

## LEASE

1. **PARTIES.** This lease ("Lease") is entered into as of the date on which this Lease is fully executed by the parties as indicated on the signature page ("Effective Date"), by and between the CITY OF COACHELLA, a municipal corporation organized and existing under the laws of the State of California, hereinafter described as landlord ("Landlord") and the HIDDEN HARVEST CORPORATION, a California nonprofit public benefit corporation, as tenant ("Tenant").

2. **PREMISES.**

2.1 Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of the real property located at 85-711 Peter Rabbit Lane, Coachella, California (APN 778-030-012), consisting of office space and industrial cooler space, as more particularly described on Exhibit A.1 attached hereto, and all existing improvements thereon (hereinafter the "Premises").

2.2 Landlord covenants and warrants that as long as Tenant is not in default of the terms of this Lease, Tenant shall have quiet and peaceful possession of the Premises and shall enjoy all the rights herein granted without interference, subject to the limitations, reservations and conditions set forth herein.

3. **TERM.** The term ("Term") of this Lease shall commence on \_\_\_\_\_, 2023 ("Commencement Date") for a term of five (5) years, unless sooner terminated as provided herein.

4. **RENT.** The initial rent of this Lease ("Rent") shall be one and no/100 dollars (\$1.00) per year, payable in advance on the first day of each year commencing on the Commencement Date and thereafter on each anniversary of the Commencement Date.

5. **USE.**

5.1 The Premises shall be used and occupied by Tenant and its employees for office and industrial cooler space relating to the storage and distribution of food to underserved families in the Coachella Valley in accordance with Tenant's mission. Tenant acknowledges and agrees that in entering into this Lease, it is not relying on any representations of Landlord or any of its officers, agents or employees for permission for any use beyond that expressly provided herein. The Premises shall not be used for any other unrelated use without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. Tenant shall be solely responsible for obtaining any permits necessary to allow such use prior to occupancy of the Premises.

5.2 As the prior owner of the Premises, Tenant shall be deemed to have examined and determined the condition of the Premises and have accepted the present condition and repair. Landlord makes no representation or warranty concerning the condition of the Premises or its fitness for use for the purposes described above. Tenant assumes all responsibility and all costs of making any tenant improvements, alterations, refurbishment and repairs which may be necessary or appropriate for Tenant's use and occupancy.

5.3 Tenant shall promptly comply with all applicable statutes, ordinances, rules, regulations, orders and requirements of any governmental agency in effect during the Term or any part of the Term of this Lease regulating Tenant's use of the Premises. Without limiting the generality of the foregoing, Tenant shall, at Tenant's sole cost and expense, comply with all applicable laws, ordinances and regulations with respect to any and all required permits for operation of the Premises for its intended purpose. Tenant shall also promptly comply with all reasonable rules and requirements issued by Landlord during the term of this Lease, so long as such rules and requirements are in conformity with common practice and usage in similar property, are not inconsistent with the provisions of this Lease, or Tenant's permitted use of the Premises, and providing further that a written copy thereof is received by Tenant sufficiently in advance of the time any new rule is effective. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or use the Premises for any unlawful or hazardous purpose.

5.4 Tenant agrees that its use of the Premises shall be conducted in compliance with all applicable state, local and federal laws, and regulations.

## **6. MAINTENANCE, REPAIRS AND ALTERATIONS.**

6.1 The obligations and duties enumerated below which require Tenant to repair and maintain the Premises are a part of the consideration for Landlord's renting the Premises:

(a) Except as otherwise expressly provided herein, Tenant shall, at Tenant's expense, keep and maintain the Premises and every part thereof in good order, condition and repair (normal wear and tear excepted), including without limitation, all plumbing, structural components, the exterior of the building, including exterior walls, exterior doors and window frames, gutters and downspouts, parking lot surface and lighting, heating, ventilation and air conditioning systems, and wiring and plumbing within the walls and floors and equipment within the Premises, fixtures, interior walls and interior surfaces of exterior walls, ceilings, windows, doors, plate glass and industrial coolers located within the Premises. Tenant shall maintain all exterior landscaping in a pleasing condition.

(b) If Tenant fails to perform Tenant's obligations under Section 6.1, Landlord may, at Landlord's option, enter upon the Premises if Tenant fails to cure the deficiency after ten (10) days prior written notice to Tenant, and put the same in good order, condition and repair, to the same condition as when accepted by Tenant pursuant to Section 5.2 above, and the reasonable cost of such repair shall be due and payable within thirty (30) days of written request by Landlord, provided Landlord has provided Tenant at least ten (10) days written notice and reasonable opportunity for cure and submits copies of detailed invoices or receipts for the cost of such repairs.

(c) Landlord shall be responsible for any capitalized repairs that may be required to the roof of Premises (but not regular maintenance) during the term of this Lease.

(d) On the last day of the term or any extended term of this Lease or on any sooner termination, Tenant shall surrender the Premises to Landlord in as good a condition as received, broom clean, ordinary wear and tear excepted. Landlord shall inspect the Premises on Tenant's departure

and notice Tenant in writing of Landlord's requirements to return the Premises to good condition, ordinary wear and tear excepted.

(e) Tenant shall promptly give Landlord written notice of any damage, destruction or deterioration of or to the Premises, including without limitation the discharge by Tenant of any hazardous materials which are not immediately and completely remedied by Tenant.

(f) Notwithstanding anything herein to the contrary, in the event Landlord commences on a major rehabilitation of the building which includes the Premises (the "Rehabilitation Project"), Tenant shall thereafter only be responsible to maintain the Premises (and not the remainder of the building); provided further that Tenant shall not be required to maintain the Premises during any period the Tenant has been relocated from the Premises pursuant to Section 12.

## 6.2.

(a) Tenant agrees not to make any alterations of, changes in or additions to the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. Any request for alteration should also inquire as to whether such alterations will be required to be removed by Tenant at the end of the Term, or alternatively whether such alteration may remain on the Premises. Tenant agrees that should Landlord give written consent, unless otherwise agreed in writing, all such alterations, additions and improvements, including fixtures, made in, to or on the Premises shall be made at the sole cost and expense of Tenant and shall (except for unattached movable personal property not the property of Landlord) be the property of Landlord and shall remain upon and be surrendered with the Premises, except that if Landlord requires it at the end of the Term, Tenant shall restore the Premises to the same condition as before the alterations, entirely at Tenant's cost and expense.

(b) Tenant covenants and agrees to indemnify, defend and hold harmless Landlord and the Premises from all claims, liens or demands arising out of any work performed, materials furnished, or obligations incurred by or for Tenant upon the Premises during the term.

(c) All work done by Tenant under these provisions shall be done in a good and workmanlike manner, and in compliance with all applicable laws and all ordinances, regulations and orders of governmental authority, including but not limited to Labor Code Section 1720 et seq.

(d) Upon completion of tenant improvement plans, if any, Tenant shall promptly provide Landlord, at no cost to Landlord, with copies of all engineering, architectural and/or mechanical plans and specifications and original final building permits for all alterations, modification and repairs to the Premises by Tenant.

(e) Pursuant to California Civil Code § 1938(a), Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52). Accordingly, pursuant to California Civil Code § 1938(e), Landlord hereby further states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection

of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.” In accordance with the foregoing, Landlord and Tenant agree that if Tenant obtains a CASp inspection of the Premises, then Tenant shall pay (i) the fee for such inspection, and (ii) the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

## 7. **INSURANCE.**

### 7.1 Property Insurance.

Tenant shall obtain and maintain property casualty insurance covering the full replacement cost of the improvements on the Premises, less a deductible not to exceed \$10,000.00. The Premises may be included in a blanket policy. Landlord shall be named as an additional insured or loss payee, as applicable, on the policy of casualty insurance maintained by Tenant pursuant to this Section 7.1. Notwithstanding anything herein to the contrary, in the event Landlord commences on the Rehabilitation Project, Landlord shall thereafter maintain property casualty insurance covering the full replacement cost of the improvements on the Premises (excluding any personal property of Tenant).

### 7.2 Commercial General Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain commercial general liability insurance, including products liability and completed operations, and contractual liability coverage, not less than Two Million Dollars (\$2,000,000) per occurrence, and not less than Two Million Dollars (\$2,000,000) annual aggregate. This insurance shall be per occurrence policy. The policy shall also cover Operations, Independent Contractors, Products and Completed Operations, Contractual Liability covering Tenant's indemnity obligations contained in Section 13 herein, severability of interest and cross liability clauses. The limits of liability of the insurance coverage specified in this paragraph may be provided by any combination of primary and excess liability policies carried by Tenant. Certificate of insurance must be presented prior to Tenant moving into the Premises.

### 7.3 Automobile Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain business automobile insurance, not less than One Million Dollars (\$1,000,000) per occurrence, combined single limit. This insurance shall be a per occurrence policy. The limits of liability of the insurance coverage specified in this paragraph may be provided by any combination of primary and excess liability policies carried by Tenant. Certificate of insurance must be presented prior to Tenant moving into Premises.

### 7.4 Additional Insured Endorsement.

Under the commercial general liability and automobile liability insurance required in Sections 7.1 and 7.2 above, Landlord, its officers, agents and employees shall be named as additional insured by endorsement and as to such additional insured, the insurance shall be primary and the policies

shall contain by endorsement a cross Liability clause. All coverage types and limits required are subject to approval, modification and additional requirements by the Landlord, as the need arises.

7.5 Workers' Compensation and Employer's Liability Insurance.

Tenant shall, during the term of this Lease and at no expense to Landlord, maintain workers' compensation insurance, as required by law, and employer's liability insurance at a minimum limit of One Million Dollars (\$1,000,000) for all Tenant's employees.

7.6 Tenant's Property, Fixtures and Equipment.

During the Term of this Lease, Tenant shall maintain, at Tenant's expense, a policy of insurance covering loss or damage to all personal property of Tenant. Except to the extent caused by Landlord, its employees, agents, contractors, guests or invitees, Tenant agrees that it shall bear the risk of damage to (or loss of) any furniture, equipment, machinery, cooler, goods, supplies, fixtures, or other items whether they are or remain the property of Tenant, or to remain with the Premises in favor of Landlord at the end of the Term.

7.7 Certificates.

The insurance required by Paragraphs 7.1, 7.2, 7.3, 7.5, and 7.6 above shall be evidenced by a certificate or certificates submitted to Landlord which shall be executed by the insurance company or companies involved and which shall state that this insurance may not be terminated without 30 days prior written notice being received by Landlord, or ten (10) days for non-payment. The certificate(s) shall be submitted to Landlord before or at the time Tenant is entering into use of Premises. All insurance coverage and limits provided hereunder and available or applicable to this Lease are intended to apply to the full extent of the policies. Nothing contained in this Lease limits the application of such insurance coverage.

7.8 Except to the extent caused by the active negligence or intentional misconduct of Landlord, its employees, agents, contractors, guests or invitees, Tenant agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or damages to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, contractors or any other person on or about the Premises by or through Tenant, nor shall Landlord be liable for injury to the person of Tenant's employees, agents, or contractors whether such damage or injury is caused by or results from fire, steam, electricity, water or rain, or from breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause.

7.9 Tenant agrees to pay for all damage to the Premises caused by Tenant, its agents, servants, employees or invitees misuse or neglect of said Premises and its apparatus and appurtenances.

**8. DAMAGE OR DESTRUCTION.**

8.1 In the event of damage or destruction of the Premises during the Term of the Lease, Landlord shall, to the extent of available insurance proceeds, repair the damage to the Premises, provided such repairs can be made within sixty (60) days under the laws and regulations of state, federal, county or municipal authorities, but such destruction shall in no way annul or void this Lease except if such damage

or destruction is without fault of Tenant and/or Tenant's agents, employees and invitees, in which case Tenant may opt to terminate the Lease immediately. Tenant shall be entitled to a reduction of Rent while such repairs are made proportionate to the extent to which the repair operations interfere with Tenant's business conducted on the Premises. If the repairs cannot be made in sixty (60) days, either party has the option to terminate this Lease. Landlord shall provide Tenant with written notice of Landlord's election to terminate within thirty (30) days after such damage or destruction. If Landlord elects to repair and restore the Premises, but fails to do so within sixty (60) days of the event causing the damage, Tenant may elect to terminate the Lease. Tenant shall not be responsible for Lease payments during the time the Premises were unusable or following termination.

8.2 If the damage or destruction does not result from a peril for which insurance is required to be carried pursuant to Section 7, Landlord may at its sole election either repair and restore the Premises or terminate this Lease. Provided, however, that Tenant may elect to restore the Premises to substantially the same condition as they were in immediately before destruction at Tenant's cost in which event such damage or destruction shall not terminate this Lease. Tenant shall restore the Premises if the destruction is caused by the negligence of Tenant.

8.3 Notwithstanding anything in this Lease to the contrary, if at any time during the term of this Lease any governmental agency having jurisdiction over the Premises, other than Landlord, shall require the making of any repairs, improvements or alteration to the building or Premises:

(a) Landlord may, but shall not be required to, elect, in Landlord's sole and absolute discretion, to make said repairs, improvements or alterations to the Premises, in which event the Lease shall continue in full force and effect;

(b) If Landlord, in Landlord's sole and absolute discretion, elects not to make said repairs, improvements or alterations to the Premises, then Tenant shall have the right, at Tenant's sole option and at Tenant's sole cost and expense, to make such repairs, improvements or alterations and to continue the Lease in full force and effect; or

(c) If neither Tenant or Landlord elects to make such repair, improvements or alteration, then, Tenant shall be required to vacate and surrender to Landlord such portion of the building(s) or Premises (together with exclusive or non-exclusive access thereto) upon which the repairs or alterations are required without making such repairs or alterations, and continue the Lease in effect as to the balance of the Premises but with a proportionate reduction, adjustment or abatement of the Rent or other charges due hereunder, if any. However, if Tenant determines that the remaining available portion of the Premises is inadequate for Tenant's permitted use of the Premises, Tenant may terminate the Lease and neither party shall have any further liability to the other.

9. **UTILITIES.** Tenant shall pay for gas, water, sewer, garbage collection service, telephone and other communication services supplied to the Premises, which are separately metered to the Premises; provided, however, that Landlord shall pay for the cost of water and power for the Premises, provided such water and power consumption is reasonable and customary for Tenant's operations at the Premises. Landlord shall not be responsible to Tenant for any disruption, decrease or loss in utility services not within the control of Landlord. Tenant shall ensure that the garbage collection services will provide sufficient

container capacity and sufficient frequency of collection to ensure that the Premises are maintained in a safe and sanitary condition in compliance with applicable health and safety laws and regulations.

10. **SURRENDER OF PREMISES; HOLDING OVER.** On the termination or the end of any extension or renewal of this Lease, Tenant shall promptly surrender and deliver the Premises to Landlord in as good condition as they are now at the date of this Lease, but including the installation of all improvements, equipment and fixtures, reasonable wear and tear excepted. At the end of the Term or any extension thereof, should Tenant hold over for any reason, it is agreed that in the absence of a written agreement to the contrary, that tenancy shall be from month-to-month only and not a renewal of this Lease, nor an extension for any further term. Tenant shall pay a monthly amount equal to One Hundred Twenty-Five Percent (125%) of the Rent payable prior to the end of the Term and the month-to-month tenancy shall be subject to every other term, covenant, and condition in this Lease that is consistent with and not contrary to a month-to-month tenancy.

11. **HAZARDOUS MATERIALS.**

11.1 Hazardous Materials Laws. "Hazardous Materials Laws" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the California Hazardous Waste Control Act, Cal. Health and Safety Code §25100, et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act, Cal. Health and Safety Code §25300, et seq., the Safe Drinking Water and Toxic Enforcement Act, Cal. Health and Safety Code §25249.5, et seq., the Porter-Cologne Water Quality Control Act, Cal. Water Code § 13000, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

11.2 Hazardous Materials. "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (a) is defined as a hazardous substance, hazardous material, hazardous waste or toxic substance under any Hazardous Materials Law; (b) is controlled or governed by any Hazardous Materials Law or gives rise to any reporting, notice or publication requirements hereunder, or gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person hereunder; or (c) is flammable or explosive material, oil, asbestos, urea formaldehyde, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, or related injurious or potentially injurious material (by itself or in combination with other materials).

11.3 Use. Tenant shall not allow any Hazardous Material to be used, generated, manufactured, released, stored or disposed of on, under or about, or transported from, the Premises, unless: (a) such use is specifically required in the ordinary course of Tenant's business operations on the Premises; and (b) such use is conducted in compliance with the provisions of this Section 12, and further provided that Tenant shall handle, use, store and dispose of such Hazardous Materials in a safe and lawful manner and shall not allow such Hazardous Materials to contaminate the Premises.

11.4 Compliance With Laws; Handling of Hazardous Materials. Tenant shall strictly comply with, and shall maintain the Premises in compliance with, all Hazardous Materials Laws. Tenant shall obtain, maintain in effect and comply with the conditions of all permits, licenses and other governmental approvals required for Tenant's operations on the Premises under any Hazardous Materials Laws, including, but not limited to, the discharge of appropriately treated Hazardous Materials into or through any sanitary sewer serving the Premises and the use of private disposal service licensed to remove, transport and dispose of Hazardous Materials. At Landlord's request, Tenant shall deliver copies of, or allow Landlord to inspect, all such permits, licenses and approvals. All Hazardous Materials removed from the Premises shall be removed and transported by duly licensed haulers to duly licensed disposal facilities, in compliance with all Hazardous Materials Laws. Tenant shall perform any monitoring, investigation, clean-up, removal, detoxification, preparation of closure or other required plans and any other remedial work (collectively, "Remedial Work") required as a result of any release or discharge of Hazardous Materials affecting the Premises or any violation of Hazardous-Materials Laws by Tenant or any successor or sublessee of Tenant or their respective agents, contractors, employees, licensees or invitees. Landlord shall have the right in Landlord's sole and absolute discretion (but not the obligation) to intervene at Tenant's cost and expense, in any governmental action or proceeding involving any Remedial Work, and to review and approve performance of the Remedial Work, in order to protect Landlord's interests. Tenant shall not enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to Hazardous Materials without notifying Landlord in writing and providing ample opportunity for Landlord to intervene.

11.5 Notice: Reporting. Tenant shall notify Landlord, in writing, and provide copies of any written notices or related correspondence received by Tenant within three (3) business days after any of the following: (a) Tenant has knowledge, or has reasonable cause to believe, that any Hazardous Material has been released, discharged or is located on, under or about the Premises, whether or not the release or discharge is in quantities that would otherwise be reportable to a public agency; (b) Tenant receives any order of a governmental agency requiring any Remedial Work pursuant to any Hazardous Materials Laws; (c) Tenant receives any warning, notice of inspection, notice of violation or alleged violation, or Tenant receives notice or knowledge of any proceeding, investigation or enforcement action, pursuant to any Hazardous Materials Laws; or (d) Tenant receives notice or knowledge of any claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from Hazardous Materials. If the potential risk of any of the foregoing events is material, Tenant shall deliver immediate oral notice to Landlord, in addition to written notice as set forth above. Tenant shall promptly deliver to Landlord copies of all test results, reports and business or management plans required to be filed with any governmental agency pursuant to any Hazardous Materials Laws.

11.6 Indemnity. Tenant shall indemnify, protect, defend and hold harmless Landlord (and its officers, directors, employees and agents) from and against any and all liabilities, claims, suits, judgments, actions, investigations, proceedings, costs and expenses (including reasonable attorneys' fees and court costs) to the extent arising out of or in connection with any breach of any provisions of this Section 11 or directly or indirectly arising out of the use, generation, storage, release, disposal or transportation of Hazardous Materials by Tenant, or any successor or sublessee of Tenant, or their respective agents, contractors, employees, licensees, or invitees, on, under or about the Premises, including, but not limited to, all foreseeable and unforeseeable consequential damages and the cost of any Remedial Work. Neither the consent by Landlord to the use, generation, storage, release, disposal or transportation of Hazardous Materials nor the strict compliance with all Hazardous



Materials Laws shall excuse Tenant from Tenant's indemnification obligations pursuant to this Section 11. Tenant's indemnity obligation in this paragraph does not extend to any liabilities, claims, suits, judgments, actions, investigations, proceeds, costs or expenses arising out of or in connection with Landlord's active negligence, or breach of any provision of this Lease, or non-compliance with or violation of any Hazardous Material Laws. The foregoing indemnity shall be in addition to and not a limitation of the indemnification provisions of Section 13 of this Lease. Tenant's obligations pursuant to this Section 12 shall survive the termination or expiration of this Lease.

12. **RELOCATION.** In the event Landlord is able to obtain sufficient funding sources to rehabilitate the building which includes the Premises during the Term, upon prior written notice to Tenant, Landlord shall have the right to perform such rehabilitation work and (i) avoid performing such work within the Premises; (ii) if only Tenant's office space will be affected by such rehabilitation, relocate Tenant's offices to temporary accommodations either on-site or offsite as reasonably determined by Landlord, or (iii) relocate Tenant's offices, including provisions for vehicle parking and access to an industrial cooler, to temporary accommodations offsite as reasonably determined by Landlord; provided, however, if Landlord in the exercise of its reasonable judgment is unable to locate a feasible relocation site at a reasonable expense, Landlord shall have the right to (a) request Tenant to vacate the Premises (or such portion as requested by Landlord) during the period of the Rehabilitation Project, or (b) terminate this Lease, in either case on ninety (90) days written notice to Tenant, and Tenant shall promptly comply with such notice. Such relocation will be effective on a date specified by Landlord in its relocation notice, which date will not be less than sixty (60) days after the date of such notice. If Landlord relocates Tenant, Landlord will reimburse Tenant for Tenant's reasonable out-of-pocket expenses for relocating to and from such temporary accommodations. Upon completion of any such rehabilitation of the building, Tenant may return to and utilize the Premises for the remainder of the Term. Notwithstanding anything herein to the contrary, Landlord shall not be responsible for the cost of any temporary accommodations beyond the date of which the rehabilitation of the building has been completed and the Premises have been made available to Tenant for occupancy. Landlord's exercise of its rights as permitted by this Section shall not (a) constitute a constructive eviction, an interference with Tenant's right of quiet enjoyment, or a disturbance of Tenant's right to use the Premises; and (b) subject Landlord to damages, including, but not limited to, damages for loss of goodwill, business, or profits. Time is of the essence with respect to Tenant's obligations under this Section.

13. **INDEMNITY.** Tenant agrees to indemnify and defend Landlord from any claims, demands, causes of action and liability of any nature and any reasonable expense incident to the defense, for injury to or death of persons or loss of or damage to property occurring on or about the Premises arising out of or resulting from Tenant's use, and use its employees, contractors, invitees and guests, and occupation of the Premises or the condition of the Premises (unless the condition is one for which Landlord has expressly assumed the responsibility for remedying), during the Term, excepting only that caused by the active negligence or intentional misconduct of Landlord, its officers, agents, licensees, invitees, volunteers, or employees.

14. **ASSIGNMENT AND SUBLETTING.** Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber ("transfer") all or any part of Tenant's interest in this Lease or in the Premises, except with the prior written consent of the Landlord. Any attempt at transfer of this Lease or the Premises shall be voidable at the Landlord's option and shall constitute a material breach of this Lease..

15. **DEFAULT.**

15.1 The occurrence of any of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) Vacation or abandonment of the Premises for a period of ninety (90) days or longer, unless the Premises have become unusable for Tenant's permitted use as set forth in Section 5, above.

(b) The failure by Tenant to make any payment of Rent or other payment required to be made by Tenant under the provisions of this Lease, as and when due, unless otherwise excused under Section 8 above.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant within thirty (30) days after receiving written notice thereof, or if such breach cannot be cured within said thirty (30) day period, then the failure to commence cure within said thirty (30) day period and thereafter diligently pursue to completion.

(d) Transfer or attempted transfer of this Lease by Tenant contrary to the provisions of Section 14 above.

15.2 Upon the happening of any such event of default, Landlord shall have the following remedies. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law:

(a) Landlord can continue this Lease in full force and effect and this Lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld. If Landlord elects to re-let the Premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of:

(i) First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

(ii) Second, Rent due and unpaid under this Lease. After deducting the payments referred to in this paragraph, any sum remaining from the Rent Landlord receives from reletting shall be held by Landlord and applied in payment of future Rent as Rent becomes due under this Lease. In no event shall Tenant be entitled to any

excess Rent received by Landlord.

(b) Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

(i) The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

(ii) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

(iii) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

(iv) Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award," as used in (i) and (ii) of this paragraph, is to be computed by allowing interest at the maximum rate allowable by law. "The worth, at the time of the award," as referred to in (iii) of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(c) Landlord, at any time after Tenant commits a default, may cure the default at Tenant's cost following not less than thirty (30) days prior written notice and opportunity to cure.

## 16. CONDEMNATION.

16.1 If any part of the Premises are condemned for a public or quasi-public use by right of eminent domain, with or without litigation, or transferred by agreement in connection with such public or quasi-public use, by a public agency other than Landlord, this Lease and the leasehold estate of the Tenant, as to the part taken, shall terminate as of the date title shall vest in the condemner, and Tenant shall have no further-obligation to pay Rent once Tenant is no longer in possession of the Premises.

16.2 All compensation awarded upon such condemnation or taking shall belong and be paid to Landlord and Tenant shall have no claim thereto, and Tenant hereby irrevocably assigns and transfers to Landlord any right to compensation or damages to which Tenant may become entitled during the Term of this Lease by reason of the condemnation of all or part of the Premises, except that Tenant shall receive from the award: (i) the pro rata value of Tenant's additions, alterations and improvements as determined by the same appraiser establishing the value of the Premises for Landlord;

(ii) the value of Tenant's trade fixtures to the extent taken; and (iii) in the event of a partial taking and Tenant restores the Premises, Tenant shall receive a sum attributable to that portion of the award constituting severance damages for the restoration of the Premises. In addition, Tenant shall not be deprived of making any direct claims against the condemning Landlord for loss of goodwill and/or relocation assistance payments.

17. **MISCELLANEOUS.**

17.1 Whenever any notice, approval, consent, request or election is given or made pursuant to this Lease, it shall be in writing. Communication and payments shall be addressed, if to Landlord, at Landlord's address as indicated below or at such other address as may have been specified by prior notice to Tenant, and if to Tenant, at Tenant's address as indicated below or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served when (i) personally served, (ii) if mailed, as of seventy two hours from the time such notice was deposited in the U.S. Mail, by registered or certified mail, return receipt requested, or (iii) if by email, when such email is received (unless given after 5:00 pm in the receiving location, in which case such receipt shall be deemed the next business day).

**LANDLORD:**

City of Coachella  
1515 Sixth Street  
Coachella, CA 92236  
Attn: Gabriel Martin, City Manager  
Email: [gmartin@coachella.org](mailto:gmartin@coachella.org)

**TENANT:**

Hidden Harvest Corporation  
Attn: Christy Porter  
85-711 Peter Rabbit  
Coachella, CA 92236  
Email: [christy@hiddenharvest.org](mailto:christy@hiddenharvest.org) and [sallyrsimonds@gmail.com](mailto:sallyrsimonds@gmail.com)

17.2 Each party hereunder shall provide to the other, and keep updated in the event of any change, the name and contact information for the on-site representative in order to facilitate the coordination of day-to-day operations at the Premises.

17.3 The receipt by Landlord of Rent or additional rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord, or by Tenant, unless such waiver is in writing signed by the party to be charged. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

17.4 If any term of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law.

17.5 Landlord and its agents shall have the right at any time, upon not less than twenty-four hours notice, except in cases where Landlord believes there exists an emergency in which case such notice shall be deemed waived, to enter upon the Premises, provided that Landlord shall take all reasonable measure to assure that such entry does not interfere with the activities of Tenant on the Premises. Entry may be had for purposes of inspection, serving or posting notices, maintaining the Premises, and making any necessary repairs, alternations or additions to the Premises to the extent required or permitted to Landlord under this Lease.

17.6 Time is of the essence for each and every provision of this Lease requiring performance within a specified time.

17.7 Except for the Purchase and Sale Agreement between Landlord and Tenant, the closing of which is a condition precedent for this Lease, this Lease contains all agreements of the parties with respect to any matter mentioned in this Lease. No prior agreement or understanding pertaining to any such matter shall be affected. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

17.8 Each provision of this Lease performable by either party shall be deemed both a covenant and a condition.

17.9 In any action to enforce the terms of this Lease, the prevailing party shall be entitled to an award of reasonable attorneys' fees and litigation expenses in addition to other relief and costs allowable pursuant to California law.

17.10 Landlord and Landlord's agents shall have the right to enter the Premises, after prior notice to Tenant, at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers or lenders and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Landlord may deem necessary or desirable, with Tenant's consent. Tenant's consent to such alterations, repairs, improvements or additions shall not be withheld unreasonably. Landlord may at any time place on or about the Premises any ordinary "for lease" signs, all without rebate of rent or liability to Tenant.

17.11 All exhibits attached to this Lease shall be deemed incorporated herein by this reference and all such exhibits shall be deemed to be a part of this Lease as though set forth in full in the body of this Lease. The exhibits to be attached and incorporated herein are as follows:

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease of the date last written below, which shall be the effective date of this Lease.

LANDLORD:

CITY OF COACHELLA, a California municipal corporation

Date: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
City Attorney

TENANT:

HIDDEN HARVEST CORPORATION, a California nonprofit public benefit corporation

Date: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**Exhibit A.1**

Proposed Lease area by Hidden Harvest Corporation

\*Lease building area identified in red inclusive of Front Loading Dock, Ramp, Cooler 2 and 2 1/2 and 16' x 10' Back office.

