

BUSINESS CO-WORK MANAGEMENT AGREEMENT

THIS BUSINESS CO-WORK MANAGEMENT AGREEMENT (the “Agreement”) is dated as of August 1, 2023 and is entered into by and between the CITY OF COVINA, a California municipal corporation (“City”) and FoundrSpace LLC (“Manager”).

RECITALS

A. City intends to obtain possession of the property described as Exhibit “A” (“Property”) by virtue of a Lease (the “Lease”) between City, as tenant, and Bentley Real Estate, LLC, a California limited liability company, as landlord (“Landlord”), which has not yet been executed.

B. City is leasing the Property from Landlord in order to create a City business co-work program at the Property (“Program”).

C. City intends to improve the Property with the improvements described on Exhibit “B” (“City Improvements”), which have been approved by the Landlord, and desires to engage Manager to then install the furniture, fixtures, equipment and personal property described on Exhibit “C” (“Manager Improvements”) within a specified period of time, and then provide on-site management of the Program, as set forth in the Manager Scope of Work attached hereto as Exhibit “D” at the Property.

D. Manager has received, reviewed and approved a copy of the form of the Lease, and has inspected and approved the Property, and has also approved, the City Improvements, the Manager Improvements, and the Manager Scope of Work.

In consideration of the foregoing recitals, the mutual covenants and agreements hereafter set forth, and other consideration, the adequacy of which is hereby acknowledged, City and Manager hereby agree as follows:

AGREEMENT

1. Property. Manager represents that Manager has inspected the Property and accepts the Property for purposes of the Program in its current “AS IS” condition, with the City Improvements, and without representation or warranty, express or implied, subject to City’s obligation to complete the City Improvements.

2. Manager Improvements, Duties and Scope of Work.

A. Manager Improvements. Manager shall, at its sole cost and expense and subject to delays beyond Manager’s control (excluding delays in obtaining the funds to do so) install in the Property the fixtures, furnishings and equipment described on Exhibit “C” (“Manager Improvements”) within six (6) calendar months after the date on which the City tenders possession of the Property to Manager (which date shall be established by written notice by City to Manager tendering possession).

B. Scope of Work. Manager shall diligently and continuously operate and manage the Program and perform the services described in the Manager Scope of Work, attached as Exhibit D. City may request, in writing, changes in the Manager Scope of Work to be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

C. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Manager Representative(s) shall be CP Phan, Kenneth Roberson, and/or Edwin Guembes (the "Manager Representative"). The Manager Representative shall directly manage Consultant's services under this Agreement. Manager shall not change the Manager Representative without City's prior written consent.

D. Time for Performance. Manager shall commence the services on the Effective Date and shall perform all services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

E. Standard of Performance. Manager shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

F. Personnel. Manager has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Manager or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Manager shall determine the means, methods, and details by which Manager's personnel will perform the services under this Agreement. Manager shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the services and compliance with the customary professional standards.

G. Compliance with Laws. The Manager shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Manager shall at all times observe and comply with all such ordinances, laws and regulations. The City and its agents shall not be liable at law or in equity occasioned by failure of the Manager to comply with this section.

H. Permits and Licenses. Manager shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

I. In no event shall the Manager have the authority to bind the City to any contracts or enter into any subleases of any of the Property.

J. Upon the expiration or earlier termination of this Agreement, Manager may remove any personal property owned by Manager that is in the Property, provided Manager does so prior to the scheduled expiration of this Agreement, and promptly after any early termination

of this Agreement. Manager waives any and all claims against Landlord regarding such personal property, and any and all statutes and other laws regarding such personal property, to the extent such personal property is not timely removed, and City shall be entitled to retain or dispose of the same, without payment or liability to Manager.

3. Authority of City Manager. The City Manager of the City shall have the authority to issue all approvals hereunder on behalf of the City, and may enter into amendments of this Agreement on behalf of City to effectuate the intent of this Agreement provided they are consistent with the Manager Scope of Work.

4. Condition Precedent; Term; Termination Upon Uncured Default.

A. It is a condition to the effectiveness of this Agreement that the City and Landlord execute the Lease on or before January 15, 2024 and that City deliver a copy of the executed Lease to Manager. B. This Agreement shall commence on the date such Lease is executed, and shall expire upon the earlier of: (i) the expiration of the Initial Term of the Lease (as such capitalized term is used and defined in the Lease); (ii) termination of this Agreement in accordance with the terms hereof.

5. Termination or Suspension of Agreement.

A. Right to Terminate or Suspend Upon Default. The City Manager, on behalf of City, may terminate this Agreement upon a default by the Tenant which is not cured within thirty (30) days after written notice by the City Manager to Manager.

B. Right to Terminate or Suspend without Cause. City may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Manager at least one hundred eighty (180) calendar days before the termination or suspension is to be effective. Manager may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least one hundred eighty (180) calendar days before the termination is to be effective.

C. Obligations upon Termination. Manager shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination.

6. Assignment of Lease. Unless this Agreement is terminated in accordance with the terms hereof, City shall--- prior to the expiration of the Initial Term of the Lease---endeavor to (i) obtain the written consent of the Landlord to the assignment of the Lease by City to Manager (such assignment to be conditioned upon the extension of the Initial Term of the Lease by City in accordance with the terms of the Lease), and (ii) concurrently with such assignment, extend the Initial Term of the Lease pursuant to the terms of the Lease relating to such extension.

7. Revenues from Program Participants. Except as expressly provided below, Manager may retain any and all fees paid by participants in the Program, provided that City shall have approved the fee schedule for such fees in writing in advance, and such fees are charged in accordance with such approved fee schedule. Commencing on the first anniversary of the date on which Manager begins the Program at the Property (which shall occur not later than the date on which Manager substantially completes the Manager Work, as determined by the City Manager),

Manager shall deliver to City, on a monthly basis, by the 15th day of each calendar month, the sum of \$0 per month from the fees collected by Manager for the previous calendar month, and such monthly sum shall increase to One Thousand Dollars (\$1,000) upon the first anniversary of such date. Such monthly sum shall increase to One Thousand Five Hundred Dollars (\$1,500) upon the second anniversary of such date, on which Manager begins the Program at the Property. Any past due payments shall bear interest at the highest rate permitted by law.

8. Costs. Manager shall be responsible for costs of all waste collection/disposal, sewer services, phone and Wi-Fi charges, utilities, insurance, maintenance, fire alarm and burglar alarm charges, security video system charges, entertainment permit and other governmental permit charges (including any business license charges), property taxes and assessments, and costs of repair and/or cleaning of or in connection with the Property and/or Program.

9. Lease Compliance. Manager shall promptly notify City of any communications between Manager and the Landlord, and shall at all times comply with and not violate the Lease. Manager shall, upon Landlord's or City's request, provide a list of the persons occupying the Property at any given time and such other information as Landlord or City may reasonably request, including, without limitation, the nature of the business of any such person and the names of contact persons.

10. Employees/Independent Contractors.

A. Manager is, and shall at all times remain as to City, a wholly independent contractor and not an employee of City. The personnel performing the services under this Agreement on behalf of Manager shall also not be employees of City and shall at all times be under Manager's exclusive direction and control. Manager shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Manager or any of Manager's employees. Manager shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City. Manager and Manager's personnel shall not supervise any of City's employees; and City's employees shall not supervise Manager's personnel. Manager's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Manager's personnel shall not use any City e-mail address or City telephone number in the performance of any of the services under this Agreement. Manager shall acquire and maintain, at its sole cost and expense, such vehicles, equipment, and supplies as Manager's personnel require to perform any of the services required by this Agreement. Manager shall perform the services off of City premises at locations of Manager's choice, except as otherwise may from time to time be necessary in order for Manager's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Manager's performance of the services under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform the services. City may make a computer available to Manager from time to time for Manager's personnel to obtain information about or to check on the status of projects pertaining to the services under this Agreement.

B. No employee benefits shall be available to Manager in connection with the performance of this Agreement. Except for the fees paid to Manager as provided in the Agreement,

City shall not pay salaries, wages, or other compensation to Manager for performing services hereunder for City. City shall not be liable for compensation or indemnification to Manager for injury or sickness arising out of performing services hereunder. Manager shall be responsible for and pay all wages, salaries, benefits and other amounts due to Manager's personnel in connection with their performance of the services under this Agreement and as required by law. Manager shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, state, or federal policy, rule, regulation, statute or ordinance to the contrary, Manager and any of its officers, employees, agents, and subcontractors providing any of the services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including, but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

C. Manager shall indemnify and hold harmless City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Manager's personnel practices. or to the extent arising from, caused by, or relating to the violation of any of the provisions of this Section 10. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Manager under this Agreement any amount due to City from Manager as a result of Manager's failure to promptly pay to City any reimbursement or indemnification arising under this Section 10. This duty of indemnification is in addition to Manager's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

11. Records and Documents. Manager shall maintain complete and accurate records of all fees charged and collected, and any uncollectible fees and the reasons they are uncollectible, and any other transactions relating to the Program or Property, including without limitation, copies of all contracts, invoices, receipts, and other documents relating thereto. Such records and documents shall be available for inspection by the City at the Property and shall be maintained for a period of three (3) years following the end of the Agreement.

12. Compliance with Law. Manager shall, at Manager's expense, comply with all applicable laws and permits (including any required business license/permit) in connection with performing its obligations or exercising its rights under this Agreement. If Manager desires to serve alcohol on the Property, Manager must first have obtained applicable permit(s) from the City (such as a Conditional Use Permit) and any permits required by the California Department of Alcohol and Beverage Control, and shall have delivered copies of any required ABC permits or approvals to City. Additionally, Manager acknowledges that any evening or weekend "events" shall require an event permit from the Police Department of the City.

13. Indemnification by Manager.

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Manager shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively “Liabilities”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to: (a) the acts or omissions of Manager, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees or any entity or individual that Manager shall bear the legal liability thereof (collectively “Manager Agents”) in the performance of this Agreement; (b) violations of this Agreement or the Lease by Manager Agents; (c) mechanics liens or other liens arising as a result of the Manager Agents; or (d) use of the Property by Program participants, or any invitees, contractors, or licensees of Manager, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties. Manager shall defend the Indemnitees in any action or actions filed in connection with any Liability with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Manager shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Manager shall pay all required taxes on amounts paid to Manager under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Manager shall fully comply with the workers’ compensation law regarding Manager and Manager’s employees. Manager shall indemnify and hold City harmless from any failure of Manager to comply with applicable workers’ compensation laws. City may offset against the amount of any fees due to Manager under this Agreement any amount due to City from Manager as a result of Manager’s failure to promptly pay to City any reimbursement or indemnification arising under this Subparagraph A. 2).

3) Manager shall obtain executed indemnity agreements with provisions identical to those in this Section 13 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Manager in the performance of this Agreement. If Manager fails to obtain such indemnity obligations, Manager shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Manager’s subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Manager’s subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of

the Indemnitees, as determined by final arbitration or court decision or by the agreement of the parties.

B. Workers' Compensation Acts not Limiting. Manager's indemnifications and obligations under this Section 13, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Manager expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Manager because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section 13 shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Manager's indemnifications and obligations under this Section 13 shall survive the expiration or termination of this Agreement.

14. Insurance.

A. Minimum Scope and Limits of Insurance. Prior to Manager's entry onto the Property, Manager shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Four Million Dollars (\$4,000,000) per project or location. If Manager is a limited liability company, the commercial general liability coverage shall be amended so that Manager and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage. If Manager does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, Manager shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 14.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If Manager has no employees while performing services under this Agreement, workers' compensation policy is not required, but Manager shall provide an executed declaration that it has no employees.

4) All Perils Premises Insurance covering 100% of the replacement cost of all improvements on the Property

B. Acceptability of Insurers. The insurance policies required under this Section 14 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section 14.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming the City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 14 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Manager's insurance and shall not contribute with it.

E. Manager's Waiver of Subrogation. The insurance policies required under this Section 14 shall not prohibit Manager and Manager's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Manager hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be approved by City. At City's option, Manager shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Manager shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Manager shall not cancel, reduce or otherwise modify the insurance policies required by this Section 14 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to City. If any insurance policy required under this Section 14 is canceled or reduced in coverage or limits, Manager shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Manager does not maintain the policies of insurance required under this Section 14 in full force and effect during the term of this Agreement, or in the event any of Manager's policies do not comply with the requirements under this Section 14, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Manager's expense, the premium thereon. Manager shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Manager.

I. Evidence of Insurance. Prior to the performance of services under this Agreement, Manager shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section 14. The

endorsements are subject to City's approval. Manager may provide complete, certified copies of all required insurance policies to City. Manager shall maintain current endorsements on file with City's Risk Manager. Manager shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Manager shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

J. **Indemnity Requirements not Limiting.** Procurement of insurance by Manager shall not be construed as a limitation of Manager's liability or as full performance of Manager's duty to indemnify City under Section 13 of this Agreement.

K. **Subcontractor Insurance Requirements.** Manager shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 14.

15. **Assignment Prohibited.** Manager acknowledges that City is relying upon the expertise and ability of the Manager to provide the services set forth in this Agreement; consequently, this Agreement may not be assigned by or assumed by any Manager without the prior written consent of City in its sole and absolute discretion

16. **PERS Compliance and Indemnification.**

A. **General Requirements.** The parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Manager agrees that, in providing its employees and any other personnel to City to perform the services under this Agreement, Manager shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Manager shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

B. **Indemnification.** Manager shall defend (with legal counsel approved by City, whose approval shall not be unreasonably withheld), indemnify, and hold harmless City, and its City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Manager's violation of any provisions of this Section 16. This duty of indemnification is in addition to Manager's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

17. **Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Manager shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law.

Manager will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

18. No Third Party Beneficiaries Intended. Except as otherwise provided in Section 18, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Covina.

20. Enforceability. If any term or provision of this Agreement shall to any extent be invalid or unenforceable, the remaining terms or provisions shall be valid and be enforced to the fullest extent permitted by law.

21. Time of Essence. Time is of the essence of every provision hereof in which time is a factor.

22. Notices. Any notice, demand, request, consent, approval or communication hereunder shall be in writing; shall be delivered by certified mail (deemed delivered on date of delivery or attempted delivery on the return receipt) or reputable overnight delivery service (deemed delivered one business day after being given to the service for overnight delivery), and shall be addressed as set forth below (however, either party may change its address for notices by a notice given under this Section).

If to Manager, to:

FoundrSpace LLC
11799 Sebastian Way, Suite 103
Rancho Cucamonga, CA 91730
CP Phan

If to City, to:

City of Covina
125 E. College Street
Covina, CA 91723
Attn: Brian K. Lee

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Furthermore, executed counterparts of this Agreement may be delivered by emails of

pdf documents, and such electronic transmissions shall be valid and binding for all purposes when transmitted to and actually received by the other party.

24. Entire Agreement. The parties intend that the terms of this Agreement including the attached exhibits shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY:

CITY OF COVINA

By: _____
Chris Marcarello, City Manager

APPROVED AS TO FORM:

Candice Lee, City Attorney

MANAGER:

FoundrSpace,
a Limited Liability Corporation

By: _____
Name: Huy Cuong Phan, LLC Member
Title: Partner

EXHIBIT "A"

DESCRIPTION OF PROPERTY

Real property in the City of Covina, County of Los Angeles, State of California, described as follows:

LOT 6 OF TRACT NO. 1224, IN THE CITY OF COVINA, AS PER MAP RECORDED IN
BOOK 18, PAGES 50
AND 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8431-028-006 (Old APN); 8431-028-111 (New APN)

EXHIBIT “B”

CITY IMPROVEMENTS

- 1) **Initial Improvements and Capital Expenditures.** City and Manager agree that certain fixed improvements and capital expenditures are necessary to prepare the building for use by the Manager and to generate incremental economic activity in the Co-Working Space and surrounding areas. City shall, at its sole cost and expense and subject to delays beyond City’s control, make certain fixed improvements and install in the Property the fixtures, furnishings and equipment described in Table 1 below. City has allocated up to \$400,000 to use towards the start-up and tenant improvement costs of the space and is the ultimate authority regarding the use of funds. No further tenant improvement funds will be offered or available.

- 2) **Future Fixed Improvements and Capital Expenditures.** City and Manager agree that funding shall be prioritized to complete the initial City improvements in Table 1 below. Should funds remain after the improvements described in Table 1 are completed, purchases, with City approval, may be made based on the priority level described in Table 2.
 - a. Prior to procuring capital expenditures described in Table 2, parties agree to the following process:
 - i. Parties meet/confer to review purchase of desired items in order of priority, or in special circumstances as is feasible.
 - ii. Manager obtains pricing quotes for improvements and/or capital equipment and presents to City.
 - iii. Parties provide approval of selected improvements/equipment, in writing.
 - iv. City lets contract for improvements and/or capital equipment.
 - v. Upon termination of the Agreement, the capital expenditures will remain the property of the City, and will be subject to annual inventory checks throughout the life of the Agreement.

Table 1 – Initial Improvements and Estimated Capital Expenses

Description	Estimated Budget
Installation of broadband internet infrastructure	\$5,000
Installation of a “kitchenette”, including sink (water and sewer connection), backsplash, and floor and wall-mounted cabinetry	\$27,500
Interior electrical outlets (wall-mounted and “drop-down” ceiling)	\$30,000

Flooring installation	\$5,000
Interior wall finishing, with finishes which may include paint, art wraps, wall art, and accompanying interior decor	\$35,000
Installation of builder-grade lighting	\$2,000
Installation of mutually agreeable security systems, including alarm and CCTV	\$5,000
Installation of electronic keypad and/or “fob” entry system	\$5,000
Installation of illuminated, exterior wall-mounted identification signage	\$16,000
Installation of exterior wall-mounted information signage	\$6,000
Installation of service counter(s)	\$10,000
Installation of modular office furnishings and privacy panels, including: <ul style="list-style-type: none"> • Enclosed private work-stations • Enclosed conference/meeting rooms • Semi private work stations 	\$170,000

Table 2 – Secondary Capital Expenditures, Priority I

Description	Estimated Budget
Seating for work stations	\$8,500.00
Tables for work stations	\$31,000.00
Furniture for lounge/kitchenette area	\$5,000.00
Storage	\$5,000.00
Outdoor Furniture	\$600.00
Priority Level II	
AV Equipment	\$15,000

EXHIBIT “C”

MANAGER IMPROVEMENTS

The Manager will be responsible for furnishing all items not furnished by the City as needed to create and operate a fully functioning and well-run co-working facility, at an operational level equal to or greater than that of their other facilities. The Manager will obtain, at a minimum, the following items:

Construction & Renovations:

- Carpentry and custom fabrications
- Additional plumbing extensions
- Additional electrical work

Technology:

- Laptops and computers
- Monitors
- iPads
- Smart phone
- Projector
- Front door keyless system (integrates with coworking software)
- Software subscriptions

Appliances:

- Refrigerator(s)
- Water filters and/or machines
- Dishwasher
- Coffee Machines
- Additional miscellaneous kitchen appliances
- Kitchen furnishings (mugs, glasses, utensils, plates, etc.)

Podcast Room Equipment:

- Podcast microphones
- Headphones
- Microphone arms
- Mixer
- Studio monitors
- Wires, cables, extenders
- Acoustic treatment
- Rug(s)
- Accents and decor
- Additional furniture

General Interior Decor:

- Plants & greenery

Furniture:

- Accent furniture
- Additional exterior furniture

Live Sound & Audio:

- Wireless mic system
- Portable Bluetooth speakers
- Analog mixer for live sound
- Stage speakers

EXHIBIT “D”

MANAGER SCOPE OF WORK

Subject to the terms of the Co-Work Management Agreement to which this Exhibit is attached, the Manager shall be responsible for the daily management and operation of the space. It is estimated that some level of membership and operations will be available in the third month of the City’s lease term, with the goal of full operations of the co-working space by the Manager in the sixth month. Without limiting the foregoing, the Manager shall be responsible for the following:

- Marketing of the “FoundrSpace” co-working facility to the Covina community, as well as the general San Gabriel Valley region;
- Managing the financial business and maintains and reports as required by the Management Agreement with the City of Covina.
- Organizing and retaining all financial records and receipts for inspection by the City of Covina as necessary and/or as stipulated in the Management Agreement.
- Ensuring all required payment are made to the City of Covina pursuant to the provisions of the Management Agreement.
- Oversee, manage and operate the Covina co-working location, with appropriate staffing available during business hours and as needed to sufficiently operate the space.
- Fulfill and provide all the standard co-working amenities, technologies, and services that align with the industry standard and the standards set forth by FoundrSpace’s other location(s) and be responsible for the necessary maintenance and repairs of these items, including those notated within the Management Agreement.
- Providing customers daily, reliable access to the co-working facilities.
- Maintain, schedule, and oversee use of meeting and conference rooms.
- Maintain, schedule, and oversee use of a “podcast” studio.
- Maintain, operate, and oversee use of business support machines and services, such as printers, mailbox services, internet, etc.
- Provide for and maintain in well and working order fixtures, furnishings and décor.
- Programming of ancillary activities, such as business education presentations, technical/specialized “how-to” presentations and seminars (i.e. podcast production, video production/editing, social media production, etc.), networking mixers, and other similar and related on-site activities.
- Maintain an active Covina Business License.
- Maintain any and all City, Los Angeles County and/or State of California licenses and permits as required by City, Los Angeles County and/or State of California law.
- Provide general and daily custodial maintenance of the facility.
- Maintain responsibility for payment of all utility invoices, such as electricity, water, telephone, internet, trash, etc.
- Maintain required insurance, pursuant to the Management Agreement.
- Coordination with the City of Covina on the implementation of a “Co-Working Access Scholarship” program for qualified Covina residents (terms of the “Co-Working Access Scholarship” program to be determined jointly)

- Meet with City of Covina at a minimum of each quarter to discuss the operation of the “FoundrSpace” co-working facility.
- Make available to City of Covina officials and staff for facility tours, and provide for the mutually agreed upon use of conference meeting rooms.
- Where the “FoundrSpace” logo is located on interior signage and within the courtyard area, provide placement of additional signage/language which notes the joint partnership between the City and Manager, such as language which states, “In cooperation with the City of Covina” (with Covina logo), adjacent to the “FoundrSpace” logo.
- Agree to host community events with the purpose of activating the downtown corridor and providing for novel and artistic entertainment and seminars on occasion, ensuring appropriate subject matter for the partnership is hosted.