CAFÉ SUBLEASE AGREEMENT

Location of Leased Premises: May Lee State Office Complex 651 Bannon Street Sacramento, CA 95811	State File No.: TBD Project ID: 16961
Agency: Department of General Services Real Property No.: 686 SPI Number: 1290	Lessee: TBD

This Sublease Agreement, hereinafter referred to as "Lease", dated July 3, 2026 for reference purposes only, by and between the State of California at the direction of the Department of General Services, acting by and through the Director of the Department of General Services (DGS), hereinafter collectively referred to as "State" and "Lessor", and TBD, hereinafter referred to as "Lessee". State and Lessee may also be referred to as "Party" or "Parties".

R E C I T A L S:

WHEREAS, pursuant to Section 14670(a)(2) of the Government Code, the DGS with the consent of the State agency concerned may sublet any real or personal property leased by the State, the subletting of which is not expressly prohibited by law, if it deems such subletting is in the best interest of the State; and

WHEREAS, the State Legislature through the enactment of Chapters 23, 55, 80, and 363, Statutes of 2019, Item 7760-301-0660 (1), (the "Law") has authorized the issuance of lease revenue bonds by the State Public Works Board of the State of California (the "SPWB") in order to finance the Sacramento Region's new May Lee State Office Complex, (the "Complex") to be operated by the Department of General Services (the "DGS"); and

WHEREAS, DGS leased the site of the Complex to the SPWB and the SPWB leased the Complex to the DGS pursuant to a site lease ("SPWB Site Lease") and a facility lease ("SPWB Facility Lease"), respectively, each dated April 1, 2024, to facilitate the financing of the costs of design and construction of the Complex through the issuance of the State Public Works Board of the State of California Lease Revenue Bonds 2024 Series A and B (May Lee State Office Complex) (the "Bonds"); and

WHEREAS, as conditions to issuing the Bonds, the SPWB requires, among other things, that the DGS's and the SPWB's quiet enjoyment, beneficial use and occupancy of the Complex not be materially impaired at any time during the term of the Bonds and that the lien of this Lease be subordinate at all times during the term of the Bonds to the liens of the SPWB Site Lease and SPWB Facility Lease.

WHEREAS, the DGS has use and control over the Complex as described under the SPWB Facility Lease; and

WHEREAS, the "Leased Premises" (as defined herein) is located within the Complex, as more particularly described in Section 1, Clause 1, of this Lease, titled "Property Description" and pursuant to this Agreement, the DGS, as landlord, intends to lease to Lessee, as tenant, the Leased Premises subject to the terms and conditions herein; and

WHEREAS, Lessee desires to lease the Leased Premises described herein from State; and

WHEREAS, it is in the best interests of the State that such a lease be consummated between the State and Lessee on the terms and conditions herein contained;

NOW THEREFORE, the parties agree to the provisions that follow and are incorporated herein:

Section 1: Site Specific Provisions
Section 2: Building Specific Provisions
Section 3: Standard Provisions

WITNESSETH:

PROPERTY DESCRIPTION

1. State does hereby sublet to Lessee, and Lessee hereby hires from State approximately 1,510 square feet of interior building space, more commonly referred to as the counter service, storage, and cleaning areas of the cafe, and non-exclusive use of the eat-in area, located at 651 Bannon Street, County of Sacramento, State of California, as outlined on the attached Exhibit “A”, hereinafter referred to as Premises, and the State-Owned Equipment as designated on the attached inventory list, referenced as Exhibit “B”, all incorporated herein and by this reference, made a part hereof.

Included within the Premises, Lessee shall have access to the common areas, including the main building lobby, restrooms, the café's eat-in area, and the designated storage area.

The café comprises of 1,510 sf of café and eat-in space, in which Lessee shall have non-exclusive use. The eat-in area shall be open to all employees and visitors of the building at all times.

USE

2. Premises shall be used by Lessee during the term hereof for the purpose of preparing and providing food and food related services, and for no other purpose whatsoever. Lessee shall only provide non-alcoholic beverages during building business hours.

Lessee covenants it will not permit any other use of the Premises and shall not take or permit any actions which would cause the bonds issued by the SPWB to be a “private activity bond” within the meaning of Section 141 of the Internal Revenue Code of 1996, as amended, and all applicable regulations promulgated from time to time thereunder.

The operation within the Premises will be the function and total responsibility of the Lessee and Lessee will abide by any rules established by the Facility Manager. Hours of business operations to begin no later than TBD each day excluding Saturdays, Sundays, Holidays, or any other days the State is closed.

At all times during the term of this Lease, Lessee shall comply fully with the applicable California Health and Safety Codes to include: Part 7 of Chapter 4, Retail Food Practices, California Retail Food Code, in addition to any local, City or County health requirements pertaining to food preparation and service.

RENT AND UTILITES

3. (a) Lessee shall make rental and utility payments for the Premises, TBD in advance, as follows:

TBD and no/100 dollars ($.00)

All payments are to be made to the Department of General Services and must include the State’s File Number. Payments are to be made directly to the following address:

Department of General Services
Accounts Receivable – 9th Floor
PO Box 989053
West Sacramento, CA 95798-9053

(b) If State's utility costs increase, State shall pass on these increased expenses, at its option, to the Lessee with thirty (30) days' written notice.

(c) State shall not be liable to Lessee or third parties for failure to provide electricity due to rolling blackouts or other causes beyond State's control. Lessee shall comply with all reasonable conservation measures if any are required by State as a result of any current or future statewide energy crisis.

Lessee acknowledges that rent and past due rent shall be due and payable to State whether or not an actual invoice is sent by State or received by Lessee.

TERM

4. The term of the Lease shall be for five (5) years, commencing and ending on , with such rights of termination as may be expressly set forth hereinafter.

Lessee is allowed a period of thirty (30) days prior to the actual start date of the Lease, as a "set-up" period with no rent consideration due State in order to properly install the necessary equipment to operate the business. All provisions of the Lease will be fully enforced during the "set-up" period. The Facility Manager must be notified to coordinate entry times for work to be performed.

EARLY TERMINATION

5. State and Lessee agree that either party may terminate this Lease at any time and for any reason during the term hereof by giving written notice to the other party, fifty (50) days prior to the date when such termination shall become effective. If Lessee fails to complete its move-out within the notice period and remains on the Premises, additional rent shall be paid and prorated based on a thirty (30)-day month, and on the actual number of days Lessee occupies the Premises following the effective date of termination. State reserves the right to terminate the Lease immediately if safety and security are at risk and a mutual resolution cannot be reached.

Notice of termination must be given in accordance with the "Notices" provisions of this Lease.

SUBORDINATION

6. Notwithstanding anything in this Lease, so long as the Bonds and any other indebtedness of the SPWB incurred to finance and/or refinance the Complex are outstanding and have not been fully paid and retired, the DGS's and the SPWB's quiet enjoyment and beneficial use and occupancy of the Complex under the SPWB Site Lease, including any amendments or restatements thereof, and the SPWB Facility Lease, including any amendments or restatements thereof, shall not be materially impaired by any acts or omissions of Lessee herein.

Notwithstanding anything in this Lease, this Lease and the rights of Lessee herein shall be subordinate and subject to the SPWB Site Lease, the SPWB Facility Lease, the indenture related to the Bonds, and any amendments or restatements of the SPWB Site Lease, the SPWB Facility Lease, and any indenture entered into by the SPWB to facilitate refunding of the Bonds or any bonds or indebtedness issued pursuant to the Law and the State Building Construction Act of 1955 (and all laws amendatory thereof or supplemental thereto) (collectively the "SPWB Financing").

The foregoing subordination shall be self-executing and effective automatically without the requirement that any further agreement or confirmation be executed or delivered by the DGS or the Lessee; provided, however, that upon written request from the SPWB in connection with any SPWB Financing, the DGS and Lessee shall execute such further writings as may be reasonably required to separately document any such subordination. The SPWB hereby vested with full power to subordinate this Lease and the rights of the Lessee herein to any SPWB Financing.

This Lease is subject to the review and written consent of the SPWB prior to execution, as is any amendment or modification thereto. Lessee further agrees to not assign, transfer, pledge, hypothecate or otherwise encumber the Leased Premises without the written consent of the SPWB.

The SPWB is not a party to this Lease, however, Lessee acknowledges that the SPWB shall enjoy the same protections and rights enjoyed by, but not the responsibilities, obligations, and liabilities of, the State under this Lease. A copy of the SPWB Facility Lease is available upon request.

PROPERTY INSPECTIONS

7. Lessee has visited and inspected the Premises, and it is agreed that the area described herein is only approximate in size and the State does not hereby warrant or guarantee the actual area included hereunder.

Lessee shall complete the Walk-through Checklist with the Facilities Manager to identify any damages to the Premises or equipment upon move-in and move-out.

LESSEE RESPONSIBILITIES

8. (a) Lessee will be responsible for providing a pleasant environment, including appropriate decorations and decor in all areas of the Premises. Lessee will also maintain the Premises in a clean and sanitary condition as required to meet local, County and State Health Codes. Lessee will be responsible for cleaning the food preparation area each evening, including all walk-in freezers/refrigerators at its sole expense. Lessee agrees to keep the Premises in good order and condition as agreed in the Request for Proposal.

(b) Lessee shall provide flatware, plates, drinking glasses, and napkins.

(c) Lessee shall also provide condiments to include salt, pepper, sugar, non-dairy creamer, catsup, and mustard.

(d) Lessee shall provide all labor, equipment, materials, supplies, transportation, permits/licenses, and any other facilities as necessary to support café Operations.

(e) Lessee shall properly bag all trash and dispose of it in trash containers and/or recycling containers provided by the State for Lessee’s use. Lessee will also be responsible for the proper and timely disposal and/or recycling of the used and unwanted cooking oils/lard.

(f) Lessee must use food service packaging that is reusable, recyclable, or compostable that complies with Public Resources Code section 42370 et seq.

NOTICES

9. All notices or other communications required or permitted hereunder shall be in writing, with the State File Number referenced and sent by overnight courier, registered mail, certified mail, or postage-prepaid mail to the addresses set forth below. All such notices shall be deemed received on the date of delivery receipt or rejection to the address of the person to receive such notice if received Monday through Friday during business hours, so long as such day is not a State or Federal

holiday or Saturday or Sunday then such notice shall be effective on the following business day.

Lessee: TBD

State: Department of General Services
Real Estate Services Division
Lease Management
707 3rd Street, 5th Floor
West Sacramento, CA 95605
Phone: (916) 375-4171
Email: leasemanagement@dgs.ca.gov

With Copies to: [Name of Facility]
Facility Manager's Office

Phone:
Email:

Notice of change of address or telephone number shall be given by written notice in the manner described in this section. Lessee is obligated to provide notice to all State offices listed above, and failure to provide notice to all Such offices shall constitute a lack of notice. Nothing contained herein shall preclude the giving of any such notice by personal service

HOLDING OVER AND LEASE RENEWAL

10. Any holding over after the expiration of the term of this Lease with the consent of the State, expressed or implied, shall be deemed to be a tenancy only from month-to-month. During holdover, Lessee's rental rate shall, at the State's option, be adjusted to align with the most current established rental rate for the premises, payable monthly in advance. Said month-to-month tenancy shall be otherwise subject to all the terms and conditions of this Lease insofar as applicable.

State offers, and Lessee accepts no assurance that the Premises or any other comparable space or facilities at the site described herein will be made available to Lessee beyond the term stated above or as said term is reduced as provided herein.

End of Section 1

FOOD SERVICE

11. Lessee will operate the business in accordance with the Federal Code and Regulations and to sell and dispense items listed generally agreed to in the original bid package.

State will enforce that all other sales of food, including individual/units vending facilities and fundraising activity, are prohibited, with exception of unbaked food items not meant to be consumed or baked on site such as raw cookie dough and unbaked pizzas, and no more than two (2) Food Events within a calendar year on the property owned, leased, occupied or controlled by the State. State will use its best efforts to allow participation from the Lessee if practical.

OPERATING EFFICIENCY PROCEDURES

12. All state agencies shall follow the Standard Operating Efficiency Procedures for managing energy usage in state-owned buildings and, as practical, in state-leased buildings.

Facility managers shall work with employees and vendors to ensure that all equipment in employee kitchens, lunch rooms, and other shared spaces complies with the following:

(a) Additions of new equipment must have a current ENERGY STAR rating, when available;

(b) As practical, strive to replace refrigerators and equipment manufactured prior to the year 2000 with more efficient models;

(c) Refrigerated beverage vending machines and hot/cold water dispensers that are purchased, leased, or supplied by an outside vendor must be ENERGY STAR rated to the current version, when available;

(d) All vending machines with non-perishable items must comply with one of the following:

- Have built-in low power modes for lighting and refrigeration, as applicable and described in ENERGY STAR program requirements for refrigerated beverage machines, version 3.0, section 3(B); or

- The facility manager has installed an after-market occupancy sensor.

(e) Coffee makers must shut off automatically;

(f) Equipment must be regularly cleaned and maintained to optimize efficiency.

Facility managers shall install power strips with timer settings and/or inexpensive, energy-efficient timers to turn off equipment during non-work hours (including paper shredders, lighted ambient snack vending machines, and hot/cold water dispensers). In implementation of this section, facility managers shall follow any applicable procurement guidelines established for such equipment.

VENDING MACHINES

13. Lessee will not be allowed to procure vending machines on the Premises. California Welfare and Institution Code, Article 5, authorizes the Director of the Department of Rehabilitation (DOR) to establish and procure Business Enterprise Program for the Blind (BEP) under the Randolph-Sheppard Act (20 USC Sec. 127 seq.) by which the DOR is authorized to establish vending facilities where feasible on any real property owned by the State.

RIGHT TO ENTER

14. During the term of this Lease, there shall be and is hereby expressly reserved to State and to any of its agencies, contractors, agents, employees, representatives or licensees, the right at any and all times, and any and all places, to temporarily enter upon said Premises for survey, inspection, or any other lawful State purposes.

LEASE MODIFICATION FEES

15. An administration fee may be assessed for any action originated by Lessee requiring lease administration or technical review staff work by State which results in an amendment to, or assignment of this Lease. To initiate such services, Lessee must submit a written request to State. The administration fee will be assessed at the prevailing rate in effect at the time the request is received.

Lessee may be required to remit an administration review fee to the DGS address listed in the “Notices” Paragraph of this Lease. If the request is found to be complex or requires non-standard handling for administrative services, the transaction will be billed at the current DGS hourly rate for the actual additional hours required to complete the requested administrative review services.

ACCESS TO PREMISES

16. Access to the Building shall be through the main entrance of the building on the first floor or the side entrance door. Individuals using the Premises shall abide by all rules of the building.

REGULATION BY STATE

17. State shall have the full power and right to determine and regulate the operations of the Lessee insofar as they affect the operations, safety, and effective use of State activities conducted at the same location.

(a) All contractors, agents, employees, representatives, or licensees of the Lessee shall be subject to the rules and regulations of the State as they relate to conduct on the grounds, security, and general use of facilities. Lessee will conduct its operations in such a manner so as to minimize any interference with the activities associated with the building.

(b) Lessee will comply with all building rules and regulations adopted by said authorities in charge. No article or material deemed by said authorities in charge to be considered as contraband shall be brought on said real property. Contraband includes, but is not limited to, possession or use of firearms, explosives, edged weapons, and restricted controlled substances.

Any willful violation of said rules and regulations are grounds for immediate termination of the Lease if not cured immediately.

EQUIPMENT AND IMPROVMENTS

18. Lessee shall be responsible for maintenance and repair of the provided fixtures and equipment not considered as the Premises as shown on the attached Exhibit "B". Lessee acknowledges that the equipment is fully operational and in good working condition prior to taking possession of the Premises.

Notwithstanding any other provisions of this Lease, maintenance and repair of any additional equipment or materials added by Lessee shall be the sole responsibility of Lessee and shall be maintained and operated at Lessee's sole cost and expense.

All improvements of Lessee, to include those considered as equipment, fixtures, supplies, or signs, either placed on or upon Premises, or those constructed by Lessee, shall remain the property of Lessee and shall be removed by Lessee at the expiration or termination of tenancy.

Should Lessee fail to remove such property, State may do so at the risk of Lessee, and all costs and expenses of such removal shall be paid by Lessee on demand. Lessee may with written permission from State abandon in place any and all said improvements, whereupon title to said improvements shall vest in the State.

ALTERATIONS AND IMPROVEMENTS

19. No signs will be permitted to be attached to the exterior or interior building surface, including window areas, without prior written approval from the Building Manager. Upon prior written approval of the Building Manager, Lessee will be permitted to place temporary "A-frame" directional signs or such other approved signs in the lobby and eat-in room areas.

No alterations to the Premises or construction of improvements shall be permitted until State has approved the complete plans and specifications for the project and scheduled a State inspector for the construction phase.

The plans shall be prepared by an architect registered by the State of California.

Request for alterations or improvements shall not be unreasonably denied, provided submitted project plans comply with existing building certification standards. Capital alterations, additions or improvements will vest in State.

Should alterations and repairs be approved by State, Lessee shall not suffer or permit any mechanics or other liens (or claims thereof) to be filed against the Premises or Lessee's leasehold interest therein or hereunder by reason of work, labor, services, or materials holding the Premises or any part thereof through or under Lessee.

State shall have the right at all reasonable times to post and keep posted on the Premises any notices that State may deem necessary or advisable for the protection of State, and Premises from mechanics' liens. If any such liens or claims thereof shall at any time be filed against the Premises, Lessee shall cause the same to be discharged of record within forty-five (45) days after the filing date.

In making any excavation or installation of equipment on the Premises or easement areas, Lessee shall make the same in such manner as will cause the least injury to the surface of the Premises.

REPAIR AND MAINTENANCE

20. State shall make all necessary repairs, maintenance, and replacement of the foundation, roof, and structural parts of the Premises; and all necessary repairs

and replacement of the Premises' systems, including but not limited to plumbing, electrical, heating, ventilation, and air conditioning systems; except those repairs or replacement which become necessary as a result of the Lessee's negligent use or operation of the Premises.

Scheduling of said repair and replacement may be subject to the availability of funding.

Lessee is responsible for the regular cleaning and maintenance of the grease trap, hood and duct system to include the grill hood and dishwasher exhaust, if applicable, at Lessee's sole cost and expense at a minimum of twice a year.

State shall make temporary emergency repairs at Lessee's expense if requested by Lessee and availability of personnel. Emergency repairs performed by State to the Premises will be invoiced to Lessee.

CONDITION OF PREMISES

21. Lessee accepts the Premises as being in good order, condition and repair, unless otherwise specified in writing and agrees that on the last day of the term, or in the event of sooner termination of this Lease, shall surrender up to State the Premises, along with all equipment listed on Exhibit "B" in the same condition as when received, reasonable wear and tear thereof and damage by acts of nature and normal use excepted.

LESSEE'S SECURITY

22. Lessee shall be responsible for the security of all equipment and Premises along with all persons within the property of Lessee.

All employees of Lessee's operation are required to have a visible form of identification (ID Badge) of some form approved by the State, to be worn at all times. Lessee is responsible for the security of its employee identification cards and Keys issued by State.

EMERGENCY PREPAREDNESS

23. Lessee agrees to be responsible for maintaining an emergency preparedness program for Lessee.

Lessee shall not rely on State to provide food or supplies during a local or area-wide disaster. State will, if time and material allow, assist Lessee during a disaster.

LESSEE GUARANTEES

24. Lessee hereby guarantees, for the term of this Lease, any and all work or services performed by Lessee or Lessee's properly qualified or authorized agents, employees, and contractors, in order to accomplish the installation and/or maintenance of the facilities.

CUSTODIAL

25. State at State's sole cost and expense, during the term of this Lease shall furnish custodial services for the eat-in area and provide the following utilities and services to the Premises: electric, gas, sewer, water service, and trash pickup from identified locations.

Lessee shall provide custodial services to the kitchen, storage areas and serving areas in accordance with LEED practices.

The eat-in area of the café shall be maintained by the Lessee at all times during kitchen operation hours as posted. The building management will be responsible for all clean-up of this space when utilized during non-operational hours of the kitchen.

PEST CONTROL

26. Lessee, its agencies, contractors, agents, employees, representatives, or licensees shall focus on eliminating or reducing sources of food, water, and harborage that are available to pests and limit pest access.

State will provide pest control to the building pursuant to the contract between State and contracted vendor. In the event the leased Premises are in need of additional Pest Control due to actions of the Lessee, Lessee will notify the Building Manager's Office and coordinate service with the State contracted vendor. Lessee will pay for Pest Control services at its sole cost and expense relating to Pest Control arising from the activities on the Premises which have been determined by the State contracted vendor to draw pests.

TELEPHONE

27. Lessee shall provide for separate telephone installation and service at Lessee's sole cost and expense. To include internet or point of sale services.

PARKING

28. Any request for parking must be arranged through the Office of Fleet and Asset Management at (844) 832.5423, DGSOFAMParking@dgs.ca.gov.

Parking will be at the prevailing rate if available, and there are no guarantees or representations made as to availability or cost of parking.

End of Section 2

PERMITS AND APPROVALS

29. State and Lessee agree that Lessee's ability to use the Premises is dependent upon Lessee obtaining all of the certificates, permits, licenses, and other approvals that may be required from any third party. State will cooperate with Lessee, at no expense to State, in Lessee's efforts to obtain such approvals in connection with said permits, licenses, or other approvals.

DEFAULT

30. Lessee shall make all payments to State without deduction, default or delay (except for offsets explicitly allowed hereunder). In the event of the failure of Lessee to do so, or in the event of a breach of any of the other terms, covenants or conditions herein contained on the part of Lessee or State to be kept and performed, and if such default continues for a period of thirty (30) days after receipt of written notice from the non-defaulting party to the defaulting party of such default, this Lease may, at the non-defaulting party's sole discretion, be terminated.

Notwithstanding the foregoing, if a non-monetary default may not be reasonably cured within such thirty (30) day period and the defaulting party commences to cure such default within the thirty (30) day period, then the time to cure may be extended through writing signed by both parties, to a time frame and deadline mutually agreeable to the parties. So long as the defaulting party diligently prosecutes the cure to completion under the mutually agreed-upon extended deadline, this Lease may not be terminated under this Clause. However, if the defaulting party operates with unreasonable delay in curing the default or otherwise does not cure within the mutually agreed-upon time frame, the non-defaulting party may terminate immediately.

In the event of termination of this Lease, it shall be lawful for State to reenter the Premises and every part thereof, remove and store, at Lessee's expense, all property therefrom, and repossess and occupy the Premises. In the event State terminates this Lease pursuant to this Paragraph, the State shall not be required to pay Lessee any sum or sums whatsoever.

COMPLIANCE WITH LAWS

31. Lessee shall at its sole cost and expense comply with all the statutes, laws, ordinances and regulations of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this Lease.

FAILURE TO PERFORM

32. In the event of the failure, neglect, or refusal of Lessee to do, or perform work, or any part thereof, or any act or thing in this Lease provided to be done and performed by Lessee, State will, at its option, have the right to do and perform the same, and Lessee hereby covenants and agrees to pay State the cost thereof on demand.

ASSIGNMENT, SUBLETTING AND CHANGE IN USE

33. Lessee shall not transfer or assign ("assign" shall include any transfer of any ownership interest in the Lease by Lessee or by any partner, principal, or controlling stockholder, as the case may be, from the original Lessee) this Lease, and shall not sublet, license, permit or suffer any use of the Premises or any part thereof without first obtaining the written consent of State, which consent is at the sole discretion of State.

RIGHTS RESERVED BY STATE

34. (a) State reserves the right to use the real property involved (not including real property installed, erected or constructed by Lessee) in any manner, including but not limited to the right to construct, place, maintain, use, operate, repair, replace, alter and move pipelines, conduits, culverts, ducts, fences, poles, electrical energy, power and communication lines, roads, sidewalks, to grant easements over, across, upon and under said real property, and the continuous right of ingress to and egress from any portion or portions of said real property in such manner as not to create any unreasonable interference with the exercise of the rights granted to Lessee.

(b) Any grant herein contained is subject to all valid and existing contracts, leases, licenses, easements, encumbrances and claims of title which may affect said facility.

(c) No priority or other rights will attach to the use of any space in State's building or on said facility.

ACTS OF NATURE

35. If any of Lessee's improvements or equipment are destroyed by acts of nature, Lessee may replace them with improvements or equipment of the same general type that meets or exceeds the technical specifications of the original equipment, which occupies no more physical space and that consumes no more electrical power. Lessee shall immediately notify State of such items and the date the replacement is completed.

AUDIT

36. Lessee agrees that DGS, California State Auditor, or their designated representative shall have the right to review and to copy any of Lessee's non-redacted records and supporting documentation pertaining to the performance of this Lease. In the event State discovers any irregularities in Lessee's revenue statements, Lessee shall bear all costs associated with said audit.

Lessee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment. Lessee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Lessee agrees to include in any sublease a similar right of the State to audit records and interview Sublessee related to any performance of this Lease.

State may audit Lessee's accounting books at any time upon reasonable request. Further to the extent Lessee provides State with proprietary information, State will hold it in the strictest confidence, and will return it when it is no longer necessary to support any audit exceptions.

Lessee understands the State is subject to the Public Records Act.

HAZARDOUS SUBSTANCE

37. Lessee agrees that it shall comply with all laws, federal, state, or local, existing during the term of this Lease pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law.

(a) In the event State or its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of Lessee's illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, Lessee shall indemnify, defend, and hold harmless any of these individuals against such liability.

(b) Where Lessee is found to be in breach of this Paragraph due to the issuance of a government order directing Lessee to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by Lessee or any person acting under Lessee's direct control and authority, Lessee shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by State in connection with or in response to such government order.

VACATING PREMISES

38. Lessee shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender, and yield up to State, the Premises in good order, condition, repair, reasonable use and wear thereof and damage by acts of nature, excepted.

Lessee will schedule and perform a walkthrough with the Facilities Manager to be sure the space is left in acceptable condition and all equipment in Exhibit "B" is in working condition. If any equipment is not in working condition upon vacating the Premises, Lessee shall be responsible for the repair of such equipment, or State will have the equipment repaired at the sole cost of Lessee.

RECOVERY OF LEGAL FEES

39. If action is brought by State for recovery of any rent due under the provisions hereof or for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of said Premises, or to protect any rights given to State against Lessee, and if State prevails in such action, Lessee shall pay to State such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.

AMERICANS WITH DISABILITIES ACT; UNRUH CIVIL RIGHTS ACT; DISABLED PERSON ACT

40. Lessee shall comply with all federal requirements established under 28 Code of Regulations, Part 36, Americans with Disabilities Act, and with all California State requirements established under Civil Code section 51 et seq., Unruh Civil Rights Act and Civil Code section 54 et seq., Disabled Persons Act, in order to make programs accessible to all participants and to provide equally effective communications.

By signing this Lease, Lessee assures State it complies with the Federal and State statutes described above, prohibiting discrimination on the basis of disability. Lessee also assures State it complies with any applicable regulations and guidelines issued pursuant to the Federal and State statutes described above.

TAXES, ASSESSMENTS, AND POSSESSORY INTEREST

41. Lessee agrees to pay all lawful taxes, assessments or charges that at any time may be levied upon any interest in this Lease.

It is understood that this Lease may create a possessory interest subject to property taxation and Lessee may be subject to the payment of property taxes levied on such interest.

NON-DISCRIMINATION

42. (a) In the performance of this License, the Lessee shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over 40),

marital status, sex, sexual orientation, use of family care leave, or any other State, Federal or local laws. Lessee shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

(b) Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(c) Lessee shall comply with the provisions of the Fair Employment and Housing Act (Government Code (GC) Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.).

The applicable regulations of the Fair Employment and Housing Commission implementing GC Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Lease by reference and made a part thereof as if set forth in full. Lessee shall give written notice of its obligations under this clause to any labor organizations with which they have collective bargaining or other agreement.

Further, Lessee shall post in conspicuous places available to employees and applicants for employment, notices to be provided by State setting forth provisions of this Fair Employment Practices Section. (GC, Section 12920-12994).

Remedies for Willful Violations:

(1) State may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which Lessee was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that Lessee has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the GC.

(2) State will have the right to terminate this Lease, and any loss or damage sustained by State by reason thereof will be borne and paid for by Lessee.

INSURANCE

43. Prior to or at Lease execution, Lessee shall furnish to the State a certificate of insurance, with State's File Number indicated on the face of said certificate or endorsements, issued to State with evidence of insurance as follows:

<u>COMMERCIAL GENERAL LIABILITY</u>

Lessee shall maintain general liability coverage with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate annually for bodily injury and property damage liability combined and Fire Legal Liability of at least $500,000.

The policy shall include coverage for liabilities arising out of the Premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract.

The policy must include State of California, their officers, agents, and employees as additional insureds, but only insofar as the operations under the Lease are concerned. Additional insured endorsement must be provided with the certificate of insurance.

WORKERS' COMPENSATION

Lessee shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Lease, including special coverage extensions where applicable. Employer's liability limits of $1,000,000 shall be required, and the policy shall include a waiver of subrogation in favor of the State of California.

The waiver of subrogation endorsement must be provided with the certificate of insurance.

GENERAL REQUIREMENTS

Lessee shall ensure that the following general requirements are met:

a. Insurance Companies must be acceptable to DGS, Office of Risk and Insurance Management.

b. Coverage needs to be in force for the complete term of this Lease. If insurance expires during the term of the Lease, a new certificate must be received by State within thirty (30) days of the expiration date of the existing policy. This new insurance must still meet the terms of the original contract.

c. Lessee shall notify State within five business days of Lessee's receipt of any notice of cancellation or non-renewal of any insurance required by this lease.

d. Lessee is responsible for any deductible or self-insured retention contained within the insurance program.

e. In the event Lessee fails to keep in effect at all times the specified insurance coverage, State may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event, subject to the provisions of this Lease.

f. Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by State.

g. If Lessee is self-insured in whole or in part as to any of the above-described types and levels of coverage, Lessee shall provide State with written acknowledgment of this fact at the time of the execution of this Lease. State may require financial information to justify Lessee's self-insured status. If, at any time after the execution of this Lease, Lessee abandons its self-insured status, Lessee shall immediately notify State of this fact and shall comply with all of the terms and conditions of this Insurance clause pertaining to policies of insurance in regard to those types and levels of insurance.

h. It is agreed that State shall not be liable for the payment of any premiums or assessments on the required insurance coverage.

FIRE AND CASUALTY DAMAGES

44. State will not keep improvements which are constructed or installed by Lessee under the provisions of this Lease insured against fire or casualty, and Lessee shall make no claim of any nature against State by reason of any damage to the

business or property of Lessee in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct of agents or employees of the State in the course of their employment.

HOLD HARMLESS INDEMNIFICATION

45. This Lease is made upon the express condition that the State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including Lessee, or property of any kind whatsoever and to whomsoever belonging, including Lessee, from any cause or causes whatsoever while in, upon, or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, holdover periods or any other occupancy of the Premises by Lessee, except those arising out of the sole negligence or willful misconduct of State, its employees, agents, and invitees.

Lessee agrees to defend, indemnify, and save harmless State from all liability, loss, cost or obligation on account of or arising out of any such injury or loss, however occurring.

DEBT LIABILITY DISCLAIMER

46. State, including but not limited to the State's General Fund or any special self-insurance programs, is not liable for any debts, liabilities, settlements, liens or any other obligations of Lessee, its heirs, successors or assigns.

State, its agencies, and divisions will not be liable for and will be held harmless by Lessee for any claims or damages associated with any contract, tort, action or inaction, error in judgment, act of negligence, intentional tort, mistakes, or other acts taken or not taken by Lessee, its employees, agents, invitees, guests or anyone acting in concert with or on behalf of Lessee.

Lessee shall defend the State of California and its agencies, departments and divisions from any claims, actions, lawsuits, administrative proceedings or damages associated with any contract, tort, action or inaction, error in judgment, act of negligence, intentional tort, mistakes, or other acts taken or not taken by Lessee, its employees, agents, invitees, guests, or anyone acting in concert with or on behalf of Lessee.

LOSSES

47. State will not be responsible for losses or damage to personal property, equipment or materials of Lessee and all losses shall be reported to State immediately upon discovery.

RELOCATION

48. (a) In the event State terminates this Lease pursuant to its terms, Lessee acknowledges and agrees that it has no claim against State for Relocation Payments, Relocation Advisory Assistance, or costs pursuant to Government Code sections 7260 et seq., or any regulations implementing or interpreting such sections.

Lessee further agrees that it has no claim in either law or equity against State for damages or other relief should the Lease be terminated pursuant to its terms and waives any such claims it may have.

(b) In the event subleasing, under the terms of this Lease, is permitted, Lessee shall incorporate this Paragraph into the sublease. Failure to do so may obligate Lessee for damages and costs resulting from claims for relocation payments by Lessee.

(c) The location of the Premises to be used by Lessee for the purpose of this Lease may be changed as required by the State in the event of circumstances arising to warrant such a change. Lessee agrees to accept another functionally equivalent location within the facility grounds within which to operate under the same general provisions of this Lease.

In the event State is unable to relocate Lessee within the facility grounds, State, upon reasonable notice, may require Lessee to leave State premises. Reasonable notice is defined herein as to be at least thirty (30) days.

SMOKING RESTRICTIONS

49. Per Government Code 7597, Smoking shall not be allowed inside any building, or within twenty (20) feet of any entrance or operable window of any building.

Lessee, its employees, invitees, or patrons shall compensate and reimburse State for the cost of damage and destruction of any such fire caused by Lessee, its employees, invitees, contractors, or patrons, including State's out-of-pocket expenses for same.

RECORDING

50. Lessee shall not record this Lease or a short form memorandum thereof. Any such recordation will, at the option of State, constitute a non-curable default by Lessee hereunder.

AUTHORITY TO CONTRACT

51. (a) Each individual executing this Lease on behalf of said Lessee shall provide evidence, which is acceptable to the State, that he/she is duly authorized to execute and deliver this Lease on behalf of said Lessee in accordance with a duly adopted resolution of the Board of Directors or in accordance with the bylaws of said Board, and that this Lease is binding upon said Board of Directors in accordance with its terms.

(b) In addition, prior to the execution of this Lease, Lessee shall provide State with a copy of Lessee's current bylaws and corporate filing status as filed with the California Secretary of State if requested.

PARTNERSHIP DISCLAIMER

52. Lessee, its agents and employees shall act in an independent capacity and not as officers or employees of State. Nothing herein contained will be construed as constituting the parties herein as partners.

MINERAL RIGHTS

53. Lessee agrees not to interfere, in any way, with the interests of any person or persons that may presently, or in the future, old hold oil, gas, or other mineral interests upon or under said Premises; nor shall Lessee, in any way, interfere with the rights of ingress and egress of said interest holders.

BANKRUPTCY

54. In no event shall this Lease or the leasehold estate become an asset of Lessee in bankruptcy, receivership or other judicial proceedings. Lessee shall be in default under this Lease and the provisions of the "Default" paragraph hereof shall apply in the event of any of the following: (a) Lessee becomes insolvent or makes an assignment for the benefit of creditors; (b) a petition in bankruptcy is filed by or against Lessee; (c) a writ of execution is levied against this Lease or the leasehold estate; (d) Lessee abandons or vacates or does not continuously occupy or safeguard the Premises.

AMENDMENTS AND MODIFICATIONS

55. No amendment, modification, or supplement to this Lease shall be binding on either party unless it is in writing and signed by the party to be bound by the modification.

Notwithstanding anything herein contained to the contrary, this Lease may be terminated, and the provisions of the Lease may be altered, changed, or amended by mutual consent of the parties hereto in writing.

FORCE MAJEURE

56. If either Lessee or State will be delayed or prevented from the performance of any act required hereunder by reason of acts of Nature, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

Nothing in this Paragraph shall excuse Lessee from prompt payment of any rent, taxes, insurance or any other charge required of Lessee, except as may be expressly provided in this Lease.

WAIVER

57. If State waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant or condition.

Failure by State to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease State’s right to insist thereafter upon strict performance by Lessee.

Waiver by State of any term, covenant, or condition contained in this Lease may only be made by a written document properly signed by an authorized State representative.

CEQA

58. Any physical changes made to the improvements by Lessee, or its agents, shall comply with the California Environmental Quality Act (CEQA).

ENTIRE AGREEMENT

59. This Lease and its exhibits constitute the entire agreement between State and Lessee. No prior written or prior, contemporaneous or subsequent oral promises or representations shall be binding.

PARAGRAPH HEADINGS

60. All Paragraph headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SEVERABILITY

61. If any term, covenant, condition, or provision of this Lease or any application thereof, to any extent, is found invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of this Lease will not be affected thereby and will be valid and enforceable to the fullest extent permitted by law.

SEPARATE COUNTERPARTS

62. This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. The exchange of copies of this Lease and of signature pages by electronic mail in “portable document format” (“pdf”) form or by any other electronic means shall constitute effective execution and delivery of this Lease. In the event the Lease is executed by wet ink signatures, the original signatures shall

also be exchanged between the parties via mail, in addition to any exchange via electronic means.

SUPERSEDURE

63. This Lease supersedes and voids any prior license, lease or agreement of any kind between State and Lessee identified in this Lease with regards to the Premises.

BINDING

64. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns and successors in interest of the parties hereto.

ESSENCE OF TIME

65. Time is of the essence for each and all of the provisions, covenants and conditions of this Lease.

EXECUTIVE ORDER N-6-22 – RUSSIAN SANCTIONS

66. On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

End of Section 3

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the date written below.

STATE OF CALIFORNIA

APPROVED:

DIRECTOR OF DEPARTMENT OF GENERAL SERVICES

By:____________________________
Trevor Johnson, Manager
State Owned Leasing and Development

APPROVAL RECOMMENDED:

STATE OWNED LEASING AND DEVELOPMENT

By:____________________________
John Pine, Associate Real Estate Officer

CONSENT PURSUANT TO SPWB FACILITY LEASE:

STATE PUBLIC WORKS BOARD

By:____________________________
Randall Katz
Deputy Director

LESSEE:

[NAME]

By:____________________________
[Name]
[Title]

CONSENT:

Department of General Services
May Lee State Office Complex

By:____

Facility Manager

Department of General Services
[Headquarters]

By:____
[Name]
[Title]

Exhibit “A”
Site Map – Floor Plan

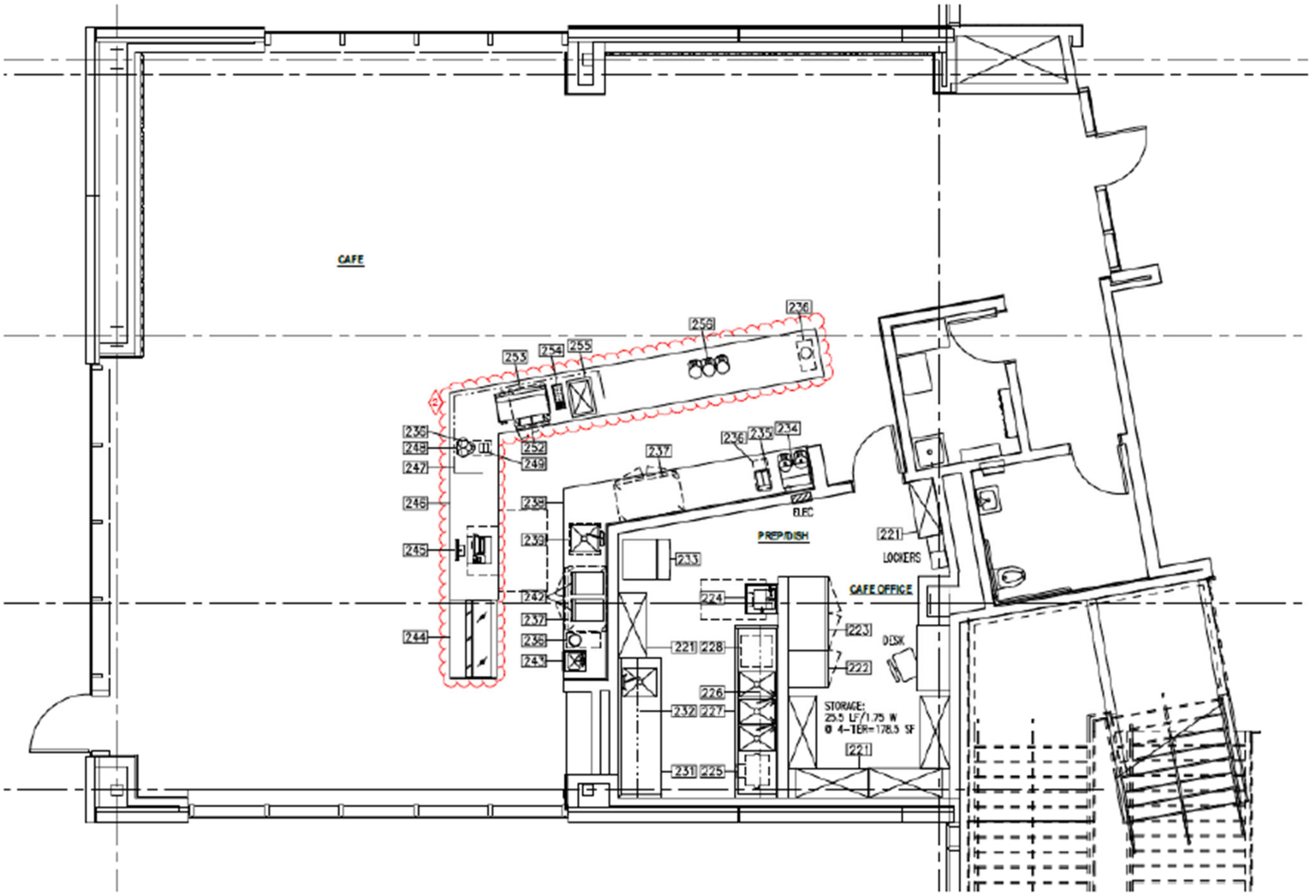

Exhibit "B"
State-Owned Provided Equipment

ITEM	QTY	DESCRIPTION	MANUFACTURER	MODEL NUMBER	NOTES
221	6	SHELVING	EAGLE	S4-68Z FOUR TIER	
222	1	FREEZER	BEVERAGE AIR	HBF23HC-1	
223	1	REFRIGERATOR	BEVERAGE AIR	HBR49HC-1	
224	1	HAND SINK/SIDE SPLASH/S&T/EW	EAGLE GROUP/GUARDIAN	HSAP-14-ADA-FE-B/G1848	
225	1	GREASE TRAP	BIG-DIPPER	W-200-IS/SFK-1 STAND	
226	1	WALL SHELF/UTENSIL RACK	CUSTOM FABRICATED	SEE ELEVATIONS	
227	1	POT SINK	CUSTOM FABRICATED	SEE ELEVATIONS	
228	1	U/C DISHMACHINE	JACKSON	DISHSTAR HT-E-SEER	
229		NOT USED			
230		NOT USED			
231	1	WORK TABLE WITH SINK	CUSTOM FABRICATED	SEE ELEVATIONS	
232	1	WALL SHELF	CUSTOM FABRICATED	SEE ELEVATIONS	
233	1	ICE MACHINE/BIN	ATOSA	YR450-AP-161/CYR400P	
234	1	COFFEE BREWER	FETCO	CBS-2132XTS (E213252)	
235	1	COFFEE GRINDER	FETCO	GR-2.2 (G02012)	
236	4	TRASH CONTAINER	RUBBERMAID	FG354060GRAY	
237	2	U/C REFRIGERATOR	BEVERAGE AIR	UCR48AHC	
238	1	BACK COUNTER	CUSTOM FABRICATED	SEE ELEVATIONS	
239	1	UNDERMOUNT SINK/FAUCET	ADVANCE TABCO/T&S	2020A-12/B-1123-CR	
240		NOT USED			
241		NOT USED			
242	2	CONVECTION/MICROWAVE	TURBOCHEF	ECO-9500-1	
243	1	HAND SINK/S&T	EAGLE GROUP	HWB-T	
244	1	DISPLAY REFRIGERATOR	FEDERAL	ESSRC-5952-SC	
245	1	POINT-OF-SALE	PROVIDED BY OPERATOR		NIC
246	1	SERVING COUNTER	CUSTOM FABRICATED	SEE ELEVATIONS	
247	1	EQUIPMENT SHIELD	PREMIER	UV BONDED GLASS	
248	1	ESPRESSO GRINDER	F&O LA MARZOCCO	SWIFT	
249	1	KNOCK BOX	F&O ESPRESSO PARTS	EPK665B	
250		NOT USED			
251		NOT USED			
252	1	U/C REFRIGERATOR	BEVERAGE AIR	UCR27AHC	
253	1	ESPRESSO MACHINE	F&O LA MARZOCCO	GB/5-3-EE	
254	1	PITCHER RINSER	F&O ESPRESSO PARTS	EPPR724	
255	1	DROP-IN ICE BIN/SLIDING LID	ADVANCE TABCO	D-24-IBL	
256	3	COFFEE DISPENSER	FETCO	L4S-10/A147	
257		NOT USED			
258		NOT USED			
259		NOT USED			
260		NOT USED			

ABBREVIATIONS:

FSEC	FOODSERVICE EQUIPMENT CONTRACTOR	EW	EYE WASH
S/S	STAINLESS STEEL		
U/C	UNDER COUNTER		
S&T	SOAP AND TOWEL		
NIC	NOT IN CONTRACT		

SCHEDULE / DRAWING NOTES: