

**LEASE AGREEMENT BETWEEN THE CITY OF ROSEVILLE
AND GROWTH FACTORY**

(Concerning approximately 2,416 square feet of office space in the 316 Vernon Street Office Building)

THIS LEASE AGREEMENT (“Agreement” or “Lease”) is made and entered into this 5th day of May, 2022 (“Commencement Date”), by and between the City of Roseville, a municipal corporation (“LANDLORD”), and Growth Factory, a California nonprofit public benefit corporation (“TENANT”). LANDLORD and TENANT may be referred to herein collectively as the “Parties,” or each individually as a “Party.”

RECITALS

WHEREAS, LANDLORD has developed a mixed-use retail and office building on City-owned real property located at 316 Vernon Street, Roseville, California, Placer County, Assessor’s Parcel Number 013-091-010-000 (“Building”); and

WHEREAS, LANDLORD and TENANT have entered into a separately-executed Program Agreement that defines the scope and terms of a collaboration between the City of Roseville and Growth Factory to organize a venture-development infrastructure and business catalyst with a collective goal to support startup companies in the region and assist entrepreneurs and local small businesses; and

WHEREAS, the aforementioned Program Agreement contains a provision stating the Parties desire that TENANT lease from LANDLORD approximately 2,416 square feet on the first floor of the Building, as shown in the floor plan, attached hereto and incorporated herein as Exhibit A (“Premises”); and

WHEREAS, the Parties intend to enter into a lease agreement for the Premises pursuant to the terms and conditions stated herein.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I: LEASE OF PREMISES

1.1. Lease. LANDLORD hereby grants to TENANT the exclusive right to utilize the Premises, subject to the terms and conditions of this Lease. In addition to TENANT's rights to use and occupy the Premises as hereinafter specified, TENANT shall have non-exclusive rights to any utility raceways or conduits of the Building contained within the Premises, and shall have limited rights to the interior building common areas or exterior walls of the Building.

1.2. Initial Term. The initial term of this Lease shall be sixty (60) months, and shall commence upon the Commencement Date and terminate at the end of sixty (60) months ("Initial Term" or "Term").

1.3. Option to Extend. TENANT shall, provided the Lease is in full force and effect and TENANT is not in default under any of the terms and conditions of the Lease at the time of notification or commencement, have the option to extend this Lease for two (2) separate and additional consecutive terms of sixty (60) months ("Extension") each for any and all space under lease at the time said options are executed. Such Extensions shall be executed on the same terms and conditions set forth in this Lease, except as modified by the terms, covenants, and conditions as set forth in subsections (a) – (d) below:

a. Prior to the expiration of the Term or any Extension, TENANT shall provide LANDLORD with a minimum of six (6) months advance written notice of TENANT's election to extend this Lease. In the event TENANT fails to timely provide such notice, TENANT shall have

no further or additional right to extend or renew the term of the Lease without the express written approval of LANDLORD.

b. In the event TENANT elects to extend the Term the annual rent applicable to the Extension shall be adjusted to reflect the then current fair market rental for comparable space in Downtown Roseville, but in no event will the annual rent for the Extension be less than the last month's rent. LANDLORD shall advise TENANT of the new annual rent for the Premises no later than thirty (30) calendar days following receipt of TENANT's written notice under subsection (a) above. TENANT shall have thirty (30) calendar days following receipt of the new annual rent amount to notify LANDLORD of any disagreement that the new annual rent is not accurately based on market rates. The Parties shall thereafter have thirty (30) calendar days to negotiate and agree on the fair market rental. The Parties shall conduct such negotiations in good faith. If the Parties agree on the fair market rental payable during each year of the Extension term, the Parties shall promptly execute an amendment to this Lease stating the agreed-upon new annual rent. In the event the Parties are unable to agree on a mutually acceptable rental rate not later than two (2) months prior to the expiration of the term, then LANDLORD and TENANT shall each appoint a qualified Member Appraisal Institute ("MAI") appraiser doing business in the area with not less than five (5) years of experience, and in turn those two independent MAI appraisers shall appoint a third MAI appraiser and the majority shall decide upon the fair market rental for the Premises as of the expiration of the Term, and the Parties shall promptly execute an amendment to this Lease stating the rental rate. LANDLORD and TENANT shall equally share in the expense of this appraisal.

c. This option to extend this Lease is not transferable to any third party without written consent of LANDLORD. The Parties hereto acknowledge and agree that they intend that

the aforesaid option to extend this Lease shall be “personal” to TENANT as set forth above and that in no event will any assignee or sublessee have any rights to exercise the aforesaid option to extend, without further approval from LANDLORD.

d. TENANT shall have no further right to extend the term of this Lease beyond the Extension periods stated in Section 1.3 without further written amendment of this Lease.

1.4 Lease Buy-out. LANDLORD agrees to provide TENANT with an option to terminate its lease before the end of the Term, contingent upon TENANT providing a sixty (60) day notice to LANDLORD. In the event that TENANT terminates this Lease prior to the end of the Term, TENANT (a) agrees to forfeit its security deposit noted below in Section 2.2 and (b) shall make a payment to LANDLORD equivalent to six (6) months of rent commensurate to the rental rate outlined in Section 2.1 if TENANT terminates this Lease during Months 1-36 or shall make a payment to LANDLORD equivalent to three (3) months of rent commensurate to the rental rate outlined in Section 2.1 if TENANT terminates this Lease during Months 37-60. Any early termination payments made pursuant to this Section 1.4 shall be based on the Rent Amount during Year 5 of this Lease as shown in Section 2.1 below.

ARTICLE II: RENT, SECURITY DEPOSIT, TENANT IMPROVEMENTS

2.1. Rent. TENANT shall pay rent based on the following schedule (“Rent Schedule”) based upon an estimated 2,416 square feet, which square footage represents a portion of the first floor of the Building:

<u>Months</u>	<u>Rent Amount Per Square Foot</u>	<u>Monthly Rent</u>
1-12	\$0.50	\$1,208
13-24	\$0.75	\$1,812.00
25-36	\$1.00	\$2,416
37-48	\$1.25	\$3,020
49-60	\$1.50	\$3,624

The Premises shall be subject to final measurement per Building Owners and Managers Association (“BOMA”) standards prior to possession by TENANT, and this measurement shall become the Premises size by which base rent shall be calculated. In addition to paying this base rent, TENANT, as part of the rental payment, shall pay to LANDLORD its pro-rata share of solid waste (garbage compactor) charges in the amount of \$40.00 per month, beginning immediately upon the Commencement Date. TENANT’s pro-rata share of this charge shall be adjusted annually with corresponding utility rate increases or an increase in TENANT’s solid waste output that results in additional compactor tipping fees.

The annual rent shall be payable monthly, in advance and on the first day of each calendar month thereafter to LANDLORD, at the following address: 311 Vernon Street, Roseville, CA 95678 Attn: Finance. If the Commencement Date is on a date other than the first of the month, rent shall be prorated for the number of days remaining in the month. If any rent payment is not received by CITY on or before the tenth (10th) day of the month, it shall be deemed delinquent. Delinquent amounts shall be subject to a monthly late charge at the rate of five percent (5%) of the total delinquent amount, and without limitation to LANDLORD’s other rights and remedies under this Lease. Monthly rent shall be increased on the first day of the calendar month as specified in the Rent Schedule throughout the Term and Extension.

2.2. Security Deposit. By the Commencement Date, TENANT shall pay to LANDLORD a security deposit in the total amount of \$4,832. The security deposit shall be held by LANDLORD as security for the faithful performance by TENANT of all the terms, covenants, and conditions of this Lease to be kept and performed by TENANT during the term hereof. If TENANT defaults with respect to any provision of this Lease, including, but not limited to the

provisions relating to the payment of rent, LANDLORD may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which LANDLORD may spend or become obligated to spend by reason of TENANT's default, or to compensate LANDLORD for any other loss or damage which LANDLORD may suffer by reason of TENANT's default. If any portion of said deposit is used or applied, TENANT shall, within five (5) calendar days after written demand therefore, deposit cash with LANDLORD in an amount sufficient to restore the security deposit to its original amount and TENANT's failure to do so shall be a default under this Lease.

LANDLORD shall not be required to keep this security deposit separate from its general funds, and TENANT shall not be entitled to interest on such deposit. If TENANT shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to TENANT (or, at LANDLORD's option, to the last assignee of TENANT's interest hereunder) within thirty (30) calendar days following the expiration of the Lease term.

2.3. Tenant Improvements.

a. LANDLORD shall, at LANDLORD's expense, pay for the cost of the permanent tenant improvements in an amount not to exceed one hundred and twenty-five dollars (\$125.00) per square foot. This expense shall not be used for furniture, fixtures or equipment that are not considered attached to the Premises.

b. LANDLORD is required, and the specifications and bid and contract documents shall require all contractors and subcontractors, to pay prevailing wages for the permanent tenant improvements and to otherwise comply with applicable provisions of the California Labor Code, Government Code, and Public Contracts Code relating to public works projects of cities.

ARTICLE III: OBLIGATIONS OF PARTIES

3.1. Landlord's Obligations. LANDLORD agrees to provide TENANT the following and makes the following disclosures to TENANT:

a. LANDLORD warrants that to the best of its knowledge the improvements on the Premises comply with the applicable building codes, 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. LANDLORD agrees to be responsible for continuing to ensure compliance with Applicable Requirements and for remediating any health hazards in the Building, except for those conditions caused (directly or indirectly) as a result of TENANT's activities, or failure to act where TENANT had a duty to act, in which case TENANT shall be responsible for all costs associated with compliance or remediation. LANDLORD discloses that the Building is newly constructed and the Premises have not been previously occupied and will be delivered in an “As Is” condition. Any warranty provided in this section does not apply to the use to which TENANT will put in the Premises, modifications which may be required by the Americans with Disabilities Act (“ADA”) or any similar laws as a result of TENANT’s use made or to be made by TENANT. TENANT is responsible for determining whether or not Applicable Requirements, and especially the zoning are appropriate for TENANT’s intended use.

b. Nonexclusive use of available public surface lots and/or public parking structures, provided such use relates to uses approved under Article VII. TENANT shall not be

granted reserved, dedicated, or exclusive rights to said public parking owned or controlled by LANDLORD.

c. LANDLORD agrees to be responsible for ensuring compliance with the ADA within the Common Areas (as defined in Article VII) of the Building. Furthermore, LANDLORD agrees to make any modifications to the Common Areas of the Building as required to achieve compliance with the ADA prior to TENANT's possession, at LANDLORD's sole cost and expense.

3.2. Tenant's Obligations. TENANT's obligations are as follows:

a. TENANT shall, at its own expense, maintain in good condition any portions of the Premises which are its responsibility to maintain under this Lease.

b. TENANT shall be liable for any damage to the Building or Premises resulting from the acts or omissions of TENANT, its authorized representatives, sublessees or any of their invitees. Any damage to LANDLORD's Building or Premises caused by TENANT, its employees, invitees, and/or agents shall be promptly repaired at the sole cost and expense of TENANT. If TENANT fails to begin to make any such required repairs to the Building or Premises within sixty (60) calendar days upon notice by LANDLORD, LANDLORD may, at its option, cause such repairs to be made and demand reimbursement from TENANT, which TENANT shall pay within thirty (30) calendar days of the statement. Any maintenance or repair work to the Building or Premises shall first be coordinated with LANDLORD prior to commencement and shall be permitted only upon written approval of LANDLORD. Maintenance of unexposed HVAC, electrical, plumbing, and sewage systems which requires entry into bearing or exterior walls, or remodeling of the Premises which requires entry into or moving of bearing

walls, shall be at TENANT's sole expense and only after receipt of LANDLORD's written consent.

c. TENANT shall be responsible for ensuring compliance with the ADA within the Premises.

d. TENANT acknowledges that the Building contains another tenant which operates a college and that such tenant is entitled to peaceably and quietly enjoy their leased premises. Accordingly, TENANT shall not engage in any activities which shall impair the other Building tenant's rights to peaceably and quietly enjoy their leased premises.

ARTICLE IV: ALTERATIONS

4.1. Alterations. TENANT shall not make any alterations or modifications to the Building or Premises without LANDLORD's written consent, which consent shall not be unreasonably withheld or delayed. Any such approved alterations made shall remain on and be surrendered with the Premises on expiration or termination of the Lease. LANDLORD shall have the right to require TENANT to remove any and all alterations that TENANT has made to the Premises other than those made with LANDLORD's written consent.

4.2. Commencement of Approved Alterations. If TENANT makes any alterations to the Premises as provided in this Article, such alterations shall not be commenced until five (5) calendar days after LANDLORD has received notice from TENANT stating the date the installation of the alterations is to commence so that LANDLORD can post and record an appropriate notice of non-responsibility.

ARTICLE V: MECHANICS' LIENS

5.1. Mechanics' Liens. TENANT shall keep the Premises free and clear of all mechanics' liens (including stop payment notices) resulting from construction done by TENANT or any person or entity authorized by TENANT.

5.2. Right to Contest. TENANT shall have the right to contest the correctness or the validity of any such lien if, immediately on demand by LANDLORD, TENANT procures and records a lien release bond issued by a corporation authorized to issue surety bonds in California in an amount equal to one and one-half times the amount of the claim of lien. The bond shall meet the requirements of Civil Code § 8424 and shall provide for the payment of any sum that the claimant may recover on the claim (together with costs of suit, if it recovers in the action).

ARTICLE VI: RELOCATION ASSISTANCE

6.1. Waiver of Relocation Assistance. TENANT hereby acknowledges that TENANT is not entitled to, and hereby waives, any relocation assistance under Government Code Section 7260, *et seq.*, 25 Cal Code Regs Section 6000, *et seq.*, 42 USC Section 4601, *et seq.*, and 49 CFR pt 24, upon expiration or termination of this Lease, including any Extension thereof.

ARTICLE VII: USE OF PREMISES AND COMMON AREAS

7.1. Use of Premises. TENANT shall use the Premises for the purpose of an office use and other commonly associated activities and events that are customarily associated with this use.

7.2. Common Areas. TENANT shall have the right of access and egress to the Premises through the portions of the exterior Common Areas.

a. As used in this Lease, "Common Areas" shall mean all areas around the Building which are not leased or held for the exclusive use of TENANT or other tenants, including, but not limited to, parking areas, driveways, sidewalks, loading areas, access roads, corridors, landscaping and planted areas, additional parking facilities (including parking structures) in the

Common Areas, and includes any increases or decreases to Common Area land and/or facilities.

TENANT acknowledges that activities occurring in Common Areas may result in inconvenience to TENANT. Such activities and changes to the Common Areas are permitted if they do not materially affect TENANT's use of the Premises.

b. TENANT shall have the nonexclusive right (in common with other tenants and all others to whom LANDLORD has granted or may grant such rights) to use the Common Areas for the purposes intended, subject to such reasonable rules and regulations as Landlord may establish from time to time, such rules and regulations to be provided to TENANT by commencement of the Lease, provided the same do not materially restrict or interfere with TENANT's permitted use and such rules and regulations are uniformly applied to all tenants. TENANT shall abide by such rules and regulations and shall use its commercially reasonable efforts to cause others who use the Common Areas with TENANT's express or implied permission to abide by LANDLORD's rules and regulations.

c. LANDLORD shall pay all charges associated with maintenance of the Common Areas.

7.3. Security Regulations. TENANT shall comply with all applicable LANDLORD security regulations regarding access to the Premises.

7.4. Installation within Common Areas. TENANT may not install any equipment or fixtures on the Premises or within Common Areas without the prior written consent of LANDLORD. Any approved installation of equipment or fixtures must be removed within thirty (30) calendar days after the expiration or termination of this Lease.

7.5. Refrigerator and Satellite Dish. TENANT shall have the right to cause installation of a full –size refrigerator on the Premises and a small consumer-grade satellite television dish

(Dish Network, Direct TV or equivalent) on the roof, subject to LANDLORD's approval, which shall not be unreasonably withheld.

7.6. Waste. TENANT shall not use the Premises or Common Areas in any manner that will constitute waste, nuisance, or unreasonable annoyance to the public or owners or occupants of adjacent properties.

7.7. Damage to Property. TENANT shall not do anything on the Premises and Common Areas that will cause material damage to such property. TENANT shall be liable for material damage pursuant to Section 3.2(b).

7.8. Signage. TENANT may, at its sole expense, cause to be installed wall signage in the place and manner specified in LANDLORD's signage criteria on the building elevations fronting Vernon Street. Additional wall and/or window signage may be installed, at LANDLORD's sole discretion and subject to LANDLORD's approved signage criteria. All signage, including window signs, shall be subject to review and approval by LANDLORD, and shall comply with the applicable provisions of the City of Roseville Municipal Code, as may be amended from time to time. Upon expiration/termination of the Lease, such signage shall be removed and the Building returned to original condition, subject to specific requirements outlined in LANDLORD's signage criteria, excepting ordinary wear and tear.

ARTICLE VIII: LANDLORD'S ENTRY ON PREMISES

8.1. Right of Entry. LANDLORD and its authorized representatives shall have the right to enter the Premises and Common Areas at all reasonable times, and following reasonable notice to the TENANT, for any of the following purposes:

a. To determine whether the Premises is in good condition and whether TENANT is complying with its obligations under this Lease;

b. To do any necessary maintenance and to make any restoration or repair to the Premises that LANDLORD has the right or obligation to perform;

c. To serve, post, or keep posted any notices required or allowed under the provisions of this Lease.

8.2. No Liability. LANDLORD shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of LANDLORD's entry on the Premises as provided in this Article, except damage resulting from the acts or omissions of its authorized representatives.

8.3. No Rent Abatement. TENANT shall not be entitled to an abatement or reduction of rent if CITY exercises any rights reserved in this Article. TENANT may request rent abatement from LANDLORD in the event the Premises are inaccessible and/or unusable by TENANT for a period of time exceeding ten (10) calendar days in one month due to unforeseen or critical improvements that are required at the Premises.

ARTICLE IX: TAXES, ASSESSMENTS AND UTILITIES

9.1. Payment of Real Property Taxes. TENANT shall pay all real property taxes attributable to the Premises and business operations including, but not limited to, possessory interest tax, business personal property tax, assessments, general or special taxes levied and assessed against the Premises, that may become payable during the Term. TENANT understands that its interest created by this Lease may be subject to a possessory interest tax pursuant to California Revenue and Taxation Code Sections 107 and 107.6 that impose an ad valorem property tax on possessory interests created in tax exempt property. TENANT understands that any such tax payment shall not reduce any sum due LANDLORD hereunder, and that any such

tax shall be the sole liability and responsibility of TENANT. Any taxes due shall be in amounts determined by taxing agencies and will be billed directly to TENANT.

9.2. Payment for Utilities. TENANT shall be responsible for the payment of all utilities associated with the Premises, including but not limited to electricity, water, sewer, solid waste, telephone, internet connection, and/or cable/satellite television service. Such charges will be billed directly to TENANT.

9.3. Interruption in Utility Services. LANDLORD shall not be liable to TENANT for any losses or damages of any kind or character that result from outages, interruptions or fluctuations in utility services provided to TENANT.

ARTICLE X: INDEMNIFICATION

10.1. Indemnification. LANDLORD shall not be liable to TENANT for any damage to third persons, TENANT or TENANT's property from any cause. TENANT waives all claims against LANDLORD for damage to persons or property arising for any reason, except that LANDLORD shall be liable to TENANT for damage to TENANT resulting from the intentional acts or active negligence of LANDLORD or its authorized representatives.

To the fullest extent allowed by law, TENANT shall defend, indemnify, and save and hold harmless LANDLORD, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of TENANT's, including but not limited to, its contractors, agents, staff, and invitees, willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Lease, except those matters arising from

LANDLORD's active negligence or intentional misconduct. The parties intend that this provision shall be broadly construed.

TENANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Lease for the full period of time allowed by law. The defense and indemnity obligations of this Lease are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Lease.

ARTICLE XI: INSURANCE

11.1. Tenant's Insurance Requirements. TENANT at its cost shall maintain the following insurance policies: (a) commercial general liability insurance with limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate, with such endorsements as LANDLORD may reasonably require. All general liability insurance shall insure performance by TENANT of the indemnity provisions of Article X; (b) Workers' Compensation with statutory limits.

11.2. Additional Insureds. TENANT shall also provide a separate endorsement form or section of the policy showing LANDLORD, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation. Such insurance shall specifically cover the contractual liability of TENANT. The additional insured coverage under TENANT's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from TENANT's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall

be: (a) the minimum coverage and limits specified in this Lease; or (b) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

11.3. Annual Review. On an annual basis, LANDLORD shall have the right to review all insurance coverage required by this Lease. If, in the opinion of LANDLORD's Risk Manager the amount of general liability, property damage and any other applicable insurance coverage at that time is not adequate, TENANT shall increase the insurance coverage as reasonably required by LANDLORD's Risk Manager.

11.4. Personal Property. TENANT, at its cost, shall maintain on all its personal property, TENANT's improvements installed or constructed by TENANT, and alterations made by TENANT, in, on, or about the Premises, a policy of standard fire and extended coverage insurance, to the extent of at least one hundred percent (100%) of the actual cash value of such property. The proceeds from any such policy shall be used by TENANT for the replacement of personal property and the restoration of TENANT installed or constructed improvements or alterations.

11.5. Additional Requirements. All the insurance required under this Lease shall:

- a. Be issued as a primary policy.
- b. Contain an endorsement requiring ten (10) calendar days' written notice from the insurance company to LANDLORD before cancellation or change in the coverage, scope, or amount of any policy.
- c. Be evidenced by a certificate of insurance in a form consistent with the requirements of this Article.

d. The limits of insurance required in this Lease may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of LANDLORD (if agreed to in a written contract) before LANDLORD's own insurance shall be called upon to protect it as a named insured.

e. TENANT agrees to include in its contracts with all contractors the same requirements and provisions of this Lease, including the indemnity and insurance requirements, to the extent they apply to the scope of the contractor's work. Furthermore, TENANT shall require its contractors to agree to be bound to TENANT and LANDLORD in the same manner and to the same extent as TENANT is bound to LANDLORD under this Lease. Additionally, TENANT shall obligate its contractors to comply with these same provisions with respect to any tertiary subcontractor, regardless of tier. A copy of LANDLORD's indemnity and insurance provisions will be furnished to the contractor upon request. The term "contractor" additionally includes subcontractors of any tier.

f. All self-insured retentions ("SIR") must be disclosed to the City of Roseville's Risk Manager for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or LANDLORD. LANDLORD reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve TENANT of liability in excess of such coverage, nor shall it preclude

LANDLORD from taking such other actions as are available to it under any other provisions of this Lease or law.

11.6. Landlord's Insurance Requirements. LANDLORD shall maintain a policy of insurance covering the replacement cost of the Building and Premises during the term of the Lease. During the Lease Term, LANDLORD shall maintain a policy of contractual liability coverage and commercial general liability insurance (sometimes known as broad form comprehensive general liability insurance) insuring LANDLORD against liability for bodily injury, property damage and personal injury arising out of LANDLORD's ownership, operation, use or occupancy of the Building.

ARTICLE XII: HAZARDOUS MATERIALS

12.1. Handling of Hazardous Materials. TENANT agrees that any and all handling, transportation, storage, treatment, disposal, or use of hazardous materials by TENANT in or about the Premises shall strictly comply with all applicable local, state and federal environmental laws and regulations. TENANT will not use or allow the use of the Premises in a manner that may cause hazardous materials to be released or to become present on, under, or about the Premises or other properties in the vicinity of the Premises. If the presence of hazardous materials on the Premises caused or permitted by TENANT results in the contamination or deterioration of the Premises or any water or soil beneath the Premises, TENANT shall promptly take all action necessary to investigate and remedy that contamination. However, unless an emergency situation exists that requires immediate action, LANDLORD's written approval of these actions shall first be obtained, and such approval will not be unreasonably withheld.

12.2. Environmental Indemnification. TENANT shall defend, indemnify, and save and hold harmless LANDLORD, its officers, agents, employees and volunteers and each of their

respective successors and assigns (individually and collectively) from all claims, judgments, causes of action, damages, penalties, fines, taxes, costs, liabilities, loses, and expense arising (directly or indirectly) as a result of or in connection with TENANT's breach of any prohibition or provisions of this Lease, or the presence of any hazardous materials that migrate from the Premises to other properties, as a result (directly or indirectly) of TENANT's activities, or failure to act where TENANT had a duty to act, on or in connection with the Premises.

This obligation by TENANT to defend, indemnify, and save and hold harmless LANDLORD includes, without limitation, costs and expenses incurred for or in connection with any investigation, clean up, remediation, monitoring, removal, restoration, or closure work required because of any hazardous materials present on, under or about the Premises; the costs and expenses or restoring, replacing, or acquiring the equivalent of damaged natural resources if required under any local, state or federal environmental law or regulation; all foreseeable consequential damages; all reasonable damages for the loss or restriction on use of rentable or usable space of any amenity of the premises; all reasonable sums paid in settlement of claims; reasonable attorney's fees; litigation, arbitration, and administrative proceeding costs; and reasonable expert, consultant, and laboratory fees. Neither the written consent of LANDLORD to the presence of hazardous materials on or under the Premises, nor the strict compliance by TENANT of all environmental laws and regulations, will excuse TENANT from the indemnification obligation. This indemnity will survive the expiration or termination of this Lease.

12.3. Hazardous Materials Defined. As used in this Article, the term "hazardous materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism, or combination that is or may be hazardous to human health or to the safety of the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness, or other harmful or potentially harmful

properties or effects, including, without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms, or combinations that are now or become in the future listed, defined, or regulated in any manner by any local, state or federal environmental law or regulation based upon, directly or indirectly, their properties or effects.

ARTICLE XIII: CONDEMNATION

13.1. Termination due to Condemnation. If the Premises is taken in entirety by condemnation by LANDLORD, this Lease shall terminate as of the date of taking.

13.2. Condemnation of Portion of Premises. If a portion of the Premises is taken by condemnation by LANDLORD, this Lease shall remain in effect, except that TENANT may elect to terminate this Lease if twenty-five (25 %) percent or more of the total square feet in the Premises is taken. Furthermore, the amount of rent shall be reduced by the loss of the portion of the Premises resulting from condemnation.

ARTICLE XIV: ASSIGNMENT OR SUBLEASE

14.1. Consent for Assignments and Subleases. TENANT shall not assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises without LANDLORD'S prior written consent, which consent shall not be unreasonably withheld or delayed. Any assignment, encumbrance, or sublease without LANDLORD's written consent shall be voidable and, at LANDLORD's election, shall constitute an event of default of this Lease. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of any provision of this Lease. Notwithstanding the provisions of the above, TENANT may assign this Lease or sublet the Premises or any portion thereof, without LANDLORD's consent, to any entity which controls, is controlled by or is under common control with TENANT, or to any entity

resulting from a merger or consolidation with TENANT, or to any person or entity which acquires all the assets of TENANT's business as a going concern, provided that: (a) the assignee or sublessee assumes, in full, the obligations of TENANT under this Lease; (b) TENANT remains fully liable under this Lease; and (c) TENANT gives written notice to LANDLORD of such assignment or sublease.

14.2. No Assignments by Operation of Law. No interest of TENANT in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an assignment unauthorized by LANDLORD:

- a. If TENANT is or becomes bankrupt or insolvent, makes or attempts to make an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which TENANT is the bankrupt party;
- b. If a writ of attachment or execution is levied on this Lease;
- c. If, in any proceeding or action to which TENANT is a party, a receiver is appointed with authority to take possession of the Premises.

14.3. Unauthorized Assignments. An unauthorized assignment shall constitute a default by TENANT and LANDLORD shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of TENANT.

ARTICLE XV: WAIVER

15.1. No General Waivers. No delay or omission in the exercise of any right or remedy of LANDLORD on any default by TENANT shall impair such a right or remedy or be construed as a waiver.

15.2. Acceptance of Delinquent Rent not Waiver. The receipt and acceptance by LANDLORD of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.

15.3. No Acceptance of Surrender of Premises. No act or conduct of LANDLORD, including, without limitation, the acceptance, of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by TENANT before the expiration of the term. Only a notice from LANDLORD to TENANT shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease, subject to damages for breach of contract.

15.4. Consent not Waiver. LANDLORD's consent to or approval of any act by TENANT requiring LANDLORD's consent or approval shall not be deemed to waive or render unnecessary LANDLORD's consent to or approval of any subsequent act by TENANT.

15.5. Waiver in Writing. Any waiver by LANDLORD of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

ARTICLE XVI: RECORDATION

16.1. Recordation of Lease. This Lease or Memorandum of Lease, subject to the discretion of the City Clerk and City Attorney, shall be recorded against the Premises prior to TENANT taking physical possession of the Premises. A form Memorandum of Lease is set forth in Exhibit B, attached hereto and incorporated herein.

ARTICLE XVII: SURRENDER OF PREMISES; HOLDING OVER

17.1. Surrender at Termination. On expiration or not later than ten (10) calendar days after termination of the Term, TENANT shall return the Premises to its original condition, normal wear and tear excepted, and surrender to LANDLORD the Premises and all TENANT's

improvements and alterations in good condition, except for ordinary wear and tear and except for alterations that TENANT has the right to remove or is obligated to remove under the provisions of this Lease. TENANT shall remove all its personal property within the above stated time. TENANT shall perform all restoration made necessary by the removal of any alterations or TENANT's personal property within the time periods stated in this paragraph.

All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Building and acquired by or for the account of TENANT, without expense to LANDLORD, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by TENANT and located in the Premises (collectively "TENANT's Property") shall be and shall remain the property of TENANT and may be removed by TENANT at any time during the Term; provided that if any of TENANT's Property is removed, TENANT shall promptly repair any damage to the Premises or to the Building resulting from such removal.

17.2. Disposition of Personal Property. LANDLORD can elect to retain or dispose of in any manner any alterations or TENANT's personal property that TENANT does not remove from the Premises upon expiration or termination of the Term as allowed or required by this Lease by giving at least ten (10) calendar days' notice to TENANT. Title to any such alterations or TENANT's personal property that LANDLORD elects to retain or dispose of upon expiration of the ten (10) calendar day period shall be deemed vested in LANDLORD. TENANT waives all claims against LANDLORD for any damage to TENANT resulting from LANDLORD's retention or disposition of any such alterations or TENANT's personal property. TENANT shall be liable to LANDLORD for LANDLORD's costs for storing, removing, and disposing of any alterations or TENANT's personal property.

17.3. Hold Harmless. If TENANT fails to surrender the Premises to LANDLORD on expiration or termination of the term as required by this Article, TENANT shall hold LANDLORD harmless from all damages resulting from TENANT's failure to surrender the Premises, including, without limitation, claims made by a succeeding TENANT resulting from TENANT's failure to surrender the Premises.

17.4. Holdover Rights. TENANT shall have the right to holdover for up to three (3) months after expiration or termination of the Initial Term or an Extension. Such holdover shall be upon the same terms and conditions as this Lease except that rent shall be one-hundred and twenty-five percent (125%) of the last month's rental amount at the end of the Term or Extension. In order to exercise this right, TENANT shall give LANDLORD four (4) months prior written notice of its exercise of this right.

ARTICLE XVIII: NOTICE

18.1. Notice. Any consent, approval, or communication that either party desires or is required to give the other party shall be in writing and may be delivered personally or by deposit in the U.S. mail, first class postage prepaid, addressed as follows:

LANDLORD

City of Roseville
City Manager
311 Vernon Street
Roseville, CA 95678

TENANT

Growth Factory
4465 Granite Dr. Suite 700
Rocklin, CA 95677
Attn: Rick Spencer

With a copy to:

City of Roseville
City Attorney
311 Vernon Street
Roseville, CA 95678

18.2. Change of Address. Either party may change its address by giving notice of the change of address to the other party. Notice shall be deemed received forty-eight (48) hours after the time of mailing, if mailed as provided in this section.

ARTICLE XIX: TERMINATION

19.1. Material Default. Any of the following events shall constitute a material default (or event of default) and breach of this Lease by TENANT:

a. Abandonment or vacation of the Premises or any substantial portion thereof (failure to occupy and operate the Premises for ten (10) consecutive calendar days without LANDLORD's consent shall be deemed an abandonment and vacation).

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

c. If TENANT has not complied in good faith with the terms and conditions of this Lease, LANDLORD may declare a default of this Lease. LANDLORD shall give TENANT a written notice of the default, after which TENANT shall cure the default within thirty (30) calendar days. If TENANT does not cure the default within thirty (30) calendar days, LANDLORD may terminate this Lease immediately.

d. If TENANT fails to pay rent, and/or any other amount due and payable hereunder upon the date when such payment is due, such failure continuing for a period of ten (10) business days following written notice from LANDLORD specifying the alleged default (“Payment Cure Period”), LANDLORD may terminate the Lease. In the event that LANDLORD does not receive payment during the Payment Cure Period, this Lease shall, at the option of LANDLORD, immediately terminate.

e. If TENANT violates any applicable law, rule, statute, ordinance, order, or regulation applicable to TENANT’s use of the Premises and does not cure such violation within thirty (30) calendar days of the date of the notice from the LANDLORD to TENANT, LANDLORD may immediately terminate this Lease.

19.2. Landlord’s Rights and Remedies. In addition to the remedies identified herein, upon the occurrence of a default (or event of default) by TENANT to perform or observe any material obligation of this Lease (after the expiration of all applicable notice and cure periods), LANDLORD shall be entitled to the following rights and remedies in addition to all other available rights and remedies:

a. Subject to expiration of all applicable notices and cure periods, LANDLORD shall have the right to terminate this Lease, and at any time thereafter recover possession of the Premises and expel therefrom TENANT and repossess the Premises without prejudice to any other available remedies by reason of TENANT’s default.

b. This Lease shall continue in effect for so long as LANDLORD does not terminate TENANT’s right to possession, and LANDLORD may enforce all of its rights and remedies under this Lease, including without limitation the right to recover the rent as it becomes due without terminating this Lease.

c. Notwithstanding anything to the contrary, in the event that TENANT cannot reasonably cure the default within the cure period, but TENANT has commenced to cure the default within the cure period, then LANDLORD shall have no right to terminate the Lease, so long as the default is eventually cured within a reasonable period of time.

19.3. Landlord's Default. If LANDLORD fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) calendar days after receipt of written notice from TENANT specifying such default, or if such default cannot reasonably be cured within thirty (30) calendar days and LANDLORD fails to commence to cure within that thirty (30) calendar day period, then LANDLORD shall be liable to TENANT for any actual damages sustained by TENANT as a result of LANDLORD's breach. If, after notice to LANDLORD of default, LANDLORD (or any first mortgagee or first deed of trust beneficiary of LANDLORD) fails to cure the default as provided herein, then TENANT shall have the right to cure that default at LANDLORD's expense. TENANT, at TENANT's election, shall have the right to withhold, reduce or offset any amount against any payments of rent or any other charges due and payable under this Lease.

ARTICLE XX: MISCELLANEOUS PROVISIONS

20.1. No Partnership or Joint Venture. LANDLORD shall not become or be deemed a partner or a joint venture with TENANT by reason of any provisions of this Lease.

20.2. Access to Records. Duly authorized representatives of LANDLORD shall have right of access during normal business hours to TENANT's files and records relating to the use of the Premises, and may review the files and records at appropriate stages during TENANT's use of the Premises.

20.3. Modifications. This Lease and each provision contained herein may be waived, amended, supplemented or eliminated only by mutual written agreement of the Parties.

20.4. Compliance with Laws. TENANT will comply with all federal, state and local laws, ordinances and policies as may be applicable to TENANT's use of the Premises under this Lease.

20.5. Attorneys' Fees; Venue; Governing Law. If either Party commences any legal action against the other party arising out of this Lease or the performance hereof, the prevailing Party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorneys' fees. Any action arising out of this Lease shall be brought in Placer County, California, regardless of where else venue may lie. This Lease shall be governed by and construed in accordance with the laws of the State of California.

20.6. Force Majeure. If the performance under this Lease is prevented, restricted or interfered with by reason of lightning, earthquake or other act of God, embargoes, government ordinances or requirements, civil or military authorities, power outages or brownouts, or mechanical, electronic or communications failures, or other causes beyond the reasonable control of the Party whose performance is affected (excluding financial condition, labor shortage, negligence or willful misconduct), then the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-for-day basis and the other party will similarly be excused from related performance; provided that the Party so affected shall use reasonable efforts to avoid or remove such causes of non-performance and both Parties shall proceed to perform their obligations with dispatch whenever such causes are removed or cease.

20.7. Integration. This is an integrated Lease, and contains all of the terms, considerations, understanding and promises of the Parties. It shall be read as a whole.

20.8. Severability. If any of the provisions contained in this Lease are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Lease as a whole.

20.9. Quiet Enjoyment. TENANT, upon paying the rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate; provided, however, that TENANT acknowledges that the Premises is in the direct vicinity of the City of Roseville's Vernon Street Town Square park ("VSTS") and that public and/or private events may frequently occur (during any hour of any day and/or night) at the VSTS which may include, but is not limited to, live amplified music and crowd noise. TENANT also acknowledges that Vernon Street road closures may occur from time to time due to special events.

20.10. Governing Agreement. In the event of any conflict between this Lease and its exhibits, the provisions of this Lease shall govern.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation has authorized the execution of this Lease in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ___ day of _____, 2022, and TENANT has caused this Lease to be executed.

[SIGNATURES ON FOLLOWING PAGE]

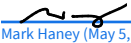
LANDLORD:

CITY OF ROSEVILLE, a
municipal corporation:

BY: _____
DOMINICK CASEY
City Manager

TENANT:


GROWTH FACTORY, a
California nonprofit public benefit corporation

BY:  _____
Mark Haney (May 5, 2022 14:41 PDT)
Print name: Mark Haney
Title: President

ATTEST:

and

BY: _____
CARMEN AVALOS
City Clerk

BY:  _____
Monique Brown (May 5, 2022 15:29 PDT)
Print name: Monique Brown
Title: Managing Director & Secretary

APPROVED AS TO FORM:

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
MELISSA ANGUIANO
Economic Development Director

EXHIBIT LIST:

- A. Map of Leased Premises
- B. Memorandum of Lease

EXHIBIT A

Map of Leased Premises

EXHIBIT A
316 VERNON STREET
LEASED PREMISES

ATLANTIC STREET

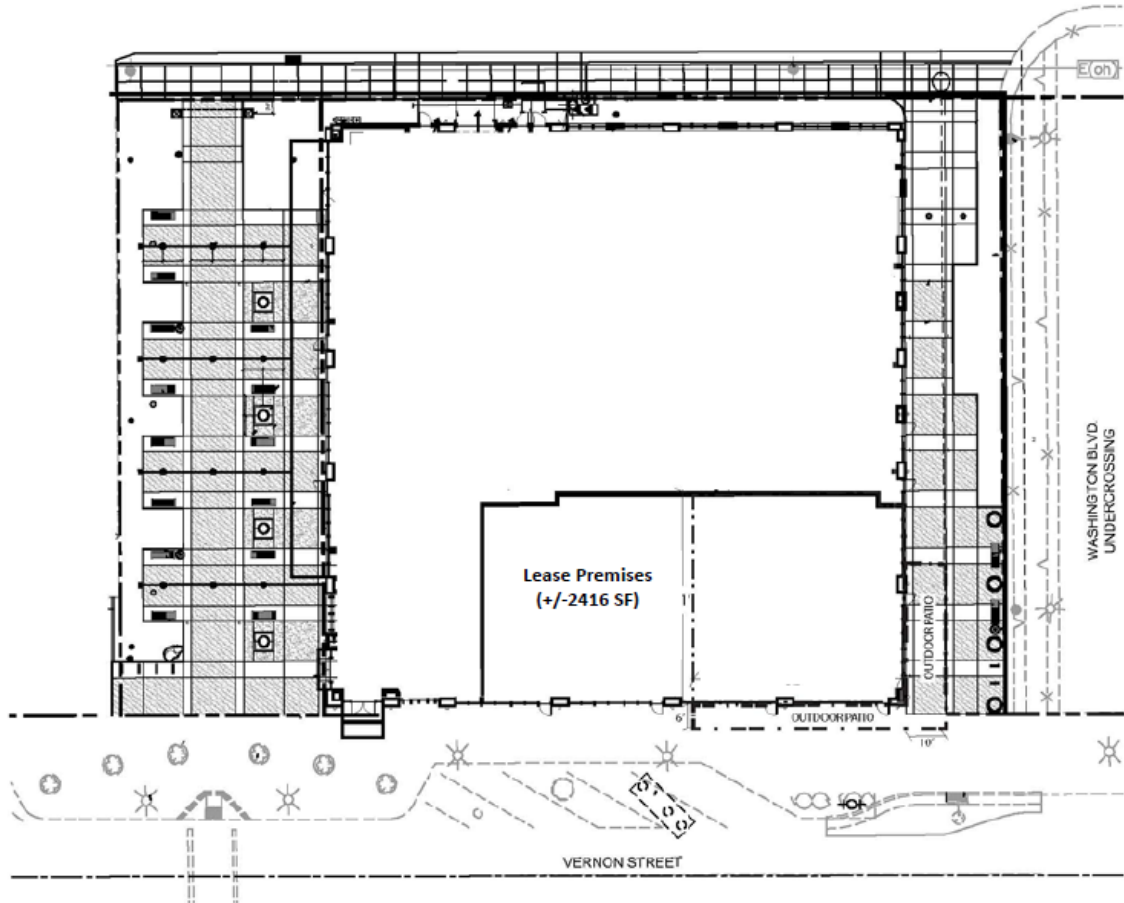


EXHIBIT B

Memorandum of Lease

RECORDING REQUESTED BY AND

AFTER RECORDATION, MAIL TO:

City of Roseville
311 Vernon Street
Roseville, CA 95678
Attn: City Clerk

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TRANSFER TAX IS \$0.00 CITY TRANSFER TAX IS \$0.00

This conveyance is exempt from the documentary transfer tax since the lease term is less than 35 years per R & T §61 and §11911.

Space Above Line For Recorder's Use

MEMORANDUM OF LEASE

This Memorandum of Lease is made and entered into this 5th day of May 2022, by and between City of Roseville, a municipal corporation ("LANDLORD"), and Growth Factory, a California nonprofit public benefit corporation (hereinafter "TENANT"), who agree as follows:

1. LANDLORD leases to TENANT and TENANT leases from LANDLORD space within an office building on real property located in the City of Roseville, County of Placer, State of California, Assessor's Parcel Number 013-091-010-000, as more particularly shown in **Exhibit A** attached hereto and incorporated by reference herein (the "Leased Premises").

2. This Memorandum of Lease is made upon all the terms and conditions of that certain unrecorded Lease Agreement relating to the leased premises between LANDLORD and TENANT dated May 5, 2022 ("Lease Agreement") on file with the City Clerk, and all of said terms and conditions are incorporated by reference herein.

3. The term of the lease shall continue for a period of sixty (60) months and the Lease Agreement includes two separate and consecutive optional sixty (60) month terms, unless extended or earlier terminated according to the terms of the Lease Agreement.

[SIGNATURE BLOCKS APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, upon the day and year first hereinabove written, the respective Parties hereto have executed this Memorandum of Lease, personally or by officers or agents thereunto duly authorized.


LANDLORD:

CITY OF ROSEVILLE, a
municipal corporation:


BY: _____
DOMINICK CASEY
City Manager

TENANT:

GROWTH FACTORY, a
California nonprofit public benefit corporation

BY:  _____
Mark Haney (May 5, 2022 14:41 PDT)
Print name: Mark Haney
Title: President

and

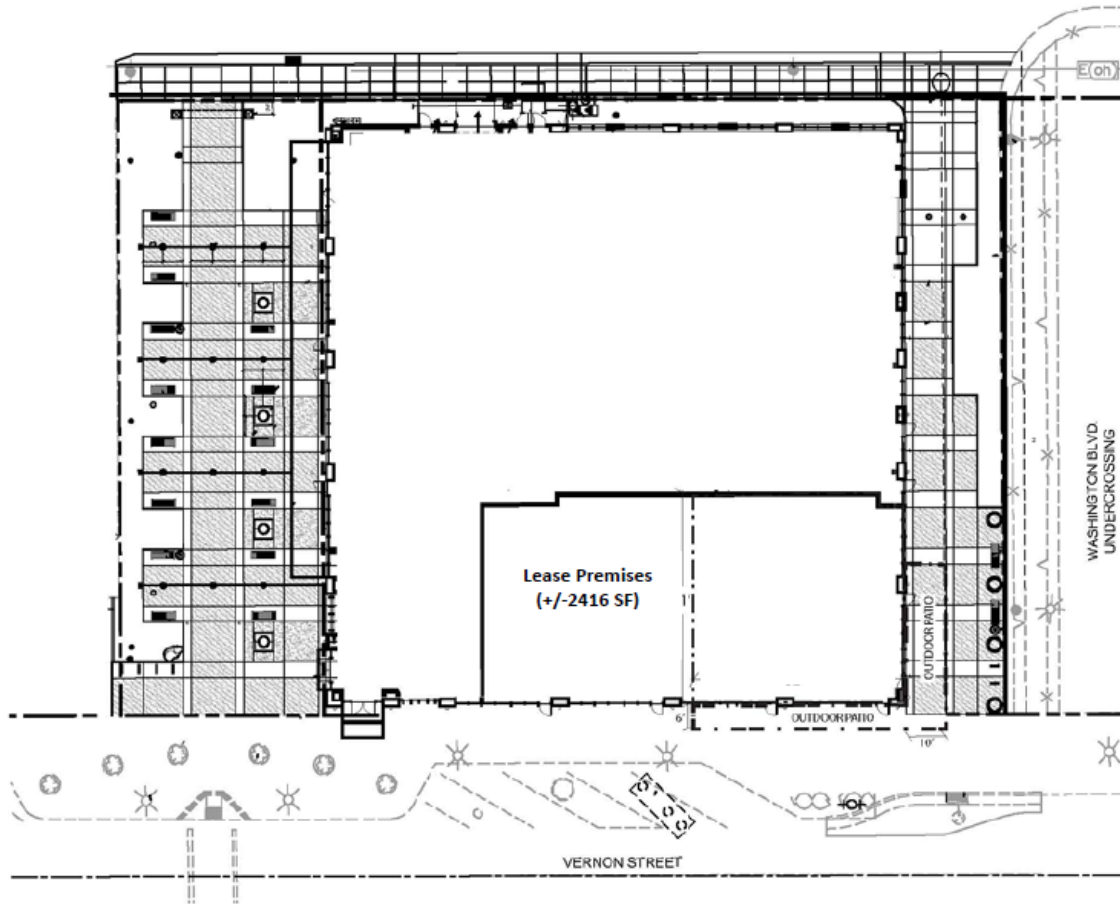
 _____
Monique Brown (May 5, 2022 15:29 PDT)
BY: _____
Print name: Monique Brown
Title: Managing Director & Secretary

[NOTARIZATION OF SIGNATURES REQUIRED]

Exhibit A
to Memorandum of Lease
Map of Leased Premises

EXHIBIT A
316 VERNON STREET
LEASED PREMISES

ATLANTIC STREET











Growth Factory Lease with Exhibits 4-28-22 - GF Signatures

Final Audit Report

2022-05-05

Created:	2022-05-05
By:	Richard Spencer (rick.spencer@koxlabs.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA9MJpOuteZfj8J-u0nRime5-01tWImWE

"Growth Factory Lease with Exhibits 4-28-22 - GF Signatures" History

-  Document created by Richard Spencer (rick.spencer@koxlabs.com)
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-  Document emailed to Mark Haney (mark@haneybiz.com) for signature
2022-05-05 - 7:58:40 PM GMT
-  Email viewed by Mark Haney (mark@haneybiz.com)
2022-05-05 - 9:40:43 PM GMT- IP address: 104.28.85.128
-  Document e-signed by Mark Haney (mark@haneybiz.com)
Signature Date: 2022-05-05 - 9:41:26 PM GMT - Time Source: server- IP address: 107.77.227.8
-  Document emailed to Monique Brown (monique@growthfactory.us) for signature
2022-05-05 - 9:41:28 PM GMT
-  Email viewed by Monique Brown (monique@growthfactory.us)
2022-05-05 - 10:28:52 PM GMT- IP address: 104.220.80.27
-  Document e-signed by Monique Brown (monique@growthfactory.us)
Signature Date: 2022-05-05 - 10:29:10 PM GMT - Time Source: server- IP address: 104.220.80.27
-  Agreement completed.
2022-05-05 - 10:29:10 PM GMT