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a non-curable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a non-curable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 10 of 18

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 11 of 18

detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 12 of 18

harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

23.3 Options. Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 13 of 18

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: **To the Lessor:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. **To the Lessee and the Lessor:** (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. **To the Lessee:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. **To the Lessee and the Lessor:** (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 14 of 18

lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE.

37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 Definition. "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 Options Personal To Original Lessee. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 Effect of Default on Options.

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 15 of 18

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. Reservations.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☐ is not attached to this Lease.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☒ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 16 of 18

require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☒ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____

On: _____

By LESSOR:

Grattan Holdings, Inc.

By: _____

Name Printed: Jack Grattan

Title: CEO

Phone: 909-568-6903

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: 2604-B El Camino Real #272, Carlsbad,
CA 92008

Federal ID No.: _____

BROKER

Lee & Associates Commercial Real Estate
and Services Inc. - NSDC

INITIALS

© 2019 AIR CRE. All Rights Reserved.

OFG-21.30, Revised 10-22-2020

Executed at: _____

On: _____

By LESSEE:

Method Schools Corporation

By: _____

Name Printed: Jessica Spallino

Title: CEO

Phone: 760-224-0758

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: 38750 Sky Canyon Drive, Suite B,
Murrieta, CA 92563

Federal ID No.: _____

BROKER

Attn: _____

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 17 of 18

Attn: James Bengala
Title: Senior Associate

Address: 1902 Wright Place, Ste 180, Carlsbad,
CA 92008

Phone: 760-929-9700

Fax: 760-929-9977

Email: jbengala@lee-associates.com

Federal ID No.: _____

Broker DRE License #: 01096996

Agent DRE License #: 01950077

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: _____

Agent DRE License #: _____

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com
NOTICE: No part of these works may be reproduced in any form without permission in writing.

INITIALS

INITIALS

RULES AND REGULATIONS FOR STANDARD OFFICE LEASE

Date: _____

By and Between

Lessor: Grattan Holdings, Inc.

Lessee: Method Schools Corporation

Property Address: 4015 Avenida De La Plata, Ste 401, Oceanside, CA 92056
(street address, city, state, zip)

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
12. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of _____ P.M. and _____ A.M. of the following day. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Lessee.
15. No Lessee, employee or invitee shall go upon the roof of the Building.
16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.
4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.
5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.
6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.
8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor

INITIALS

© 2017 AIR CRE. All Rights Reserved.

OFGRR-2.02, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 1 of 2

parking.

9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.
10. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.
12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com
NOTICE: No part of these works may be reproduced in any form without permission in writing.

INITIALS

INITIALS

**RENT ADJUSTMENT(S)
(ORIGINAL TERM)
STANDARD LEASE ADDENDUM**

Dated: May 19, 2023

By and Between

Lessor: Grattan Holdings, Inc.

Lessee: Method Schools Corporation

Property Address: 4015 Avenida De La Plata, Ste 401, Oceanside, CA 92056
(street address, city, state, zip)

Paragraph: 50

The monthly Base Rent during the Original Term of the Lease shall be increased by using the method(s) selected below (check method(s) to be used and fill in appropriately):

☐ I. ~~Consumer Price Index.~~

~~a. The monthly Base Rent shall be increased on _____ and every _____ months thereafter during the Original Term ("CPI Increase Date(s)") commensurate with the increase in the CPI (as herein defined) determined as follows: the monthly Base Rent scheduled for the first month of the Original Term shall be multiplied by a fraction the denominator of which is the Base CPI (as herein defined), and the numerator of which is the Comparison CPI (as herein defined). The amount so calculated shall constitute the new Base Rent until the next CPI Increase Date, but in no event shall any such new Base Rent be less than the Base Rent for the month immediately preceding the applicable CPI Increase Date.~~

~~b. The term "CPI" shall mean the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI-W (Urban Wage Earners and Clerical Workers) or ☐ CPI-U (All Urban Consumers), for (fill in Urban Area): _____ or ☐ the area in which the Premises is located, All Items (1982-1984 = 100). The term "Comparison CPI" shall mean the CPI of the calendar month which is 2 full months prior to the applicable Original Term CPI Increase Date. The term "Base CPI" shall mean the CPI of the calendar month which is 2 full months prior to the Commencement Date of the Original Term.~~

~~c. If the compilation and/or publication of the CPI is transferred to another governmental department, bureau or agency or is discontinued, then instead the index most nearly the same as the CPI shall be used to calculate the Base Rent increases hereunder. If the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said association and the decision of the arbitrators shall be binding upon the parties, with the cost of such arbitration being paid equally by the Parties.~~

☐ II. ~~Fixed Percentage.~~ The monthly Base Rent shall be increased on _____ and every _____ months thereafter during the Original Term ("Percentage Increase Date(s)") by _____ percent (_____%) of the monthly Base Rent scheduled to be paid for the month immediately preceding the applicable Percentage Increase Date.

☒ III. **Fixed Rental Adjustment(s) ("FRA").**

The monthly Base Rent shall be increased to the following amounts on the dates set forth below:

On (fill in FRA Adjustment Date(s)):

July 1, 2024

July 1, 2025

The new Base Rent shall be:

\$4,647.36

\$4,786.78

BROKER'S FEE: For each adjustment in Base Rent specified above, the Brokers shall be paid a Brokerage Fee in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com

INITIALS

© 2017 AIR CRE. All Rights Reserved.

RA-8.00, Revised 10-13-2022

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 1 of 2

DRAFT

DRAFT

DRAFT

INITIALS

INITIALS

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

4015 Avenida De La Plata, Ste 401, Oceanside, CA 92056

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salesperson and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation. Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

☐ Buyer ☐ Seller ☐ Lessor ☒ Lessee

Date: _____

Jessica Spallino

☐ Buyer ☐ Seller ☒ Lessor ☐ Lessee

Date: _____

Jack Grattan

Agent: Lee & Associates Commercial Real Estate and Services Inc. - NSDC DRE Lic. #: 01096696
Real Estate Broker (Firm)

INITIALS

INITIALS

By: **James Bengala**

DRE Lic. #: 01950077 Date: _____

(Salesperson or Broker-Associate)

THIS FORM HAS BEEN PREPARED BY AIR CRE. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF THIS FORM FOR ANY SPECIFIC TRANSACTION. PLEASE SEEK LEGAL COUNSEL AS TO THE APPROPRIATENESS OF THIS FORM.

INITIALS

© 2019 AIR CRE. All Rights Reserved.

AD-3.01, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 2 of 4

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP
CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)**

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. **(b)** "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. **(c)** "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobile home, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. **(d)** "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. **(e)** "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. **(f)** "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. **(g)** "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. **(h)** "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. **(i)** "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. **(j)** "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multi-unit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobile home as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. **(k)** "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. **(l)** "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. **(m)** "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. **(n)** "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: **(a)** The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. **(b)** The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. **(b)** As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

(c) CONFIRMATION: The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)

Seller's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Seller's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

Buyer's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)

Buyer's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289, 2017-18 California Legislative session)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically

INITIALS

© 2019 AIR CRE. All Rights Reserved.

AD-3.01, Revised 10-22-2020

INITIALS

Last Edited: 5/19/2023 3:38 PM

Page 3 of 4

prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. **(b)** A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. **(c)** "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. **(d)** This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. **(b)** A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com
NOTICE: No part of these works may be reproduced in any form without permission in writing.

INITIALS

INITIALS

April 26, 2023

Grattan Holdings, Inc.
4015 Avenida De La Plata Drive
Oceanside, CA 92056

Sent via email

Non-Binding Letter of Intent (LOI) – Method Schools – 4015 Avenida De La Plata Drive, Oceanside, Carlsbad, CA 92056.

Dear Ownership,

Method K-12 Online Charter Schools ("Tenant") would consider entering into a lease agreement for the Premises located at **4015 Avenida De La Plata Drive, Oceanside, CA 92056** under the following terms and conditions. Should you have any questions or require additional information, please do not hesitate to contact me.

LANDLORD:	Grattan Holdings, Inc.
TENANT:	Method K-12 Online Charter Schools
USE:	Tenant intends to utilize space as an admin office.
PREMISES:	The Premises shall be comprised of approximately 3,008 square feet of office space located at 4015 Avenida De La Plata Drive, Oceanside, CA 92056.
LEASE COMMENCEMENT:	The Lease shall commence on July 1, 2023 ("Commencement").
LEASE TYPE:	Modified Gross Lease (Base Rent + Utilities)
LEASE TERM:	36 months / 3 years
BASE RENT:	The Monthly Base Rent shall be \$1.50 per rentable square foot per month for Year One. The Base Rent shall increase by three percent (3%) each anniversary of the Commencement Date.
SECURITY DEPOSIT:	One (1) month's base rent equal to a base rent amount in the final year of the lease term.
TENANT IMPROVEMENTS:	Landlord shall deliver the premises in AS-IS condition with all building systems serving the premises in good working order and condition, including but not limited to HVAC, mechanical, electrical, and plumbing systems.
EARLY POSESSION:	Tenant shall have Early Possession of the Premises starting on June 15, 2023. This Early Possession period from June 15, 2023-June 30, 2023 shall be rent free. Tenant will be required to pay all utilities for the EP period.

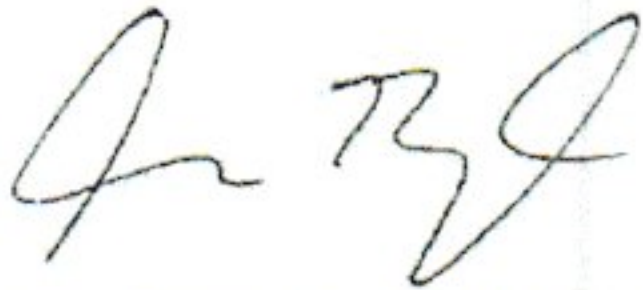
Lee & Associates - North San Diego County
1902 Wright Place, Suite 180 | Carlsbad, CA 92008
☎ 760.929.9700 ☎ 760.929.9977
A Member of the Lee & Associates Group of Companies



SIGNAGE:	Tenant, at sole cost to the Tenant, shall have the right to exterior building signage so long as signage adheres to Association & City signage plan.
PARKING:	Tenant shall be granted rights to the parking stalls on the Premises to account for the parking ratio of 3.00/1,000. Per the rentable square footage of Suites, Tenant is entitled to TBD unreserved parking spaces.
ASSIGNMENT AND SUBLETTING:	Tenant shall be permitted to sublease the Premises or any portion thereof. Any consent required for other assignments or subletting shall not be unreasonably withheld, conditioned, or delayed by Landlord. To be further defined in the Lease.
STRUCTURAL AND LATENT DEFECTS:	Landlord, at Landlord's sole cost and expense, shall be one hundred percent (100%) responsible for the replacement or repair to any and all structural and/or latent defects in the Building and/or on the Property for the duration of the Lease Term and any extensions thereof
BROKERAGE FEE:	Lee & Associates is acknowledged as the exclusive agent for the Landlord. In the event Landlord and Tenant are successful in completing a lease transaction, Landlord shall pay commission to Lee & Associates for total lease consideration.
DISCLAIMER:	The terms as outlined herein are not all-inclusive, but comprise a summary of the general economic terms, which Tenant requires. Other terms, which are not included, are to be negotiated in a Letter of Intent. The parties mutually intend that neither shall have any binding contractual obligations to the other with respect to the matters referenced herein unless and until a formal written Lease Agreement has been fully executed and delivered by the parties, following review by each party's respective legal counsel and authorized representatives.
EXPIRATION:	This letter shall expire at 5:00 p.m. on May 3, 2023.

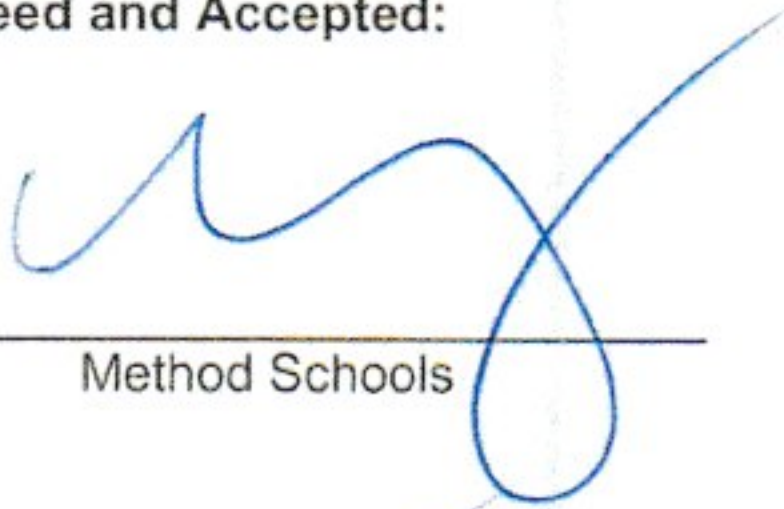
This letter is not intended to create a binding obligation but rather to set forth the general terms of a lease. There will be no binding obligation on the part of any party, unless and until all appropriate parties execute a Lease Agreement document.

Sincerely,



James Bengala – Senior Associate
CALDRE: 01950077

Agreed and Accepted:



Method Schools

5/2/2023
Date

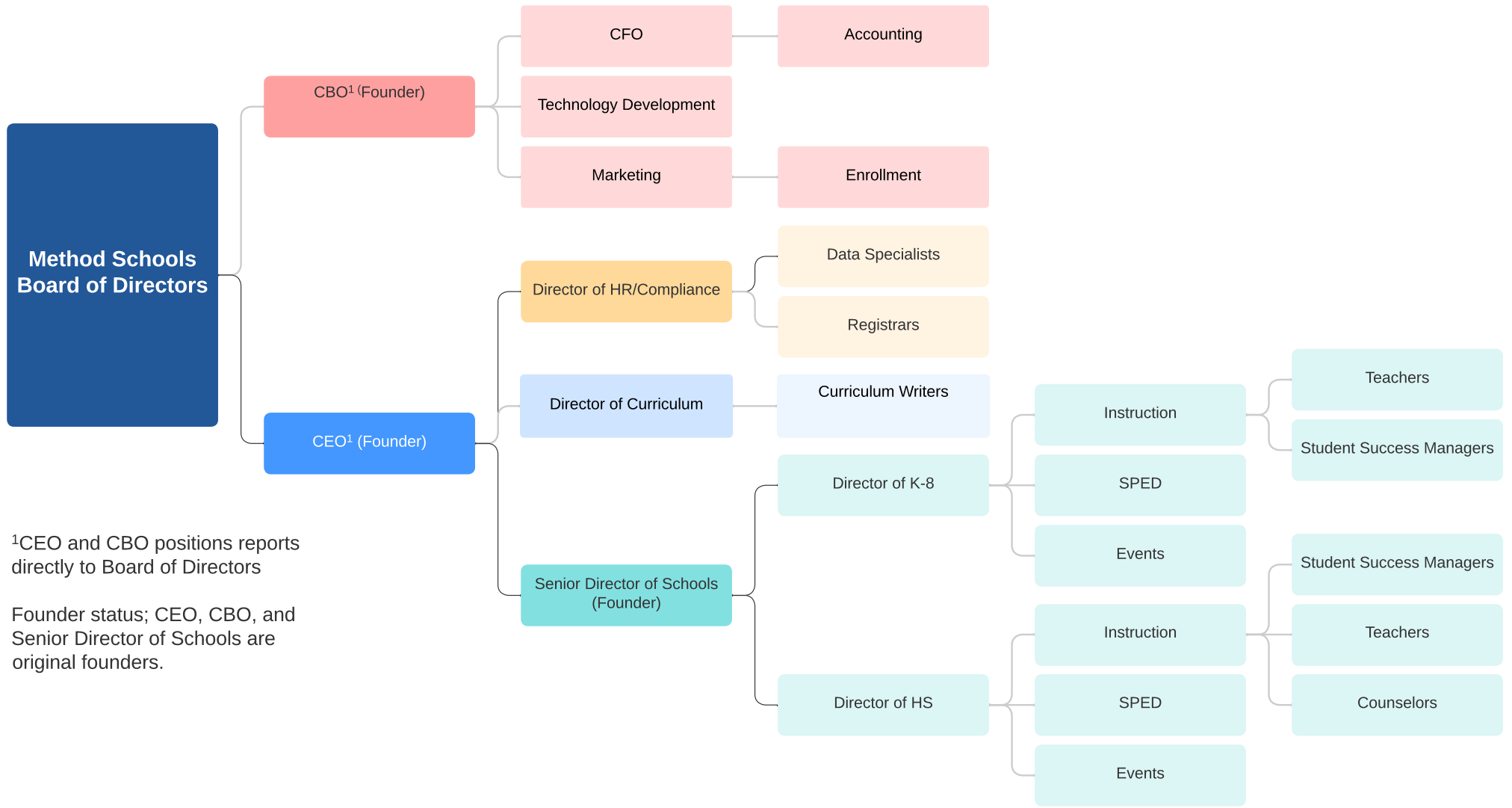


Grattan Holdings, Inc.

5-2-2023
Date

Organizational Chart

Most recent update: May 8, 2023



¹CEO and CBO positions reports directly to Board of Directors

Founder status; CEO, CBO, and Senior Director of Schools are original founders.



To: Board of Directors

Re: 23-24 Compensation

Remaining competitive in the charter school market ensures that Method Schools retains our most valuable assets, our employees. Method Schools staff recommends to the Board an 8% salary increase for the 23-24 fiscal year, and a one-time bonus of 3% of the employee's salary, or \$1000 for hourly employees.

The recommendation is based on a few key factors. LAUSD recently approved a 21% pay increase to take place over three years, raising their average teacher salary significantly and placing pressure on other public schools to provide competitive pay. The recommended increase will place Method Schools average teacher salary at approximately \$72,000 (\$78,000 when including the 3% one-time). Additionally, the increase and one-time payment will address the current economic inflation impacting our employees.

While the economic environment is likely to impact state funding in the next couple of years, the Governor's budget for the 23-24 fiscal year includes an 8.2% COLA to the LCFF revenues. The addition of a one-time 3% bonus enables Method Schools to provide a double digit pay increase for the year, while not committing the full cost into future years that may be impacted by an economic downturn.

The increase in LCFF funding for Method Schools in 23-24 is estimated at \$825,000. The cost of the recommended increase is \$681,000; with \$492,000 in ongoing increases, and \$188,000 in one-time costs. The increase is offset slightly by decreased FTE costs of approximately \$121,000, resulting in overall cost to the 23-24 budget of \$560,000. Method's healthy cash balances can easily absorb the one-time cost of \$188,000, leaving only \$372,000 of the net ongoing costs to come from the 23-24 revenue increase.

Basic Life, STD, LTD Renewal Overview

LIFE & DISABILITY PLANS	STD	LTD	Life/AD&D	TOTAL ALL	\$ Difference to Current	% Difference to Current
MetLife						
CURRENT	\$1,725	\$3,009	\$4,683	\$9,417		
RENEWAL	\$1,725	\$3,009	\$4,683	\$9,417	\$0	0.0%
MARKETING SUMMARY						
Met Life + Anthem Vision Flat 200k Life Benefit	\$1,725	\$3,009	\$11,578	\$16,312	\$6,895	73.2%
Guardian Flat 200k Life Benefit	\$1,725	\$3,485	\$10,934	\$16,144	\$6,726	71.4%
MetLife 2X Annual Salary to Max of \$300k	\$1,725	\$3,009	\$8,658	\$13,392	\$3,975	42.2%
Guardian 2X Annual Salary to Max of \$300k	\$1,725	\$3,485	\$9,425	\$14,635	\$5,217	55.4%
MetLife 2X Annual Salary to Max of \$400k	\$1,725	\$3,009	\$8,937	\$13,671	\$4,254	45.2%
Guardian 2X Annual Salary to Max of \$400k	\$1,725	\$3,485	\$9,719	\$14,928	\$5,511	58.5%

Renewal Financial Executive Summary (all lines of coverage)

	# EES *	Current	Renewal
Medical - (Kaiser & Anthem Blue Cross)			
HMO 1 - Kaiser Platinum 90 HMO 0/20	17	\$154,871	\$169,118
HMO 2 - Anthem Platinum HMO 0/25 (6RH3)	10	\$95,529	\$103,749
PPO 1 - Anthem Select Gold PPO 30/500/20% (6RHX)	3	\$36,018	\$39,755
PPO 2 - Anthem Select Gold PPO 25/30% (6RGD)	10	\$96,875	\$104,597
PPO 3 - Anthem Platinum Select PPO 15/40/10% (6RHY)	11	<u>\$204,987</u>	<u>\$224,993</u>
Total Medical	51	\$588,280	\$642,211
\$ Change			\$53,931
% Change			9.2%
Dental - MetLife			
PPO	<u>50</u>	<u>\$43,348</u>	<u>\$45,515</u>
Total Dental	50	\$43,348	\$45,515
\$ Change			\$2,166
% Change			5%
Vision - Anthem Blue Cross			
PPO	<u>47</u>	<u>\$6,865</u>	<u>\$6,865</u>
Total Vision	47	\$6,865	\$6,865
\$ Change			\$0
% Change			0%
Basic Life - MetLife			
(1 x annual salary to a max of \$200K)	-	<u>\$4,683</u>	<u>\$4,683</u>
Total Life		\$4,683	\$4,683
\$ Change			\$0
% Change			0%
Disability - MetLife			
STD		\$1,725	\$1,725
LTD	-	<u>\$3,009</u>	<u>\$3,009</u>
Total Disability		\$4,734	\$4,734
\$ Change			\$0
% Change			0%
Total Annual Premium		\$647,910	\$704,007
Annual \$ Difference from Current			\$56,097
Annual % Difference from Current			8.7%
* Enrollment provided by the carriers and census.			

*Enrollment provided
by the carriers and

Financial Executive Summary

Ancillary Lines of Coverage

Financial Executive Summary (ancillary lines of coverage)

	# EES *	Current	MetLife + Anthem Vision Renewal	MetLife + Anthem Vision Flat 200k Life Benefit	Guardian Flat 200k Life Benefit	MetLife + Anthem Vision 2x annual salary to max 300k Life Benefit	Guardian 2x annual salary to max 300k Life Benefit	MetLife + Anthem Vision 2x annual salary to max 400k Life Benefit	Guardian 2x annual salary to max 400k Life Benefit
Dental - MetLife									
PPO	50	\$43,348	\$45,515	\$45,515	\$42,048	\$45,515	\$42,048	\$45,515	\$42,048
Total Dental	50	\$43,348	\$45,515	\$45,515	\$42,048	\$45,515	\$42,048	\$45,515	\$42,048
\$ Change			\$2,166	\$2,166	-\$1,300	\$2,166	-\$1,300	\$2,166	-\$1,300
% Change			5%	5.0%	-3.0%	5.0%	-3.0%	5.0%	-3.0%
Vision - Anthem Blue Cross									
PPO	47	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865
Total Vision	47	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865	\$6,865
\$ Change			\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change			0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Basic Life - MetLife									
	-	\$4,683	\$4,683	\$11,578	\$10,934	\$8,658	\$9,425	\$8,937	\$9,719
Total Life		\$4,683	\$4,683	\$11,578	\$10,934	\$8,658	\$9,425	\$8,937	\$9,719
\$ Change			\$0	\$6,895	\$6,251	\$3,975	\$4,742	\$4,254	\$5,036
% Change			0.0%	147.2%	133.5%	84.9%	101.3%	90.8%	107.5%
Disability - MetLife									
STD		\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725
LTD	-	\$3,009	\$3,009	\$3,009	\$3,485	\$3,009	\$3,485	\$3,009	\$3,485
Total Disability		\$4,734	\$4,734	\$4,734	\$5,209	\$4,734	\$5,209	\$4,734	\$5,209
\$ Change			\$0	\$0	\$475	\$0	\$475	\$0	\$475
% Change			0.0%	0.0%	10.0%	0.0%	10.0%	0.0%	10.0%
Total Annual Premium		\$59,630	\$61,797	\$68,691	\$65,056	\$65,772	\$63,547	\$66,050	\$63,841
Annual \$ Difference from Current			\$2,166	\$9,061	\$5,426	\$6,004	\$3,917	\$6,420	\$4,210
Annual % Difference from Current			3.6%	15.2%	9.1%	10.0%	6.6%	10.8%	7.1%

* Enrollment provided by the carriers and census.

*Enrollment provided
by the carriers and
Ease census.

Basic Life, STD & LTD Renewal Summary Overview

Basic Life, STD, LTD Renewal Overview

LIFE & DISABILITY PLANS	STD	LTD	Life/AD&D	TOTAL ALL	\$ Difference to Current	% Difference to Current
MetLife						
CURRENT	\$1,725	\$3,009	\$4,683	\$9,417		
RENEWAL	\$1,725	\$3,009	\$4,683	\$9,417	\$0	0.0%
MARKETING SUMMARY						
Met Life + Anthem Vision Flat 200k Life Benefit	\$1,725	\$3,009	\$11,578	\$16,312	\$6,895	73.2%
Guardian Flat 200k Life Benefit	\$1,725	\$3,485	\$10,934	\$16,144	\$6,726	71.4%
MetLife 2X Annual Salary to Max of \$300k	\$1,725	\$3,009	\$8,658	\$13,392	\$3,975	42.2%
Guardian 2X Annual Salary to Max of \$300k	\$1,725	\$3,485	\$9,425	\$14,635	\$5,217	55.4%
MetLife 2X Annual Salary to Max of \$400k	\$1,725	\$3,009	\$8,937	\$13,671	\$4,254	45.2%
Guardian 2X Annual Salary to Max of \$400k	\$1,725	\$3,485	\$9,719	\$14,928	\$5,511	58.5%

Basic Life / AD&D Renewal Overview with Alternative Quotes

LIFE/AD&D	MetLife		Met Life + Anthem Vision Flat 200k Life Benefit	Guardian Flat 200k Life Benefit	MetLife 2X Annual Salary to Max of \$300k	Guardian 2X Annual Salary to Max of \$300k	MetLife 2X Annual Salary to Max of \$400k	Guardian 2X Annual Salary to Max of \$400k
Life/AD&D Plan								
Life/AD&D Amount:	1x annual earnings to a max of \$200,000		Flat \$200,000	Flat \$200,000	2X Annual Salary to Max of \$300k	2X Annual Salary to Max of \$300k	2X Annual Salary to Max of \$400k	2X Annual Salary to Max of \$400k
Guarantee Issue Amount:	\$200,000		\$200,000	\$200,000	\$200,000	\$300,000	\$350,000	\$400,000
Age Reduction:	35% at 65; 50% at 70		35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70
Volume:	\$5,346,000		\$13,400,000	\$13,400,000	\$9,133,000	\$9,133,000	\$9,309,000	\$9,309,000
	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED	PROPOSED	PROPOSED	PROPOSED
Life Rate:	\$0.055	\$0.055	\$0.054	\$0.050	\$0.061	\$0.068	\$0.062	\$0.069
AD&D Rate:	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018
COMBINED RATE:	\$0.073	\$0.073	\$0.072	\$0.068	\$0.079	\$0.086	\$0.080	\$0.087
Monthly Premium:	\$390	\$390	\$965	\$911	\$722	\$785	\$745	\$810
Annual Premium:	\$4,683	\$4,683	\$11,578	\$10,934	\$8,658	\$9,425	\$8,937	\$9,719
Annual \$ Difference to Current:		\$0	\$6,895	\$6,251	\$3,975	\$4,742	\$4,254	\$5,036
Annual % Difference to Current:		0%	147.2%	133.5%	84.9%	101.3%	90.8%	107.5%
Rate Guarantee:		6/30/2024						
Commission:								

Disclosures

A.M. Best Marketing Results

Method School Corporation Carrier Marketing Results Summary July 1, 2023

Marsh & McLennan Agency LLC dba Marsh & McLennan Insurance Agency LLC ("MMA") surveyed the marketplace to evaluate comparable medical plans in terms of pricing, benefits and service delivery. The following is a list of the insurance carriers who were requested to provide medical proposals to MMA, along with the results.

Carrier	A.M. Best Financial Rating	Marketing Results
Medical		
Athem Blue Cross	A	Incumbent Carrier
Kaiser	NR	Incumbent Carrier
Aetna	A	Not Presented - Uncompetitive
Blue Shield of CA	A	Presented
United Healthcare	A+	Presented
Dental		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
Vision		
Anthem Blue Cross	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
Basic Life / AD&D		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
STD & LTD		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented

Ratings updated 3/16/2023

Guide to A.M. Best Financial Strength Ratings

A.M. BEST RATINGS

GUIDE TO A.M. BEST FINANCIAL STRENGTH RATINGS

www.ambest.com

AM Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. AM Best uses the following scale to rate a company's financial stability:

A++ / A+ = Superior; A / A- = Excellent	D (Poor)
B++ / B+ = Very Good; B / B- = Fair	E (Under Regulatory Supervision)
C++ / C+ = Marginal	F (In Liquidation)
	S (Rating Suspended)

Incumbent Carriers

Not Rated Categories (NR) are assigned to companies reported on by A.M. Best, but not assigned a Best Rating.

NR: Not Rated	NR-3: Rating Procedure Inapplicable
NR-1: Insufficient Data	NR-4: Company Request

NR-2: Insufficient Size and/or Operating Experience	NR-5: Not Formally Followed
---	-----------------------------

A rating modifier can be assigned to indicate that a Best's Rating may be subject to near-term change (under review) that a company did not subscribe to Best's interactive rating process (public data) and that the rate is assigned to a syndicate operating at Lloyd's. Affiliation codes (G, P and R) are added to Best's Ratings identify companies whose assigned ratings are based on group, pooling or reinsurance affiliation with other insurers.

Rating Modifiers	Affiliation Codes
U – Under Review	G – Group
S – Syndicate	P – Pooled
PD – Public Data	R – Reinsured

We help protect our clients by placing them with the highest quality carriers. Our recommendation is NOT to place new or renewal business with carriers that have less than a letter 'A' A.M. Best financial rating. Carriers with a Non-Rated (NR) A.M. Best financial rating do not currently submit financial information in order to be rated by A.M. Best, therefore, we are unable to confirm their financial stability. If a client chooses to place or renew business with a carrier with either less than a letter 'A' or NR A.M. Best financial rating, the client does so knowingly and accepts all liability as a result and we ask that they sign a Client Acknowledgement accordingly.

Disclaimer: Benefit rates shown may be subject to change based on final enrollment and/or final underwriting requirements. This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of the plan or program benefits and does not constitute a contract. Consult your plan documents (Schedule of Benefits, Certificate of Coverage, Group Agreement, Group Insurance Certificate, Booklet, Booklet-certificate, Group Policy) to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. In case of a conflict between your plan document and this information, the plan documents will always govern.

Enrollment & Proposal Assumptions

It is important that all current and potential clients of Marsh McLennan Agency ("MMA") understand the following:

1. Proposals are based on recent census data information received by MMA. Documentation of information given may be required by the insurance carriers.
2. Actual costs are based on the final enrollment data of employees and dependents insured under the plan on the effective date(s).
3. You should notify MMA prior to a change in insurance company of any employees or dependents that are not actively at work or disabled prior to a new plan effective date.
4. This proposal should not be interpreted as all inclusive of provisions and limitations. For further details, refer to actual insurance carrier(s) proposals.
5. Coverage is not in effect until insurance carrier(s) provides confirmation in writing. Do not terminate existing coverage, if any, until you receive this notification.
6. This proposal has been prepared for you by MMA. It is not a written contract. The actual policies as issued by the insurance carriers govern the terms, conditions, limitations and exclusions of the insurance coverage. Specimen copies of the policy under consideration are available for review prior to binding coverage.
7. For groups under 20 employees: A Medicare-eligible employee/spouse that is not enrolled in Medicare Part B, is responsible for the portion of claims that Medicare would have paid had they been enrolled in Medicare Part B. Medicare is primary and the insurance carrier is secondary if the employer has less than 20 employees (full-time and/or part-time).
8. For groups with 20 or more employees (full-time and/or part-time) each working day in each of 20 or more calendar weeks in the current of preceding year: Generally, the insurance carrier is primary and Medicare is secondary.

General Disclosures

Rates: Benefit rates shown may be subject to change based on final enrollment and/or final underwriting requirements. This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of the plan or program benefits and does not constitute a contract. Consult plan documents (Schedule of Benefits, Certificate of Coverage, Group Agreement, Group Insurance Certificate, Booklet, Booklet-certificate, Group Policy) to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. In case of a conflict between your plan document and this information, the plan documents will always govern.

The Patient Protection and Affordable Care Act (PPACA): PPACA is a complex law. Any statements made by Marsh McLennan Agency LLC dba Marsh McLennan Insurance Agency LLC ("MMA") concerning tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as accounting, tax, or legal advice. We recommend that you seek the advice of your own tax, accounting and legal advisers as to whether or not the health plans you select are compliant with the Patient Protection and Affordable Care Act, including the minimum essential coverage requirements.

This document is for presentation purposes only. The precise coverage afforded is subject to the terms, conditions and exclusions of the policies as issued. MMA makes no representations, either expressed or implied, as to the adequacy of any limits of protection. Determination of the adequacy of the limits of protection is your responsibility.

MMA is under Agreement with certain client service providers (vendors), which may entitle us to receive compensation for referring clients/prospects to them. MMA's decisions to quote and/or recommend certain client service providers are made based on our experience and in the clients/prospects best interest, and where applicable, Revenue Share Agreements have no impact on our recommendation. It is always the client's/prospect's decision on which client service provider to select for their health and benefits program. If you would like more information about the compensation MMA may be entitled to receive for quoted/recommended client service providers and/or information about alternative quotes, please contact your MMA Client Sales or Service Executive.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh McLennan Insurance Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affective if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.

All rights reserved. No part of this document may be reproduced or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of Marsh McLennan Insurance Agency LLC. CA Insurance Lic: 0H18131

New Law: No Surprises Act

Broker Compensation Disclosure & Transparency Requirements

The **'No Surprises Act'** as part of the Consolidated Appropriations Act (CAA) of 2021 includes a list of transparency provisions that will go into effect December 27, 2021:

- Patient Balanced Billing Protections
- Healthcare Price Transparency
- **Broker/Consultant compensation disclosures**
- Group health plans to report Rx benefits

What does this mean for you?

- Our compensation will be disclosed before you make buying/renewing decisions moving forward
- Additional transparency about both direct and indirect revenue we receive for group medical plans
- Continued partnership and ensuring your organization finds great value in what we bring to the table

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
Anthem Blue Cross	Medical	Current	Percentage of Premium	5%
Kaiser	Medical	Current	Percentage of Premium	5%
MetLife	Dental	Current	Graded Scale	1 st \$5K-10%, next \$5K-7.5%, next 20K-5%
Anthem Blue Cross	Vision	Current	Percentage of Premium	10%
MetLife	Life/AD&D	Current	Graded Scale	1 st \$5K-15%, next \$5K-10%, next 20K-5%

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
MetLife	STD	Current	Graded Scale	1 st \$5K-15%, next \$5K-10%, next 20K-5%
MetLife	LTD	Current	Graded Scale	1 st \$15K-15%, next \$10K-10%, next 25K-5%
Aetna	Medical	Marketed	Percentage of Premium	5%
United Healthcare	Medical	Marketed	Percentage of Premium	5%
Guardian	Dental	Marketed	Percentage of Premium	10%
Guardian	Vision	Marketed	Percentage of Premium	10%
Guardian	Basic Life/AD&D	Marketed	Percentage of Premium	15%
Guardian	STD, LTD	Marketed	Percentage of Premium	15%

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
Principal	Dental	Marketed	Percentage of Premium	10%
Principal	Vision	Marketed	Percentage of Premium	10%
Principal	Basic Life/AD&D	Marketed	Percentage of Premium	10%
Principal	STD, LTD	Marketed	Percentage of Premium	10%

Compensation Disclosure (Continued)

- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. In some cases as set forth in a Client Service Agreement and if allowed by law, the fee may be offset through the crediting of retail commissions paid by insurers and collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

Contingent Arrangement	Carriers
MMA may receive up to 1% of renewal premium and up to 1% of new premium in indirect compensation on the following placements:	Blue Shield, Kaiser, Aetna, Anthem Blue Cross, United HealthCare
MMA may receive up to 4% of renewal premium and up to 4% of new premium in indirect compensation on the following placements:	Guardian, Anthem Blue Cross, Standard
MMA may receive up to 10% of renewal premium and up to 10% of new premium in indirect compensation on the following placements:	Principal

- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

Compensation Disclosure (Continued)

- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally MMA may receive compensation from Plan vendors and service providers that is not in connection with any particular client. Non-cash compensation may be received by MMA or MMA colleagues in the form of gifts valued at less than \$100, occasional meals or event entertainment. Plan vendors and service providers may also pay for or reimburse MMA for MMA-sponsored conferences and events as well as for educational meetings, client workshops or training events that may be attended by MMA colleagues.

It is important to note that supplemental and contingent commission compensation does not affect the cost of your insurance program.

MMA's summary of quotes received includes details regarding commissions payable from insurers who issue quotes that are competitive based on your selection criteria, as we understand them. Commissions payable to MMA may vary among quoting insurers, or may change following this disclosure.

Consent – Your payment of premium for, or other instruction to proceed with the policies and/or transactions specified, constitutes your consent to MMA's resulting compensation disclosed (and future increases thereto), and servicing that will include any intermediary or sub-broker disclosed. State insurance law, including anti-rebating, may restrict or prohibit the ability of MMA to modify compensation services for the coverage you select.

Additional Information – We will be pleased to provide you additional information about our compensation. For more detailed information about the forms of compensation we receive please refer to our Marsh McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

Insurance Placement and Renewal Strategy – We may undertake an insurance marketing as confirmed with or by you. In the absence of this confirmation, we understand that you desire only an applicable renewal quote from the incumbent insurer for those lines of coverage where we serve as your authorized broker of record (BOR).

Quote Solicitation and Disclosure – MMA represents your interests in providing its consultative and procurement services, and is an appointed agent with the insurers that will be asked to bid on your program. Once we have received responses from the selected insurers, we may, according to our knowledge and experience, contact one or more to negotiate adjustments on your behalf. When responses are finalized, we will analyze them, inform you of all offers received, and use our best judgment in recommending to you the insurers most likely to meet your program needs. Such recommendation will involve our consideration of a number of factors, including the company's coverage terms, service capabilities and price. Following our presentation of findings, and consistent with the process described above, we may seek further adjustments and offer additional recommendations.

Not Responsible for Other Party's Disclosures – This disclosure document includes the disclosures MMA is required to make in accordance with ERISA Section 408(b)(2) and applicable State laws. Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this MMA disclosure.

Compensation Disclosure (Continued)

Carrier/Vendor Relationships – Except in rare circumstances that are fully disclosed to you, MMA is not bound to utilize any particular insurer or service provider, and does not have the authority to make binding commitments on behalf of any insurer or service provider. MMA's parent, Marsh McLennan Companies and its subsidiaries own equity interests in, and have contractual arrangements with certain insurers and wholesale brokers.

Carrier/Vendor Performance – The terms and conditions of any coverage or service are exclusively defined by the governing policy or contract, and not by the summary information in this overview, the materials appended or other document. MMA does not guarantee or make any representation or warranty that coverage or service can be placed on terms acceptable to you. Further, MMA is not responsible for the current or future financial condition, solvency or ability of any insurer or other service provider to pay claims or provide service. Insurers or service providers with which your risk or business is placed at your direction will be deemed acceptable to you.

Limit of Liability – Except as otherwise agreed in writing, MMA's aggregate liability arising out of or relating to any services on your account shall not exceed one million (\$1,000,000) for small group (up to 100 employees) or five million (\$5,000,000) for large group (100+ employees) and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Entire Understanding – This disclosure constitutes the entire understanding among the parties and supersedes, in their entirety, any and all understandings, contracts, arrangements, communications, discussions, representations, warranties, whether oral or written, among the parties respecting the engagement.

Closing – MMA is pleased to provide this information to you in compliance with the Consolidated Appropriations Act of 2021 (CAA) which requires disclosure of broker compensation associated with all ERISA governed health plans.

MMA may receive additional broker compensation on plans or services that fall out of scope of the CAA.

These plans include but are not limited to group life and disability plans, voluntary benefit plans such as individual life and disability insurance, critical illness, accident and others.

For additional information on compensation associated with non-CAA related insurance plans, please contact your MMA account team.

Your future is limitless.SM

MarshMMA.com



MarshMcLennan
Agency

A business of Marsh McLennan

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2021 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com

Method Schools Corporation

Employee Health & Benefits – Renewal Meeting

Plan Year July 1, 2023 through June 30, 2024

Nicole Mehrara-Rizk – Principal, CA License #0F06829

Mary Ann Williams – Sr. Client Manager, CA License #0E17880

Paul Blackwood – Client Manager, CA License #4179188

Alison Schulenberg – Benefit Analyst, CA License #4146066

Meeting Agenda

- Section 1: Financial Executive Summary Overview (all lines)
- Section 2: Kaiser & Anthem Blue Cross Medical Renewal Summary
- Section 3: Medical HMO & PPO Benefit Summaries Overview
- Section 4: Financial Executive Summary Overview (ancillary lines)
- Section 5: MetLife Dental DPPO Renewal Summary Overview
- Section 6: Anthem Blue Cross Vision Renewal Summary Overview
- Section 7: MetLife Basic Life, STD, and LTD Renewal Summary Overview
- Section 8: Next Steps
- Section 9: MMA Benefits Communications
- Section 10: Disclosures

Note: This information is educational only, and is not intended to serve as legal, tax or financial advice

Financial Executive Summary

All Lines of Coverage

Executive Summary

- Medical

- Your current medical HMO and PPO plans are with Kaiser & Anthem Blue Cross: 51 employees are enrolled in 5 different plans.
 - The 2023 overall Kaiser & Anthem Blue Cross medical renewal increase is 9.2%, approximately a **\$53,931** annual increase in premiums before any contributions from employees. Alternative quote overview:
 - Kaiser & Anthem Blue Cross Downgraded Option 1 – **6% increase** (if you stay with Kaiser & Anthem)
 - Kaiser & United Health Care – **6% increase**
 - Kaiser & Blue Shield – **7.9%** increase
 - **Factors driving the increase are: healthcare trend, utilization within the respective carriers' small group pools, and “aging up” of employees and dependents.**

- Dental

- Your current dental DPPO plan is with MetLife: 50 employees are enrolled, and the **increase** for 2023 is **5%**, approximately **\$2,166** annual increase in premiums.

Alternative quote overview:

- Guardian Alternatives - **3% decrease**, approximately **\$1,300** difference in annual premiums
- Principal Alternatives – **3.8% decrease**, approximately **\$1,638** difference in annual premiums

- Vision

- Your current vision PPO plan is with Anthem Blue Cross: 47 employees are enrolled. Anthem Blue Cross issued a **rate pass** for 2023, so there will be no increase in rates or changes in benefits.

Alternative quote overview:

- Guardian Alternatives - **0% increase**, no changes in annual premium amounts
- Principal Alternatives – **.5% decrease**, approximately **\$36** difference in annual premiums

Executive Summary (continued)

- Basic Life and AD&D

- Your current group term Life and AD&D plan is with MetLife: 69 employees are enrolled, MetLife issued a **rate pass** this year so there will be no changes to benefits or premium amounts.

Alternative quote overview:

- Enriched Life Benefit with MetLife – **150% increase**, approximately **\$7,055 increase** in annual premiums
 - Guardian Alternative – **20.5% increase**, approximately **\$962 increase** in annual premiums
 - Enriched Life Benefit with Guardian – **133.5% increase**, approximately **\$6,251 increase** in annual premiums
 - Principal Alternative – **19.2% increase**, approximately **\$898 increase** in annual premiums

- Short Term Disability

- Your current Short Term Disability plan is with MetLife: 69 employees are enrolled. MetLife issued a **rate pass** this year so there will be no changes to benefits or premium amounts.

Alternative quote overview:

- Guardian Alternative – **0% increase**, **\$0** difference in annual premiums
 - Principal Alternative – **85% increase**, approximately **\$1,469 increase** in annual premiums

- Long Term Disability

- Your current Long Term Disability plan is with MetLife: 69 employees are enrolled. MetLife issued a **rate pass** this year so there will be no changes to benefits or premium amounts.

Alternative quote overview:

- Guardian Alternative – **15.8% increase**, approximately **\$475 increase** in annual premiums
 - Principal Alternative – **68.4% increase**, approximately **\$2,059 increase** in annual premiums

Renewal Financial Executive Summary (all lines of coverage)

	# EES *	Current	Renewal
Medical - (Kaiser & Anthem Blue Cross)			
HMO 1 - Kaiser Platinum 90 HMO 0/20	17	\$154,871	\$169,118
HMO 2 - Anthem Platinum HMO 0/25 (6RH3)	10	\$95,529	\$103,749
PPO 1 - Anthem Select Gold PPO 30/500/20% (6RHX)	3	\$36,018	\$39,755
PPO 2 - Anthem Select Gold PPO 25/30% (6RGD)	10	\$96,875	\$104,597
PPO 3 - Anthem Platinum Select PPO 15/40/10% (6RHY)	11	<u>\$204,987</u>	<u>\$224,993</u>
Total Medical	51	\$588,280	\$642,211
\$ Change			\$53,931
% Change			9.2%
Dental - MetLife			
PPO	50	\$43,348	\$45,515
Total Dental	50	\$43,348	\$45,515
\$ Change			\$2,166
% Change			5%
Vision - Anthem Blue Cross			
PPO	47	<u>\$6,865</u>	<u>\$6,865</u>
Total Vision	47	\$6,865	\$6,865
\$ Change			\$0
% Change			0%
Basic Life - MetLife			
(1 x annual salary to a max of \$200K)	-	<u>\$4,683</u>	<u>\$4,683</u>
Total Life		\$4,683	\$4,683
\$ Change			\$0
% Change			0%
Disability - MetLife			
STD		\$1,725	\$1,725
LTD	-	<u>\$3,009</u>	<u>\$3,009</u>
Total Disability		\$4,734	\$4,734
\$ Change			\$0
% Change			0%
Total Annual Premium		\$647,910	\$704,007
Annual \$ Difference from Current			\$56,097
Annual % Difference from Current			8.7%

* Enrollment provided by the carriers and census.

*Enrollment provided
by the carriers and
Ease census.

Kaiser & Anthem Blue Cross Medical Renewal Summary

Medical – Renewal Summary Overview

MEDICAL PLANS	HMO PLAN 1	HMO PLAN 2	PPO PLAN 1	PPO PLAN 2	PPO PLAN 3	TOTAL ALL	\$ Difference to Current	% Difference to Current
Kaiser & Anthem Blue Cross								
CURRENT	\$154,871	\$95,529	\$36,018	\$96,875	\$204,987	\$588,280		
RENEWAL	\$169,118	\$103,749	\$39,755	\$104,597	\$224,993	\$642,211	\$53,931	9.2%
MEDICAL MARKETING SUMMARY								
Kaiser & Anthem Blue Cross Down Grade	\$160,139	\$101,194	\$38,872	\$104,597	\$218,600	\$623,402	\$35,122	6.0%
Kaiser & United HealthCare	\$169,118	\$109,357	\$37,111	\$99,587	\$208,177	\$623,350	\$35,070	6.0%
Kaiser & Blue Shield	\$169,118	\$108,792	\$39,784	\$106,120	\$211,208	\$635,022	\$46,742	7.9%

*Enrollment provided
by the carriers and
Ease census.

Medical HMO & PPO Benefit Summaries Overview

Kaiser Platinum 90 HMO 0/20

MEDICAL	Kaiser (Current)		Kaiser (Renewal)	Kaiser (Renewal Option)	Kaiser (Renewal Option)	Kaiser (Renewal Option)
HMO Plan 1	Platinum 90 HMO 0/20		Platinum 90 HMO 0/20	Gold 80 HMO 0/30	Platinum 90 HMO 0/20	Platinum 90 HMO 0/20
Plan Type:	HMO		HMO	HMO	HMO	HMO
Network (Full or Limited):	Full		Full	Full	Full	Full
Primary/Specialist Visit Copay:	\$20/\$30		\$20/\$30	\$30/\$50	\$20/\$30	\$20/\$30
Deductible (individual/family):	None		None	None	None	None
Out of Pocket Maximum (individual/family):	\$4,500/\$9,000		\$4,500/\$9,000	\$7,500/\$15,000	\$4,500/\$9,000	\$4,500/\$9,000
Inpatient Hospitalizations:	\$250/Day-1st 5 Days		\$250/Day-1st 5 Days	\$600/Day-1st 5 Days	\$250/Day-1st 5 Days	\$250/Day-1st 5 Days
Outpatient Surgery (ambulatory surgery center):	\$125		\$125	\$320	\$125	\$125
Emergency Room (waived if admitted):	\$150		\$150	\$250	\$150	\$150
Urgent Care:	\$20		\$20	\$30	\$20	\$20
Ambulance:	\$150		\$150	\$250	\$150	\$150
Rx Deductible (individual/family):	None		None	None	None	None
Rx Copays:	\$5/\$20/\$20		\$5/\$20/\$20	\$15/\$50/\$50	\$5/\$20/\$20	\$5/\$20/\$20
Specialty Rx:	10% up to \$250		10% up to \$250	20% up to \$250	10% up to \$250	10% up to \$250
	ENROLLMENT	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED
Monthly Premium:	17	\$12,906	\$14,093	\$13,345	\$14,093	\$14,093
Annual Premium:		\$154,871	\$169,118	\$160,139	\$169,118	\$169,118
Annual \$ Difference to Current:			\$14,247	\$5,268	\$14,247	\$14,247
Annual % Difference to Current:			9.2%	3.4%	9.2%	9.2%

*Enrollment provided
by the carriers and
Ease census.

Anthem Blue Cross Platinum 0/25 CaliforniaCare HMO (6BT2)

MEDICAL	Anthem Blue Cross (Current)		Anthem Blue Cross (Renewal)	Anthem Blue Cross (Renewal Option)	United HealthCare (Renewal Option)	Blue Shield (Renewal Option)
HMO Plan 2	Anthem CaliforniaCare HMO Platinum 0/25 (6BT2)		Anthem CaliforniaCare HMO Platinum 0/25 (6RH3)	Anthem CaliforniaCare HMO Platinum 0/30 (6RG1)	United Health Care Signature HMO Platinum 20-40/300d (CW-XY)	Blue Shield Access+HMO Platinum 0/25
Plan Type:	HMO		HMO	HMO	HMO	HMO
Network (Full or Limited):	Full		Full	Full	Full	Full
Deductible (individual/family):	None		None	None	None	None
Out of Pocket Maximum (individual/family):	\$2,300/\$4,600		\$2,300/\$4,600	\$2,700/\$5,400	\$2,500/\$5,000	\$2,350/\$4,700
Primary/Specialist Visit Copay:	\$25/\$50		\$25/\$50	\$30/\$50	\$20/\$40	\$25/\$50
Inpatient Hospitalization:	\$300/Day-1st 3 Days		\$300/Day-1st 3 Days	\$450/Day-1st 4 Days	\$300/Day-1st 3 Days	\$250/Day-1st 3 Days
Outpatient Surgery (ambulatory surgery center):	\$150		\$150	\$250	\$200	\$100
Emergency Room (waived if admitted):	\$275		\$275	\$275	\$250	\$250
Urgent Care:	\$25		\$25	\$30	\$20 in area / \$75 Out	\$25
Ambulance:	\$150		\$150	\$150	\$100	\$150
Rx Deductible (individual/family):	None		None	None	None	None
Rx Copays:	\$5 / \$20 / \$50 ~ \$15 / \$30 / \$60 (Preferred ~ In-Network)		\$5 / \$20 / \$50 ~ \$15 / \$30 / \$60 (Preferred ~ In-Network)	\$5 / \$30 / \$50 ~ \$15 / \$40 / \$60 (Preferred ~ In-Network)	\$5 / \$20 / \$50 ~ \$5 / \$150 / \$250 (Specialty ~ Preferred Specialty)	\$5 / \$15 / \$25
Specialty Rx:	30% / 40% up to \$250		30% / 40% up to \$250	30% / 40% up to \$250	25% up to \$250	20% up to \$250
	ENROLLMENT	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED
Monthly Premium:	10	\$7,961	\$8,646	\$8,433	\$9,113	\$9,066
Annual Premium:		\$95,529	\$103,749	\$101,194	\$109,357	\$108,792
Annual \$ Difference to Current:			\$8,219	\$5,665	\$13,827	\$13,263
Annual % Difference to Current:			8.6%	5.9%	14.5%	13.9%

*Enrollment provided by the carriers and Ease census.

Anthem Blue Cross Gold 30/500/20% Select PPO (6BP5)

MEDICAL	Anthem Blue Cross (Current)		Anthem Blue Cross (Renewal)		Anthem Blue Cross (Renewal Option)		United HealthCare (Renewal Option)		Blue Shield (Renewal Option)	
PPO Plan 1	Anthem Select Gold PPO 30/500/20% (6BP5)		Anthem Select Gold PPO 30/500/20% (6RHX)		Anthem Select Gold PPO 30/750/20% (6RFP)		United Health Care Select Plus PPO Gold 35/500/20% CV-QU		Blue Shield Tandem PPO Gold 500/30	
Plan Type:	PPO		PPO		PPO		PPO		PPO	
Network (Full or Limited):	Narrow		Narrow		Narrow		Narrow		Narrow	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (individual/family):	\$500/\$1,500	\$2,000/\$4,000	\$500/\$1,500	\$2,000/\$4,000	\$750/\$2,250	\$2,000/\$4,000	\$500/ \$1,000	\$1,000/\$2,000	\$500/ \$1,000	\$1,000/\$2,000
Out of Pocket Maximum (individual/family):	\$7,900/\$15,800	\$15,800/\$31,600	\$7,900/\$15,800	\$15,800/\$31,600	\$8,200/\$16,400	\$16,400/\$32,800	\$8,500/\$17,000	\$17,000/\$34,000	\$8,500/\$17,000	\$17,000/\$34,000
Primary/Specialist Visit Copay:	\$30/\$60 (deductible waived)	50% (after deductible)	\$30/\$60 (deductible waived)	50% (after deductible)	\$30/ \$55 (deductible waived)	50% (after deductible)	\$35/\$70 (deductible waived)	50% (after deductible)	\$30/\$55 (deductible waived)	40% (after deductible)
Inpatient Hospitalization:	20% (after deductible)	50% (Max \$650/Day, after deductible)	20% (after deductible)	50% (Max \$650/Day, after deductible)	20% (after deductible)	50% (Max \$650/Day, after deductible)	\$250 Copay + 20% (after deductible)	\$250 Copay + 50% (after deductible)	20% (after deductible)	40% (Max \$2,000/Day, after deductible)
Outpatient Surgery (ambulatory surgery center):	20% (after deductible)	50% (Max \$380/Svc, after deductible)	20% (after deductible)	50% (Max \$380/Svc, after deductible)	20% (after deductible)	50% (Max \$380/Svc, after deductible)	20% (after deductible)	50% (Max \$760/Svc , after deductible)	20% (after deductible)	40% (up to \$350/Day, after deductible)
Emergency Room (waived if admitted):	\$250 Copay + 20% (after deductible)		\$250 Copay + 20% (after deductible)		\$250 Copay + 20%		\$250 Copay + 20% (after deductible)		\$250 Copay + 20% (after deductible)	
Urgent Care:	\$60 (deductible waived)	50% (after deductible)	\$30 (deductible waived)	50% (after deductible)	\$30 (deductible waived)	50% (after deductible)	\$50 (deductible waived)	50% (after deductible)	\$30 (deductible waived)	40% (after deductible)
Ambulance:	20% (after deductible)		20% (after deductible)		20% (after deductible)		20% (after deductible)		20% (after deductible)	
Coinsurance:	20%	50%	20%	50%	20%	50%	20%	50%	20%	40%
Rx Deductible (individual/family):	\$150/\$300	N/A	None	N/A	\$250/\$500	N/A	\$300/\$600	N/A	\$100/\$200	N/A
Rx Copays:	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$15 / \$55 / \$95 ~ \$15 / \$150 / \$250 (Specialty ~ Preferred Specialty)	Not Covered	\$15 / \$50 / \$80 ~ \$20 / \$70 / \$110 (Level A ~ Level B)	Not Covered
Specialty Rx:	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	25% up to \$250	Not Covered	30% up to \$250	Not Covered
	ENROLLMENT	CURRENT	RENEWAL		PROPOSED		PROPOSED		PROPOSED	
Monthly Premium:	3	\$3,002	\$3,313		\$3,239		\$3,093		\$3,315	
Annual Premium:		\$36,018	\$39,755		\$38,872		\$37,111		\$39,784	
Annual \$ Difference to Current:			\$3,737		\$2,854		\$1,093		\$3,766	
Annual % Difference to Current:			10.4%		7.9%		3.0%		10.5%	

*Enrollment provided by the carriers and Ease census.

Anthem Blue Cross Gold 25/30% Select PPO (6BNX)

MEDICAL	Anthem Blue Cross (Current)		Anthem Blue Cross (Renewal)		Anthem Blue Cross (Renewal Option)		United HealthCare (Renewal Option)		Blue Shield (Renewal Option)	
PPO Plan 2	Anthem Select Gold PPO 25/30% (6BNX)		Anthem Select Gold PPO 25/30% (6RGD)		Anthem Select Gold PPO 25/30% (6RGD)		United Health Care Select Plus PPO Gold 30/30% (CV-QS)		Blue Shield Tandem PPO Gold 0/25	
Plan Type:	PPO		PPO		PPO		PPO		PPO	
Network (Full or Limited):	Narrow		Narrow		Narrow		Narrow		Narrow	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (individual/family):	None	\$2,000/\$4,000	None	\$2,000/\$4,000	None	\$2,000/\$4,000	None	\$1,000/\$2,000	None	\$1,000/\$2,000
Out of Pocket Maximum (individual/family):	\$8,200/\$16,400	\$16,400/\$32,800	\$8,200/\$16,400	\$16,400/\$32,800	\$8,200/\$16,400	\$16,400/\$32,800	\$8,500/\$17,000	\$17,000/\$34,000	\$8,500/\$17,000	\$17,000/\$34,000
Primary/Specialist Visit Copay:	\$25/\$50	50% (after deductible)	\$25/\$50	50% (after deductible)	\$25/\$50	50% (after deductible)	\$30/\$60	50% (after deductible)	\$25/\$50	40% (after deductible)
Inpatient Hospitalization:	30%	50% (Max \$650/Day, after deductible)	30%	50% (Max \$650/Day, after deductible)	30%	50% (Max \$650/Day, after deductible)	30%	50% (after deductible)	30%	40% (Max \$2,000/Day, after deductible)
Outpatient Surgery (ambulatory surgery center):	30%	50% (Max \$380/Svc, after deductible)	30%	50% (Max \$380/Svc, after deductible)	30%	50% (Max \$380/Svc, after deductible)	30%	50% (Max \$760/Svc, after deductible)	30%	40% (up to \$350/Day, after deductible)
Emergency Room (waived if admitted):	\$250 Copay + 30%		\$250 Copay + 30%		\$250 Copay + 30%		\$250 Copay + 30%		\$250 Copay + 30%	
Urgent Care:	\$50	50% (after deductible)	\$25	50% (after deductible)	\$25	50% (after deductible)	\$50	50% (after deductible)	\$25	40% (after deductible)
Ambulance:	30%		30%		30%		30%		30%	
Coinsurance:	30%	50%	30%	50%	30%	50%	30%	50%	30%	40%
Rx Deductible (individual/family):	\$150/\$300	N/A	None	N/A	None	N/A	\$150/\$300	N/A	None	N/A
Rx Copays:	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$10 / \$50 / \$90 ~ \$20 / \$60 / \$100 (Preferred ~ In-Network)	Not Covered	\$15 / \$55 / \$95 ~ \$15 / \$150 / \$250 (Specialty ~ Preferred Specialty)	Not Covered	\$15 / \$45 / \$60 ~ \$20 / \$65 / \$90 (Level A ~ Level B)	Not Covered
Specialty Rx:	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	25% up to \$250	Not Covered	30% up to \$250	Not Covered
	ENROLLMENT	CURRENT	RENEWAL		PROPOSED		PROPOSED		PROPOSED	
Monthly Premium:	10	\$8,073	\$8,716		\$8,716		\$8,299		\$8,843	
Annual Premium:		\$96,875	\$104,597		\$104,597		\$99,587		\$106,120	
Annual \$ Difference to Current:			\$7,722		\$7,722		\$2,713		\$9,246	
Annual % Difference to Current:			8.0%		8.0%		2.8%		9.5%	

*Enrollment provided by the carriers and Ease census.

Anthem Blue Cross Platinum 15/40/10% Select PPO (6BN8)

MEDICAL	Anthem Blue Cross (Current)		Anthem Blue Cross (Renewal)		Anthem Blue Cross (Renewal Option)		United HealthCare (Renewal Option)		Blue Shield (Renewal Option)	
PPO Plan 3	Anthem Select Platinum PPO 15/40/10% (6BN8)		Anthem Select Platinum PPO 15/40/10% (6RHY)		Anthem Select Platinum PPO 15/250/10% (6RHD)		United Health Care Select Plus PPO Platinum 15/10% (CV-QN)		Blue Shield Tandem PPO Platinum 0/10	
Plan Type:	PPO		PPO		PPO		PPO		PPO	
Network (Full or Limited):	Narrow		Narrow		Narrow		Narrow		Narrow	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (individual/family):	None	\$2,000/\$4,000	None	\$2,000/\$4,000	\$250/\$750	\$2,000/\$4,000	None	\$1,000/\$2,000	None	\$1,000/\$2,000
Out of Pocket Maximum (individual/family):	\$4,200/\$8,400	\$8,400/\$16,800	\$3,800/\$7,600	\$7,600/\$15,200	\$3,800/\$7,600	\$7,600/\$15,200	\$3,600/\$7,200	\$7,200/\$14,400	\$4,700/\$9,400	\$9,400/\$18,800
Primary/Specialist Visit Copay:	\$15/\$40	50% (after deductible)	\$15/\$40	50% (after deductible)	\$15/\$30	50% (after deductible)	\$15/\$30	50% (after deductible)	\$10/\$30	40% (after deductible)
Inpatient Hospitalization:	10%	50% (Max \$650/Day, after deductible)	10%	50% (Max \$650/Day, after deductible)	10%	50% (Max \$650/Day, after deductible)	10%	50% (after deductible)	10%	40% (Max \$2,000/Day, after deductible)
Outpatient Surgery (ambulatory surgery center):	10%	50% (Max \$380/Svc, after deductible)	10%	50% (Max \$380/Svc, after deductible)	10%	50% (Max \$380/Svc, after deductible)	10%	50% (Max \$760/Svc, after deductible)	10%	40% (up to \$350/Day, after deductible)
Emergency Room (waived if admitted):	\$200 Copay + 10%		\$200 Copay + 10%		\$225 Copay + 10%		\$150 Copay + 10%		\$150 Copay + 10%	
Urgent Care:	\$40	50% (after deductible)	\$15	50% (after deductible)	\$15	50% (after deductible)	\$50	50% (after deductible)	\$10	40% (after deductible)
Ambulance:	10%		10%		10%		10%		10%	
Coinsurance:	10%	50%	10%	50%	10%	50%	10%	50%	10%	40%
Rx Deductible (individual/family):	None	N/A	None	N/A	None	N/A	None	N/A	None	N/A
Rx Copays:	\$5 / \$35 / \$70 ~ \$15 / \$45 / \$80 (Preferred ~ In-Network)	Not Covered	\$5 / \$30 / \$50 ~ \$15 / \$40 / \$60 (Preferred ~ In-Network)	Not Covered	\$5 / \$30 / \$50 ~ \$15 / \$40 / \$60 (Preferred ~ In-Network)	Not Covered	\$10 / \$40 / \$85 ~ \$10 / \$150 / \$250 (Specialty ~ Preferred Specialty)	Not Covered	\$5 / \$30 / \$50 ~ \$10 / \$45 / \$70 (Level A ~ Level B)	Not Covered
Specialty Rx:	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	30%/40% up to \$250	Not Covered	25% up to \$250	Not Covered	30% up to \$250	Not Covered
	ENROLLMENT	CURRENT	RENEWAL		PROPOSED		PROPOSED		PROPOSED	
Monthly Premium:	11	\$17,082	\$18,749		\$18,217		\$17,348		\$17,601	
Annual Premium:		\$204,987	\$224,993		\$218,600		\$208,177		\$211,208	
Annual \$ Difference to Current:			\$20,006		\$13,613		\$3,190		\$6,221	
Annual % Difference to Current:			9.8%		6.6%		1.6%		3.0%	

*Enrollment provided by the carriers and Ease census.

Financial Executive Summary

Ancillary Lines of Coverage

Financial Executive Summary (ancillary lines of coverage)

	# EES *	Current	MetLife + Anthem Vision Renewal	Met Life + Anthem Vision Enriched Life Benefit	Guardian	Guardian Enriched Life Benefit	Principal Alternative Option
Dental - MetLife							
PPO	50	\$43,348	\$45,515	\$45,515	\$42,048	\$42,048	\$45,515
Total Dental	50	\$43,348	\$45,515	\$45,515	\$42,048	\$42,048	\$45,515
\$ Change			\$2,166	\$2,166	-\$1,300	-\$1,300	\$2,166
% Change			5%	5.0%	-3.0%	-3.0%	5.0%
Vision - Anthem Blue Cross							
PPO	47	\$6,865	\$6,865	\$6,829	\$6,865	\$6,865	\$6,865
Total Vision	47	\$6,865	\$6,865	\$6,829	\$6,865	\$6,865	\$6,865
\$ Change			\$0	-\$36	\$0	\$0	\$0
% Change			0%	-0.5%	0.0%	0.0%	0.0%
Basic Life - MetLife							
	-	\$4,683	\$4,683	\$11,738	\$5,645	\$10,934	\$4,683
Total Life		\$4,683	\$4,683	\$11,738	\$5,645	\$10,934	\$4,683
\$ Change			\$0	\$7,055	\$962	\$6,251	\$0
% Change			0.0%	150.7%	20.5%	133.5%	0.0%
Disability - MetLife							
STD		\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725
LTD	-	\$3,009	\$3,009	\$3,009	\$3,485	\$3,485	\$3,009
Total Disability		\$4,734	\$4,734	\$4,734	\$5,209	\$5,209	\$4,734
\$ Change			\$0	\$0	\$475	\$475	\$0
% Change			0.0%	0.0%	10.0%	10.0%	0.0%
Total Annual Premium		\$59,630	\$61,797	\$68,816	\$59,767	\$65,056	\$61,797
Annual \$ Difference from Current			\$2,166	\$9,186	\$137	\$3,260	\$2,166
Annual % Difference from Current			3.6%	15.4%	0.2%	5.3%	3.6%

* Enrollment provided by the carriers and census.

*Enrollment provided
by the carriers and
Ease census.

Dental Renewal Summary Overview

Dental Renewal Summary

DENTAL PLANS	PPO PLAN	TOTAL ALL	\$ Difference to Current	% Difference to Current
MetLife				
CURRENT	\$43,348	\$43,348		
RENEWAL	\$45,515	\$45,515	\$2,166	5%
DENTAL MARKETING SUMMARY				
Principal	\$41,711	\$41,711	-\$1,638	-3.8%
Guardian	\$42,048	\$42,048	-\$1,300	-3.0%

Dental Renewal Overview with Alternative Quotes

Voluntary DENTAL	MetLife		Principal		Guardian	
	In-Network	Out-of-Network	EPO	In-Network	Out-of-Network	Out-of-Network
Deductible:	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
Out of Network Reimbursement (UCR):		99th			99th	95th
Preventive:	100%	100%	100%	100%	100%	100%
(Waived for Deductible?)	Yes		Yes		Yes	
Basic:	80%	80%	80%	80%	80%	80%
Major:	50%	50%	50%	50%	50%	50%
Endo/Perio (Basic or Major):	Basic		Basic		Basic	
Waiting Period for Major Services:	None		None		None	
Orthodontia:	Not Covered		Not Covered		Not Covered	
Annual Maximum:	\$1,500		\$1,500		\$1,500	
Cleanings:	Every 6 months		Every 6 months		Every 6 months	
	CURRENT	RENEWAL	PROPOSED		PROPOSED	
Employee Only:	\$39.24	\$41.20	\$38.20		\$38.06	
Employee & Spouse:	\$80.04	\$84.04	\$70.48		\$77.64	
Employee & Child(ren):	\$89.78	\$94.27	\$91.85		\$87.09	
Employee & Family:	\$136.46	\$143.28	\$130.56		\$132.37	
Monthly Premium:	\$3,612	\$3,793	\$3,476		\$3,504	
Annual Premium:	\$43,348	\$45,515	\$41,711		\$42,048	
Annual \$ Difference to Current:		\$2,166	-\$1,638		-\$1,300	
Annual % Difference to Current:		5.0%	-3.8%		-3.0%	
Rate Guarantee:						
Commission:						
COMBINED TOTALS:	CURRENT	RENEWAL	PROPOSED		PROPOSED	
Monthly Premium:	\$3,612	\$3,793	\$3,476		\$3,504	
Annual Premium:	\$43,348	\$45,515	\$41,711		\$42,048	
Annual \$ Difference to Current:		\$2,166	-\$1,638		-\$1,300	
Annual % Difference to Current:		5.0%	-3.8%		-3.0%	

Vision

Renewal Summary Overview

Vision Renewal Summary

VISION PLANS	PPO PLAN	TOTAL ALL	\$ Difference to Current	% Difference to Current
Anthem Blue Cross				
CURRENT	\$6,865	\$6,865		
RENEWAL	\$6,865	\$6,865	\$0	0%
DENTAL MARKETING SUMMARY				
Principal	\$6,829	\$6,829	-\$36	-0.5%
Guardian	\$6,865	\$6,865	\$0	0%

Vision Renewal Overview with Alternative Quotes

VISION		Anthem		Principal	Guardian
Vision Plan					
Network:		Anthem		VSP	VSP
Copay:		\$10		\$10	\$10
Materials Deductible:		\$25		\$25	\$25
Exam Frequency:		12 months		12 months	12 months
Lenses Frequency:		12 months		12 months	12 months
Frames Frequency:		12 months		12 months	12 months
Frame Allowance:		\$130		\$130	\$130
		CURRENT	RENEWAL	PROPOSED	PROPOSED
Employee Only:		\$7.51	\$7.51	\$7.47	\$7.51
Employee & Spouse:		\$15.03	\$15.03	\$14.95	\$15.03
Employee & Child(ren):		\$13.86	\$13.86	\$13.79	\$13.86
Employee & Family:		\$21.77	\$21.77	\$21.66	\$21.77
Monthly Premium:		\$572	\$572	\$569	\$572
Annual Premium:		\$6,865	\$6,865	\$6,829	\$6,865
Annual \$ Difference to Current:			\$0	-\$36	\$0
Annual % Difference to Current:			0%	-0.5%	0%
Rate Guarantee:					
Commission:					

Basic Life, STD & LTD Renewal Summary Overview

Basic Life, STD, LTD Renewal Overview

LIFE & DISABILITY PLANS	STD	LTD	Life/AD&D	TOTAL ALL	\$ Difference to Current	% Difference to Current
MetLife	MetLife	MetLife	MetLife			
CURRENT	\$1,725	\$3,009	\$4,683	\$9,417		
RENEWAL	\$1,725	\$3,009	\$4,683	\$9,417	\$0	0.0%
MARKETING SUMMARY						
MetLife Enriched Life Benefit	\$1,725	\$3,009	\$11,738	\$16,473	\$7,055	74.9%
Principal	\$3,194	\$5,069	\$5,581	\$13,844	\$4,426	47.0%
Guardian	\$1,725	\$3,485	\$5,645	\$10,855	\$1,437	15.3%
Guardian Enriched Life Benefit	\$1,725	\$3,485	\$10,934	\$16,144	\$6,726	71.4%

Basic Life / AD&D Renewal Overview with Alternative Quotes

LIFE/AD&D	MetLife		MetLife Enriched Life Benefit	Principal	Guardian	Guardian Enriched Life Benefit
Life/AD&D Plan						
Life/AD&D Amount:	1x annual earnings to a max of \$200,000		Flat \$200,000	1x annual earnings to a max of \$200,000	1x annual earnings to a max of \$200,000	Flat \$200,000
Guarantee Issue Amount:	\$200,000		\$200,000	\$200,000	\$200,000	\$200,000
Age Reduction:	35% at 65; 50% at 70		35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70	35% at 65; 50% at 70
Volume:	\$5,346,000		\$13,400,000	\$5,346,000	\$5,346,000	\$13,400,000
	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED	PROPOSED
Life Rate:	\$0.055	\$0.055	\$0.055	\$0.069	\$0.070	\$0.050
AD&D Rate:	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018	\$0.018
COMBINED RATE:	\$0.073	\$0.073	\$0.073	\$0.087	\$0.088	\$0.068
Monthly Premium:	\$390	\$390	\$978	\$465	\$470	\$911
Annual Premium:	\$4,683	\$4,683	\$11,738	\$5,581	\$5,645	\$10,934
Annual \$ Difference to Current:		\$0	\$7,055	\$898	\$962	\$6,251
Annual % Difference to Current:		0%	150.7%	19.2%	20.5%	133.5%
Rate Guarantee:		6/30/2024				
Commission:						

STD Renewal Overview with Alternative Quotes

STD	MetLife		MetLife	Principal	Guardian	Guardian
Short-Term Disability Plan						
STD Amount:	60% of Salary; Max of \$2,000/month		60% of Salary; Max of \$2,000/month	60% of Salary; Max of \$2,000/month	60% of Salary; Max of \$2,000/month	60% of Salary; Max of \$2,000/month
Elimination Period:	Injury: 7days Sickness: 7days		Injury: 7days Sickness: 7days	Injury: 7days Sickness: 7days	Injury: 7days Sickness: 7days	Injury: 7days Sickness: 7days
Duration:	Max 25 weeks		Max 25 weeks	Max 25 weeks	Max 25 weeks	Max 25 weeks
Volume:	\$53,232		\$53,232	\$53,232	\$53,232	\$53,232
	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED	PROPOSED
STD Rate:	\$0.027	\$0.027	\$0.027	\$0.050	\$0.027	\$0.027
Monthly Premium:	\$144	\$144	\$144	\$266	\$144	\$144
Annual Premium:	\$1,725	\$1,725	\$1,725	\$3,194	\$1,725	\$1,725
Annual \$ Difference to Current:		\$0	\$0	\$1,469	\$0	\$0
Annual % Difference to Current:		0.0%	0.0%	85.2%	0.0%	0.0%
Rate Guarantee:		6/30/2024				
Commission:						

LTD Renewal Overview with Alternative Quotes

LTD	MetLife		MetLife	Principal	Guardian	Guardian
Long-Term Disability Plan						
LTD Amount:	60% of Salary; Max of \$9,000/month		60% of Salary; Max of \$9,000/month	60% of Salary; Max of \$9,000/month	60% of Salary; Max of \$9,000/month	60% of Salary; Max of \$9,000/month
Definition of Disability:	2 year own occupation/Any occupation thereafter		2 year own occupation/Any occupation thereafter	2 year own occupation/Any occupation thereafter	2 year own occupation/Any occupation thereafter	2 year own occupation/Any occupation thereafter
Elimination Period:	180 days		180 days	180 days	180 days	180 days
Monthly Covered Payroll:	\$263,987		\$263,987	\$263,987	\$263,987	\$263,987
	CURRENT	RENEWAL	PROPOSED	PROPOSED	PROPOSED	PROPOSED
LTD Rate:	\$0.095	\$0.095	\$0.095	\$0.160	\$0.110	\$0.110
Monthly Premium:	\$251	\$251	\$251	\$422	\$290	\$290
Annual Premium:	\$3,009	\$3,009	\$3,009	\$5,069	\$3,485	\$3,485
Annual \$ Difference to Current:		\$0	\$0	\$2,059	\$475	\$475
Annual % Difference to Current:		0%	0.0%	68.4%	15.8%	15.8%
Rate Guarantee:		6/30/2024				
Commission:						

Voluntary Life Quote Overview

VOL LIFE	MetLife	MetLife	Principal	Guardian	Guardian
Voluntary Life Plan					
Employee	\$10k increments to a max of the lesser of 5x salary or \$500k	\$10k increments to a max of the lesser of 5x salary or \$500k	\$10k increments to a max of \$300k	\$10k increments to a max of \$300k	\$10k increments to a max of \$300k
Spouse	\$5k increments to a max of \$100k, not to exceed 50% of employees Vol Life election	\$5k increments to a max of \$100k, not to exceed 50% of employees Vol Life election	\$5k increments to a max of \$100k, not to exceed 100% of employees Vol Life election	\$5k increments to a max of \$250k, not to exceed 100% of employees Vol Life election	\$5k increments to a max of \$250k, not to exceed 100% of employees Vol Life election
Dependent Child(ren)	Child < 6 months: \$100 Child > 6 months: options of 1k, 2k, 4k, 5k, 10k, not to exceed spouse's benefit	Child < 6 months: \$100 Child > 6 months: options of 1k, 2k, 4k, 5k, 10k, not to exceed spouse's benefit	Child < 14 days of age: \$1k Child > 14 days of age: \$5k or 10k, not to exceed 100% of employee's coverage	Infant: \$500 Child: 5K & 10k, not to exceed 100% of employee's coverage	Infant: \$500 Child: 5K & 10k, not to exceed 100% of employee's coverage
Guarantee Issue Amount	EE: \$100k Spouse: 25k	EE: \$100k Spouse: 25k	EE: under age 70 - \$150K over age 70 - \$10k Spouse: under age 70 - \$30k over age 70 - \$10k	EE: under age 65 - \$150K over age 65 - \$50k over age 70 - \$10k Spouse: under age 65 - \$25k over age 65 - \$50k over age 70 - 0\$	EE: under age 65 - \$150K over age 65 - \$50k over age 70 - \$10k Spouse: under age 65 - \$25k over age 65 - \$50k over age 70 - 0\$
	PROPOSED	PROPOSED	PROPOSED	PROPOSED	PROPOSED
EMPLOYEE/SPOUSE					
Under 20:	\$0.073	\$0.073	\$0.061	\$0.074	\$0.074
21 - 24:	\$0.070	\$0.070	\$0.061	\$0.074	\$0.074
25 - 29:	\$0.070	\$0.070	\$0.061	\$0.074	\$0.074
30 - 34:	\$0.096	\$0.096	\$0.071	\$0.081	\$0.081
35 - 39:	\$0.117	\$0.117	\$0.112	\$0.114	\$0.114
40 - 44:	\$0.153	\$0.153	\$0.170	\$0.171	\$0.171
45 - 49:	\$0.209	\$0.209	\$0.261	\$0.273	\$0.273
50 - 54:	\$0.387	\$0.387	\$0.424	\$0.461	\$0.461
55 - 59:	\$0.649	\$0.649	\$0.672	\$0.753	\$0.753
60 - 64:	\$0.977	\$0.977	\$1.023	\$1.239	\$1.239
65 - 69:	\$1.549	\$1.549	\$1.721	\$2.797	\$2.797
70 - 74:	\$2.966	\$2.966	\$3.052	\$5.091	\$5.091
75 - 79:	\$2.966	\$2.966	\$3.052	\$5.091	\$5.091
80 - 84:	\$2.966	\$2.966	\$3.052	\$5.091	\$5.091
85 - 89:	\$2.966	\$2.966	\$3.052	\$5.091	\$5.091
90 + :	\$2.966	\$2.966	\$3.052	\$5.091	\$5.091
Child Rate (Life / AD&D):	0.24	0.24	\$5k of coverage for \$1.00 per family \$10k of coverage for \$2.00 per family	0.204	0.204
AD&D (Employee / Spouse):	0.015	0.015	0.02	0.033	0.033
Rate Guarantee:	2 Years	2 Years	2 Years	2 Years	2 Years
Commission:	Flat 15%	Flat 15%	Flat 15%	Flat 15%	Flat 15%

Next Steps

Method School Corporation | Next Steps

TASK	DUE DATE
Pre-Renewal Meeting	April 20 th , 2023
Renewal Meeting	May 11 th , 2023
Client Finalizes Renewal Actions & Finalizes Open Enrollment Meeting Schedule	Week of May 22 nd , 2023
Communication Materials Constructed & Ease Updated	Week of May 22 nd , 2023
Open Enrollment Begins	June 5th, 2023
Open Enrollment Election Period Closes	June 11 th , 2023
Send Renewal Confirmations/Terminations to Carriers	Week of June 12 th , 2023
Plan Year Begins	July 1st, 2023

Benefits Communications

Comprehensive Multi-media Communications



Benefits At-a-Glance



Open Enrollment
Posters & Flyers



Benefits Information Guide



Open Enrollment Presentation

Disclosures

A.M. Best Marketing Results

Method School Corporation Carrier Marketing Results Summary July 1, 2023		
Marsh & McLennan Agency LLC dba Marsh & McLennan Insurance Agency LLC ("MMA") surveyed the marketplace to evaluate comparable medical plans in terms of pricing, benefits and service delivery. The following is a list of the insurance carriers who were requested to provide medical proposals to MMA, along with the results.		
Carrier	A.M. Best Financial Rating	Marketing Results
Medical		
Athem Blue Cross	A	Incumbent Carrier
Kaiser	NR	Incumbent Carrier
Aetna	A	Not Presented - Uncompetitive
Blue Shield of CA	A	Presented
United Healthcare	A+	Presented
Dental		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
Vision		
Anthem Blue Cross	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
Basic Life / AD&D		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
STD & LTD		
MetLife	A	Incumbent Carrier
Guardian	A++	Presented
Principal	A+	Presented
Ratings updated 3/16/2023		

Guide to A.M. Best Financial Strength Ratings

A.M. BEST RATINGS

GUIDE TO A.M. BEST FINANCIAL STRENGTH RATINGS

www.ambest.com

AM Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. AM Best uses the following scale to rate a company's financial stability:

A++ / A+ = Superior; A / A- = Excellent	D (Poor)
B++ / B+ = Very Good; B / B- = Fair	E (Under Regulatory Supervision)
C++ / C+ = Marginal	F (In Liquidation)
	S (Rating Suspended)

Incumbent Carriers

Not Rated Categories (NR) are assigned to companies reported on by A.M. Best, but not assigned a Best Rating.

NR: Not Rated	NR-3: Rating Procedure Inapplicable
NR-1: Insufficient Data	NR-4: Company Request
	NR-5: Not Formally Followed

NR-2: Insufficient Size and/or Operating Experience

A rating modifier can be assigned to indicate that a Best's Rating may be subject to near-term change (under review) that a company did not subscribe to Best's interactive rating process (public data) and that the rate is assigned to a syndicate operating at Lloyd's. Affiliation codes (G, P and R) are added to Best's Ratings identify companies whose assigned ratings are based on group, pooling or reinsurance affiliation with other insurers.

Rating Modifiers	Affiliation Codes
U – Under Review	G – Group
S – Syndicate	P – Pooled
PD – Public Data	R – Reinsured

We help protect our clients by placing them with the highest quality carriers. Our recommendation is NOT to place new or renewal business with carriers that have less than a letter 'A' A.M. Best financial rating. Carriers with a Non-Rated (NR) A.M. Best financial rating do not currently submit financial information in order to be rated by A.M. Best, therefore, we are unable to confirm their financial stability. If a client chooses to place or renew business with a carrier with either less than a letter 'A' or NR A.M. Best financial rating, the client does so knowingly and accepts all liability as a result and we ask that they sign a Client Acknowledgement accordingly.

Disclaimer: Benefit rates shown may be subject to change based on final enrollment and/or final underwriting requirements. This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of the plan or program benefits and does not constitute a contract. Consult your plan documents (Schedule of Benefits, Certificate of Coverage, Group Agreement, Group Insurance Certificate, Booklet, Booklet-certificate, Group Policy) to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. In case of a conflict between your plan document and this information, the plan documents will always govern.

Enrollment & Proposal Assumptions

It is important that all current and potential clients of Marsh McLennan Agency ("MMA") understand the following:

1. Proposals are based on recent census data information received by MMA. Documentation of information given may be required by the insurance carriers.
2. Actual costs are based on the final enrollment data of employees and dependents insured under the plan on the effective date(s).
3. You should notify MMA prior to a change in insurance company of any employees or dependents that are not actively at work or disabled prior to a new plan effective date.
4. This proposal should not be interpreted as all inclusive of provisions and limitations. For further details, refer to actual insurance carrier(s) proposals.
5. Coverage is not in effect until insurance carrier(s) provides confirmation in writing. Do not terminate existing coverage, if any, until you receive this notification.
6. This proposal has been prepared for you by MMA. It is not a written contract. The actual policies as issued by the insurance carriers govern the terms, conditions, limitations and exclusions of the insurance coverage. Specimen copies of the policy under consideration are available for review prior to binding coverage.
7. For groups under 20 employees: A Medicare-eligible employee/spouse that is not enrolled in Medicare Part B, is responsible for the portion of claims that Medicare would have paid had they been enrolled in Medicare Part B. Medicare is primary and the insurance carrier is secondary if the employer has less than 20 employees (full-time and/or part-time).
8. For groups with 20 or more employees (full-time and/or part-time) each working day in each of 20 or more calendar weeks in the current of preceding year: Generally, the insurance carrier is primary and Medicare is secondary.

General Disclosures

Rates: Benefit rates shown may be subject to change based on final enrollment and/or final underwriting requirements. This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of the plan or program benefits and does not constitute a contract. Consult plan documents (Schedule of Benefits, Certificate of Coverage, Group Agreement, Group Insurance Certificate, Booklet, Booklet-certificate, Group Policy) to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. In case of a conflict between your plan document and this information, the plan documents will always govern.

The Patient Protection and Affordable Care Act (PPACA): PPACA is a complex law. Any statements made by Marsh McLennan Agency LLC dba Marsh McLennan Insurance Agency LLC ("MMA") concerning tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as accounting, tax, or legal advice. We recommend that you seek the advice of your own tax, accounting and legal advisers as to whether or not the health plans you select are compliant with the Patient Protection and Affordable Care Act, including the minimum essential coverage requirements.

This document is for presentation purposes only. The precise coverage afforded is subject to the terms, conditions and exclusions of the policies as issued. MMA makes no representations, either expressed or implied, as to the adequacy of any limits of protection. Determination of the adequacy of the limits of protection is your responsibility.

MMA is under Agreement with certain client service providers (vendors), which may entitle us to receive compensation for referring clients/prospects to them. MMA's decisions to quote and/or recommend certain client service providers are made based on our experience and in the clients/prospects best interest, and where applicable, Revenue Share Agreements have no impact on our recommendation. It is always the client's/prospect's decision on which client service provider to select for their health and benefits program. If you would like more information about the compensation MMA may be entitled to receive for quoted/recommended client service providers and/or information about alternative quotes, please contact your MMA Client Sales or Service Executive.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh McLennan Insurance Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affective if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.

All rights reserved. No part of this document may be reproduced or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of Marsh McLennan Insurance Agency LLC. CA Insurance Lic: 0H18131

New Law: No Surprises Act

Broker Compensation Disclosure & Transparency Requirements

The **'No Surprises Act'** as part of the Consolidated Appropriations Act (CAA) of 2021 includes a list of transparency provisions that will go into effect December 27, 2021:

- Patient Balanced Billing Protections
- Healthcare Price Transparency
- **Broker/Consultant compensation disclosures**
- Group health plans to report Rx benefits

What does this mean for you?

- Our compensation will be disclosed before you make buying/renewing decisions moving forward
- Additional transparency about both direct and indirect revenue we receive for group medical plans
- Continued partnership and ensuring your organization finds great value in what we bring to the table

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
Anthem Blue Cross	Medical	Current	Percentage of Premium	5%
Kaiser	Medical	Current	Percentage of Premium	5%
MetLife	Dental	Current	Graded Scale	1 st \$5K-10%, next \$5K-7.5%, next 20K-5%
Anthem Blue Cross	Vision	Current	Percentage of Premium	10%
MetLife	Life/AD&D	Current	Graded Scale	1 st \$5K-15%, next \$5K-10%, next 20K-5%

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
MetLife	STD	Current	Graded Scale	1 st \$5K-15%, next \$5K-10%, next 20K-5%
MetLife	LTD	Current	Graded Scale	1 st \$15K-15%, next \$10K-10%, next 25K-5%
Aetna	Medical	Marketed	Percentage of Premium	5%
United Healthcare	Medical	Marketed	Percentage of Premium	5%
Guardian	Dental	Marketed	Percentage of Premium	10%
Guardian	Vision	Marketed	Percentage of Premium	10%
Guardian	Basic Life/AD&D	Marketed	Percentage of Premium	15%
Guardian	STD, LTD	Marketed	Percentage of Premium	15%

Compensation Disclosure

Marsh McLennan Agency (MMA) is committed to collaborating with our clients to develop and execute insurance placement and renewal strategies. As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Compensation – Our compensation for placing or renewing insurance on your behalf may include fees paid directly by you, or retail commissions paid by insurers or others. These retail commissions may vary among insurers and vary among plans provided by a single insurer.

Our compensation from insurance placements and renewals may also consist of additional supplemental commissions, which are common in the insurance industry and designed to recognize the value of MMA services to insurers we collaborate with including offering a distribution channel for the insurers' products and services.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.

Carrier	Line of Coverage	Current or Marketed	Form of Commission	Base Comp
Principal	Dental	Marketed	Percentage of Premium	10%
Principal	Vision	Marketed	Percentage of Premium	10%
Principal	Basic Life/AD&D	Marketed	Percentage of Premium	10%
Principal	STD, LTD	Marketed	Percentage of Premium	10%

Compensation Disclosure (Continued)

- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. In some cases as set forth in a Client Service Agreement and if allowed by law, the fee may be offset through the crediting of retail commissions paid by insurers and collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

Contingent Arrangement	Carriers
MMA may receive up to 1% of renewal premium and up to 1% of new premium in indirect compensation on the following placements:	Blue Shield, Kaiser, Aetna, Anthem Blue Cross, United HealthCare
MMA may receive up to 4% of renewal premium and up to 4% of new premium in indirect compensation on the following placements:	Guardian, Anthem Blue Cross, Standard
MMA may receive up to 10% of renewal premium and up to 10% of new premium in indirect compensation on the following placements:	Principal

- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

Compensation Disclosure (Continued)

- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally MMA may receive compensation from Plan vendors and service providers that is not in connection with any particular client. Non-cash compensation may be received by MMA or MMA colleagues in the form of gifts valued at less than \$100, occasional meals or event entertainment. Plan vendors and service providers may also pay for or reimburse MMA for MMA-sponsored conferences and events as well as for educational meetings, client workshops or training events that may be attended by MMA colleagues.

It is important to note that supplemental and contingent commission compensation does not affect the cost of your insurance program.

MMA's summary of quotes received includes details regarding commissions payable from insurers who issue quotes that are competitive based on your selection criteria, as we understand them. Commissions payable to MMA may vary among quoting insurers, or may change following this disclosure.

Consent – Your payment of premium for, or other instruction to proceed with the policies and/or transactions specified, constitutes your consent to MMA's resulting compensation disclosed (and future increases thereto), and servicing that will include any intermediary or sub-broker disclosed. State insurance law, including anti-rebating, may restrict or prohibit the ability of MMA to modify compensation services for the coverage you select.

Additional Information – We will be pleased to provide you additional information about our compensation. For more detailed information about the forms of compensation we receive please refer to our Marsh McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

Insurance Placement and Renewal Strategy – We may undertake an insurance marketing as confirmed with or by you. In the absence of this confirmation, we understand that you desire only an applicable renewal quote from the incumbent insurer for those lines of coverage where we serve as your authorized broker of record (BOR).

Quote Solicitation and Disclosure – MMA represents your interests in providing its consultative and procurement services, and is an appointed agent with the insurers that will be asked to bid on your program. Once we have received responses from the selected insurers, we may, according to our knowledge and experience, contact one or more to negotiate adjustments on your behalf. When responses are finalized, we will analyze them, inform you of all offers received, and use our best judgment in recommending to you the insurers most likely to meet your program needs. Such recommendation will involve our consideration of a number of factors, including the company's coverage terms, service capabilities and price. Following our presentation of findings, and consistent with the process described above, we may seek further adjustments and offer additional recommendations.

Not Responsible for Other Party's Disclosures – This disclosure document includes the disclosures MMA is required to make in accordance with ERISA Section 408(b)(2) and applicable State laws. Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this MMA disclosure.

Compensation Disclosure (Continued)

Carrier/Vendor Relationships – Except in rare circumstances that are fully disclosed to you, MMA is not bound to utilize any particular insurer or service provider, and does not have the authority to make binding commitments on behalf of any insurer or service provider. MMA's parent, Marsh McLennan Companies and its subsidiaries own equity interests in, and have contractual arrangements with certain insurers and wholesale brokers.

Carrier/Vendor Performance – The terms and conditions of any coverage or service are exclusively defined by the governing policy or contract, and not by the summary information in this overview, the materials appended or other document. MMA does not guarantee or make any representation or warranty that coverage or service can be placed on terms acceptable to you. Further, MMA is not responsible for the current or future financial condition, solvency or ability of any insurer or other service provider to pay claims or provide service. Insurers or service providers with which your risk or business is placed at your direction will be deemed acceptable to you.

Limit of Liability – Except as otherwise agreed in writing, MMA's aggregate liability arising out of or relating to any services on your account shall not exceed one million (\$1,000,000) for small group (up to 100 employees) or five million (\$5,000,000) for large group (100+ employees) and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Entire Understanding – This disclosure constitutes the entire understanding among the parties and supersedes, in their entirety, any and all understandings, contracts, arrangements, communications, discussions, representations, warranties, whether oral or written, among the parties respecting the engagement.

Closing – MMA is pleased to provide this information to you in compliance with the Consolidated Appropriations Act of 2021 (CAA) which requires disclosure of broker compensation associated with all ERISA governed health plans.

MMA may receive additional broker compensation on plans or services that fall out of scope of the CAA.

These plans include but are not limited to group life and disability plans, voluntary benefit plans such as individual life and disability insurance, critical illness, accident and others.

For additional information on compensation associated with non-CAA related insurance plans, please contact your MMA account team.

Your future is limitless.SM

MarshMMA.com



**MarshMcLennan
Agency**

A business of Marsh McLennan

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2021 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com

AGENDA

Method Schools Regular Meeting of the Board of Directors

Tuesday, March 7, 2023, 6:00 PM

38750 Sky Canyon Dr, Ste. B, Murrieta, California

<https://methodschools.zoom.us/j/9807801621?pwd=MVl3bjQ5YmJzN08wOHhLTUVTdndGUtO9>

Meeting ID: 980 780 1621

Passcode: 24620

Instructions for Presentations to the Board by Parents and Citizens

Method Schools ("School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

Agendas and "Submit a Public Comment" forms are available via the link on our website on the Board Page. If you wish to speak, please fill out the form and specify the agenda item on which you wish to speak. When addressing the Board, speakers are requested to state their name and address and adhere to the time limits set forth.

Public Communication on Non-Agenda Issues: This is an opportunity for members of the audience to raise issues that are not specifically on the agenda. You will be given an opportunity to speak for a maximum of three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. Non-English speakers requiring translation are allotted a maximum of six (6) minutes. Due to public meeting laws, the Board can only listen to your issue and not respond or take action. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item

Agenda items: To address the Board on agenda items, please specify the item on which you wish to speak on your "Public Comment". You will be given an opportunity to speak for up to three (3) minutes when the Board discusses that item.

3. Public Records: Any public records relating to an agenda item for an open session of the Board that are distributed to the Board members shall be available for public inspection at the School office. Minutes of each Board meeting will also be available at the School office.

Americans with Disabilities Act (ADA): Upon request, the School will furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate assistance in order to participate in Board meetings are invited to contact Method Board Secretary Gloria Vargas at gvargas@methodschools.org by noon of the business day preceding the board meeting.

Translation services: Translation services are available by notifying the above school office by noon of the business day preceding the board meeting.

AGENDA

Method Schools Regular Meeting of the Board of Directors

1.0 **Call to Order:** Board President Carolyn Andrews called Board Meeting to order at 6:01 P.M.

Jessica Spallino: We would like to request to add "Dehesa SPED MOU" action item to the agenda, after action number 8.0. It will become action item number 9.0, and everything after that will be moved down.

Motion: Shannon Clark

Second: Steven Dorsey

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

2.0 **Roll Call**

Present: Tyler Roberts, Steven Dorsey, Gloria Vargas, Shannon Clark, Carolyn Andrews

Absent: None

Method Staff: Stefanie Bryant, Tracy Robertson, Jessica Spallino, Mark Holley, Jade Fernandez, Sarah Delawder, Tanaya Burnham, Yvette Rios, Method Representative - Cory Cavanah

3.0 **Public Communication on Non-Agenda Items**

- None

4.0 **Reports**

- **CEO:**

- **End of Semester OKR Update**

- **Jessica Spallino:** Current enrollment is 616, summer school enrollment opened on February 6th. iReady and iXL diagnostic assessments just closed diagnostic number 2 on 1/9/23. CAASPP Testing Window- 4/3/23 - 5/8/23. Events- grad night is coming and we're having a high school prom. Curriculum- we're beta testing ELA 6B and ELA 8B. The objectives for the year are under Academic Growth, Student Engagement, and Customer Experience. Key Results for the Academic Growth objective: The goal for iReady was 96% participation rate, and we landed at 94% ELA and 92% Math. For the goal of 55% of students performing at grade level, K-8 was 32.5%, high school-ELA 39% at grade level, 17% above grade level, and high school-math 0% at grade level, 6% above grade level. The test is at a higher level than the course that most high school student take, so we're looking at rectifying that. 29.5% of iReady benchmarks are proficient- this is the average for K-8 Reading and Math. For the goal of 96% iXL participation rate- we got 87% in ELA and 83% in Math. The numbers are going in the right direction.
- **Question: Shannon Clark:** Is this based on where the benchmark should be at the end of this year, or at this point of this year?
- **Jessica Spallino:** At this point of this year. Key Results for the Student Engagement objective: Instructional Funds Implementation- we have 88 unique instructional requests. Curriculum Refinements- we're building differentiation and choice in all of our courses. CBL and Deeper Learning Enhancements- we're shifting from multiple choice to open response. Enhanced Teacher Support- all staff are required to participate in developmental coaching. Refined Teacher Training- there's a variety of CBL training that continues to take place. Key Results for the Customer Experience objective: Enrollment- we've done a good job improving in

AGENDA

Method Schools Regular Meeting of the Board of Directors

informing the families regarding what they're coming into, and a lot of the enrollment process workflows have been enhanced. Enhancing Parent Events & Trainings by County- the events impact where we get enrollments, and our goal is to hit all counties. LA County is a big one to focus on. ASB is a great addition to our program. Enhance Teach Squad and Pod Connection by County- we previously assigned events to teachers, but now we assign them to the Student Success Managers. SmartFox Enhancements (IF and PM)- we have implemented the Instructional Funds. We're looking to potentially integrate a project management system into SmartFox.

- **Jade Fernandez:** For our department-wide objectives we have Academic Objectives- our live attendance average is 91.9%, we're refining tiered reengagement procedures, and we have a lot more opportunities for community involvement.
- **Sarah DeLawder:** Curriculum Objectives: 1) Shift to Competency-Based Learning, 2) we're building our CTE program out, 3) Student Academic Growth- we're focusing on improving CAASPP scores.
- **Stefanie Bryant:** Finance Objectives: 1) Managing the Per Pupil Expenditures, 2) Managing and Budgeting the LCFF Revenue Growth- we're on track to get 880 ADA for the year, 3) Meet Continued Compliance- we had a clean audit and our attendance data is kept up to date and accurate. Looking ahead at the 23-24 school year, the Governor's Budget is looking at about an 8% COLA.
- **Tanaya Burnham:** In the semester one iReady/iXL overview, Grades K-5 and 6-8 exceeded their growth. For grades 9-11, Tracy Washington, our Interim High School Director, has some great ideas on improving student investment in the diagnostics.
- **Jessica Spallino:** We do staff surveys, and plan action items based on the results, and Jade does some for the students and parents. For quarter three, I am doing one-on-ones with staff that have been identified, and will get feedback that way.
- **Question: Steven Dorsey:** Have we done something like this regarding the student data, for the students? Asking, "what's your experience taking our tests"?
- **Sarah Delawder:** We have done something like this for courses and we've gotten very positive feedback.
- **Steven Dorsey:** If we want higher participation, let's ask them what it would take to get their participation, or what's preventing them.
- **Question: Gloria Vargas:** I saw where it stated the parent survey was 93% positive, what were the others saying it wasn't positive?
- **Jade Fernandez:** Most of the feedback was that they want to be more involved in the events, but they aren't convenient or local to them. They love their teachers, and Method.
- **CBO:**
 - **Mark Holley:** We've been redesigning our website. We will have more marketing information next time.
- **Senior Director of Schools:** None

5.0 Action: 2023-24 Academic Calendar

Discussion: Jade Fernandez: There are not many changes other than starting the school year on the 3rd of July rather than the 1st of July due to the weekend.

Motion: Steven Dorsey

AGENDA

Method Schools Regular Meeting of the Board of Directors

Second: Gloria Vargas

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

6.0

Action: Second Interim Reports

Discussion: Cory Cavanah: There is not a lot of change from the 1st Interim to the 2nd Interim. The ADA is actually 465 for San Diego and 417 for LA. Our total revenue for San Diego and LA went down a combined \$400,000. This is due to clawing back some of the one-time revenue we had. Method LA is in a funding determination this year, so we want to take as much one-time revenue off the book and defer it to next year. Expenditures came down almost \$800,000 for San Diego, and \$200,000 for LA. We're up in our overall ending fund balances by about \$700,000 between the two schools. Nothing really got cut, no staffing got cut, it's more of a built-in surplus there. The COLA is going to come in again around 8%-9%. No cash flow shortages. We're expected to come in around \$900,000 in the black, in total between both schools. Going back to the 1st COVID year of 19-20, the hold harmless held us at a much higher ADA than we should have received. They kept that through the next fiscal year. That ended up being close to \$10 million that Method received. We sent letters to the CDE, county offices, and our authorizers to let them know how it is affecting us.

Mark Holley: We'll have to come up with a long-term plan together as to how the funding will be allocated.

Motion: Shannon Clark

Second: Gloria Vargas

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

7.0

Action: 2022-23 Auditor Contract Award

Discussion: Stefanie Bryant: This is also known as the engagement letter. Each year we have to approve the contract for audit services. We chose to give Clifton Allen Larson another year to work on our audit.

Motion: Gloria Vargas

Second: Steven Dorsey

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

8.0

Action: Updates to 3010 Fiscal Policy

Discussion: Stefanie Bryant: We have some old, stale-dated checks that we need to write off of our books. We're going to follow the unclaimed property laws in California that basically says a pay has four years to collect on their payments, and if we've made some attempts to reissue and contact them and they have not come back and asked for their funds, then we can write those checks off, once they are beyond four years old. The orange text is the only change.

Question: Shannon Clark: Are we exempt from having to escheat unclaimed property to the state?

Cory Cavanah: I'm not sure, we can find out.

Shannon Clark: I'd like to defer this to clarify. Every state requires that if you have unclaimed property, you escheat that to the state. Escheatment means instead of writing it off of our books, you are giving this money to the state, and they hold it.

Stefanie Bryant: We'll look into this, and put it back on the June meeting for approval.

AGENDA

Method Schools Regular Meeting of the Board of Directors

9.0 **Action: Dehesa SPED MOU**

Discussion: Jessica Spallino: We have MOUs with both authorizers, they are our annual contracts with them. This one needed to be updated, to reflect our new SELPA for special education. We are now working with the El Dorado SELPA, no longer with East County SELPA.

Motion: Shannon Clark

Second: Gloria Vargas

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

10.0 **Consent Items: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board's votes on them.**

- **Approval of December 13, 2022 Meeting Minutes**

- **December 2022 - February 2023 Check Register**

Motion: Steven Dorsey

Second: Tyler Roberts

Ayes: Gloria Vargas, Tyler Roberts, Steven Dorsey, Shannon Clark, Carolyn Andrews

Noes: 0

Action: Passed

11.0 **Information/ Discussion Items:**

- **Public LCAP Hearing**

- o **Jade Fernandez:** This will be voted on in the June Meeting. We went over all of our goals through the OKR Reports. Goal 1) Increase our academic achievement, Goal 2) Further develop the offering of wraparound services, counseling, CTE, mental health, Goal 3) Further develop staff to better support families through expanding professional development: in-house induction program, coaching, and evaluation cycles.
- o **Question: Jessica Spallino:** What's the next meeting date?
- o **Tracy Robertson:** June 15th, on graduation day. We decided to cancel the May meeting because we initially planned to do the LCAP May-June, but since it's taken care of early, we're doing it now, and June for the approval.
- o **Question: Shannon Clark:** Is there a chance that we can have a report on academic achievement, prior to June?
- o **Jessica Spallino:** Yes, Tanaya can have that ready for mid-April.
- o **Stefanie Bryant:** The budget parent overview gives us these graphics on where our revenues are at, how much they are. It also breaks out our total budget vs. our LCAP budget.

12.0 **Upcoming Agenda Items**

- **June 2023 Meeting Action Item: LCAP**
- **June 2023 Meeting CBO Report: Marketing Update**

AGENDA

Method Schools Regular Meeting of the Board of Directors

- **June 2023 Meeting Action Item: Founder Contracts and Founder Evaluations**
- **June 2023 Meeting: 23-24 Adopted Budgets**
- **June 2023 Meeting Action Item: Updates to 3010 Fiscal Policy - Second Reading**

13.0 Board Member Reports:

- Shannon Clark: I received an email from a vendor asking if we'd like to engage their services. Who would you like me to copy on things like that?
- Jessica Spallino: You can ignore it, they know where to go. Moving forward on the in-person requirement, are there any questions or concerns?
- Cory Cavanah: There just needs to be a three-person quorum in-person.

14.0 Action: Motion to Adjourn the Meeting

Method CEO/Co-Founder Jessica Spallino motioned to adjourn the meeting at 7:17 P.M.

Board Meeting Recording Link:

https://methodschools.zoom.us/rec/share/OWVPAEyhqbP_6bzJj8cVCrSiQcksyiNkzyOSVLJC_khRbttHwDlVB4np_JcByuud.jbRY0lCshAb0Mtbx

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
9120-1 Checking						
03/02/2023	Bill Payment (Check)	4608	Platinum Athletics Prep Academy		C	-2,400.00
						-2,400.00
03/02/2023	Bill Payment (Check)	4609	Creative Back Office		C	-5,000.00
						-5,000.00
03/02/2023	Bill Payment (Check)	4607	UMB Bank - FBO PlanMember Services		C	-
						17,295.32
						-
						17,295.32
03/06/2023	Bill Payment (Check)	4610	Zoom		C	-309.90
						-309.90
03/06/2023	Bill Payment (Check)	4611	Marsh & McLennan Agency		C	-7,926.00
						-7,926.00
03/07/2023	Bill Payment (Check)	4612	Alpha Therapy Center Inc.		C	-
						24,465.00
						-
						24,465.00
03/08/2023	Bill Payment (Check)	4613	Shila Walker		C	-146.00
						-146.00
03/13/2023	Bill Payment (Check)	4614	Carolyn Andrews		C	-74.36
						-74.36
03/13/2023	Bill Payment (Check)	4615	Gloria Vargas		C	-49.92
						-49.92
03/13/2023	Bill Payment (Check)	4616	Jade Fernandez		C	-38.19
						-38.19
03/13/2023	Bill Payment	4617	Shannon Clark		C	-42.14

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
	(Check)					-42.14
03/13/2023	Bill Payment (Check)	4618	Steve Dorsey		C	-64.52
						-64.52
03/13/2023	Bill Payment (Check)	4619	Tyler Roberts		C	-141.17
						-141.17
03/13/2023	Bill Payment (Check)	4620	Yvette Rios		C	-34.06
						-34.06
03/13/2023	Bill Payment (Check)	4479	Edhype Labs			-
						15,000.00
						-
						15,000.00
03/16/2023	Bill Payment (Check)	4621	Vision Graphics / SBR Technologies		C	-492.50
						-492.50
03/16/2023	Bill Payment (Check)	4622	Sandra Bartz		C	-78.60
						-78.60
03/16/2023	Bill Payment (Check)	4623	UMB Bank - FBO PlanMember Services		C	-
						17,331.24
						-
						17,331.24
03/20/2023	Bill Payment (Check)	4624	Cavco Enterprises, Inc.		C	-2,439.00
						-2,439.00
03/20/2023	Bill Payment (Check)	4625	Riffs Music		C	-910.00
						-910.00
03/20/2023	Bill Payment (Check)	4627	Stefanie Bryant		C	-182.56
						-182.56

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
03/20/2023	Bill Payment (Check)	4629	Limitless Fitness Training LLC		C	- 12,600.00 - 12,600.00
03/23/2023	Bill Payment (Check)	4630	Austin Cipres		C	-166.01 -166.01
03/23/2023	Bill Payment (Check)	4631	Stefanie Bryant		C	-27.73 -27.73
03/23/2023	Bill Payment (Check)	4632	Amanda Pratt		C	-250.00 -250.00
03/23/2023	Bill Payment (Check)	4633	Ginny May		C	-140.00 -140.00
03/23/2023	Bill Payment (Check)	4634	Jade Fernandez		C	-187.28 -187.28
03/27/2023	Bill Payment (Check)	4480	Amanda Burgos		C	-3,162.77 -3,162.77
03/27/2023	Bill Payment (Check)	4635	APA Benefits Inc.		C	-1,000.00 -1,000.00
03/27/2023	Bill Payment (Check)	4636	Tyler Roberts		C	-500.00 -500.00
03/27/2023	Bill Payment (Check)	4637	Steve Dorsey		C	-500.00 -500.00
03/27/2023	Bill Payment (Check)	4638	Shannon Clark		C	-500.00

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
						-500.00
03/27/2023	Bill Payment (Check)	4639	Gloria Vargas		C	-500.00
						-500.00
03/27/2023	Bill Payment (Check)	4640	Carolyn Andrews		C	-500.00
						-500.00
03/27/2023	Bill Payment (Check)	4642	Team Elite Sports Academy		C	-1,757.14
						-1,757.14
03/27/2023	Bill Payment (Check)	4643	Louch & Langston Training, LLC (The W Training Facility)		C	-7,500.00
						-7,500.00
03/29/2023	Bill Payment (Check)	4644	CodeWizardsHQ		C	-1,341.00
						-1,341.00
03/31/2023	Bill Payment (Check)	4481	Natally Rodriguez		C	-2,676.00
						-2,676.00
04/03/2023	Bill Payment (Check)	4645	K12 Management		C	-3,000.00
						-3,000.00
04/03/2023	Bill Payment (Check)	4646	Disneyland Resort		C	-2,786.00
						-2,786.00
04/03/2023	Bill Payment (Check)	4647	Zoom		C	-366.30
						-366.30
04/04/2023	Bill Payment (Check)	4648	UMB Bank - FBO PlanMember Services		C	-
						17,498.68
						-
						17,498.68
04/06/2023	Bill Payment	4649	Creative Back Office		C	-5,000.00

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
	(Check)					-5,000.00
04/06/2023	Bill Payment (Check)	4651	Riffs Music		C	-1,202.50
						-1,202.50
04/06/2023	Bill Payment (Check)	4652	Law Offices of Young, Minney & Corr LLP		C	-422.50
						-422.50
04/06/2023	Bill Payment (Check)	4653	Cavco Enterprises, Inc.		C	-400.00
						-400.00
04/06/2023	Bill Payment (Check)	4654	West Coast Krav Mag Temecula		C	-189.00
						-189.00
04/06/2023	Bill Payment (Check)	4655	Think Outside LLC		C	-174.40
						-174.40
04/06/2023	Bill Payment (Check)	4656	NWEA		C	-7,725.00
						-7,725.00
04/06/2023	Bill Payment (Check)	4657	Ixl Learning		C	-7,315.00
						-7,315.00
04/06/2023	Bill Payment (Check)	4658	Platinum Athletics Prep Academy		C	-2,400.00
						-2,400.00
04/06/2023	Bill Payment (Check)	4659	Hope Squad LLC		C	-1,250.00
						-1,250.00
04/06/2023	Bill Payment (Check)	4660	Amy Pinter		C	-108.23
						-108.23
04/06/2023	Bill Payment	4661	Austin Cipres		C	-87.77

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
	(Check)					-87.77
04/06/2023	Bill Payment (Check)	4662	Tyler Roberts		C	-84.71
						-84.71
04/11/2023	Bill Payment (Check)	4663	Alpha Therapy Center Inc.		C	-
						25,396.25
						-
						25,396.25
04/11/2023	Bill Payment (Check)	4664	Cesar Ramirez		C	-550.00
						-550.00
04/11/2023	Bill Payment (Check)	4665	APA Benefits Inc.		C	-500.00
						-500.00
04/11/2023	Bill Payment (Check)	4666	Madison Buckley		C	-111.00
						-111.00
04/11/2023	Bill Payment (Check)	4667	Florida Virtual School		C	-1,425.00
						-1,425.00
04/17/2023	Bill Payment (Check)	4668	Think Outside LLC		C	-174.40
						-174.40
04/17/2023	Bill Payment (Check)	4670	Brown University/SPS			-
						11,980.00
						-
						11,980.00
04/17/2023	Bill Payment (Check)	4671	UMB Bank - FBO PlanMember Services		C	-
						17,506.64
						-
						17,506.64
04/20/2023	Bill Payment (Check)	4672	Lara Rosas		C	-94.00

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
						-94.00
04/20/2023	Bill Payment (Check)	4673	Yvette Rios		C	-28.82
						-28.82
04/24/2023	Bill Payment (Check)	4674	Melody Perez		C	-1,500.00
						-1,500.00
04/24/2023	Bill Payment (Check)	4675	Austin Cipres		C	-235.31
						-235.31
04/26/2023	Bill Payment (Check)	6000	Limitless Fitness Training LLC		C	-
						12,450.00
						-
						12,450.00
04/26/2023	Bill Payment (Check)	6001	Louch & Langston Training, LLC (The W Training Facility)		C	-7,500.00
						-7,500.00
04/26/2023	Bill Payment (Check)	6002	Creative Bar Acquisitions, LLC			-3,501.00
						-3,501.00
04/26/2023	Bill Payment (Check)	6003	Tyler Roberts		C	-500.00
						-500.00
04/26/2023	Bill Payment (Check)	6004	Steve Dorsey		C	-500.00
						-500.00
04/26/2023	Bill Payment (Check)	6005	Shannon Clark			-500.00
						-500.00
04/26/2023	Bill Payment (Check)	6006	Gloria Vargas		C	-500.00
						-500.00
04/26/2023	Bill Payment	6007	Carolyn Andrews		C	-500.00

Method Schools Corporation

Check Detail

March - April, 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
	(Check)					-500.00
04/26/2023	Bill Payment (Check)	6008	Think Outside LLC			-174.40
						-174.40
04/28/2023	Bill Payment (Check)	6009	Superhome LLC dba Superpower Academy			-131.92
						-131.92