

SITE PLAN NOTES

1. BUILDING LOCATIONS AND ASSOCIATED DIMENSIONS ARE APPROXIMATIONS BASED ON FIELD OBSERVATIONS, PHOTOGRAPHIC IMAGERY AND AS-BUILT MEASUREMENTS AND HAVE NOT BEEN SURVEYED BY A PROFESSIONAL SURVEYOR FOR ACCURACY.
2. EXISTING ACCESSIBLE PATHWAY FROM PARKING STALL TO SUITE "A" ENTRY DOOR IS SHOWN TO BE 5 FT IN WIDTH AND SHALL COMPLY WITH ALL MINIMUM REQUIREMENTS FOR RUNNING GRADE, SIDE SLOPE, ETC.
3. PROVIDE AN ACCESSIBLE ROUTE OF TRAVEL FROM THE MAIN ENTRANCE TO THE PUBLIC RIGHT OF WAY (IF NOT EXISTING) TO COMPLY WITH ALL MINIMUM REQUIREMENTS FOR RUNNING GRADE, SIDE SLOPE, ETC. IF REQUIRED AS AN ACCESSIBILITY UPGRADE.
4. ALL 31 EXISTING PARKING STALLS SHOWN ARE AGREED TO BE FOR THE USE OF 425 MILITARY EAST STREET AND ARE PLANNED TO REMAIN CONFIGURED AS-IS, PER PREVIOUS ACCEPTANCE.

PARKING ANALYSIS

PER CITY OF BENECIA ORDINANCE Chapter 17.14 OFF-STREET PARKING AND LOADING REGULATIONS REQUIRES 1 PARKING SPACE FOR EACH 200 SQ.FT. OF GROSS FLOOR AREA FOR RETAIL USES.

THE TENANT IMPROVEMENT FOR SUITE "A" SQUARE FOOTAGE IS 1481 SQ.FT. WHICH CORRESPONDS TO 7 SPACES AND 1 -VAN ACCESSIBLE SPACE (8 TOTAL) AS REQUIRED PER CODE.

PROJECT INFORMATION

SITE PARKING
 EXISTING: 31 STALLS PER PREVIOUS ACCEPTANCE.
 PROPOSED: 7 STANDARD OR COMPACT STALLS FOR EXISTING USE, 1 ADA VAN ACCESSIBLE FOR EXISTING USE.
 REQUIRED: 7 STANDARD OR COMPACT STALLS FOR EXISTING USE, 1 - VAN ACCESSIBLE STALL FOR EXISTING USE.
BIKE PARKING ANALYSIS
 EXISTING: 0
 REQUIRED: 5% OF REQUIRED PARKING - 5% X 8 = .04
 PROPOSED: BIKE RACK FOR 1 SPACE MIN.

PROJECT ADDRESS
 425 MILITARY EAST STREET, SUITE "A"
 BENECIA, CA
 APN: 0088-12-3090

PROJECT ZONING
 CG - GENERAL COMMERCIAL

SUITE "A" SIZE
 1,481 SQ.FT

EXISTING BUILDING SIZE PER PREVIOUS PERMIT.

#	Revision / Date



John Sutton, Architect
 6080 Pony Express Trail
 #6
 Palo Alto, CA 94304
 (650) 647-1420

CANNABIS NATION
 Canna Nation

Tyler Champlin
 tyler.champlin@cannabisioninc.com

(480)619-9660

Restrictions
 Cannabis Nation reserves its common law copyright and any additional property rights contained herein. These plans are not to be reproduced, altered, or copied in any manner whatsoever, nor are they to be assigned to another party without first obtaining consent, whether verbal or written, from Cannabis Nation. In the event that these plans be used for unauthorized purposes by another party, Cannabis Nation shall be held harmless.

R.F.P. PLANS FOR:
 CANNABIS NATION
 425 MILITARY EAST ST. STE A
 BENECIA, CA 94510

(E)
 SITE PLAN
 W/ NEW
 ADDITIONS

DRAWN: JS
CHECKED: JS

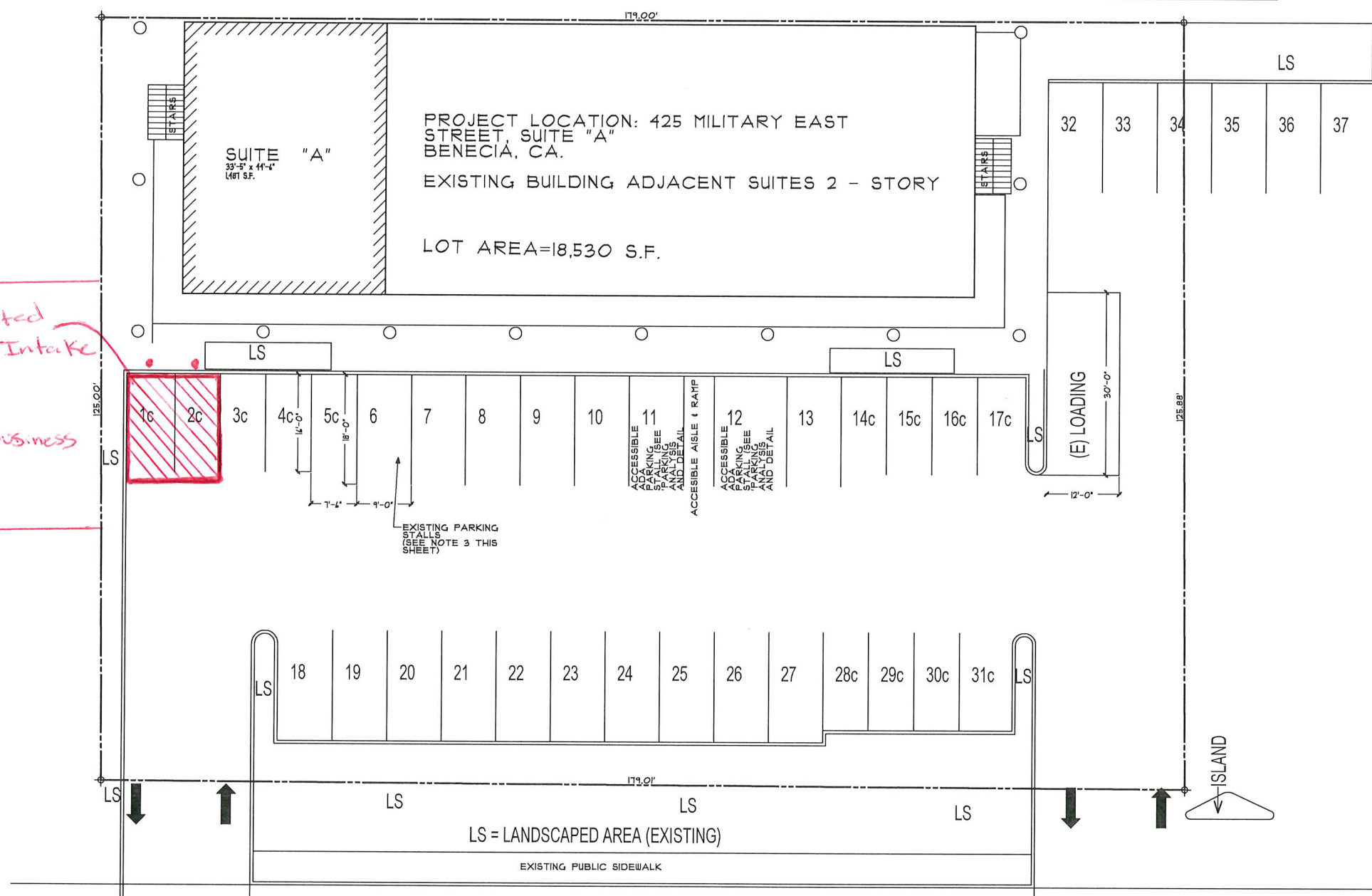
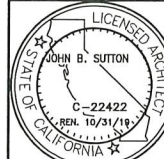
DATE: 9/4/2018

SCALE:

JOB NO.: 18TC02

SHEET

A.02



* Designated Delivery/Intake parking
 * Before Business Hours.

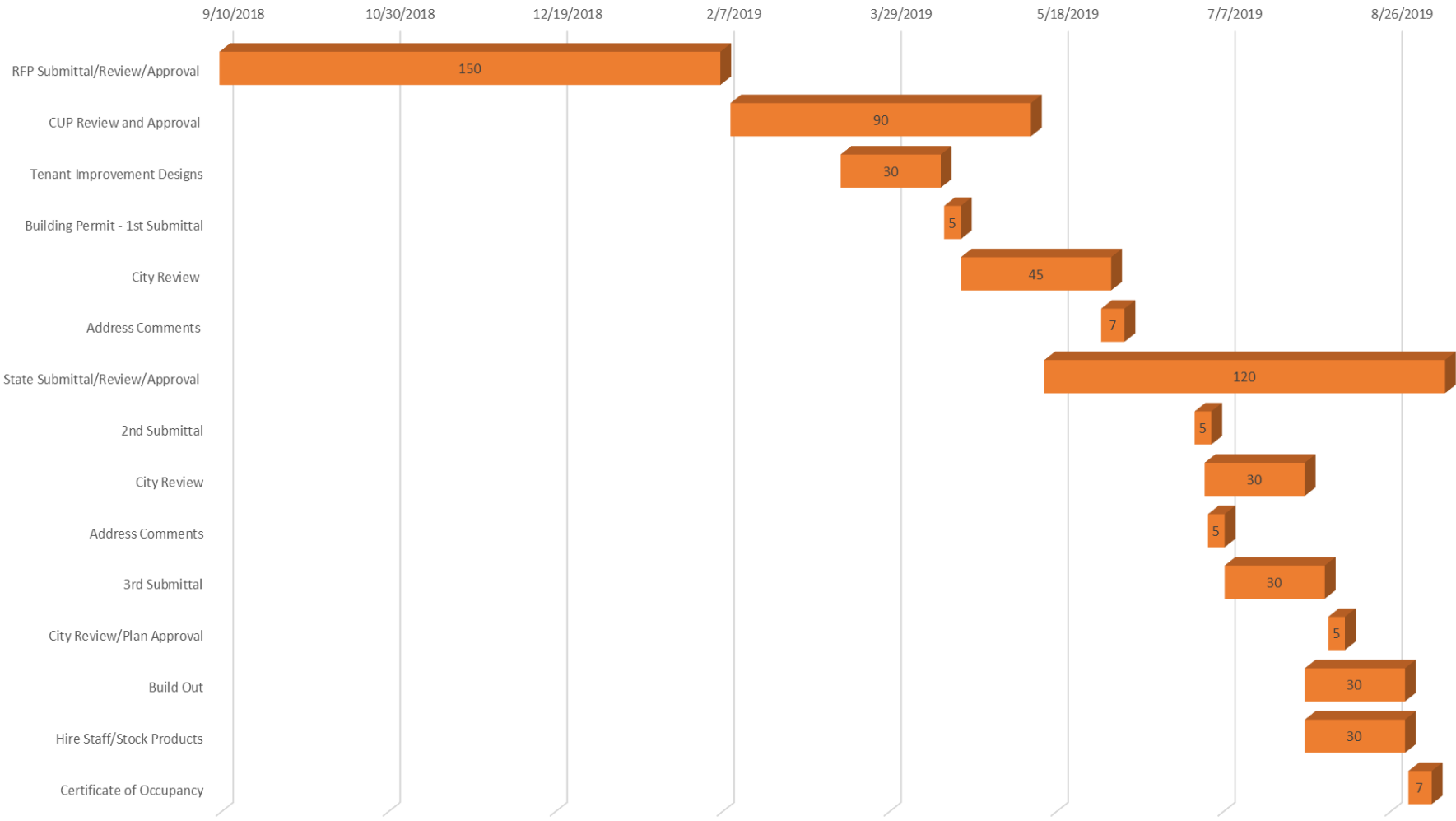
MILITARY EAST STREET



1 2 3 4 8 16
 SCALE IN FEET

(E) SITE PLAN
 SCALE 1" = 10'-0"

Benicia Schedule



LETTER OF INTENT

Date: August 16, 2018

Owner: Kathleen Olsen and Terry McInerney

Property Address: 425 Military East Street, Suite A, Benicia, CA 94510

Dear Kathleen and Terry,

This document serves as a Letter of Intent to lease the above referenced property and outlines the basic terms of such proposal between the Lessee, CN Holdings Inc., and Lessor, the Property Owner. This Letter acts as a binding agreement between the two parties until the parties enter into a formal lease agreement. General terms are outlined as follows:

1. Effective date: Upon execution of this Letter of Intent.

7. Estimated Gross Leasable Area is 1,416 sqft.

8. Use: The premises shall be used strictly for a CA Licensed Cannabis Retail Dispensary. There will be no consumption, cultivation or extraction on site.

9. Improvements to the building:

Cometa:

Visual concept, inviting, modern with lots of light and friendliness.



City of Benicia
Commerical Cannabis Retail Permit Application Supplemental
Information

Submitted by:

C O M E T A
ESTD *benicia california* 2018

January 2, 2019

PRESENTED BY
Luis Lagos of:



ADDRESS
177 Military E.
Benicia, CA 94510
(415) 272-6499

Timeline

Upon receiving approval from this panel and an approval for a Cannabis Safety License, we will then need to be issued a commercial cannabis use permit. Once we are able to begin that process we suspect that process will take an additional 3 months. As soon as we are issued the conditional use permit we anticipate that we will be able to complete construction of all our improvements within 3 months. In addition to receiving the City's use permit, we will also be required to obtain a State Commercial Cannabis License. We anticipate the BCC review process to take 1-3 months. It is difficult at this time to estimate the BCC's review time because they have been focused on issuing temporary licenses in 2018 and only recently issued annual licenses. However, we anticipate the BCC increasing their resources for annual license application review and the process being more streamlined in 2019. Therefore, the BCC should be able to issue an annual license within 3 months after our application is submitted.

We are proposing limited major improvements to the current building and we anticipate a quick turnaround. This will allow us to be operational shortly after receiving all required permits and licenses.

[REDACTED]

Capitalization

Cometa is very well funded and has sufficient working capital to cover all start-up costs. As demonstrated by the documents provided, our partners have sufficient funds to support our operation through the initial start up. The working capital to cover will allow Cometa to operate through the tough period that can make or break a new business. There is no concern for under-capitalization for our operation.

Equipment and Set-up

[REDACTED]

Property Improvements

[REDACTED]

Sonoma Campesino, Inc.

**Marijuana Business
Security Plan**

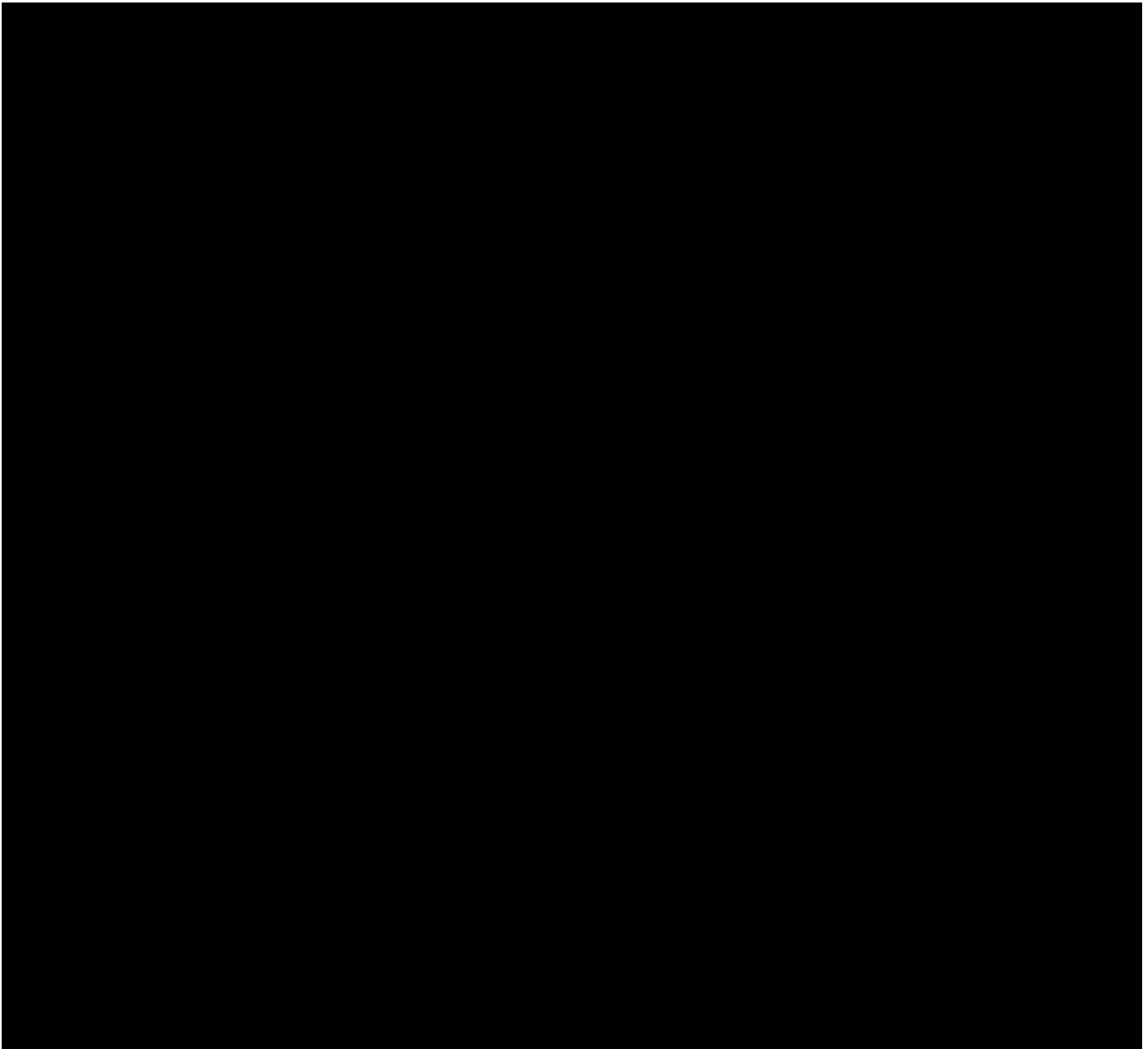
Addendum A

City of Benicia, CA

Terry Blevins
Security Consultant
Armaplex Security

Introduction

Sonoma Campesino is applying to operate a Retail Cannabis business with a “brick and mortar” storefront that sells products directly to consumers on the premises. The City of Benicia has required that any cannabis business that operates within the city, must also obtain a Cannabis Public Safety License, and a Security Plan and Security Diagram were originally submitted for that purpose. This document, Addendum A, and the new Security Diagram, Addendum B, are provided to the City of Benicia with additional information not contained in the original submission.

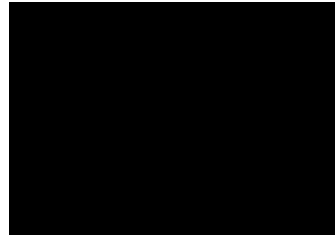


RECORDING REQUESTED BY
North American Title
AND WHEN RECORDED MAIL DOCUMENT TO

Marc C. Tonnesen
Assessor/Recorder
E05A E-North American SYN

NAME *177 Military East, LLC*
STREET ADDRESS *100 H Street*
CITY STATE & ZIP CODE *San Rafael, CA 94901*

Doc # 201800058083

SPACE ABOVE FOR RECORDER'S USE ONLY

APN # 0086-111-08C
#50103-1576183-18

Grant Deed

Title of Document

DOCUMENTARY TRANSFER TAX \$



- COMPUTED ON FULL VALUE OF PROPERTY CONVEYED OR
- COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES REMAINING AT TIME OF SALE
- EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO

X *[Signature]*
Signature of declarant or agent determining tax

City of Benicia

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388 1), effective January 1, 2018, a fee of seventy-five dollars (\$75 00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225 00).

- Exempt from the fee per GC 27388 1 (a) (2), This document is subject to Documentary Transfer Tax
- Exempt from fee per GC 27388 1 (a) (2), recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT)
- Exempt from fee per GC 27388 1 (a) (2), recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier
- Exempt from fee per GC 27388 1 (a) (1), fee cap of \$225 00 reached
- Exempt from the fee per GC 27388 1 (a) (1), not related to real property

MAIL TAX STATEMENTS TO THE RETURN ADDRESS NOTED ABOVE

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3 00 Additional Recording Fee Applies)

RECORDING REQUESTED BY
North American Title Company, Inc

**MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO**
177 Military East, LLC
120 H Street
San Rafael, CA 94901

Space Above This Line for Recorder's Use Only

A P N 0088-111-080

File No 56102-1576183-18 (NAT)

GRANT DEED

The Undersigned Grantor(s) Declare(s) DOCUMENTARY TRANSFER TAX \$1,097 80, CITY TRANSFER TAX \$,
SURVEY MONUMENT FEE \$

- computed on the consideration or full value of property conveyed, OR
- computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- unincorporated area, City of Benicia, and

EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE 27388.1(a)(2)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Robert A Schroth and Bonnie J Schroth, Trustees of The Robert A Schroth and Bonnie J Schroth 1992 Trust**

hereby GRANTS to **177 Military East, LLC, a California limited liability company**

the following described property in the City of **Benicia**, County of **Solano**, State of **California**

PARCEL "B" CONTAINING 16,316 SQUARE FEET, MORE OR LESS, AS THE SAME IS SHOWN ON THAT CERTAIN PARCEL MAP, DIVISION OF LOT 11 & A PORTION OF M STREET INTO 2 PARCELS, MADE BY BOND & DOUGHERTY, INC, AND FILED IN THE OFFICE OF THE RECORDER OF SOLANO COUNTY, CALIFORNIA ON JANUARY 18, 1974 IN BOOK 8 OF PARCEL MAPS, AT PAGE 7, INSTRUMENT NO 1562

Mail Tax Statements To **SAME AS ABOVE**

Date 08/13/2018

A P N 0088-111-080

File No 56102-1576183-18 (NAT)

Dated August 13, 2018

Robert A Schroth and Bonnie J Schroth,
Trustees of The Robert A Schroth and Bonnie J
Schroth 1992 Trust

Robert A Schroth
Robert A Schroth, Trustee

Bonnie J Schroth
Bonnie J Schroth, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CA)SS

COUNTY OF Solano)

On August 14, 2018 before me, Teri M. Leslie, Notary Public, personally appeared Robert A. Schroth and Bonnie J Schroth

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal

This area for official notarial seal

Teri M Leslie
Notary Signature





HAH 7 LLC, DBA Have a Heart Benicia
(206) 889-0583
core@haveaheartcc.com

December 19, 2018

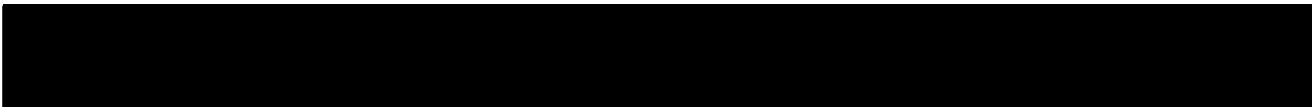
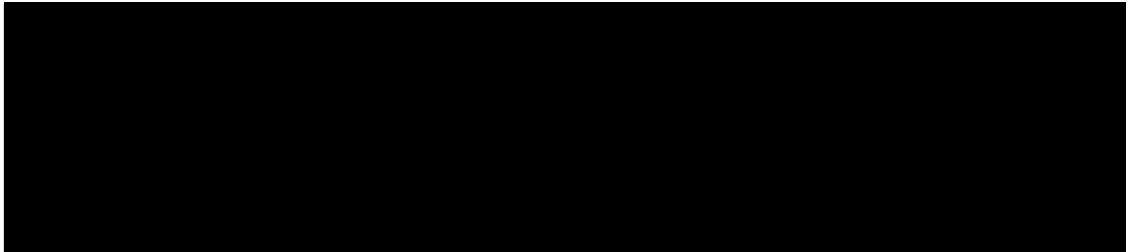
City of Benicia
Community Development Department
250 East L Street
Benicia, CA 94510

Re: HAH 7 LLC, DBA Have a Heart Benicia | Supplemental Response to the City's Request for Proposal for Cannabis Retail and Microbusiness Operators

Dear Community Development Department,

Thank you for providing Have a Heart Benicia with the opportunity to supplement its response to the City of Benicia's Request for Proposal for Cannabis Retail and Microbusiness Operators. Mr. Boyden and I believe the enclosed materials demonstrate Have a Heart Benicia's sincere commitment to developing a safe, compliant, and successful cannabis retail business in the City of Benicia.

In response to feedback from the City's representatives during the interview on October 25, 2018, and site visit on October 30, 2018, Have a Heart Benicia has worked with our Design Team and Security Specialists to develop compliant solutions to the City's concerns. We have supplemented our Safety and Security Plan, Conceptual Plans, Floor Plans, and Site Plans with the following additions:



Again, thank you for giving Have a Heart Benicia the opportunity to gain a better understanding of the best way to bring retail cannabis to your city. Have a Heart Benicia is committed to setting the standard for safe, legal, and compliant cannabis retail and I am eager to build a lasting relationship with the City of Benicia. Please let me know if there is anything else Have a Heart Benicia needs to provide throughout your decision process, and I look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan Kunkel'.

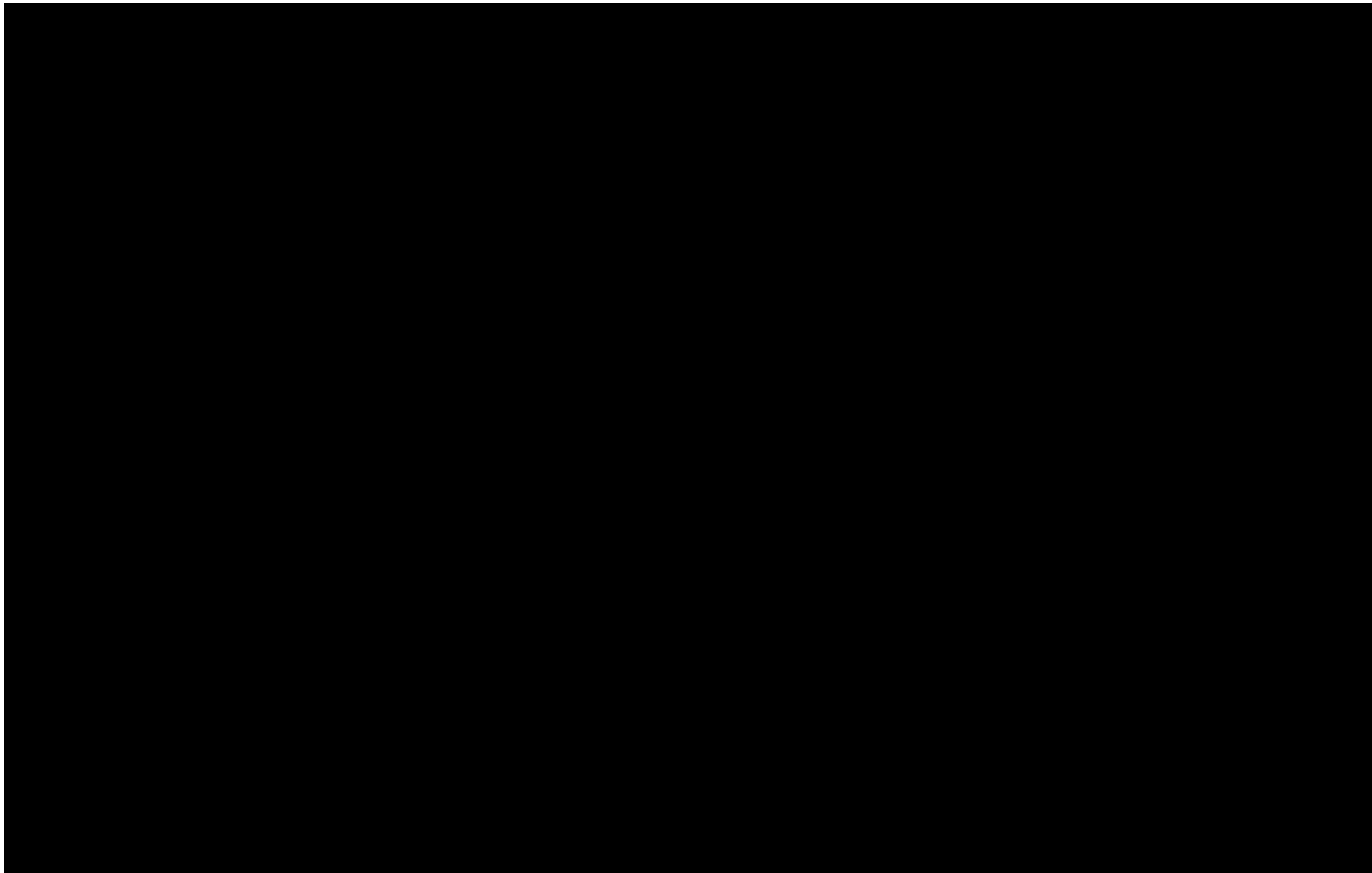
Ryan Kunkel
Have a Heart Benicia
Owner/Manager



HAH 7 LLC
DBA HAVE A HEART BENICIA
RYAN KUNKEL
CHARLES BOYDEN

CITY OF BENICIA

SUPPLEMENTAL RESPONSE TO RFP FOR CANNABIS RETAIL OPERATORS





SUPPLEMENT TO HAVE A HEART BENICIA'S SAFETY AND SECURITY PLAN



HAVE A HEART BENICIA'S REVISED CONCEPTUAL PLANS







HAVE A HEART BENICIA'S REVISED START-UP COSTS

BGC Inc.

City of Benicia

Supplemental Materials
in Support of Proposal
for a

Retail Cannabis Dispensary

at 1401 East 5th Street
Submitted By

Brian Kaiser

BGC Inc.

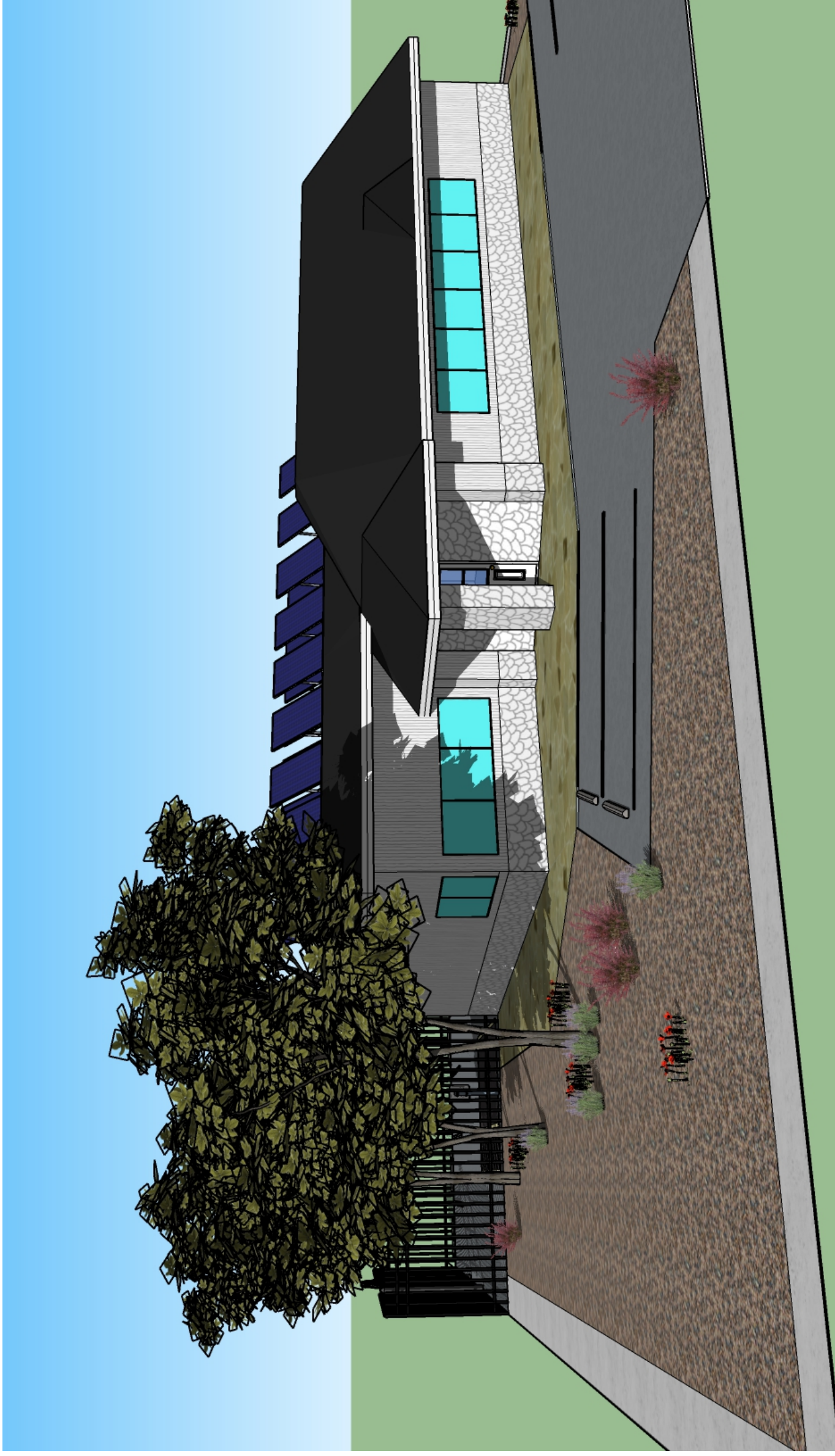
1072 West K Street

Benicia, CA 94510

BGC Inc.
City of Benicia
Proposal for Cannabis Retail Permit
Supplemental Submission

Pursuant to the City of Benicia’s December 7, 2018 request, please find the following materials in support of BGC Inc.’s proposal for a Cannabis Retail operation.

Additional Conceptual Site Plan (Elevation)	Page 2
Revised Budget and Timeline (2 pages)	Pages 3 to 4
Revised Security Plan Overview (5 pages)	Pages 5 to 9
Commercial Lease Agreement and Lease Addendum	Pages 10 to 27



BGC Inc.
Supplemental Conceptual Elevations
1401 East 5th Avenue, Benicia

Revised Budget and Timeline for Tenant Improvement Plans

Revised Budget, Pro Forma, and Proof of Capitalization

Set out below is a revised budget and pro forma. In order to assure that adequate amounts are budgeted for extensive construction and renovation needed for the building at 1401 East 5th Avenue , [REDACTED]

During the interview with the RFP review team, BGC discussed its commitment to making charitable contributions to local non-profit organizations. [REDACTED]

[REDACTED]

In order to fit the budget within the City's suggested page limitation, line-item detail that has not changed is not shown below. That detail is available for review in the original pro-forma and budget submitted on September 10, 2018 at pages 16-24.

Timeline

A revised, estimated timeline to complete the permitting process, construction, and opening for business is set out below. In order to accelerate the process, this schedule reflects BGC moving forward with certain pre-construction work (such as demolition, subject to obtaining required permits) in parallel with the public hearing and Planning Commission review of the project.

January 2019	Announcement of Selected Applicants
February/March 2019	Submission of Use Permit
April/May 2019	Public Hearing and Planning Commission; Demolition and Other Pre-Construction Work (in parallel, subject to required building permits)
June to October 2019	Construction, Benicia License, State License
November 2019	Open for Business

COMMERCIAL LEASE AGREEMENT

By and Between

**Charles Gardyn Et Al or Nominee or Assigns
(Landlord)**

and

**BGC, Inc.
(Tenant)**

and

Personal Guarantors

**Brian Kaiser
Igor Goldenberg
Jenelle Schreck**

Dated: September 1st, 2018

**For the Premises Located At:
1401 EAST FIFTH STREET
BENICIA, CA 94510**

The submission of the attached documents for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for the Premises, and this document shall become effective and binding only upon the execution and delivery thereof by both **Landlord** and **Tenant**, regardless of any written or verbal representation of any agent, manager or other employee of **Landlord** to the contrary.

1 THIS COMMERCIAL LEASE AGREEMENT (the "Lease"), dated for reference purposes as of September 1, 2018
2 (the "Lease Date"), is hereby entered into by and between: Charles Gardyn ("Landlord"), whose principal address is
3 PO Box 168, San Carlos CA 94070-0168, and BGC, Inc. (EIN #) and Brian Kaiser, Igor Goldenberg and
4 Jenelle Schreck as Personal Guarantors, an individual(s) residing at {Tenant Residential Address} ("Tenant").
5

6 **1. PREMISES AND TERM**

7 1.1 Landlord hereby leases to Tenant and Tenant hereby leases and rents from Landlord the following
8 described space as the building and property (the "Premises"), being particularly described as Assessors
9 Assessment Number 0088-092-040, 1401 East Fifth Street, Benicia, CA 94510. Landlord and Tenant stipulate that
10 the current building and property of the Premises set forth above is conclusive and shall be binding upon them as
11 described in the Assessors Assessment Number 0088-092-040 of Solano County, CA .
12

13 1.2 The Premises are leased by Landlord to Tenant for an initial term (the "Initial Term") of 10 Years
14 (Ten Years) beginning on September 1, 2018 (the "Commencement Date"), and ending on August 31, 2028, at 5:00
15 p.m., unless earlier terminated or extended as provided herein. If the Commencement Date is a date other than the
16 first day of a calendar month, the Initial Term shall be extended for the number of days remaining in such month.
17 Landlord, at its sole option, may elect to give to Tenant a Statement of Rent Commencement and Expiration Dates
18 (the "Statement of Dates"), in the form of **Exhibit "F"** attached hereto, confirming the Rent Commencement Date and
19 expiration date of the Initial Lease Term, and Tenant shall acknowledge such dates by returning to Landlord a copy
20 of the Statement of Dates, which has been signed on behalf of Tenant, within ten (10) business days of Tenant's
21 receipt of the Statement of Dates. If Tenant fails within such ten (10) business day period to either (i) return to
22 Landlord the Statement of Dates signed on behalf of Tenant; or (ii) deliver to Landlord written notice specifying
23 Tenant's objections to any of the information contained in the Statement of Dates, Tenant shall be conclusively
24 deemed to have approved the dates set forth in the Statement of Dates provided by Landlord (Tenant's compliance
25 with the time and manner of returning the statement of dates to landlord and/or service of said written objection(s)
26 shall be material and of the essence and shall be strictly enforced).

27 and or Tenants related companies and or any affiliated person or persons associated with the Tenant
28 notwithstanding any other agreements that may be in conflict with this lease agreement

29 1.3 Tenant and or Tenants related companies and or any affiliated person or persons associated with
30 the Tenant notwithstanding any other agreements that may be in conflict with this lease agreement agrees and
31 confirms this lease agreement will be considered valid, final and fully enforceable when the City of Benicia CA has
32 selected Tenant's Request For Proposal for a Cannabis Dispensary as a selected applicant. In no event shall the
33 Rent Commencement date be no later than January 1, 2019. If this section 1.3 is in conflict with an other signed
34 agreement signed by Landlord and Tenant then this section 1.3 shall prevail.
35

36 **2. DEFINITION OF TERMS**

37 The terms set out below shall have the following meanings when used in this Lease:

38 2.1 Minimum Rent -- is the amount due Landlord by Tenant over the Term, as set forth in Section 3.2
39 herein, before any Additional Rent (defined herein) is included.
40

41 2.2 Base Year Rent - is the Minimum Rent due Landlord by Tenant over the first Twelve (12) months of
42 the Term following the Commencement Date for which the full amount of the base monthly rent (not a discounted,
43 promotional or free rent amount) is scheduled and as may be increased in Section 3.2 herein. If the Initial Term is for
44 a period of Twelve (12) months or less, then the Base Year Rent shall be the actual amount scheduled in Section 3.2
45 herein for the Initial Term.
46

47 2.3 Normal Business Hours – As per City and County Codes

48 2.4 Security Deposit – {\$16,200.00} (Sixteen Thousand Two Hundred Dollars).
49



50 2.5 Additional Rent - is any amount that is due Landlord pursuant to this Lease that is not part of the
51 Minimum Rent.
52

53 2.6 Tenant's Proportionate Share – 100%
54

55 2.7 Operating Expenses - For the purposes of this Lease "Operating Expenses" shall mean all
56 expenses, costs and disbursements of every kind and nature paid or incurred in connection with the operation,
57 servicing, management, maintenance, replacement(s) and repair of, and/or pertaining to, the Building and Land,
58 determined in accordance with generally accepted accounting principles, consistently applied (on an accrual basis),
59 and which shall include, without limitation:
60

61 a) All real estate taxes of any kind, including, without limitation, any form of assessment (general or
62 special), license fee, license tax, business license fee, business license tax, commercial rental tax, rental tax, levy,
63 charge, penalty, tax or similar imposition, imposed by any authority having the direct power to tax, including any city,
64 county, state or federal government, or any school, agricultural, lighting, drainage, sewer or other improvement or
65 special assessment district thereof, as against any legal equitable and/or property interest of Landlord in the Building.
66 Real estate taxes shall be deemed to include (but shall not be limited to) the following: (i) any current and/or future
67 tax on the rents of the Building, and any assessment, special assessment, tax, fee, levy or charge (whether or not in
68 substitution, partially or totally, for any ad valorem tax, assessment, special assessment, tax, fee, levy or charge
69 previously included within the definition of property tax); (ii) all costs and fees including consultant's fees, attorney's
70 fees, and other similar fees incurred by Landlord in contesting or defending taxes and assessments or negotiating
71 with public authorities; and (iii) any current or future imposition of any tax and/or assessment of any kind or nature
72 upon, against, or with respect to the rentals or other payments payable to Landlord or on the gross receipts of
73

Initialed by: Tenant  Landlord 

1 Landlord, and/or with respect to Landlord's ownership and/or control of the land, buildings and improvements
2 comprising the Building or other assets.

3
4 b) Reasonable compensation provided in the form of wages, salaries and other compensation and
5 benefits (including insurance, welfare, retirement, vacation, holiday, sick pay and other fringe benefits) as well as any
6 adjustments thereto for the employees, employees of agents, agents and/or managing members of Landlord
7 performing services rendered solely in connection with the management, operation and maintenance of the Building
8 and Land. In addition, compensation in the form of a fee for the management of the Building and Land will be
9 assessed.

10
11 c) Payroll taxes, including federal and state unemployment taxes and social security taxes and any
12 other such taxes that may be created, payable in connection with the employment of any of the employees specified
13 in subdivision (b) above.

14
15 d) Premiums and other charges incurred by Landlord with respect to the following insurance on
16 employees specified in subdivision (b) above, and on the Building or Land, and loss deductibles there under; and if
17 Landlord elects to self-insure some or all of the risks or a portion thereof as would normally be covered by a
18 reasonably prudent operator, an amount deemed to be equal to the amount which would have been incurred if
19 insurance had been purchased, including but not limited to the following:

- 20 i) Fire, extended coverage, including windstorm, earthquake, hail, explosion, riot, rioting
21 attending a strike, civil commotion, aircraft, vehicle and smoke; and all risk;
- 22 ii) Public Liability;
- 23 iii) Elevators;
- 24 iv) Boiler(s) damage, water damage, legal liability, and pilferage on Building equipment and
25 materials;
- 26 iv) Worker's compensation for the employees described and or specified in subdivision (b)
27 above;
- 28 v) Health, accident, disability and group life on employees enumerated in subdivision (b)
29 above as therein qualified; and
- 30 vi) Other insurance which a reasonably prudent operator of an property and building would
31 carry or which the holder of any mortgage affecting the Building or Land, or that Landlord
32 might require to be carried under the terms of such mortgage.

33
34 e) Costs, premium or penalties incurred for electricity, steam, natural gas, water or other utilities or
35 fuels, sanitary and storm sewer use, fire protection, and any other public service fees billed to the Building or Land by
36 utility companies and government agencies that are required in connection with the operation, maintenance, and/or
37 management of the Building and Land.

38
39 f) Repairs, replacements and/or maintenance of, or pertaining to, the Building and Land.

40
41 g) Charges of any independent contractor or vendor incurred in connection with operating,
42 maintaining or repairing electronic, electrical, mechanical and plumbing fixtures, equipment and systems (including
43 parking control and conveyance equipment and systems), and the furnishing of cleaning and janitorial services,
44 refuse and trash disposal, and the cost of materials, tools, supplies and equipment used in connection therewith.

45
46 h) Legal fees of outside or special counsel retained by Landlord in connection with proceedings for
47 the contest of real estate taxes, labor relations, or other matters to the extent that the same shall be of general
48 benefit to all tenants in the Building and such fees are not otherwise recovered or reimbursed in any such action.
49 Any expenses, including, without limitation, court cost and legal fees, incurred by Landlord relating to the Operating
50 Expenses, such as tax reduction or assessment proceeding, litigation relating to insurance, unemployment taxes,
51 and the like, shall be deemed Operating Expenses hereunder.

52
53 i) Cost of all forms of communications services and equipment, postage, stationary supplies, office
54 machines and equipment, and other materials that are deemed necessary for the efficient operation of the
55 management and maintenance facilities for the Building and Land.

56
57 j) A reasonable amortization charge on account of any capital expenditure(s) incurred in an effort
58 to (i) comply with any Laws; and/or (ii) reduce the Operating Expenses of the Building

59
60 k) Notwithstanding anything contained in this lease agreement and or any addenda, it is expressed
61 and implied in this lease agreement that any and all expenses of any kind or for any reason whatsoever shall be paid
62 by the Tenant. The Rent and Additional Rent described in this lease agreement is triple net (NNN). NNN is defined
63 as all defined in 2.7 herein and any other possible expenses related directly or indirectly to this building and property.

64
65 2.8 Base Year – shall be the prior calendar year in which the Commencement Date occurs.

66
67 2.9 Building - the land, building, aka Assessors Assessment Number 0088-092-040, 1401 East Fifth
68 Street, Benicia, CA 94510), (or as amended).

69
70 2.10 Rent - is any amount due Landlord by Tenant payable in United States Currency that is a total of the
71 following: Base Year Rent, Additional Rent, Operating Expenses, and any other amount that this Lease obligates
72 Tenant to pay Landlord.

73

Initialed by: Tenant  Landlord 

1 2.11 Term - The Initial Term, together with any renewal and/or extension term(s) shall be collectively
2 referred to herein as the "Term."
3

4 2.12 Laws - all applicable zoning ordinances, laws, statutes, ordinances, orders, regulations, directives,
5 rules or requirements of all federal, state, city, county or other governmental, public or quasi-governmental
6 authorities, bodies, boards, or agencies, or any departments or bureaus thereof, now existing or hereafter created,
7 including, without limitation, all building, zoning, environmental, health and fire-safety laws, the Americans With
8 Disabilities Act of 1990, the Occupational and Safety and Health Act of 1970, and all laws relating to Hazardous
9 Substances (as defined herein), including all current and future amendments thereto and all current and future
10 regulations promulgated hereunder (collectively, "Laws").
11

12 **3. RENT**

13 3.1 The monthly Minimum Rent for any partial month at the beginning of the Term shall equal the
14 product of 1/365 of the annual Minimum Rent in effect during the partial month and the number of days in the partial
15 month and shall be due on the Commencement Date. Payments of Minimum Rent for any fractional calendar month
16 at the end of the Term shall be similarly prorated. Payments of Additional Rent shall be similarly prorated. Tenant
17 shall pay Rent to Landlord no later than 3:00 p.m. on the first (1st) day of each month during the Term, other than the
18 first (1st) monthly installment, which shall be payable contemporaneously with the execution of this Lease, at
19 Landlord's principal address or at such other place as Landlord may designate in writing, without prior notice or
20 demand, deduction, set-off or abatement (except as otherwise provided herein), in monthly installments according to
21 the following schedule (payable in U.S. funds only) and Tenants payment of Rent must be made via electronic
22 transfer into Landlords bank account from a bank chartered in the United States and regulated by the State of
23 California.
24

25 3.2 Minimum Rent Schedule:
26 Beginning {January 1, 2019}, the amount of {Ten Thousand Eight Hundred Dollers} (\$10,800.00) per month, payable
27 in equal monthly installments of {Ten Thousand Eight Hundred Dollers} (\$10,800.00).
28 Notwithstanding anything to the contrary contained herein, beginning {January 1, 2020}, the actual amount shall be
29 determined as set forth in the following Sections 3.2 (a) and (b):
30


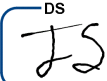
31 (a) The Minimum Rent to be paid by Tenant to Landlord shall be adjusted every year during the
32 Term (the "Adjustment Period") effective on the anniversary date marking the Commencement Date, by a percentage
33 equal to the sum of the annual percentage increases in the Consumer Price Index ("CPI"), compounded annually
34 published by the Bureau of Labor Statistics of the Department of Labor (1984=100) for San Francisco, California, for
35 all prior years of the period under review for determination purposes. The base of the CPI for computation of any
36 increase shall be the month in which this Lease commences. If no publication is made for the month in which this
37 Lease commences, the base of the CPI shall be the last preceding month for which publication is made prior to the
38 month in which this Lease commenced. The CPI for the same month shall be compared annually to determine the
39 percentage increase and the resulting percentage shall be applied to the monthly rental rate then in effect to
40 determine the monthly rent to be paid for the ensuing year(s). Notwithstanding anything to the contrary contained
41 herein, it is understood between the parties hereto that the annual compounded increase shall be the CPI plus 1.5%
42 (one and one half percent) or 5% (five percent) whichever is higher. Tenant shall begin making such adjusted
43 Minimum Rent payments, along with any shortage for the period between such applicable anniversary date and the
44 date of the Minimum Rent adjustment, on the first (1st) day of the month immediately following written notice from
45 Landlord.
46

47 (b) If no such publication is made for San Francisco, California, the publication for the nearest
48 comparable city shall be utilized. Landlord shall notify Tenant of any increase in the Minimum Rental rate resulting from
49 such computation and Tenant shall pay Landlord the amount of such increase retroactively to the effective date thereof.
50 If the Consumer Price Index is discontinued or replaced, the Landlord shall substitute a comparable index based upon
51 the cost of living or purchasing power of the consumer dollar published by any other governmental agency. If no such
52 index is available, then Landlord shall select a comparable index published by a major bank or other financial institution,
53 or by a university, or a recognized financial publication. If the items incorporated in the Consumer Price Index are
54 revised, an equitable adjustment will be made and a formula developed to permit a rental adjustment, which would
55 reflect any decline in the purchasing power of the basic rental payment called for in this Lease and would produce
56 results equivalent, as nearly as possible, to those that would have been obtained if the Index had not been so revised.
57

58 3.3 Beginning in the first month of the calendar year following the Base Year and throughout the
59 remainder of the Term, Tenant shall pay as Additional Rent, Tenant's Proportionate Share of any increase in
60 Operating Expenses in excess of the Operating Expenses for the Base Year.
61

62 3.4 A Statement of Operating Expenses (the "Statement") shall be submitted for inspection by Tenant to
63 Landlord's address within thirty (30) days after the end of each respective calendar year. Should such Statement
64 show that Tenant's Proportionate Share of Operating Expenses exceeds Tenant's Proportionate Share of Operating
65 Expenses for the Base Year (less any Additional Rent paid by Tenant pursuant to Section 3.5 below); Tenant shall
66 pay to Landlord, regardless of Tenant's intention to inspect Landlord's records, any such amount due with Tenant's
67 next Rent payment. Should such Statement show that Tenant's Proportionate Share of Operating Expenses was less
68 than Tenant's Proportionate Share of Operating Expenses for the Base Year (less any Additional Rent paid by
69 Tenant pursuant to Section 3.5 below) and Tenant is not in default hereunder, Landlord shall credit the amount of
70 overpayment to the monthly Rent or the Additional Rent next becoming due, at Landlord's option. Failure of Landlord
71 to provide such Statement within the time period above stated shall not constitute a default under this Lease or a
72 waiver of Landlord's right to collect said Operating Expenses as Additional Rent from Tenant.
73

Initialed by: Tenant  Landlord 

1 3.5 At any time, Landlord may estimate the Operating Expenses of the Building for the current or next
2 calendar year and charge to Tenant monthly as Additional Rent, any actual or anticipated increases of the Operating
3 Expenses of the Premises, based on Tenant's Proportionate Share. Tenant shall begin making such Additional Rent
4 payments along with its monthly Minimum Rent payments starting on the first (1st) day of the month immediately
5 following written notice from Landlord.
6

7 3.6 Landlord may inspect the Statement for a particular year within thirty (30) days following the delivery
8 of such Statement for a particular calendar year. Landlord may notify Tenant in writing within such 30-day period if it
9 believes the applicable Statement contains any error(s) (the "Notice of Error").
10

11 3.7 It is expressly understood and agreed that if Landlord should enter into any lease or other agreement
12 with any taxing authority providing for payments in lieu of real estate taxes, then all references contained in this
13 Lease to payment or increase of real estate or similar taxes shall be deemed to refer to payments in lieu of taxes and
14 increase thereto, provided that such payments shall not exceed what such taxes would have been.
15

16 3.8 The obligations of Tenant under Section 3 hereof shall survive the expiration or termination of this
17 Lease, except that Tenant shall not be liable for any Operating Expenses incurred after the expiration of this Lease,
18 except for those Operating Expenses which are attributable to the period of time through and including the expiration
19 of this Lease or Tenant's vacating of the Premises, whichever is later.
20

21 3.9 The burden of proof of payment of Rent in case of controversy shall be upon Tenant.
22

23 3.10 It is expressly agreed that the covenant by Tenant to make payment of Rent when due is
24 independent of any and all other covenants contained in this Lease, and Tenant may not withhold Rent for any
25 alleged default by Landlord, except as specifically provided for in this Lease.
26

27 **4. POSSESSION**

28 4.1 Tenant agrees that, except as expressly stated herein, no representations or warranties relating to
29 the condition of the Premises and no promises to alter, repair or improve the Premises have been made by Landlord.
30 The Premises shall be improved or otherwise prepared for Tenant's occupancy in accordance with **Exhibit "C"**
31 which sets out any work improvements to be implemented by Tenant at Tenants sole cost. Tenant, having examined
32 the Premises, shall be deemed to have accepted the Premises in its "AS IS—WHERE IS" condition.
33

34 **5. USE OF THE PREMISES**


35 5.1 Tenant shall use the Premises for a Cannabis Retail Dispensary and any other legal permissible use,
36 and shall not use such space for any other purpose. Tenant's use of the Premises shall not violate any ordinance,
37 code, law or regulation of any governmental body, the terms and conditions of this Lease, or the reasonable "rules
38 and regulations" of Landlord, attached hereto as **Exhibit "E"**. Tenant agrees to conduct its business in the manner
39 and according to the generally accepted business principles of the business or profession in which Tenant is
40 engaged.
41

42 5.2 The Tenant agrees that during the Term, the Premises will not be overloaded, damaged or defaced
43 and no nuisance (to include odors and noise) will be permitted on or about the Premises. Tenant shall not place a
44 load upon any floor exceeding the floor load that such floor was designed to carry, and Landlord reserves the right to
45 prescribe the location of, or prohibit, any safe or other heavy equipment in the Premises. Nothing shall be done upon
46 or about the Premises which shall be contrary to any law, ordinance, regulation or requirement of any public authority
47 having jurisdiction; Tenant will keep the Premises extremely clean; Tenant will not litter or place any obstruction in
48 any portion of the Premises; Tenant will not do nor suffer to be done, nor keep or suffer to be kept, anything in or
49 upon the Premises or the Building or on any property therein, which may increase fire, extended coverage and public
50 liability insurance, or which may make void any such insurance, or which creates any extra premiums for or increase
51 the rate of any such insurance. If such actions do create any extra premiums for or increase the rate of any such
52 insurance, then Tenant shall pay the entire increased cost of the same to Landlord upon demand. Under no
53 circumstance shall Tenant possess, use or permit any flammable or Hazardous Substances (as defined below) in or
54 about the Premises or the Building.
55

56 (a) For purposes hereof, "Hazardous Substances" means any element, compound, chemical
57 mixture, contaminant, pollutant, material, waste or other substance that is defined, determined or identified as toxic or
58 hazardous under any Laws, including, without limitation, the Comprehensive Environmental Response,
59 Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Hazardous
60 Materials Transportation Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Safe
61 Drinking Water Act, the National Environmental Policy Act of 1969, the Superfund Amendment and Reauthorization
62 Act of 1986, 42 U.S.C. 9601(14) and (33) and all Laws that are similar thereto.
63

64 (b) Tenant shall indemnify, defend and hold Landlord and its officers, partners, directors,
65 shareholders, members, managers, contractors, employees and agents (collectively, the "Landlord Group") harmless
66 from any claims, judgments, damages, injuries, fines, penalties, costs, liabilities (including sums paid in settlement of
67 claims) or loss including attorneys' fees, consultants' fees, and expert fees which arise during or after the Term, in
68 connection with the presence of Hazardous Substances in the soil, air, groundwater, or soil vapor in the Premises
69 and/or on or under the Building to the extent caused by the acts or omissions of Tenant, its officers, employees or
70 agents. Without limiting the generality of the foregoing, the indemnification set forth in this Section 5.2.2 shall survive
71 the expiration or termination of this Lease.
72

73 5.3 Tenant shall comply with, and shall cause its employees, agents and invitees to observe and comply
74 with, reasonable rules and regulations promulgated by Landlord for the operation of the Building, the common

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1 facilities and all areas adjacent thereto. Landlord may, from time to time, promulgate new rules or change existing
2 rules and regulations. Landlord shall use reasonable efforts to enforce the rules and regulations.
3

4 **6. ACCEPTANCE OF THE PREMISES**

5 6.1 The taking of possession of the Premises by Tenant at the Commencement Date or prior thereto
6 shall be conclusive evidence that Tenant accepts the Premises in its "AS IS—WHERE IS" condition, and that the
7 Premises and Building were in good and satisfactory condition for the use intended at the time such possession was
8 taken by Tenant.

9
10 6.2 Intentionally Left Blank
11

12 **7. TENANT'S CARE**

13 This entire Section 7 shall survive the expiration or termination of this Lease.

14 7.1 Tenant will at Tenant's expense, maintain good care of Premises, to include any and all fixtures
15 (including light fixtures with their lamps and ballasts) and appurtenances therein, and will suffer no active, passive or
16 permissive waste or injury thereof; and Tenant shall at Tenant's expense, with Landlord's permission and under the
17 direction of Landlord, promptly repair any injury or damage to the Premises or Building caused by the misuse or
18 neglect thereof by Tenant, or by persons permitted on Premises by Tenant, or Tenant moving in or out of the
19 Premises. If Tenant does not commence with repair of said injury or damage within twenty-four (24) hours of
20 notification by Landlord of existence of said injury or damage, then Landlord may accomplish repairs and Tenant
21 agrees to promptly reimburse Landlord for all costs of such repairs as Additional Rent.
22

23 7.2 Tenant will not, without Landlord's prior written consent, make alterations, additions or improvements
24 in or about the Premises. Any such alterations, additions or improvements shall be done by Tenant in accordance
25 with all Laws in a good and workmanlike manner and diligently prosecuted to completion. All alterations, additions or
26 improvements of a permanent nature made or installed by Tenant or Landlord to the Premises shall become the
27 property of Landlord at the expiration of this Lease, except as stated on Exhibit "A" hereto or as otherwise agreed in
28 writing by Landlord and Tenant; provided, however, Landlord reserves the right to require Tenant to remove any
29 improvements or additions made to the Premises by Tenant or Landlord, and repair and restore the Premises to their
30 condition prior to such alterations, addition or improvements, unless Landlord has approved the installation of such
31 improvements, alterations, or additions with an agreement stating otherwise.
32

33 7.3 No later than one (7) days prior to the expiration of the Term, Tenant shall remove all of Tenant's
34 personal property and repair all injury done by or in connection with installation or removal of said property, and
35 surrender the Premises (together with all keys, cards, and codes with respect to the Premises and Building) in as
36 good a condition as they were at the initial issuance of the Certificate of Occupancy issued by the City of Benicia,
37 CA. All property of Tenant remaining within the Premises or the Building without Landlord's written permission after
38 expiration of the Term shall be deemed conclusively abandoned and may be removed by Landlord. Tenant shall
39 reimburse Landlord for the cost of removing said property, subject to Landlord's right to require Tenant to remove any
40 improvements or additions made to the Premises by Tenant or Landlord pursuant to Section 7.2 preceding.
41

42 7.4 Intentionally Left Blank
43

44 7.5 Tenant agrees that Landlord shall have no responsibility or liability with respect to any real, personal
45 or other or property, including money, cash, or negotiable instruments, in the Premises or Building brought or placed
46 there by Tenant, its employees, licensees, or invitees for whatever reason, including theft, casualty, destruction or
47 loss. The sole risk with respect to such property and liability shall be that of Tenant, and Landlord shall not be liable
48 in any respect. Tenant hereby releases Landlord from any and all such claims or liability with respect to such
49 property or liability, and indemnifies Landlord against any loss or liability Landlord may incur with respect to the loss
50 or damage of such property or liability.
51

52 7.6 For medical related Tenants: Notwithstanding anything in this Lease to the contrary, Tenant shall be
53 responsible for proper protection, use and maintenance of all medical materials and equipment, and proper disposal
54 of medical or bio-hazardous waste, including the cost thereof.
55
56

57 **8. SERVICES**

58 8.1 NONE \ No Services Will Be Provided By Landlord
59

60 **9. DAMAGE, DESTRUCTION OR CONDEMNATION**

61 9.1 Loss by Fire or Other Causes. Tenant shall, in case of fire, or loss or damage from other causes,
62 give immediate notice thereof to Landlord. In the event of damage by fire or other causes resulting from fault or
63 negligence of Tenant or Tenant's agents, contractors, licensees, employees, or visitors, the damages shall be
64 repaired by and at the expense of Tenant under the direction and supervision of Landlord. If the Premises shall be
65 damaged by fire or other casualty covered by Tenants insurance and not resulting from the fault or negligence of
66 Tenant or Tenant's agents, employees, or visitors, the damages shall be repaired by and at the expense of Tenant
67 and the Rent shall continue to be paid by Tenant in a timely manner. There will be no lapse of Rent payments due in
68 the event of a peril an or loss.
69

70 9.2 Condemnation. If the Premises, or any part thereof, or any interest therein, be taken by virtue of (or
71 if any transfer shall be made in lieu of proceedings for) eminent domain or for any public or quasi-public use or
72 purpose, this lease and the estate hereby granted shall terminate as of the date of such taking. If any part of the
73 Building other than the Premises be so taken or conveyed, Landlord shall have the option to terminate this lease at
74 the date of such taking or conveyance, or within six (6) months thereafter, by giving Tenant thirty (30) days prior

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notice of the date of such termination. Tenant shall have no claim in any award resulting from any condemnation proceedings. Tenant may sue the entity that commenced the condemnation proceedings and not Landlord to recover damages it has suffered from such condemnation in a separate action from the condemning authority.

9.3 Loss or Damage. Landlord shall not be liable or responsible for any loss or damage to any property or person, direct, indirect, or consequential, occasioned by theft, fire, water, rain, snow, leakage of Building, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of any Governmental body or authority, or other matter beyond the control of Landlord, or for damage or inconvenience which may arise through repair, or alteration of any part of the Building, or failure to make such repairs, interruption of services, provision or failure to provide services, or from any cause whatever.

9.4 In the event that both Tenant and Landlord maintain insurance covering any loss to either Landlord's property or Tenant's property, of any kind whatsoever, Tenant's insurance shall be the primary coverage for such loss. Landlord's insurance, to the extent that Tenant's insurance is insufficient, shall be secondary only as it relates to Landlord's property, if applicable.

10. TENANT'S DEFAULT AND LANDLORD'S REMEDIES

10.1 Events of Default. The occurrence of any of the following events described in this Subsection 10.1 shall be and constitute an Event of Default under this Lease:

(a) Failure by Tenant to pay when due in full any Rent or other sum payable herein.

(b) Failure by Tenant in the observance or performance of any of the terms, covenants, agreements or conditions contained in this Lease, and such failure continues for a period of five (5) days after written notice thereof to Tenant by Landlord.

(c) Filing(s) by Tenant or Guarantor of a voluntary petition in or a involuntary petition or answer seeking reorganization arrangement, readjustment of the debts of Tenant or Guarantor or for any other relief under the Bankruptcy Act, as amended, or for any other insolvency act, law, rule or regulation, City, State or Federal, now or hereafter existing, or any action by Tenant or Guarantor indicating consent to, approval of or acquiescence in, any such petition or proceeding; the application by Tenant or Guarantor for, or the appointment by consent or acquiescence of, a receiver or trustee of Tenant or Guarantor, or for all or a substantial part of the property of Tenant or Guarantor, the making by Tenant or Guarantor of any general assignment for the benefit of the creditors of Tenant or Guarantor; or the inability of Tenant or Guarantor, or the admission of Tenant or Guarantor of the inability thereof, to pay the debts of Tenant or Guarantor as such may matures.

(d) The filing of any involuntary petition against Tenant or Guarantor in bankruptcy or seeking reorganization arrangement, readjustment of the debts of Tenant or Guarantor or for any other relief under the Bankruptcy Act, as amended, or under any other insolvency act, law, rule or regulations, City, State or Federal, now or hereafter existing, or the involuntary appointment of a receiver or trustee of Tenant or Guarantor or for all or a substantial part of the property of Tenant or Guarantor; or the issuance of attachment, execution or other similar process against any part of the property of Tenant or Guarantor and the continuation of any such for a period of ninety days undismissed, unbonded, or discharged.

(e) The insolvency of Tenant or any Guarantor(s).

(f) The desertion, vacation, or abandonment of the Premises by Tenant for any period exceeding five (5) consecutive days, regardless of whether Tenant continues to pay Rent.

(g) The Premises or Tenant's interest therein are levied upon or attached under process against Tenant and not satisfied or dissolved or bonded within ten (10) days.

(h) The assignment, subletting or mortgaging of the Premises without Landlord's prior written consent, which consent can be withheld at Landlord's sole discretion.

(i) Any construction, changes or alterations of the Premises without Landlord's prior written consent.

(j) Failure by Tenant to take full possession of the Premises within fifteen days (15) days following the Commencement Date.

(k) Failure by Tenant to deliver any document(s) as required pursuant to Sections 15, 17 and/or 33 herein.

(l) In the event Tenant is notified by any government authority to cease and desist the business operating within the premises, or as a result of a change in local or state regulations, Landlord may at his sole discretion notify Tenant that this Lease agreement is automatically terminated and Tenant will have thirty (30) days from receipt of said notice to vacate the Premises. During said thirty (30) day period, Tenant will cease any and all activities included in the governmental notification or that are in violation of the changes in laws or regulations. Tenant shall pay any fines and or penalties in the event any fines and or penalties are assessed against Landlord.

Notwithstanding Section 10.1(b) herein, no notice from Landlord to Tenant is required pursuant to this Section 10.1 concerning Sections 10.1(a), (c), (d), (e), (f), (g), (h), (i), (j), and/or (k) herein.

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10.2 Remedies. Whenever any Event of Default shall have happened and continue to exist, Landlord may, to the extent permitted by law, take any one or more of the following remedial steps described in this Subsection 10.2, subject, however, to the rights, title and interest of any mortgagee:

(a) Landlord may at its option, declare all installments of Rent as adjusted at the time of default payable under this Lease for the remainder of the Term to be immediately due and payable whereupon the same shall become immediately due and payable.

(b) Landlord may re-enter and take possession of the Premises, and sublease part of, or all of the Premises for the account of Tenant, holding Tenant liable for the difference in the Rent and other amounts actually paid by such sublessee in such subleasing and the Rents and other amounts payable by Tenant hereunder.

(c) Landlord, as Tenant's agent, without terminating this Lease, may at Landlord's option enter upon and operate the Premises, including improvements, and in this connection, Tenant authorizes Landlord upon such entry, to take over and assume the management, operation and maintenance of such improvements for the account of Tenant, holding Tenant liable for all Rent and other amounts payable by Tenant hereunder.

(d) Landlord may terminate this Lease, exclude Tenant from possession of the Premises and improvements and will use Landlord's best efforts to lease the same to another for the account of Tenant, holding Tenant liable for all Rent and other amounts payable by Tenant hereunder.

(e) Landlord may take whatever action at law or in equity may appear necessary or desirable to collect the Rent and other amounts then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of Tenant under this lease, and in connection with such actions to recover any or all damages to Landlord for Tenant's violation or breach of this lease.

(f) Any installment of Rent or portion thereof that is herein required to be paid by Tenant to Landlord or any other amount that is due from Tenant to Landlord that is related to Tenant's occupancy of the Premises, and any such amount is not received by Landlord within five (5) days of scheduled due date, then such amount shall bear interest at the maximum legal rate permitted by law from the due date until paid. In addition, as a late fee for the purpose of helping to defray the additional expenses incurred by Landlord for processing such late payment and not as a penalty, Tenant shall be subject to and shall pay to Landlord a sum equal to ten percent (10%) of any such amount that is due but not received by Landlord within five (5) days of scheduled due date (by 3:00 p.m. local Memphis time), but not less than Fifty Dollars (\$50.00), for each occurrence of the failure of Tenant to pay any such amount when due. Tenant acknowledges and agrees that such late fee is a reasonable estimate of any such additional expenses incurred by Landlord. A returned check fee (the highest amount allowed by law) will be charged by Landlord for all dishonored checks, for whatever reason.

(g) No termination of this Lease prior to the normal ending thereof by lapse of time or otherwise, solely because of Tenant's default under this Lease, shall affect Tenant's obligation to pay and Landlord's right to collect the entire Rent for the entire Term, in this lease.

(h) In the event Landlord elects to terminate this Lease as herein provided, Landlord may, in addition to any other remedies it may have, recover from Tenant all damages Landlord may incur by reason of such default, including the cost of recovering the Premises, redecorating, remodeling and reletting the Premises, reasonable attorney's fees and costs and including the worth at the time of such termination of the excess, if any, of the amount of Rent in this lease for the remainder of the Term over the then reasonable Rent value of the Premises for the remainder of the Term, all of which amounts shall be immediately due and payable from Tenant to Landlord.

(i) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law.

(j) This Lease and the parties' rights and obligations hereunder shall be construed in accordance with, and governed, by the substantive Laws of the State of Tennessee.


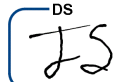
11. LANDLORD'S DEFAULT AND TENANT'S REMEDIES

If Landlord should materially default in any of its obligations under this Lease, and such default should not be cured within sixty (60) days after written Notice thereof from Tenant to Landlord and mortgagee (or, if such default is of a nature that it cannot be cured within sixty (60) days, then if Landlord or mortgagee shall not have commenced cure of such default within said sixty (60) day period and is diligently pursuing such cure to completion), then Tenant may pursue any other remedy available to Tenant by applicable laws.

12. ASSIGNMENT AND SUBLETTING

Tenant may not assign this Lease or any interest hereunder, or sublet or license the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant, without Landlord's prior written consent. If at any time during the Term Tenant shall request Landlord's consent to assign this Lease, or to sublet all or substantially all of the Premises, Tenant shall include with such requests the name and business experience of the proposed transferee, assignee or sublessee, complete and current financial statements of said transferee, assignee or sublessee, and the rent and other terms of the proposed assignment, transfer or subletting. As a condition to the review of any assignment or sublease, Tenant shall deliver to Landlord or Landlord's manager, as the case may be, a non-refundable fee of Five Thousand Dollars (\$5,000.00) to defray the administrative costs with respect thereto, together with Landlord's then standard "Tenant Rental Application" that has been signed by any intended transferee(s). In addition, all legal fees and expenses incurred by Landlord or its manager in connection with the

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1 review of Tenant's requested assignment or sublease together with any legal fees and disbursements incurred in the
2 preparation and/or review of any of Tenant's requested assignment or sublease, shall be the responsibility of Tenant
3 and shall be paid by Tenant within five (5) days of demand for payment thereof. The non-refundable fee and legal
4 expenses incurred as described herein will be due and payable regardless of whether or not Landlord approves the
5 assignment or sublease as requested by Tenant. Any attempted transfer in violation of this Section 12 shall be a
6 material breach of this Lease and shall be null and void.
7

8 No interest of Tenant in this Lease shall be assignable by operation of law (including without limitation, the transfer of
9 this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment: (i) If
10 Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a
11 proceeding under any bankruptcy law in which Tenant is the bankrupt party; (ii) if a writ of attachment or execution is
12 levied on this Lease; (iii) if, in any proceeding or action to which Tenant is a party, a receiver is appointed with
13 authority to take possession of the Premises. An involuntary assignment shall constitute a default by Tenant and
14 Landlord shall have the right to elect to terminate this Lease (and pursue all remedies under the Lease for default), in
15 which case this Lease shall not be treated as an asset of Tenant.
16

17 **13. SECURITY DEPOSIT**

18 By the date of Tenant's signature of this Lease, Tenant shall deposit with Landlord the amount set forth in Section
19 2.4 hereof as security for the full, timely and faithful performance by Tenant of its covenants and obligations
20 hereunder. If Tenant fails to pay Rent or other charges due herein, or otherwise defaults with respect to any provision
21 of this Lease, Landlord may use, apply or retain all or any portion of such security deposit for the payment of any
22 Rent or other charge in default or for the payment of any other sum to which Landlord may become obligated by
23 reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If
24 Landlord so uses or applies all or any portion of said security deposit, Tenant shall within ten (10) days after written
25 demand shall deposit cash with Landlord in an amount sufficient to restore said security deposit to the full amount
26 herein stated and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to
27 keep said security deposit separate from its general accounts. If Tenant shall fully and faithfully perform every
28 provision of this Lease to be performed by it, then Landlord will return said deposit, or so much thereof as has not
29 therefore been applied by Landlord, without payment of interest or other increment for its use, to Tenant (or, at
30 Landlord's option, to the last permitted assignee, if any, of Tenant's interest hereunder) within thirty (30) days after
31 the expiration of the Term. If Landlord assigns its interest in the Premises during the Term, Landlord may assign the
32 security deposit to the assignee and thereafter Landlord shall have no further liability for the return of such security
33 deposit to Tenant. In such event, Tenant thereafter agrees to look solely to the new landlord for the return of such
34 security deposit. Tenant agrees that it will not assign or encumber or attempt to assign or encumber the monies
35 deposited as security and that Landlord and its successors and assignees shall not be bound by any such actual or
36 attempted assignment or encumbrance thereof.
37

38 **14. INSPECTIONS**

39 Landlord may enter the Premises during Normal Business Hours (and at any time in the case of an emergency) to
40 show same to prospective purchasers, lenders, tenants, brokers, agents, insurance agents and their respective
41 inspectors or Tenants, and to inspect the Premises to see that Tenant is complying with all its obligations hereunder,
42 and to make repairs and or inspections required of Landlord under the terms hereof or repairs to any adjoining
43 space. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's
44 business and any loss of occupancy or quiet enjoyment of the Premises by reason of Landlord's exercise of its rights
45 of entry in accordance with this Section 14, and Tenant shall not be entitled to an abatement or reduction of Rent in
46 connection therewith.
47


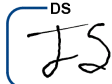
48 **15. QUIET ENJOYMENT; SUBORDINATION AND CERTIFICATE OF TENANT**

49 15.1 Intentionally Left Blank
50

51 15.2 This Lease and the rights of Tenant hereunder shall be subject and subordinate to any existing or
52 future mortgage liens, ground lease, deeds of trust, easements, licenses, or security document encumbering or
53 affecting the real property of which the Premises form a part, and to any renewal, extension, modification or
54 consolidation of such mortgages or other documents described herein. This Lease may not be publicly recorded in
55 any form. The provisions of this Section 15.2 shall be self-operative and no further instrument of subordination shall
56 be required; however, notwithstanding such self-operation, within ten (10) days after written request from Landlord,
57 Tenant agrees to execute, at no expense to Landlord, any instrument which may be deemed necessary or desirable
58 by Landlord to further effect the subordination of this Lease to any mortgage, deed of trust or other encumbrance of
59 whatever character; failing in which Tenant does hereby irrevocably appoint Landlord as attorney-in-fact for Tenant,
60 and Landlord thereafter may in Tenant's name execute such proper and necessary subordination agreement(s) to
61 this effect. If any party providing funding or financing to Landlord requires Tenant to furnish such party, written notice
62 of any default of this Lease by Landlord, Tenant shall furnish such notice upon being notified of such party and its
63 requirement. Tenant agrees that Tenant shall not have the right to alter, amend, surrender or terminate this Lease
64 because of Landlord's default or otherwise until such party so notified, has had at its option, a reasonable time to
65 cure Landlord's default, or if foreclosure proceedings by such party have been commenced, a reasonable time
66 following completion of foreclosure to, at its option, cure Landlord's default. Tenant shall attorn to any party
67 succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure,
68 power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements
69 confirming such attornment as such party may reasonably request.
70

71 15.3 Tenant agrees, at any time, and from time to time, upon not less than five (5) days' prior notice by
72 Landlord, to execute, acknowledge and deliver to Landlord a statement in writing within three (3) days of Notice by
73 Landlord certifying (if true) that this Lease is unmodified and in full force and effect (or if there have been
74 modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to

Initialed by: Tenant  Landlord 

1 which the Rent, Rent adjustments and other charges have been paid, and stating whether or not to the best
2 knowledge of the signer of such certificate, Landlord is in default in performance of any covenant, agreement, term,
3 provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have
4 knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by any
5 prospective purchaser or lessee of the Premises or of the Building and or the land upon which it is erected, and
6 mortgagee or prospective mortgagee thereof, or any prospective assignee of any mortgagee thereof. Tenant also
7 agrees to execute and deliver from time to time such similar estoppel certificates as any lender(s) may require with
8 respect to this Lease. If Tenant fails or refuses to furnish such certificate within the time provided, it will be
9 conclusively presumed that (i) this Lease is in full force and effect in accordance with its terms; (ii) there are no
10 existing defenses or offsets in favor of Tenant that would preclude enforcement of this Lease by Landlord; (iii)
11 Landlord is not in default under this Lease; and (iv) no advance Rent or other deposits have been made except as
12 expressly set forth in the Lease.

13
14 15.4 In addition to all other remedies Landlord is entitled to under the provisions of this Lease or
15 otherwise by law or equity, if Tenant shall fail to deliver to Landlord any documents required pursuant to Sections
16 15.2, 15.3 and/or 33 herein, Tenant, in recognition of the difficulty or impossibility of determining Landlord's damages
17 for such failure(s) by Tenant, shall pay Landlord, upon demand, as liquidated damages and not as a penalty and in
18 addition to the Rent and other charges payable under this Lease, a charge of Five Hundred Dollars (\$500.00) for
19 each day beyond the last date on which any such document(s) pursuant to Sections 15.2, 15.3 and/or 33 herein
20 was/were due to be delivered to Landlord, and such per diem charge shall continue to be due and payable for each
21 day that occurs until every such document is delivered to Landlord. Tenant agrees that such per diem charge is a
22 reasonable estimate of any such damages incurred by Landlord. Regardless of the foregoing, nothing herein
23 contained shall be deemed to limit any other remedy available to Landlord or in any way prevent Landlord from
24 declaring Tenant in default under this Lease pursuant to Section 10 herein. Tenant's compliance with the time and
25 manner of delivery of any documents required pursuant to sections 15.2, 15.3 and/or 33 herein shall be material and
26 of the essence, and such requirements shall be strictly enforced.



27
28 **16. INDEMNITY AND HOLD HARMLESS**
29 Notwithstanding that joint or concurrent liability may be imposed upon Tenant and Landlord, Tenant shall indemnify,
30 defend and hold harmless Landlord and the Landlord Group of and from any loss, attorney's fees, expenses, claims,
31 fines, suits, costs and liability of every kind arising directly or indirectly because of any bodily injury, death and/or
32 damage to property occurring in or resulting from (i) any acts or omissions of Tenant, its employees, agents, invitees,
33 contractors, officers and directors (collectively, the "Tenant Group"); (ii) any breach of this Lease by Tenant, the
34 Tenant Group, and/or any assignee or subtenant occurring during the Term and/or any holdover period; and/or (iii)
35 Tenant's use or occupancy of the Premises. If any action or proceeding shall be brought by or against Landlord
36 and/or any member of the Landlord Group in connection with any such liability or claim, Tenant on notice from
37 Landlord, shall defend such action or proceeding, at Tenant's expense, by or through attorneys reasonably
38 satisfactory to Landlord; provided, however, Landlord or any member of the Landlord Group may retain separate
39 attorneys to defend such actions and all costs thereof shall be at Tenant's expense. The provisions of this Section
40 16 shall apply to all activities of Tenant whether occurring before or after the Commencement Date, and Tenant's
41 obligations under this Section 16 shall not be limited to the limits or coverage of insurance maintained or required to
42 be maintained by Tenant under this Lease. The provisions of this Section 16 shall survive the expiration or
43 termination of the Lease.

44
45 **17. TENANT'S INSURANCE AND WAIVER OF SUBROGATION**
46 Tenant shall carry \$5,000,000.00 Dollars (Five Million Dollars) U.S. in liability insurance, and casualty, earthquake,
47 fire, theft, American Disabilities Act and extended coverage insurance insuring its leasehold interest in the Premises
48 and improvements therein whether installed by Tenant or Landlord for full replacement value, and its interest in its
49 office furniture, equipment, supplies and other personal property, and Tenant hereby waives any rights of action
50 against Landlord for loss of or damage to its interest, improvements, fixtures and personal property in the Premises.
51 Such insurance shall be for the joint benefit of Tenant and Landlord and shall name the Landlord and the current
52 management company (as each might change from time to time) each as an additional named insured, and shall
53 provide that the Landlord and the current management company (as each might change from time to time) be given
54 at least thirty (30) days advance written notice in the event of cancellation. Tenant will furnish Landlord with written
55 proof of such insurance at least ten (10) days prior to Tenant's occupancy of the Premises. Tenant appoints
56 Landlord as Tenant's Power of Attorney to file any insurance claims and endorse any insurance proceeds that would
57 be due Landlord pursuant to any insurance proceeds that would be due Landlord. Tenant agrees that if Tenant does
58 not procure and maintain such insurance, Landlord may (but shall not be required to) obtain such insurance on
59 Tenant's behalf and charge Tenant the premiums therefore together with a fifteen percent (15%) handling charge,
60 payable upon demand. Landlord reserves the right to require that Tenant increase the limits of such insurance
61 required pursuant to this Section 17 provided such request is commercially reasonable in such amounts as Landlord
62 (or its insurance provider(s)) determines prudent within generally accepted business practices for comparable
63 businesses.

64
65 **18. REMEDIES CUMULATIVE**
66 The rights given to either party herein are in addition to any rights that may be given to such party by any statute or
67 under Law.

68
69 **19. HOLDING OVER**
70 If Tenant remains in possession after the expiration of the Term hereof, then Tenant shall become a Tenant at will
71 and such tenancy shall be subject to all provisions herein, except that the monthly portion of the Rent shall be
72 accelerated to Two Hundred Percent (200%) of the final month Rent for the Premises during the entire holdover
73 period, and there shall be no pro-ration of such "holdover" rent for any partial month occupancy, and there shall be

Initialed by: Tenant  Landlord 

1 no renewal of this lease by operation of Law. Nothing in this paragraph shall be construed as consent by Landlord
2 to the possession of the Premises by Tenant after the expiration of the Term.
3

4 **20. ENTIRE AGREEMENT; RULE OF CONSTRUCTION AND NO WAIVER**

5 This Lease contains the entire agreement of the parties hereto regarding the subject matter hereof and supersedes
6 all oral statements and prior writings relating thereto, and no representations, inducements, promises or agreements,
7 oral or otherwise, between the parties not expressly set forth herein shall be of any force or effect. There are no
8 conditions precedent or contingencies with respect to the enforceability of this Lease except as expressly set forth
9 herein. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to
10 the interpretation of this Lease or any exhibits or amendments hereto. Whenever the term "including" is used in this
11 Lease, it shall be deemed to mean "including, without limitation" or "included, but not limited to." The failure of
12 Landlord to insist in any instance on strict performance of any covenant or condition hereof, or to exercise any option
13 herein contained, shall not be construed as a waiver of such covenant, condition or option in any other instance, and
14 no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or
15 diminish the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof.
16 This Lease cannot be modified orally, but may be amended only by an instrument in writing and signed by Landlord
17 and Tenant. Landlord may waive the provisions of the immediately preceding sentence only by a written instrument
18 signed by Landlord.
19

20 **21. HEADINGS**

21 The headings in this Lease are for convenience only and are not to be taken into consideration in any construction or
22 interpretation of this Lease or any of its provisions.
23

24 **22. NOTICES**

25 22.1 Notices by Tenant to Landlord shall be valid only if in writing and shall be deemed to be duly given if
26 delivered only by United States Postal Service Certified Mail with Return Receipt service requested, or by FedEx
27 Overnight Service (Direct Signature Required), and addressed to Landlord, and to Landlord's legal counsel,
28 separately and at each of the addresses as set forth herein this Section 22.1 as follows:
29
30

31
32 Charles Gardyn Paul W Gardyn,
33 PO Box 168 681 Golden Harbour Dr
34 San Carlos, CA 94070-0168 Boca Raton, FL 33432-2943
35 Attn: Trustee
36

37 22.2 Notice by Landlord to Tenant shall be valid only if in writing and shall be deemed to be duly given if
38 delivered to the Premises.
39

40 **23. HEIRS AND ASSIGNS - PARTIES**

41 Subject to the provisions pertaining to transfer, assignment and subletting, the provisions of this Lease shall bind and
42 inure to the benefit of Landlord and Tenant, and their respective successors, heirs, legal representatives and
43 assigns; it being understood that the term "Landlord" as used in this Lease, means only Landlord, so that in the event
44 of any sale or transfer of Landlord's property interest in the Building and/or of this Lease, Landlord named herein
45 shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord occurring thereafter,
46 and it shall be deemed without further agreement that the purchaser, or the transferee, as the case may be, has
47 assumed and agreed to carry out any and all covenants and obligations of, and shall be deemed, "Landlord" during
48 the period such party controls the Building. Tenant shall be bound to any such succeeding party Landlord for
49 performance by Tenant of all the terms, covenants, and conditions of this lease and agrees to execute any
50 attornment agreement not in conflict with the terms and provisions of this Lease at the request of any such
51 succeeding Landlord.
52

53 22.1 This lease will be assigned by Landlord to a Corporate entity and Tenant represents, warranties and
54 agrees that Charles Gardyn shall have no other responsibilities and or liabilities whatsoever regarding this lease
55 agreement effective the date this lease agreement is signed.
56

57 **24. ATTORNEY'S FEES**

58 If Landlord is required to retain an attorney to enforce the terms and conditions of this Lease or collect any Rent
59 owing under this Lease, Tenant shall pay as Additional Rent, all attorneys' fees, expenses, court costs and all other
60 costs of any suit, trial or appeal thereof. Tenant shall pay all such fees, costs and expenses incurred by Landlord as
61 a result of any breach or default by Tenant under this Lease.
62

63 **25. NO ESTATE IN LAND**

64 Tenant has only a leasehold interest under this agreement, not subject to levy or sale; no estate shall pass out of
65 Landlord. Tenant hereby agrees not to look to the mortgagee, as mortgagee, mortgagee in possession, or successor
66 in title to the property, for accountability for any security deposit required by Landlord herein, unless said sums have
67 actually been received by said mortgagee as security for Tenant's performance of this Lease.
68

69 **26. LANDLORD'S LIEN**

70 Tenant hereby pledges and assigns to Landlord all of the furniture, fixtures, and other personal property of Tenant
71 which are or may be put on the Premises as security for the payment of the Rent herein. The lien hereby created
72 may be enforced by distress, foreclosure or otherwise, at the election of Landlord. The Tenant hereby waives all
73 rights of homestead or exemption in such furniture, fixtures, and other personal property to which it may be entitled
74 under the constitution and laws of this state. The lien herein granted shall be subordinate to the lien of a lender or
75 vendor securing the purchase price of any such item.

Initialed by: Tenant  Landlord 

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27. TIME IS OF THE ESSENCE

In all instances where Tenant is required by the terms and provisions of this Lease to pay any sum or to do any act at a particular time or within a specified period, it is understood and agreed that TIME IS OF THE ESSENCE.

28. WAIVER OF BREACH

It is hereby covenanted and agreed that no waiver of breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

29. Intentionally Left Blank

30. LANDLORD'S EXCULPATION

Landlord and Landlord's partners, shareholders, heirs, personal representatives, successors and assigns, shall have absolutely no corporate or personal liability with respect to the performance of any of the terms, covenants, conditions and provisions of this lease, and Tenant shall look solely to the equity of Landlord, Its heirs, personal representatives, successors, and assigns, in the Building for the satisfaction of each and every remedy of Tenant in the event of any breach of Landlord, its heirs, partners, shareholders, personal representatives, successors and assigns, of any of the terms. The covenants, conditions and provisions of this Lease to be performed by Landlord shall be such that the exculpation of liability shall be absolute and without exception whatsoever.

31. TAXES PAYABLE SOLELY BY TENANT

In addition to the Minimum Rent and 100% (one hundred Percent) of the Operating Expenses to be paid by Tenant hereunder, Tenant shall in advance, prior to delinquency, pay the full amount of all taxes, assessments, impositions, levies, charges, excises, fees, licenses and other sums levied, assessed, charged or imposed, by any governmental authority or other taxing authority upon Tenant or Tenant's leasehold interest under this Lease including all alterations, additions, fixtures (including removable trade fixtures), inventory and other property installed or placed or permitted at the Premises by Tenant. Within thirty (30) days after notice from Landlord, Tenant shall furnish Landlord a true copy of receipt(s) evidencing such payment from the governmental authority or other taxing authority assessing such charges. Tenant shall be solely responsible for any current or future sales taxes resulting from Landlord's providing any parking passes pursuant to Section 3.11 hereof and shall either (i) timely pay such sales taxes upon written request from Landlord; or (ii) reimburse Landlord within fifteen (15) days after written request from Landlord (if Landlord, at its sole discretion, elects to pay such sales taxes on behalf of Tenant).

32. JOINT AND SEVERAL LIABILITY

If there is more than one Tenant under this Lease, the obligations imposed against said parties hereunder shall be joint and several. If there is/are any guarantor(s) ("Guarantor" or "Guarantors") of Tenant's obligations under this Lease, such obligations shall be joint and several as between the said Tenant(s) and each of any said Guarantor(s), and Landlord in any such action involving Tenant's obligations under this Lease, need not first proceed against said Tenant(s) before proceeding against said Guarantor(s). The Guarantor(s) shall not be released from its guaranty for any reason whatsoever, including any obligations created by amendments to this Lease, waivers thereof, or through default of Tenant, or for the failure of Landlord or Tenant to give notice to said Guarantor(s) of any notice given by Landlord to Tenant, or by release by Landlord of any other party liable for payment of Tenant's obligations under this Lease.

33. SUBMITTAL AND RELEASE OF FINANCIAL STATEMENT


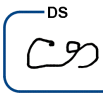
At any time and from time to time during the Term, within fifteen (15) days after request therefore by Landlord (or any of Landlord's mortgagee(s)), Tenant and any guarantor(s) shall supply to Landlord and/or any mortgagee(s) a current financial statement or such other financial information as may be required by any such party (See Section 15.4 herein regarding liquidated damages in the event Tenant fails to comply with the foregoing). Tenant hereby consents to Landlord's release of copies of Tenant's consumer and/or investigative consumer reports, credit reports, tenant application, financial statements, and other information contained in Landlord's files to: (i) any current, future or potential lender related to the Building, including, without limitation, such lender's accountants, lawyers and consultants (ii) any potential purchaser or transferee of the Building, including, without limitation, purchaser's/transferee's accountants, lawyers, brokers and consultants; (iii) Landlord's independent accountants, property manager, lawyers, brokers and consultants; and (iv) any governmental entity, agency or person to whom disclosure is required by applicable law, regulation or duty of diligent inquiry and in connection with any action brought to enforce the terms of this Lease, on account of the breach or alleged breach hereof or to seek a judicial determination of the rights or obligations of the parties hereunder. Tenant agrees that, to the fullest extent allowed by law, such consent will apply throughout and after the subject tenancy.

34. CONSTRUCTION FINANCIAL RESPONSIBILITY

Tenant shall deposit into a joint account with Landlord the funds needed for any and all improvements to the Premises and or property prior to beginning any work of any kind. A construction management consulting firm (<http://www.zccflorida.com/> or similar type of firm) will be utilized for the approval of any funds to be disbursed from this joint escrow account. Tenant shall cooperate and file a notice of non-responsibility for any construction and any other type of work for the property and premises.

35. LANDLORD'S CONSENT

Whenever this Lease provides for certain actions upon Landlord's consent or approval, such consent or approval may be withheld and/or conditioned at Landlord's sole and absolute discretion without limitation, unless expressly stated otherwise herein.

Initialed by: Tenant  Landlord 

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36. TENANT DECLARATIONS

Tenant and the person(s) signing this Lease on behalf of Tenant warrant, represent and covenant that neither Tenant nor any member, officer, stockholder or owner of Tenant is: (a) a "Specially Designated National," as determined by the Office of Foreign Assets Control, United States Department of Treasury; (b) part of any terrorist organization; and (c) has ever been indicted, convicted, or detained on charges involving money laundering.

37. FORCE MAJEURE

Landlord's performance under this Lease, including services to be furnished by Landlord as provided for in this Lease and the periods for Landlord's performance, shall be extended or abated for such periods of time during which Landlord's performance is limited, or prevented, due to circumstances beyond Landlord's control. This includes, without limitation, strikes, embargoes, repairs, alterations, adverse weather, governmental action, items or events referred to as acts of God, war, terrorism or other strife.

38. EXHIBITS


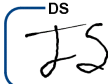
The contents and provisions set out in any Exhibits attached hereto are incorporated herein by reference and made a part hereof. Unless specific exceptions to this Section 38 are noted in any Exhibits to this Lease, if any term or provision of said Addenda or Exhibits shall conflict with any of the terms or provisions of the original sections and paragraphs of this Lease, the terms or provisions of the original sections and paragraphs of this Lease shall prevail and govern.

The Exhibits are as follows:

- Exhibit "A" - Floor Plan of the Premises
- Exhibit "B" - [NOT APPLICABLE]
- Exhibit "C" - Construction Work Letter
- Exhibit "C-1" - Final Plans for Improvements
- Exhibit "C-2" - Final Cost Estimate of Improvements
- Exhibit "D" - List of Tenant's Equipment and Furnishings
- Exhibit "E" - [NOT APPLICABLE]
- Exhibit "F" - Statement of Rent Commencement and Expiration Dates

[THE REST OF THIS PAGE IS BLANK INTENTIONALLY. THE SIGNATURE PAGE IMMEDIATELY FOLLOWS.]

Initialed by: Tenant  Landlord 

1 LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE
2 SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT
3 HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY
4 LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED
5 HEREIN, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR
6 DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS
7 HEREUNDER, WHETHER EXPRESS OR IMPLIED.
8

9 This Commercial Lease Agreement is executed on the respective dates set forth below, but for reference purposes,
10 this Lease shall be dated as of the date first above written. If an execution date below is left blank, such execution
11 date shall be deemed the date first written above.

TENANT AND LEASE GUARANTOR(S):

BGC, INC.

{Tenant}

X DocuSigned by:
BRIAN KAISER

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By: Brian Kaiser, President

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BRIAN KAISER

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By: Brian Kaiser, GUARANTOR

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LANDLORD:

Charles Gardyn

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Charles Gardyn

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By: _____

Name: Charles Gardyn 9/9/2018 8:44:02 PM PDT

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Igor Goldenberg

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Name: Igor Goldenberg, COO

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Igor Goldenberg

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Name: Igor Goldenberg, GUARANTOR

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Title: _____

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Jenelle Schreck

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Name: Jenelle Schreck,, GUARANTOR,

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**ABSOLUTE, UNCONDITIONAL AND CONTINUING PERSONAL
GUARANTY**

To induce Charles Gardyn or assigns (Landlord) to enter into the Lease Agreement (Lease) for 1401 East 5th St Benicia, CA "(copy attached) dated September 1, 2018, I Brain Kaiser (I/my/me") unconditionally guarantee to Landlord the prompt payment, when due, of all of obligations of Tenant under the terms of the Lease. Landlord shall not be required to proceed against Tenant to enforce any other remedy before proceeding against me. I agree to pay attorney fees and other expenses incurred by the landlord by reason of my and/or my default of the Lease and waive notice of the acceptance hereof, and of all other notices of demands of any kind to which I may otherwise be entitled. I consent to any extensions of time or modifications in the amount of the Lease and or terms granted to Tenant and to the release and/or compromise of any obligations of or to Tenant or any other obligors and guarantors without in any way releasing me from my obligations hereunder. This is an absolute, unconditional and continuing personal guaranty. I agree that this guaranty shall inure to the benefit of any assignment by Landlord as the case may be.

I acknowledge receiving a completed copy of the Lease.

X DocuSigned by:
BRAIN KAISER
0D3CFE3CE08B4EE
(Printed name of Guarantor)
Brain Kaiser

Dated: 9/9/2018 4:34:25 PM PDT

**ABSOLUTE, UNCONDITIONAL AND CONTINUING PERSONAL
GUARANTY**

To induce Charles Gardyn or assigns (Landlord) to enter into the Lease Agreement (Lease) for 1401 East 5th St Benicia, CA "(copy attached) dated September 1, 2018, I Igor Goldenberg (I/my/me") unconditionally guarantee to Landlord the prompt payment, when due, of all of obligations of Tenant under the terms of the Lease. Landlord shall not be required to proceed against Tenant to enforce any other remedy before proceeding against me. I agree to pay attorney fees and other expenses incurred by the landlord by reason of my and/or my default of the Lease and waive notice of the acceptance hereof, and of all other notices of demands of any kind to which I may otherwise be entitled. I consent to any extensions of time or modifications in the amount of the Lease and or terms granted to Tenant and to the release and/or compromise of any obligations of or to Tenant or any other obligors and guarantors without in any way releasing me from my obligations hereunder. This is an absolute, unconditional and continuing personal guaranty. I agree that this guaranty shall inure to the benefit of any assignment by Landlord as the case may be.

I acknowledge receiving a completed copy of the Lease.

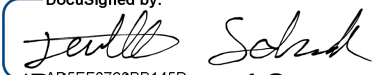
X DocuSigned by:
Igor Goldenberg
(Printed name of Guarantor)
Igor Goldenberg

Dated: 9/9/2018 4:46:42 PM PDT

**ABSOLUTE, UNCONDITIONAL AND CONTINUING PERSONAL
GUARANTY**

To induce Charles Gardyn or assigns (Landlord) to enter into the Lease Agreement (Lease) for 1401 East 5th St Benicia, CA "(copy attached) dated September 1, 2018, I Jenelle Schreck (I/my/me") unconditionally guarantee to Landlord the prompt payment, when due, of all of obligations of Tenant under the terms of the Lease. Landlord shall not be required to proceed against Tenant to enforce any other remedy before proceeding against me. I agree to pay attorney fees and other expenses incurred by the landlord by reason of my and/or my default of the Lease and waive notice of the acceptance hereof, and of all other notices of demands of any kind to which I may otherwise be entitled. I consent to any extensions of time or modifications in the amount of the Lease and or terms granted to Tenant and to the release and/or compromise of any obligations of or to Tenant or any other obligors and guarantors without in any way releasing me from my obligations hereunder. This is an absolute, unconditional and continuing personal guaranty. I agree that this guaranty shall inure to the benefit of any assignment by Landlord as the case may be.

I acknowledge receiving a completed copy of the Lease.

X DocuSigned by:

D1D5EE0768BB145D
(Printed name of Guarantor)
Jenelle Schreck

Dated: 9/9/2018 5:43:52 PM PDT

ADDENDUM TO COMMERCIAL LEASE AGREEMENT AND NON-EXCLUSIVE AGREEMENT RELATED TO CANNABIS DISPENSARY APPLICATION

Whereas, the parties wish to make certain adjustments to the Commercial Lease Agreement and the Non-Exclusive Agreement Related to Cannabis Dispensary Application;

Whereas, the deadline for submission of the Cannabis Dispensary Application does not provide time to make all the required changes to Commercial Lease Agreement and the Non-Exclusive Agreement Related to Cannabis Dispensary Application;

Therefore, Landlord and Tenant/Applicant hereby agree to the following terms:

1. Tenant/Applicant shall have the option to terminate the Commercial Lease Agreement at any date until April 15, 2019. Tenant/Applicant may exercise this option by delivery to Landlord of a written notice by hand, overnight delivery, or email, at any time until 11:59 pm on April 15, 2019. Upon such termination, Tenant/Applicant and the Guarantors shall have no further obligations under the Commercial Lease Agreement, the Non-Exclusive Agreement Related to Cannabis Dispensary Application, or the Absolute, Unconditional, and Continuing Personal Guaranty.
2. Tenant/Applicant shall pay partial rent beginning on the first day of the calendar month following the date that Tenant/Applicant is determined to be a Selected Applicant for a retail cannabis dispensary by the City of Benicia. The City of Benicia has stated it anticipates the selection of Selected Applicants in December 2018. [REDACTED]
3. Notwithstanding any other provision of the Non-Exclusive Agreement Related to Cannabis Dispensary Application and the Commercial Lease Agreement, including specifically Section 1.3 of the Commercial Lease Agreement, the terms of this Addendum replace and supersede the terms of the Non-Exclusive Agreement Related to Cannabis Dispensary Application and the Commercial Lease Agreement. If there is any conflict between the terms of this Addendum and the terms of the Non-Exclusive Agreement Related to Cannabis Dispensary Application or the Commercial Lease Agreement, the terms of this Addendum shall govern.

Landlord

Charles Gardyn



Charles Gardyn (Sep 10, 2018)

By: Charles Gardyn

Tenant/Applicant

BGC Inc.



Brian Kaiser (Sep 10, 2018)

By: Brian Kaiser, President



doing business as:

GREEN CROSSING

Supplemental Materials for the City of Benicia

January 2, 2019

Requested Materials:

Copy of Executed Leas Agreement.....	29 Pages
Revised Security Plan.....	6 Pages (Includes Cover Page)
Revised Conceptual Site Plans.....	3 Pages
Revised Tenant Improvements Budget and Timeline.....	2 Pages

PROFESSIONAL OFFICE / RETAIL BUILDING LEASE

BETWEEN

THE SEKHON FAMILY 2001 TRUST

("Landlord")

AND

Metron Capital Inc.

("Tenant")

2046

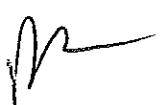


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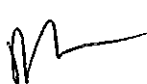
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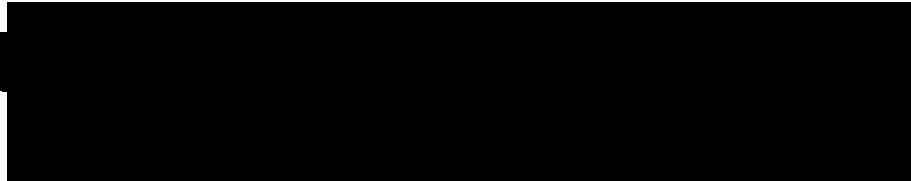
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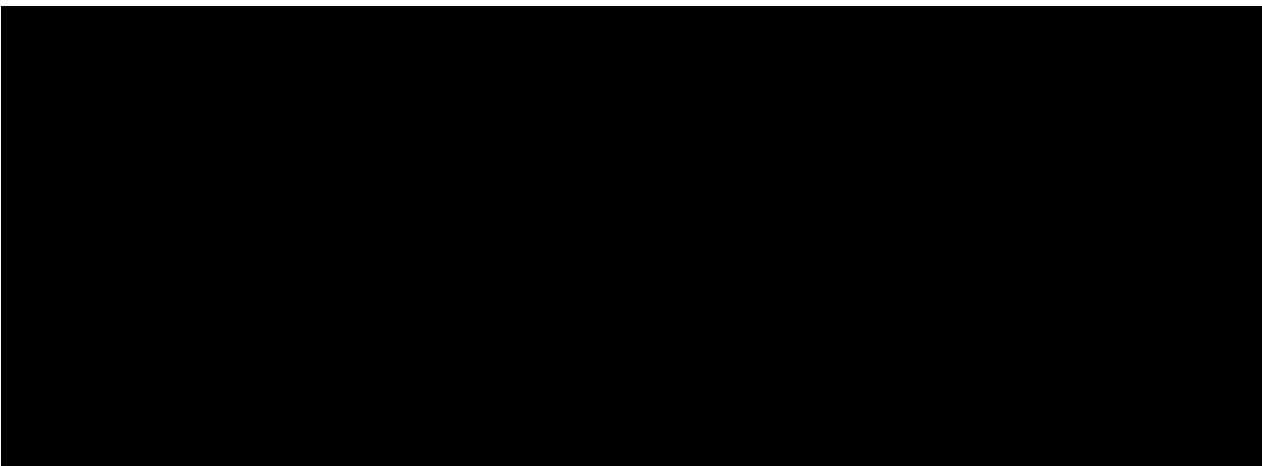


PROFESSIONAL OFFICE BUILDING LEASE

THIS LEASE is made and entered into by the Landlord and Tenant named herein who agree as follows:

FUNDAMENTAL LEASE PROVISIONS. The fundamental Section provisions of this Lease are:

1. Date of Lease: June 1, 2018
2. Landlord: The Sekhon Family 2001 Trust
3. Tenant: Metron Capital Inc. (Tax ID : 82-2262858)
4. Address and Description of Premises:
 - (a) Suite number 2046 Columbus Parkway, shown on the attached Exhibit A(the "Premises"), located on the first floor of the Building commonly known as 2046 Columbus Parkway, Benicia, CA (the "Building").
 - (b) Gross square footage of Premises: 2,025 square feet
 - (c) Tenant's share of Common Area: 9.26%
5. Term:
 - (a) Duration: 5 (Five) years. In the event that Tenant is not permitted to operate a cannabis dispensary at this location, this lease may be terminated by Tenant with 90 day notice.
 - (b) Commencement Date: June 1, 2018
 - (c) Renewal Option: Two Five Year.
6. Permitted Use: Cannabis Dispensary
7. Monthly Rent; Building Operating Costs:
 - (a) 
 - (b) Annual rental increases pursuant to Section 5.5 hereof



(a) Landlord: Sekhon Family 2001 Trust
C/O Sophina Gellon
3756 W. Ruby Hill Dr.
Pleasanton, CA 94566

(b) Tenant: 6800 Koll Center Parkway, Suite 100
Pleasanton, CA 94566

10. Broker or Finder: None

Commission to be paid by: Not applicable

11. Parking: Non-exclusive use of parking area. Tenant owner and Employees to park in the back of the building.

12. Tenant Relocation: Landlord shall have the right to relocate Tenant to other comparable premises in the commercial complex pursuant to Section 17 of the Lease

13. Exhibit A – Premises

Each reference in the Lease to any of the **Fundamental Lease Provisions** shall be construed to include the provisions set forth above as well as all of the additional terms and provisions of the applicable sections of the Lease.

The foregoing **Fundamental Lease Provisions** are hereby approved.

Landlord:

Sekhon Family 2001 Trust

By G S Sekhon 5/23/18
Gurdip S Sekhon (Trustee)

Tenant:

Dwayne Redmon

Dwayne Redmon, CFO
Metron Capital Inc.
Tax ID 82-2262858

5/23/18

SECTION 1. PREMISES AND COMMON AREAS.

1.1 Premises. Landlord leases to Tenant, and Tenant leases from Landlord the real property described in **Paragraph 4(a)** of the Fundamental Lease Provisions (hereinafter called the "Premises"). The Premises consist of a portion of the Building described in **Paragraph 4(a)** of the Fundamental Lease Provisions.

1.2 Common Areas.

(a) Common Areas Defined. The term "Common Areas" means all areas and facilities outside the Premises and within the exterior boundaries of the real property that are not leasable to other tenants and that are provided and designated by Landlord for the general use and convenience of Tenant and its authorized representatives and invitees, of other tenants of the Building and their respective authorized representatives and invitees, and/or of the general public. Common Areas are areas within and outside of the Building such as, without limitation, corridors, pedestrian walkways, landscaped areas, sidewalks, service corridors, elevators, restrooms, stairways, lobbies, driveways, loading areas, parking areas and roads.

(b) Tenant's Right to Use Common Areas. Landlord gives to Tenant and its authorized representatives and invitees the non-exclusive right to use the Common Areas with others who are entitled to use the Common Areas, subject to Landlord's rights set forth in **Section 1.2(c)**.

(c) Landlord's Control and Management. Landlord may increase, reduce, or change in any manner the Common Areas, as Landlord shall deem appropriate. Without limitation, Landlord shall also have the right, from time to time, to establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use and operation of the Common Areas, and to select a person, firm, or entity to maintain and operate any of the Common Areas and to close temporarily parts of the Common Areas for maintenance, repair, and renovation purposes. The provisions of this **Section 1.2(c)** to the contrary notwithstanding, in the exercise of the rights hereunder, Landlord shall provide reasonable access to and from the Premises, subject to reasonable rules and regulations and security measures approved by Landlord.

SECTION 2. TERM OF LEASE.

2.1 Term of Lease. The term of this Lease shall be the period stated in **Paragraph 5(a)** of the Fundamental Lease Provisions, commencing on the Commencement Date set forth in **Paragraph 5(b)** of the Fundamental Lease Provisions.

SECTION 3. DELIVERY OF POSSESSION.

3.1 Delivery of Possession. Possession shall be given after both parties sign the lease and after landlord receiving deposit and Tenant providing proof of insurance as out lined in Section 10.1. Unless otherwise provided, Landlord shall have no obligation to improve,

remodel or otherwise modify the Premises for Tenant's use. Tenant shall provide detailed design for tenant improvements for Land loed approval. All work shall be done by licensed contractors after the city permit is issued.

SECTION 4. USE OF PREMISES.

4.1 Permitted Use. Subject to the provisions of **Section 4.2**, Tenant shall use and occupy the Premises solely for the purpose set forth in **Paragraph 6** of the **Fundamental Lease Provisions**, and for no other use or purpose without the prior written consent of Landlord, which will not be unreasonably withheld. Provided, however, the parties agree that it shall conclusively be deemed reasonable for Landlord to disapprove any other use.

4.2 Limitations on Use. Tenant shall not use the Premises for or carry on or permit in or upon the Premises, or any part thereof, any offensive, noisy, or dangerous trade, business, manufacture or occupation, or any nuisance, or anything against public policy, or interfere with the business of owners or occupants of adjacent properties, or other tenants in the Building, as the case may be. Tenant agrees not to cause, permit or suffer any waste or damage, disfigurement or injury to the Premises, to the fixtures or equipment therein, or to the Common Areas, nor to permit or suffer any overloading of the floor of the Premises and/or other parts of the Building. Tenant shall not install, operate or maintain in the Premises any electrical equipment which does not bear the Underwriters Laboratory approval, or which equipment would, in the reasonable opinion of Landlord, overload any portion of the electrical system, which serves the Building.

4.3 Compliance with Laws. Tenant shall, at its sole cost and expense, promptly comply with all local, state or federal laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force (collectively, "Laws") with respect to Tenant's use and operation of the Premises, including, without limitation, any Laws regarding or requiring alterations to the Premises and any Laws relating to the storage, use and/or disposal of Hazardous Materials. "Hazardous Materials" as used herein shall mean any hazardous or toxic substance, material, chemical or waste which is now or may subsequently during the term hereof be defined as such by, or which is now or may subsequently during the term hereof be regulated by, any governmental or quasi-governmental law, ordinance, rule or regulation. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party to it or not, that Tenant has violated any Law will be conclusive of that fact as between Landlord and Tenant. Tenant's obligations under this paragraph shall include, without limitation, any alterations to the Premises that may be required under the Americans with Disabilities Act as a result of Tenant's alterations or improvements to the Premises, but shall not include seismic or other alterations or improvements that are not required as a result of Tenant's specific and unique use of the Premises.

4.4 Insurance Increases. If the rate of any insurance carried by Landlord is increased as a result of Tenant's use of the Premises or the cost, value or nature of Tenant's improvements, equipment or personal property located in the Premises, Tenant shall pay to Landlord, upon request and at least fifteen (15) days before the date Landlord is obligated to



pay a premium on such insurance and in addition to all other amounts payable hereunder, a sum equal to the difference between the increased premium and what the premium would otherwise have been, as reasonably determined by Landlord's insurer.

4.5 Rules and Regulations. Tenant's use of the Premises and the Common Areas shall be subject at all times prior to and during the term of the Lease to the rules and regulations from time to time promulgated by Landlord. Such rules and regulations shall become effective and a part of this Lease when a copy of same has been delivered to Tenant. The failure of another tenant to comply with such rules and regulations will neither excuse Tenant's obligation to comply with such rules and regulations or any other obligation of Tenant under this lease nor cause Landlord to be liable to Tenant for any damage resulting to Tenant. Tenant shall cause Tenant's employees, invitees and authorized representatives to comply with such rules and regulations.

SECTION 5. RENT.

5.1 Amount of Rent; Payment. Beginning on the Commencement Date, Tenant shall pay monthly rent in the amount set forth in **Paragraph 7 of the Fundamental Lease Provisions** (the "Monthly Rent"). The Monthly Rent shall be subject to adjustment in accordance with **Section 5.5**. Monthly Rent shall be paid on the first day of each calendar month of the Lease term, without deduction, offset, prior notice or demand, and shall be mailed or paid in person at the address designated in writing by Landlord from time to time, or by electronic funds transfer, if desired by Tenant.

5.2 [intentionally omitted]

5.3 Security Deposit. Upon execution of this Lease, Tenant shall pay to Landlord a security deposit in the amount set forth in **Paragraph 7(c) of the Fundamental Lease Provisions**. Such sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including, without limitation, the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the security deposit to the payment of any rent in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the security deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and shall not be deemed a trustee of the security deposit. Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) at the expiration of the Lease term. In the event of termination of Landlord's interest in this Lease,

Landlord shall transfer any remaining balance of such deposit to Landlord's successor in interest.

5.4 Short First or Last Month. If the term of this Lease begins or ends on a date other than the first or last day of the calendar month, respectively, then Tenant's Monthly Rent for that month shall be reduced proportionately on the basis of a 30-day month.

5.5 Adjustments of Monthly Rent.

(a) Annual Cost-of-Living Adjustment. The Monthly Rent set forth in Paragraph 7(a) of the Fundamental Lease Provisions shall be subject to adjustment at the commencement of the second Rent Year and at the commencement of each Rent Year thereafter (the "Adjustment Date(s)") as set forth in this Section 5.5(a). The phrase "Rent Year" means a period of twelve (12) full months during the term, the first Rent Year commencing on the Commencement Date, except that the last Rent Year shall end on the last day of the term, even if less than twelve (12) full months.

The base for computing the adjustment shall be the Consumer Price Index for All Urban Consumers (1982-1984 = 100) for the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"), which is published most immediately preceding the date twelve (12) months prior to the Adjustment Date in question (the "Base Index"). The Base Index shall be compared with the Index published most immediately preceding the Adjustment Date in question (the "Adjustment Index"). If the Adjustment Index has increased over the Base Index, the Monthly Rent for the following Rent Year (until the next Adjustment Date) shall be set by multiplying the Monthly Rent then in effect (as such Monthly Rent may have previously been adjusted) by a fraction, the numerator of which is the Adjustment Index and the denominator of which is the Base Index, plus one and one-half percent (1.5%). Provided, however, that in no case shall the Monthly Rent as so adjusted be less than one hundred three percent (103%) of the Monthly Rent in effect immediately prior to the Adjustment Date in question; and provided further that in no event shall the Monthly Rent as so adjusted be greater than one hundred six percent (106%) of the Monthly Rent in effect immediately prior to the Adjustment Date in question.

If the Index is changed so that the base year differs from that used as of the Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

(b) Provisions Applicable to Rent Adjustments. If the date of any increase in Monthly Rent falls on other than the first day of a calendar month, the increase in Monthly Rent for such month shall be prorated on the basis of a 30-day month. If the amount of the increase for any month, or part of a month, is not known when Tenant pays its rent for such month, Tenant shall promptly pay Landlord the amount of the increase when such amount

has been determined. Landlord shall promptly notify Tenant of any increase in Monthly Rent pursuant to this **Section 5.5**.

5.6 Late Charge. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by the real property. Therefore, if any installment of rent due from Tenant is not received by Landlord within five (5) days of the day it is due, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord.

5.7 Additional Rent. Unless otherwise provided, the terms "rent" and "rental" as used in this Lease shall be deemed to mean Monthly Rent, adjustments to Monthly Rent, Building Operating Costs and any and all other sums, however designated, required to be paid by Tenant under this Lease, whether payable to Landlord or third parties.

SECTION 6. BUILDING OPERATING COSTS; UTILITIES.

6.1 Payment of Building Operating Costs. From and after the Commencement Date, Tenant shall pay to Landlord Tenant's Share of Building Operating Costs, as defined below. Tenant's Share of Building Operating Costs for each calendar year shall be paid in monthly installments on the first day of each calendar month, in advance, in an amount estimated by Landlord from time to time. It is initially estimated that Tenant's Share of Building Operating Costs will be the amount set forth in **Paragraph 7(d)** of the **Fundamental Lease Provisions**. Within ninety (90) days after the end of each calendar year Landlord shall furnish to Tenant a statement prepared, signed and certified to be correct by Landlord showing the total Building Operating Costs for the calendar year just ended and the actual amount of Tenant's Share of Building Operating Costs for such period. If the total amount paid by Tenant under this Section for such year shall be less than the actual amount due from Tenant for such year as shown on the statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid with ten (10) days after the furnishing of such statement. If the total amount paid by Tenant hereunder for any such year shall exceed the actual amount due from Tenant for such year, the excess shall be credited against the next installment due from Tenant to Landlord under this Section. Landlord may estimate the annual budget and charge the same to Tenant on a monthly basis subject to revision by Landlord of the budget from time to time and final annual adjustment based upon actual costs and expenses.

6.2 Definition of Tenant's Share. The term "Tenant's Share" means 9.26% of Building Operating Costs.

6.3 Definition of Building Operating Costs. For purposes of this Lease, "Building Operating Costs" shall mean all costs of any kind paid or incurred by Landlord (including appropriate reserves) in owning, operating, equipping, protecting, lighting, repairing, insuring, managing and maintaining the Building, the Common Areas, and the real property. Building Operating Costs shall include, without limitation: utilities; supplies; janitorial services; employees' wages, social security and unemployment insurance contributions, union benefits and other employee benefits; legal and accounting services; rubbish removal; maintenance and replacement of landscaping; insurance; Real Property Taxes, as defined below; resurfacing and lining parking areas; license, permit and inspection fees; interest expenses; costs of services of independent contractors (including but not limited to HVAC and elevator service contracts); signs and advertising; window washing; painting; equipment rentals (including but not limited to HVAC and lighting equipment); maintenance (including, without limitation, maintenance of the roof and HVAC system); and a property management fee not to exceed ten percent (10%) of total Building Operating Costs.

Notwithstanding the foregoing, Building Operating Costs shall not include (i) the cost of alterations to space in the Building leased or to be leased to others; (ii) depreciation, interest and principal payments of mortgages and other debt costs, if any; (iii) federal, state and city income, excess profit, gift, estate, succession, inheritance, franchise and transfer taxes, and any other taxes relating to the operation of Landlord's business but not the Building or land; (iv) expenses for capital improvements made to the Building or Common Areas except any capital improvement which results in savings of labor or other costs to the extent of the lesser of the cost of such capital improvement amortized over its useful life or the annual cost savings resulting from such capital improvement; (v) those expenses incurred in leasing space in the Building or in enforcing individual leases; and (vi) any cost or expenditure or any portion thereof for which Landlord has been reimbursed or is entitled to reimbursements whether by insurance proceeds or otherwise, except reimbursements or other payments from other tenants of the Building in respect to costs and expenses which are Building Operating Costs. Landlord shall keep records of its expenditures for Building Operating Costs for a period of two (2) years and shall, upon Tenant's request but no more frequently than once per calendar year, during Landlord's normal business hours, make such records available to Tenant for inspection and/or audit.

6.4 Definition of Real Property Taxes. The term "Real Property Taxes" shall mean and include all taxes, assessments, and other governmental charges, general and special, ordinary and extraordinary, of any kind and nature whatsoever, including, but not limited to, assessments for public improvements or benefits, which shall during the term hereof be assessed, levied, and imposed upon the Building, Common Areas and the real property. Real Property Taxes shall also include, without limitation, any tax, fee, or excise levied, assessed and/or based on rent or gross receipts; on the square footage of the Premises, of the Building, or of the Common Areas; on the act of entering into leases affecting the Building; and/or on the occupancy of any tenant of the Building; and any other tax, fee, or excise, however described, in substitution for or in addition to taxes applicable to the Premises, including without limitation, a so-called value added tax; provided, however, Tenant shall not be required to pay any municipal, county, state or federal income or franchise taxes of Landlord. With respect to any assessment which may be levied against or upon the Building or the real property and

which under the laws then in force may be evidenced by improvement or other bonds, or may be paid in annual installments, there shall be included within the definition of "Real Property Taxes" with respect to any tax fiscal year, only the current annual installment for such tax fiscal year.

6.5 Utilities and Services. Provided Tenant is not in default, and subject to the provisions of this Lease and the rules and regulations promulgated from time to time by Landlord and subject to Landlord's right to include the cost thereof in Building Operating Costs, Landlord agrees to furnish reasonable levels of water and Common Area lighting service at all hours.

6.6 Tenant's Additional Service Requirements.

(a) Additional Services Requiring Landlord Consent. Tenant will not, without Landlord's prior consent, do the following:

(i) Install or use special lighting beyond Building standard, or any equipment, machinery, or device in the Premises which requires a nominal voltage of more than one hundred twenty (120) volts single phase, or which in Landlord's reasonable opinion exceeds the capacity of existing feeders, conductors, risers, or wiring in or to the Premises or Building, or which requires amounts of water or their utilities in excess of that usually furnished or supplied for use in office space, or which will decrease the amount of pressure of water or the amperage or voltage of electricity Landlord can furnish to other occupants of the Building;

(ii) Install or use any heat or cold generating equipment, machinery or device which affects the temperature otherwise maintainable by the heat and air conditioning system of the Building;

(iii) Use portions of the Premises for special purposes requiring greater or more difficult cleaning work than office areas, such as, but not limited to, kitchens, reproduction rooms, interior glass partitions, and non-Building standard materials or finishes; or

(iv) Accumulate refuse or rubbish either in excess of that ordinarily accumulated in professional office occupancy or at times other than Building standard cleaning times.

(b) Providing Additional Services. If, in the reasonable opinion of Landlord, Tenant requires or consumes any utility or service disproportionately greater than the amount of such utility or service used by other tenants in the Building, on a square footage basis, Landlord will have the following rights:

(i) Landlord may require that Tenant cease the activity or remove the item (or refuse to permit the activity or installation of the item) which causes or will cause the need for such additional service, if Landlord and Tenant are not able to agree upon a

mutually satisfactory method for providing such additional services or, in the reasonable opinion of Landlord, providing such additional service is not operationally or economically feasible;

(ii) With respect to additional utility consumption, Landlord may install and maintain, at Tenant's sole cost and expense, separate metering devices, or may reasonably estimate Tenant's additional utility consumption, or may cause periodic usage surveys to be prepared by an engineer employed by Landlord for such purpose and the cost of the additional utility consumption will be the obligation of Tenant;

(iii) With respect to heat or cold generating equipment, Landlord may furnish additional heat or air conditioning to the Premises, or install supplementary heating or air conditioning units in the Premises or elsewhere in the Building, or modify the existing heating or air conditioning system in the Premises, the cost of which additional heat or air conditioning, supplementary units (including the costs of installation, operation and maintenance thereof) or modifications to the existing system will be the obligation of Tenant;

(iv) With respect to lighting beyond Building standard, Landlord may purchase and replace, at the expense of Tenant, light bulbs and ballasts and/or fixtures; and

(v) With respect to additional janitorial or cleaning work, Landlord may instruct Landlord's janitorial contractor to provide such services and the cost of such service will be the obligation of Tenant.

(c) **Additional Services.** Landlord may, in Landlord's sole discretion, upon request and at the cost of Tenant, provide additional services to the Premises if the Building systems permit selective provision of such services to individual premises. The charges for additional services will be determined from time to time by Landlord and, upon request, confirmed in writing to Tenant. Tenant will pay to Landlord the charge for any additional services and any other charge for which Tenant is obligated under this **Section 6.6** within five (5) days after receipt of an invoice with respect to same from Landlord.

6.7 Interruption of Utility Service. Landlord will use reasonable efforts to provide the services required of Landlord under this Lease. However, Landlord reserves the right, without any liability to Tenant and without affecting Tenant's obligations under this Lease, to stop or interrupt or reduce any of the services listed in Section 6.5 or to stop or interrupt or reduce any other services required of Landlord under this Lease, whenever and for so long as may be necessary, by reason of (i) accidents or emergencies, (ii) the making of repairs or changes which Landlord in good faith deems necessary or is required or is permitted by this Lease or by law to make, (iii) difficulty in securing proper supplies of fuel, water, electricity, labor or supplies, or (iv) the compliance by Landlord with governmental, quasi-governmental or utility company energy conservation measures. Landlord will, in the event of an interruption of a utility service, use due diligence to cause such service to be resumed. However, no interruption or stoppage of any of such services will be construed as an eviction of Tenant nor will such interruption or stoppage cause any abatement of the rent payable under this Lease or in any manner relieve Tenant of any of Tenant's obligations under this Lease. Landlord will

not be liable for any interruption or stoppage of any of such services or for any damage to persons or property resulting from such stoppage.

6.8 Energy Conservation. Tenant shall cooperate fully with Landlord to effect energy conservation in the Building and shall use its best efforts to minimize its use of energy (including, without limitation, electricity) and water throughout the term.

SECTION 7. PERSONAL PROPERTY TAXES.

7.1 Personal Property Taxes. Tenant shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed on Tenant's equipment, furnishings, personal property, alterations, tenant improvements made after the commencement of the term, and/or Tenant's trade fixtures. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. Tenant shall also furnish Landlord with cost breakdowns relating to any tenant improvements, trade fixtures and alterations relating to the Premises made by Tenant.

If any such taxes are levied against the Building, or if the assessed value of the Building is increased by the inclusion of a value placed on Tenant's equipment, furnishings, personal property, alterations, tenant improvements and/or Tenant's trade fixtures, Tenant, on demand, shall immediately reimburse Landlord for the sum of the taxes levied against the Building, or the portion of the taxes resulting from the increase in Landlord's assessment, as reasonably determined by Landlord. Landlord shall have the right to pay these taxes regardless of the validity of the levy. In addition, Tenant shall pay any tax, fee, excise or business license tax based on the operation of and/or revenues received from Tenant's business in the Premises.

SECTION 8. MAINTENANCE AND REPAIR OF THE PREMISES.

8.1 Tenant's Obligations. Subject to the provisions of **Section 11**, Tenant shall, at Tenant's sole cost and expense, maintain and keep the Premises and every part thereof in good condition and repair, including but not limited to maintenance of lighting, electrical equipment, glass, interior walls, carpet, plumbing fixtures, and general hardware. Tenant shall, upon the expiration or earlier termination of this Lease, surrender the Premises to Landlord in good condition, ordinary wear and tear excepted. Unless otherwise specifically provided herein, Landlord shall have no obligation whatsoever to alter, remodel, improve, replace, repair, decorate or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building except as specifically set forth in this Lease.

8.2 Alterations. Tenant shall not alter, repair or change the Premises without the written consent of Landlord. All alterations, improvements and changes shall become the property of Landlord upon the surrender of the Premises. Landlord shall have the right to require Tenant, upon surrender, to remove any alterations or additions made by Tenant, and Tenant shall, at Tenant's cost, repair any damage to the Premises caused by this or any other removal. Any alterations or improvements shall be made by a licensed contractor approved by Landlord in accordance with plans and specifications approved by Landlord. Together with

Tenant's request for approval of proposed alterations or improvements, Tenant shall submit the names and addresses of proposed contractor(s), financial and other pertinent information about such contractor(s) (including, without limitation, the labor organization affiliation or lack of affiliation of such contractor(s), certificates of insurance to be maintained by Tenant's contractor(s), hours of construction, proposed construction methods, evidence of security (such as payment and performance bonds) to assure timely completion of the work by the contractor and payment of all costs of the work). All alterations and improvements shall be completed with due diligence, in a first class, workmanlike manner and in compliance with the plans and specifications and all applicable Laws. Tenant shall be responsible for obtaining all permits and other authorizations required to perform the work. The alterations shall be performed in a manner that will not interfere with the quiet enjoyment of the other tenants in the Building.

8.3 Mechanics' Liens. Tenant shall not allow any mechanics' or materialmen's liens to be filed against Landlord's interest in the Premises, the Building, the Common Areas, or the real property. Tenant shall give Landlord at least five (5) days' advance written notice of any alterations and Landlord shall have the right to post any notices which it deems necessary for protection from such liens. If such liens are filed, Landlord may pay or satisfy them, and any sums so paid shall constitute additional rent immediately due and payable by Tenant. Tenant may in good faith and at Tenant's own expense contest the validity of any such asserted lien, provided that Tenant has furnished the bond required in California Civil Code Section 3143, or any successor statute.

SECTION 9. MAINTENANCE AND REPAIR OF STRUCTURE.

9.1 Landlord's Obligations. Notwithstanding the provisions of **Section 8.1** and subject to Landlord's right to include the cost thereof in Building Operating Costs, Landlord shall repair and maintain the roof, structural walls, foundations, subfloors and other structural portions of the Building, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the reasonable costs of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time, not less than thirty (30) days, after written notice of the need for such repairs or maintenance is given to Landlord by Tenant. Except as provided in **Section 11**, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

9.2 Construction Binder see exhibit A

SECTION 10. INSURANCE AND INDEMNIFICATION.

10.1 Insurance Required of Tenant. Tenant shall, at Tenant's sole cost and expense, maintain in full force and effect at all times during the term and during any pre-term occupancy period, the insurance coverages set forth in this Section.

(a) **Casualty Insurance.** Fire insurance with extended coverage endorsements, vandalism and malicious mischief endorsements, or all risk insurance, in an amount not less than full replacement cost, covering Tenant's equipment, fixtures, furnishings and other personal property located in the Premises. Such policy or policies of insurance shall name both Landlord and Tenant as insured. Landlord and Tenant agree that the proceeds from any such policy or policies shall first be used for the repair or replacement of the Premises, and the balance, if any, for repair or replacement of Tenant's personal property.

(b) **Liability Insurance.** Commercial general liability insurance which is to include, without limitation, products liability coverage, with such limits as may reasonably be required by Landlord from time to time but not less than the amounts stated in **Paragraph 8** of the **Fundamental Lease Provisions**, for bodily injury or death to any one person, injury and/or death to any number of persons in any one incident, and for property damage in any one occurrence. Such policy or policies shall name Landlord as an additional insured. Such liability insurance shall specifically insure the hold harmless and indemnity provisions of **Section 10.4**, and shall contain a provision that Landlord, although an additional insured, shall nevertheless be entitled to recover under such policy or policies for any damage to Landlord or its agents or representatives by reason of acts or omissions of Tenant.

10.2 Policy Form. All insurance required of Tenant shall be in a form and written by one or more insurance companies reasonably satisfactory to Landlord and licensed to do business in the State of California. All such insurance may be carried under a blanket policy covering the Premises and other locations, provided that the coverage afforded Landlord by such blanket policy shall not be reduced or diminished by reason of the use of such blanket policy of insurance, and provided further that the requirements of **Section 10.1** are otherwise satisfied. All such insurance shall contain endorsements that (i) such insurance shall not be canceled or amended except upon thirty (30) days' prior notice to Landlord by the insurance company, (ii) Tenant shall be solely responsible for payment of premiums, and (iii) Tenant's insurance is primary in the event of overlapping coverage which may be carried by Landlord. The minimum limits of the commercial general liability insurance policy required by **Section 10.1(b)** shall in no way limit or diminish Tenant's liability under this Lease. Tenant shall deliver to Landlord at least fifteen (15) days prior to the time such insurance is first required to be carried by Tenant and thereafter at least fifteen (15) days prior to the expiration of such policy, either a duplicate original or a certificate clearly showing compliance by Tenant with Tenant's obligations under this Lease, together with evidence satisfactory to Landlord of the payment of the premiums therefor.

10.3 Subrogation. As long as their respective insurers so permit, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall obtain a special endorsement, if required by its insurer, to evidence compliance with the aforementioned waiver.

10.4 Indemnification. Tenant shall indemnify, protect, defend and hold Landlord harmless from all liabilities, claims, costs, expenses and damages arising out of or in connection with (i) any damage to person or property in or about the Premises, the Building and/or the Common Areas which is caused by the acts or omissions of Tenant, its agents, employees or representatives and/or (ii) any act or omission of Tenant, its agents, employees or representatives, which constitutes a breach of any obligation of Tenant under this Lease, or which otherwise subjects Landlord to any liability, claim, cost, expense or damage. Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause, and Tenant waives all claims against Landlord for damage to person or property arising from any reason, except that Landlord shall be liable to Tenant for damage to Tenant resulting from the willful misconduct of Landlord or its authorized representatives.

SECTION 11. DESTRUCTION; CONDEMNATION.

11.1 Destruction. In the event the Premises or the Building are damaged by fire or other perils covered by insurance then in effect, Landlord agrees to repair such damage and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of Monthly Rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and/or the making of such repairs materially interferes with the business carried on by Tenant in the Premises. Provided, however, if the damage is due to the fault or neglect of Tenant or its employees, agents or invitees, there shall be no abatement of rent.

In the event the Premises or the Building are damaged as a result of any cause other than the perils covered by insurance then in effect, then Landlord shall forthwith repair the same provided the extent of the destruction is less than five percent (5%) of the then full replacement cost of the Premises or the Building, as the case may be. In the event the destruction of the Premises or the Building is to an extent greater than five percent (5%) of the full replacement cost, then Landlord shall have the election to: (i) repair or restore such damage, this Lease continuing in full force and effect, but the Monthly Rent to be proportionately reduced as provided above; or (ii) give notice to Tenant at any time within sixty (60) days after such damage terminating this Lease as of the date specified in such notice, which date shall be no less than thirty (30) and no more than sixty (60) days after the giving of such notice. In the event of giving such notice, this Lease shall terminate and all interest of Tenant in the Premises shall terminate on the date so specified in such notice. Monthly Rent, reduced by a proportionate amount based upon the extent, if any, to which such damage materially interferes with the business carried on by Tenant in the Premises, shall be paid up to the date of such termination.

The provisions of this Section to the contrary notwithstanding: (i) Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section occurs during the last six (6) months of the term of this Lease or any extension thereof; and (ii) Landlord's obligation to repair and/or reconstruct the Premises shall not exceed Landlord's original construction obligations under this Lease, if any, which original construction obligations shall be deemed to exclude any

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construction done by Landlord on Tenant's behalf and at Tenant's cost. If existing laws do not permit the Premises to be restored to substantially the same condition as they were in immediately before destruction, either party can terminate this Lease by giving written notice to the other party within thirty (30) days after such destruction.

Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any equipment, fixtures, furnishings or personal property of Tenant or any tenant improvements installed in the Premises by Tenant, all of which shall be Tenant's obligation to restore.

Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or Tenant's personal property, or for any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

The provisions of California Civil Code Sections 1932(2) and 1933(4), and any successor statutes, shall be inapplicable with respect to any destruction of the Building or the Premises.

11.2 Condemnation. If the Premises are condemned and taken by any governmental authority or if such portion of the Building, Common Areas and/or the real property is condemned and taken so that the Premises can no longer reasonably be used for the purpose allowed in this Lease, either party shall have the right to terminate this Lease and all condemnation awards shall be payable to Landlord, except for any award made to Tenant for the taking of personal property or fixtures belonging to Tenant, for the interruption of or damage of Tenant's business, or for Tenant's unamortized cost of leasehold improvements paid for by Tenant and which Tenant has the right to remove. Each party waives the provisions of California Code of Civil Procedure Section 1265.130, and any successor statute, allowing either party to petition the Superior Court to terminate this Lease in the event of condemnation.

SECTION 12. DEFAULT; REMEDIES.

12.1 Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (a) The vacating or abandonment of the Premises by Tenant;
- (b) The failure by Tenant to make any payment required hereunder when due, where such failure continues for a period of five (5) days after written notice thereof by Landlord to Tenant;
- (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, other than the payment of money, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then Tenant shall not

be deemed to be in default if Tenant commences such cure within such 30 day period and thereafter diligently prosecutes such cure to completion;

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors, or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition of reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days), or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where possession is not restored to Tenant within thirty (30) days, or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or

(e) An assignment or subletting, or a purported assignment or subletting, in violation of **Section 13**.

The notices required under this **Section 12.1** are the only notices required to be given by Landlord to Tenant in the event of Tenant's default and are not in addition to any statutory notices otherwise required by the unlawful detainer statutes of California.

12.2 Remedies in Default. In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, without limitation: (i) the cost of recovering possession of the Premises; (ii) expenses of reletting, including necessary renovation and alteration of the Premises; (iii) the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; (iv) that portion of any leasing commission paid by Landlord and applicable to the unexpired term of this Lease; and (v) any other amounts allowed by law. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum rate allowed by law from time to time. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (1) taking possession of the Premises and recovering from Tenant the amount specified in this paragraph, or (2) proceeding under the following provisions of this Section.

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due or to relet the Premises or any part

thereof for such term and on such provisions as Landlord, in its sole discretion, may deem advisable.

(c) Re-enter the Premises, with or without terminating this Lease, and remove all property and persons therefrom, which property may be stored at a public warehouse or elsewhere at Tenant's cost.

(d) After ten (10) days' notice to Tenant, or a shorter period if additional damage may result, cure the default for the account and at the expense of Tenant, which amount shall be due from Tenant to Landlord immediately upon demand.

(e) Pursue any other remedy now or hereafter available to Landlord under the laws of the State of California.

SECTION 13. ASSIGNMENT AND SUBLETTING.

13.1 Definition of Assignment. The use of the words "assignment," "assign," "assigned," "subletting," "or "sublet," or any derivation thereof, in this **Section 13** shall include:

(a) The pledging, mortgaging or encumbering of Tenant's interest in this Lease, or the Premises or any part thereof;

(b) The total or partial occupation of all or any part of the Premises by any person, firm, partnership, or corporation, or any groups of persons, firms, partnerships, or corporations, or any combination thereof, other than Tenant;

(c) An assignment or transfer by operation of law;

(d) If Tenant is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning a majority of the partnership interest as of the date of this Lease, or the dissolution of the partnership; provided, however, that the transfer of a partnership interest by testacy or intestacy shall not be deemed an assignment prohibited by this Section;

(e) If Tenant consists of more than one person, a purported assignment, voluntary, involuntary, or by operation of law, from a majority of such persons to the others;

(f) If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of the corporation, or the sale or other transfer of a controlling voting interest, direct or indirect, of the corporate stock of Tenant, or the sale of 51 % of the value of the assets of the corporation; provided, however, the transfer of a controlling voting interest of the corporate stock of Tenant by testacy or intestacy shall not be deemed an assignment prohibited by this Section.

13.2 No Assignment Without Landlord's Consent. Tenant shall not voluntarily assign or encumber all or any portion of its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. Landlord and Tenant agree, by way of example and without limitation, that it shall conclusively be deemed reasonable for Landlord to withhold its consent if any of the following situations exist or may exist:

(a) The contemplated use of the Premises conflicts with the Permitted Use as set forth in **Paragraph 6 of the Fundamental Lease Provisions**, subject to the provisions of **Section 4.1**;

(b) In Landlord's reasonable business judgment, the proposed assignee or subtenant lacks sufficient business reputation, experience or financial resources to operate a successful business of the type and quality permitted and required under this Lease; and/or

(c) The proposed assignment or subletting would breach any covenant of Landlord respecting radius, location, use or exclusivity in any other lease, financing agreement, or other agreement relating to the Building or any part thereof.

Any assignment, encumbrance, or sublease made without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a waiver of the provisions of this Section.

13.3 Costs. In the event Tenant requests Landlord to consent to a proposed assignment, subletting or encumbrance, Tenant shall pay to Landlord, on demand, whether or not such consent is ultimately given, a fee in the amount of Two Thousand Five Hundred Dollars (\$2,500) to cover Landlord's administrative costs and attorneys' fees incurred in connection with each such request.

13.4 Written Instrument. Any assignment or sublease to which Landlord has consented shall be evidenced by an instrument made in such written form as is reasonably satisfactory to Landlord and executed by Tenant and the assignee or subtenant. By such instrument, the assignee shall assume for the direct benefit of Landlord the terms, covenants and conditions of this Lease, which are the obligation of Tenant. In the case of a sublease, such instrument shall include a provision that from the date that a petition in bankruptcy is filed by or against Tenant, the subtenant shall pay directly to Landlord all rent and other charges payable by the subtenant under the sublease. Notwithstanding any permitted assignment or subletting, Tenant and any guarantors shall remain fully liable to perform its/their duties under this Lease.

13.5 Termination. At the option of Landlord, the termination of this Lease for any reason will either (i) terminate all subleases, or (ii) operate as an assignment to Landlord of all subleases, in which case the sublessees will attorn directly to Landlord.

13.6 Involuntary Assignment; Attachment; Involuntary Proceedings. If an involuntary assignment occurs, Landlord shall have the election to terminate this Lease and this Lease shall not be treated as an asset of Tenant, and Tenant shall have no further rights under this Lease. If an attachment or execution is levied against Tenant, Tenant shall have thirty (30) days in which to cause the attachment or execution to be removed. If any involuntary proceedings in bankruptcy are brought against Tenant, or if a receiver is appointed, Tenant shall have thirty (30) days in which to have the involuntary proceeding dismissed or the receiver removed.

13.7 Procedures. Should Tenant desire to enter into an assignment of this Lease or sublet all or part of the Premises, Tenant shall give notice thereof to Landlord by requesting in writing Landlord's consent to such transaction at least sixty (60) days before the proposed effective date of any such transaction and shall provide Landlord with the following:

(a) The full particulars of the proposed transaction, including its nature, effective date, terms and conditions, and copies of any offers, draft agreements, subleases, letters of commitment or intent, and other documents pertaining to such proposed transaction;

(b) A description of the identity, net worth and previous business experience of the proposed assignee or subtenant, including, without limitation, copies of the latest income, balance sheet and change-of-financial-position statements (with accompanying notes and disclosures of all material changes thereto) in audited form, if available, and certified as accurate by the proposed assignee or subtenant; and

(c) Any further information relevant to the transaction which Landlord shall have requested after receipt of Tenant's request for consent and the information and materials covered by items (a) and (b).

SECTION 14. SALE OF BUILDING.

14.1 Sale of Building. In the event of any sale of the Building, Landlord shall be and is hereby entirely released and relieved of all liability under this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale, and the purchaser at such sale or any subsequent sale of the Building shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease. Tenant shall, upon request of any person or party succeeding to the interest of Landlord, attorn to such successor in interest and recognize such successor in interest as Landlord under this Lease.

SECTION 15. RENEWAL OPTION

15.1 Option Period. Landlord grants to Tenant three (2) options to renew the Lease for a period of five (5) years ("Option Period" or "Option"). Tenant's privilege to exercise the Option is expressly conditioned upon Tenant not having previously defaulted on the terms of the Lease, not being in default at the time an Option is exercised, and not being in default

between the time the Option is exercised and the start of the new lease term. Provided Tenant is not in default, Tenant shall have the right to extend the Term upon tendering written notice ("Extension Notice") to Landlord no later than one hundred twenty (120) days, but not more than one hundred eighty days (180) days, prior to the expiration of the Term. All terms and conditions of this Lease shall continue during the Option Period, provided that during the Option Period, the Monthly Rent shall be increased, but in no event decreased, to the greater of the following:

(a) A three percent (3%) increase over the Monthly Rent payable in the last full month immediately preceding Landlord's receipt of the Extension Notice ("Rent Determination Date") or (b) the Fair Market Rent as of the Rent Determination Date. As used in this Lease, "Fair Market Rent" shall be deemed to mean the base amount of rental that would typically be paid by a tenant under a net lease (exclusive of all other sums payable by Tenant under a net lease such as taxes, insurance premiums, common area maintenance charges, utilities, repair and restoration costs, and similar charges) for premises of a similar type, design, and quality in the same or similar quality geographic area in which the Leased Premises are situated under market leasing conditions existing at that time and taking into account the presence, if any, of other escalation provisions provided in this Lease.

(b) If Landlord and Tenant cannot agree on the Fair Market Rent within fifteen (15) days after the Rent Determination Date, the Monthly Rent payable during the Extension Period shall be conclusively determined as follows:

(i) Within ten (10) days after the expiration of the fifteen (15) day period, each party, at its cost and by giving notice to the other party, shall appoint a real estate appraiser with at least five (5) years' full-time commercial appraisal experience in the geographic area in which the Leased Premises are located, to appraise and determine the then Fair Market Rent.

(ii) If one party does not appoint an appraiser within the time period specified above, the appraiser appointed by the other party shall be the sole appraiser and shall determine the Fair Market Rent.

(iii) If neither party appoints an appraiser within the time period set forth above, the Minimum Monthly Rent during the Extension Period shall be increased five percent (5%) over the Monthly Rent payable in the last full month immediately preceding the Rent Determination Date.

(iv) If the two (2) appraisers are so appointed by the parties, they shall meet promptly and attempt to appraise and determine the Fair Market Rent. If they are unable to agree within ten (10) days after the second appraiser has been appointed, they shall attempt to select a third appraiser who meets the qualifications stated in Section 15.1(b)(i) within ten (10) days after the last day the two appraisers are given to determine the Fair Market Rent. If they are unable to agree on a third appraiser, either of the parties to this Lease, by giving ten (10) days' notice to the other party, can apply to the presiding judge of the Superior Court for the county in which the Leased Premises are located for the selection of a third appraiser who

meets the qualifications stated in Section 15.1(b)(i). Each of the parties shall bear one-half (1/2) of the cost of appointing the third appraiser and of the third appraiser's fees. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either party.

(v) Within ten (10) days after the selection of the third appraiser, a majority of the appraisers shall appraise and determine the Fair Market Rent. If a majority of the appraisers are unable to so set the Fair Market Rent within the required period of time, the appraisals of the three appraisers shall be added together and their total divided by three. The resulting quotient shall be the Fair Market Rent.

(vi) If, however, the low appraisal or the high appraisal are more than ten percent (10%) lower or higher than the middle appraisal, the low appraisal or the high appraisal shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and their total divided by two. The resulting quotient shall be the Fair Market Rent. If two appraisals are disregarded, the remaining appraisal shall be the Fair Market Rent.

15.2 Landlord's Costs. Tenant shall pay to Landlord a fee of Two Thousand Five Hundred Dollars (\$500) to cover Landlord's administrative costs and attorneys' fees incurred in connection with Tenant's exercise of each Renewal Option.

SECTION 16. LEASE SUBJECT TO SUBORDINATION.

16.1 Lease Subject to Subordination. This Lease is and shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Building, to any underlying covenants, conditions and restrictions, and to the lien and provisions of any mortgage or deeds of trust now or hereafter placed against the Building or against Landlord's interest or estate in the Building or on or against any ground or underlying lease, and any renewals, modifications, consolidations and extensions of such lease(s), any covenants, conditions and restrictions, and any mortgages and deeds of trust without the necessity of the execution and delivery of any further instruments on the part of Tenant to effect such subordination. If any mortgagee, beneficiary, trustee or ground lessor elects to have this Lease prior to the lien of such mortgagee's, beneficiary's, trustee's or ground lessor's mortgage or deed of trust or ground lease, and gives notice of such election to Tenant, this Lease shall be deemed prior to the lien of such mortgage or deed or trust or ground lease, whether this Lease is dated prior or subsequent to the date of such mortgage, deed of trust, or the date of the recording thereof. Tenant shall execute and deliver within ten (10) days of request from Landlord, without charge, such further instruments evidencing the subordination of this Lease to any ground or underlying lease, any covenants, conditions and restrictions, and any mortgage or deed of trust; provided, such instrument shall provide that as long as Tenant is not in default of this Lease, Tenant's possession of the Premises shall not be affected by any foreclosure proceedings or ground lease termination. In the event any proceedings are brought for default under any ground or underlying lease or under any covenants, conditions and restrictions, or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust against the Premises, Tenant shall, upon request of any person or

party succeeding to the interest of Landlord as a result of such proceedings, attorn to such successor in interest and recognize such successor in interest as Landlord under this Lease.

SECTION 17. LANDLORD'S RIGHT TO RELOCATE.

17.1 Landlord's Right to Relocate. At any time before or during the Term of this Lease, Landlord shall have right to relocate Tenant to Comparable Space (as hereinafter defined) within the commercial complex, in order to make available the Premises for lease to other tenants.

17.2 Comparable Space. For purposes of this section, "Comparable Space" shall mean space of comparable quality to Tenant's current Premises and space of at least 2,400 square feet, at Columbus Parkway Plaza ("Relocation Space").

17.3 Relocation Notice. In the event that Landlord elects to relocate Tenant to Comparable Space, Landlord shall provide Tenant with prior written notice of such election ("Relocation Notice"), which shall set out the Relocation Space. Tenant shall have ten (10) days following delivery of the Relocation Notice to accept in writing the Relocation Space. In the event that Tenant fails to so accept the Relocation Space within such 10-day period, this Lease shall be terminated sixty (60) days following the delivery of the Relocation Notice to Tenant and Tenant shall have sixty (60) days following the delivery of the Relocation Notice to vacate the current Premises. Should Tenant accept the Relocation Space within the 10-day period, Tenant shall have sixty (60) days following Landlord's delivery of the Relocation Notice to Tenant to complete the move to the Relocation Space. Upon Tenant's taking possession of the Relocation Space, such space shall be deemed to be the Premises for the purposes of this Lease, and shall be subject to all terms and conditions of this Lease.

17.4 Moving Allowance. If the relocation occurs after the Commencement Date, Landlord shall provide a moving allowance of up to two months' of Tenant's then Monthly Rent (excluding charges for Building Operating Costs) (the "Moving Allowance") to Tenant upon completion of relocation, provided that Tenant has vacated the Premises and completed its relocation to the new premises within fifteen (15) days after notice from Landlord that the new premises are ready for occupancy. In addition to the Moving Allowance, Landlord shall have installed and shall pay for tenant improvements at the new premises, comparable to the Tenant Improvements then in place at the Premises. At no time shall Landlord be obligated for any other out-of-pocket expenses over and above the Moving Allowance or for downtime incurred by Tenant or Tenant's employees in the event of a relocation. Except as set forth in this section, Tenant hereby releases Landlord from any and all losses, claims, injuries, damages, or other liability, including, but not limited to, consequential damages, whether to persons or property, no matter how caused, resulting from or in any way in connection with or incidental to the relocation of the Premises pursuant to this section, and Tenant expressly waives any right to claim that such relocation constitutes grounds for a claim of abatement of rent, constructive eviction, or for termination of the Lease.

SECTION 18. GENERAL PROVISIONS.

18.1 Signs and Window Coverings. The parties recognize that Landlord shall require uniform signage, directory, and window coverings for the Building. Accordingly, Tenant agrees not to place any signs or other marking upon any externally visible parts of the Premises or remove or replace the window coverings without Landlord's prior written consent. Tenant shall maintain its own signage, at its cost, in good repair. Landlord may notify Tenant of changes to its signage policy from time to time, including but not limited to signage requirements that may be contained in Landlord's rules and regulations.

18.2 Entry. Tenant shall permit Landlord and its agents to enter the Premises at all reasonable times for the purpose of inspecting the Premises, or for the purpose of maintaining the Building or making repairs or alterations to any other portion of the Building. Landlord may erect scaffolding or other equipment reasonably required for such work, and may post notices of nonresponsibility. Landlord shall give Tenant reasonable notice before entering the Premises, except that notice shall not be required in the case of emergency.

18.3 Building and Parking Rules. Tenant agrees to observe faithfully such reasonable building and parking rules set forth from time to time by Landlord which in Landlord's reasonable discretion may be necessary for the operation, care and cleanliness of the Building and Common Areas and for the promotion of energy conservation. Landlord shall not be liable to Tenant for the violation of any such rules by any other tenants or their employees, agents or invitees.

18.4 Statement of Status. Upon request by Landlord, Tenant agrees to execute and return within ten (10) days of request a customary and reasonable statement of status of its tenancy. Tenant's failure to deliver a statement of status acceptable to Landlord within ten (10) days after Landlord's request shall be a conclusive admission by Tenant that, of the date of Landlord's request, (i) this Lease is in full force and effect and unmodified except as may be represented by Landlord in the request; (ii) there are no uncured defaults in Landlord's performance; and (iii) no rent or other amount has been in advance, except as may be represented by Landlord.

18.5 Attorneys' Fees. In the event that either party to this Lease commences any action or proceeding against the other by reason of any breach or alleged breach of any term or condition of this Lease, or for the interpretation of this Lease, the prevailing party in such an action or proceeding shall be entitled to recover such amount as the court may judge to be reasonable attorneys' fees, and all reasonable costs incurred.

18.6 Captions. The captions of articles and paragraphs of this Lease are for reference only, and shall not be construed in any way as a part of this Lease.

18.7 Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, certified or registered mail, return receipt requested, and shall be addressed to the other party at the address set forth in **Paragraph 9 of the Fundamental Lease Provisions.** Either party may change its address by notifying the other party of the change of address in the manner as provided in this Section.

18.8 Successors. Subject to the restrictions of **Section 13**, all of the provisions of this Lease shall bind and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

18.9 Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same was due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

18.10 Attachments. Exhibits, addenda, schedules and riders attached hereto and listed in **Paragraph 13** of the **Fundamental Lease Provisions** are deemed to constitute part of this Lease and are incorporated into this Lease.

18.11 Entire Agreement. This Lease, including any exhibits and attachments hereto listed in the **Fundamental Lease Provisions**, constitutes the entire agreement between Landlord and Tenant relative to the Premises. Landlord and Tenant agree hereby that all prior or contemporaneous oral or written agreements, or letters of intent, between and among themselves or their agents including any leasing agents and representatives, relative to the leasing of the Premises are merged in or revoked by this Lease.

18.12 Amendment. This Lease and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant.

18.13 Severability. If any term or provision of this Lease is, to any extent, determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each remaining term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

18.14 Time of Essence. Time is of the essence of this Lease and each and every provision of this Lease.


18.15 Holding Over. If Tenant, or any party claiming rights to the Premises through Tenant, retains possession of the Premises with or without the written consent of Landlord after the expiration or earlier termination of this Lease, such possession shall constitute a tenancy at will, subject to all the terms and provisions of this Lease, except that the Monthly Rent shall be one hundred percent (100%) of the Monthly Rent as existing during the last year of the terms or any extension thereof, plus one hundred percent (100%) of Tenant's share of Building Operating Costs as existing during the last year of the term or any extension thereof. If Tenant fails to surrender the Premises to Landlord on the date as required herein, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

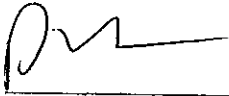
18.16 Broker. Landlord and Tenant each warrant and represent to the other that neither has had any dealings with any real estate broker, agent or finder in connection with the negotiation of this Lease or the introduction of the parties to this transaction, except for any broker named in **Paragraph 10** of the **Fundamental Lease Provisions** (whose commission shall be paid by the party designated in **Paragraph 10**), and that it knows of no other real estate broker, agent or finder who is or might be entitled to a commission or fee in connection with this Lease. In the event of any such additional claims for brokers' or finders' fees with respect to this Lease, Tenant shall indemnify, hold harmless, protect and defend Landlord from and against such claims if they shall be based upon any statement or representation or agreement made, or alleged to have been made, by Tenant, and Landlord shall indemnify, hold harmless, protect and defend Tenant if such claims shall be based upon any statement, representation or agreement made, or alleged to have been made, by Landlord.

EXECUTED on the date stated in the **Fundamental Lease Provisions**.

LANDLORD:
Sekhon Family 2001 Trust

TENANT:

By 
Gurdip S Sekhon 5/23/18


Dwayne Redmon CFO 5/23/18
Metron Capital Inc.

Green Crossing Dispensary Security/Safety Plan



Contact Person:
2046 Columbus Pkwy
Benicia, CA 94510
United States

Prepared For:
Green Crossing
Prepared By:
S.E.A. Training Facility &
Security Enforcement Alliance

California State License
PPO #16530





NORTHELEVATION

**GREEN CROSSING
PROPOSED CANNABIS FACILITY**

2046 COLUMBUS PARKWAY
BENICIA CA. 94510



PHONE: 707-374-5550
PO BOX 687 RIO VISTA, CA 94571
EMAIL: JB@MJBDESIGNSINTL.COM

COMMERCIAL & RESIDENTIAL BUILDING DESIGN
PLANNING
DEVELOPMENT
PERMITTING
CONSTRUCTION MANAGEMENT
INSPECTIONS

ELEVATION

3
3

SCALE: 1/4" = 1'

GREEN CROSSING

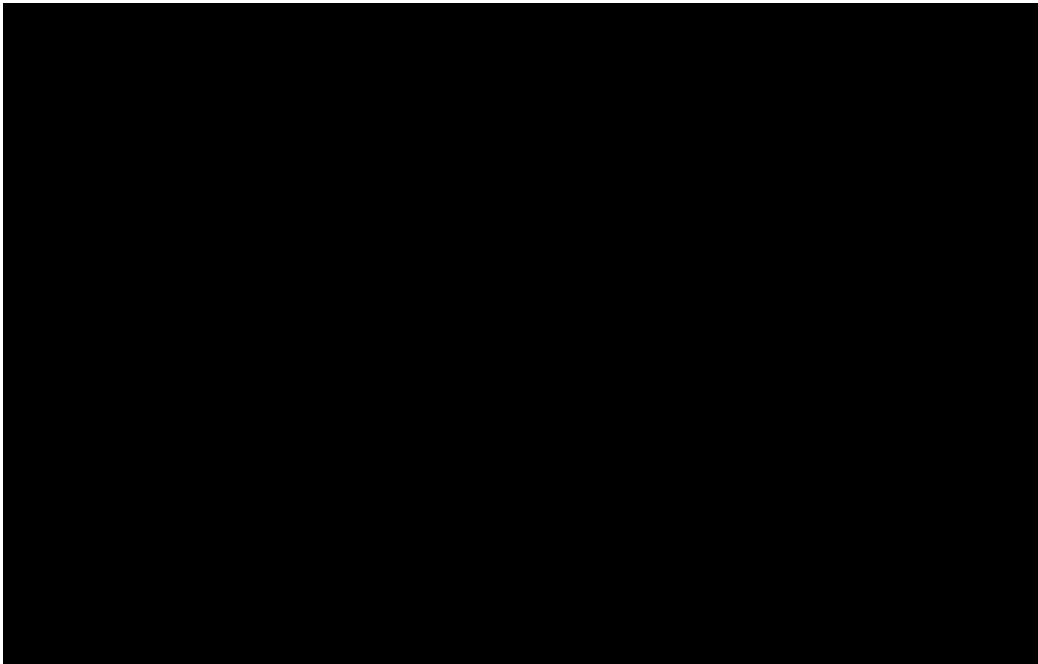
Updated Tenant Improvements Timeline and Budget

Timeline

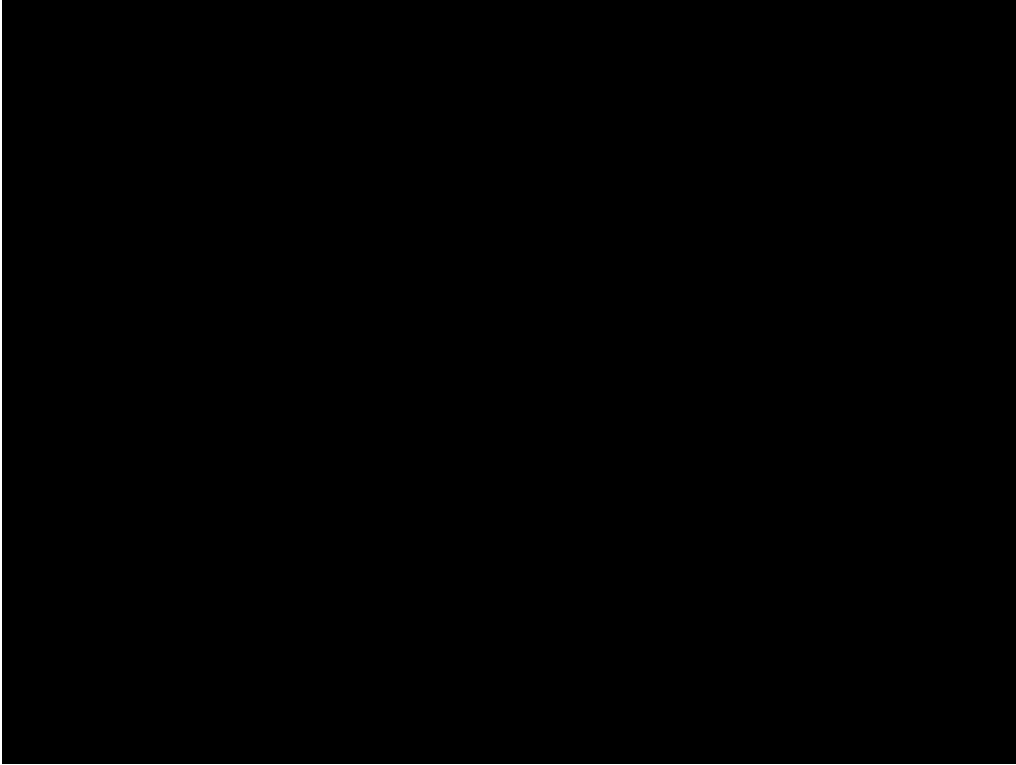


Construction Breakdown

Construction Materials Buy	Feb 4 – 27, 2019
Interior Demolition	Feb 28 – Mar 5, 2019
Tenant Improvements	Mar 8 – 30, 2019
Wiring and Plumbing	Mar 22 – Apr 10, 2019
Security Installation	Apr 8 – 10, 2019
Final Inspection	Apr 13 – 17, 2019
Interior Furnishings	Apr 20 – 24, 2019
(Stock Inventory)	Apr 27 – 31, 2019
Opening Day	May 1, 2019



GREEN CROSSING





SUPPLEMENTAL MATERIALS

Prepared for the City of Benicia

January 2, 2019

Contains the following:

Executed Copy of Lease Agreement	25 pages
Revised Security Plan	5 Pages
Revised Conceptual Site Plans	5 Pages
Revised Tenant Improvements Budget and Timeline	2 Pages

INDEX - STANDARD LEASE

1. Parties
2. Description of Premises
3. Term
4. Rental
5. Additional Rent
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7. Rent Control
8. Use
9. Hazardous Substances
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16. Assignment or Subletting
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51. Captions

STANDARD LEASE

1. PARTIES

This Lease is made in Walnut Creek, California, August 20, 2018 by and between ModBen Properties, LLC, as "Landlord", and Northstar Equities, Inc. as "Tenant".

2. DESCRIPTION OF PREMISES

The Landlord hereby leases to Tenant, and the Tenant hereby leases from Landlord on the terms and conditions hereinafter set forth, those certain premises with the appurtenance, being a space deemed to be 5,040 square feet in size in the Premises presently known as 160 East N Street, Benicia, CA 94510.

3. TERM

The term of this Lease shall commence on the Commencement Date and shall be for a period of Ten years (10) commencing on the earlier of Ninety (90) days following the Delivery Date or when Tenant has received governmental approval for Permitted Use. The Delivery Date shall be the date Landlord delivers the possession of the Premises to Tenant free and clear of all tenancies and occupants. During the Delivery Period, Tenant

Period Tenant shall not conduct any cannabis activity until all required government approvals are obtained.

Tenant shall have a one-time right to terminate the Tenancy during the Delivery Period and after providing thirty (30) days written notice to Landlord if Tenant is unable to obtain the initial permit, license, or other government approval required for the Permitted Use.

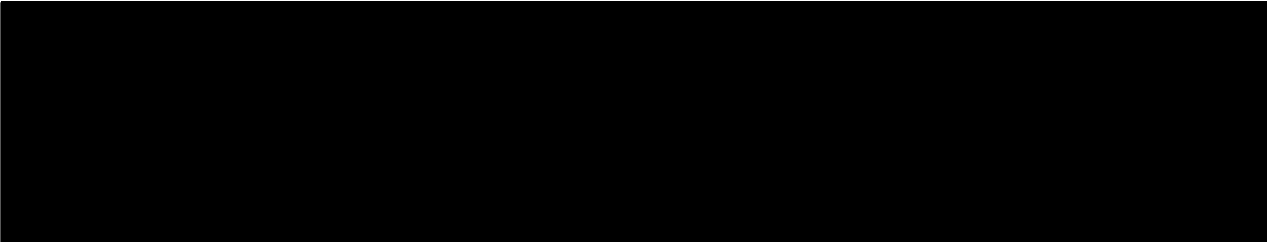
Within ten (10) calendar days following the Commencement Date, Landlord and Tenant shall mutually execute a Confirmation Agreement setting forth the Delivery Date, the Commencement Date, and the Expiration Date in the form attached as Exhibit A.

4. RENTAL

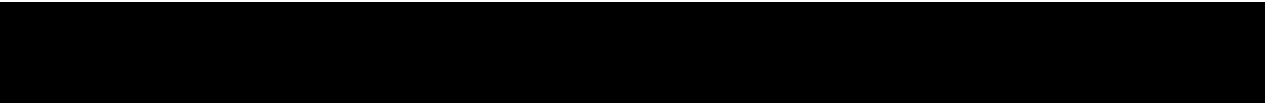
month and continuing throughout the balance of the term. Landlord's acceptance of a partial rental shall not be deemed to be a lower rent; and Landlord's acceptance of a

partial rental shall not be deemed to an accord and satisfaction. Minimum monthly rental and additional rental for any partial month shall be prorated at the rate of 1/30th per day. All monies shall be paid by only a domestic bank check.

(A) PREPAID RENT AND SECURITY DEPOSIT



security so deposited to the extent required for the payment of any minimum rent, additional rent, late charge, or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default with respect to any of the terms, covenants, and conditions of this Lease including any damages or costs in the subletting of the premises or other re-entry by Landlord.

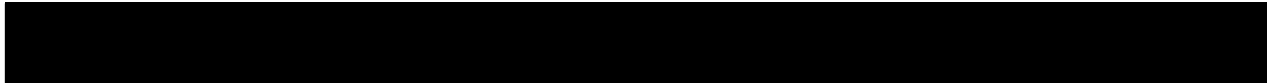


notified by the Landlord of the amount due. Tenant shall be in default of this Lease if the amount due is not paid within the required time period.

In the event of a sale of the real property or any part thereof, Landlord shall have the right to transfer the security to the purchaser and Landlord shall be released by Tenant from all liability for the return of said security; and Tenant agrees to look solely to the new Landlord for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord.

Landlord shall not be required to keep security deposit separate from its general account. Tenant covenants that it shall not assign or encumber the security deposit given to Landlord pursuant to this Lease. Neither Landlord, its successors nor assigns shall be bound by any such assignment or encumbrance of any attempted assignment or encumbrance.

In the event Tenant has performed all the terms, covenants, and conditions of this Lease throughout the term, upon Tenant vacating the premises, the amount paid, without payment of interest for its use, shall be returned to Tenant after first deducting any sums owing to Landlord.



All monies shall be paid by only a domestic bank check.

(B) LATE CHARGE

In the event the rent and additional rent including reconciled additional rent are not received in full by the Landlord by the 5th calendar day of the month, an additional [REDACTED] will be made; said late charge shall be classified as additional rent to be due immediately. For each Tenant's payment check to Landlord that is returned by a bank for any reason, Tenant shall pay both a late charge and a returned rent charge of \$100.00. Tenant understands that the late charge assessed is not interest and does not constitute a lender or borrower/creditor relationship between Landlord and Tenant.

(C) REPORTING SALES

Tenant shall report sales to Landlord, without request, during each month of the term hereof. Said report of sales shall become due and payable with the succeeding month's rental payment. Within thirty (30) days immediately following the end of each calendar year, Tenant shall furnish Landlord with a statement certified to be correct showing the gross sales by months during the year so concluded. Tenant shall deliver to Landlord monthly or when Tenant remits to the State of California, a copy of the State, Local and District Sales Use Tax Returns that Tenant remits to the California State Board of Equalization.

The term "gross sales" means gross sales of Tenant and all licensees, concessionaires and tenants of Tenant, from all business conducted upon or from the leased premises, but not including the amount of any sales, use or gross sales tax imposed by any governmental authority directly on sales and collected from customers, provided that the amount hereof is added to the selling price or absorbed therein, and paid by the Tenant to such governmental authority.

Landlord shall not be deemed a partner or joint venturer with Tenant by reason of any provisions of this Lease.

5. ADDITIONAL RENTAL

As of August 2018 the additional rent to be paid monthly pursuant to Articles #15, #21, and #43 shall be [REDACTED]. From the periodic reconciliation the additional rental shall be adjusted upwards or downwards to reflect the actual cost incurred. Tenant shall then be credited or billed accordingly to reflect this adjustment. In the event such amounts are not paid for by the time as provided in this Lease, a late charge of five percent (5%) shall be due, along with any costs incurred by Landlord in collecting said additional rent and late charge. Additional rent as computed by the periodic reconciliation shall be due within 30 days or an additional charge of five percent (5%) will be made.

6. COST OF LIVING INCREASE

7. RENT CONTROL

The rental and other terms of this Lease are the result of extensive negotiations between the parties, both of whom have legal and professional real estate advice, and represent what both parties have agreed are fair and reasonable for similar properties in the area. In the event any governmental body or agency should enact any regulation, ordinance or law which would reduce or limit the rental herein provided and the Tenant upon the enactment or at any time thereafter seeks to avail itself of the benefits of such regulation, ordinance or law, then the Landlord may upon thirty (30) days written notice to Tenant terminate this Lease and take possession of the premises for Landlord's use or such other use as Landlord may wish to make of the property. Should Landlord not terminate this Lease, then throughout this period of reduction or limitation, Tenant shall remain liable for the maximum amount of rent and other amounts which are legally payable; and when such period of reduction or limitation ends, or if the regulation, ordinance or law setting forth the reduction or limitation is repealed, Tenant shall pay to Landlord on demand (to the extent that payment of such amounts is not prohibited by law), all amounts that would have been due from Tenant to Landlord during the period of reduction or limitation but which were not paid because of the reducing or limiting law; and thereafter Tenant shall pay to Landlord rent and all other amounts due pursuant to this Lease, all calculated as though there had been no intervening period of reduction or limitation.

8. PERMITTED USE

The premises are leased to the Tenant for the purpose of retail sale of medicinal and adult-use cannabis and cannabis products as permitted by the City of Benicia and for no other purpose without the prior written consent of Landlord. Tenant shall not permit any newsstands, taxi stands, or any other stands or business to be operated in front of the leased premises. Tenant's business shall be established and conducted throughout the term hereof in a first class manner. Tenant shall not use the premises for, or carry on or permit to be carried on any offensive, noisy, or dangerous trade, business, manufacture or occupation, nor permit any auction sale to be held or conducted on or about the premises. Tenant shall not do or suffer anything to be done upon the premises that will cause structural injury to the premises or the building of which the same form a part. The premises shall not be overloaded and no machinery, apparatus or other appliance shall be used or operated in or upon the premises which will in any manner injure, vibrate or shake the premises or the building of which it is a part. No use shall be made of the

premises that will in any way impair the efficient operation of the sprinkler system, if any, within the building. Tenant shall not leave the premises unoccupied or vacant during the term. No musical instrument of any sort, or any noise-making device, will be operated or allowed upon the premises for the purpose of attracting trade or otherwise. Tenant shall not use or permit the use of the premises or any part thereof for any purpose which will increase the existing rate of insurance upon the building in which the premises are located, or cause a cancellation of any insurance policy covering the building or any part thereof. If any act on the part of the Tenant or use of the premises by the Tenant shall cause, directly or indirectly, any increase of the Landlord's insurance expense, said Tenant shall pay additional expense to Landlord upon demand within ten (10) days. No such payment by Tenant shall limit Landlord in the exercise of any other rights or remedies, or constitute a waiver of Landlord's right to require Tenant to discontinue such act or use.

Tenant covenants, at its expense, at all times during the Term: To continuously and uninterruptedly use, occupy and operate for retail sales purposes, all of the premises other than such minor portions thereof as are reasonably required for storage and office purposes; to use such storage and office space only in connection with the business conducted by the Tenant in the premises; to furnish and install all trade fixtures and permitted signs; to carry a full and complete stock of seasonable merchandise; to maintain an adequate number of trained personnel for efficient service to customers; to open for business and remain open during the entire term during all usual days and hours for such business in the vicinity and during such periods and hours as are customary in shopping centers.

9. HAZARDOUS SUBSTANCES

The term "Hazardous Substances," as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyl (PCB's), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority. Tenant shall not cause or permit to occur: Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under, or about the premises, or arising from Tenant's use or occupancy of the premises, including, but not limited to, soil and ground water conditions; or the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substances.

Tenant shall, at Tenant's own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances. Tenant shall, at Tenant's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities under the environmental laws. Should any authority or any third party demand that a cleanup plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the premises,

or which arises at any time from Tenant's use or occupancy of the premises, then Tenant shall, at Tenant's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Tenant shall carry out all such cleanup plans.

Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Landlord. If Tenant fails to fulfill any duty imposed under this article within a reasonable time, Landlord may do so; and in such case, Tenant shall cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the applicability of the environmental laws to the premises and Tenant's use thereof, and for compliance therewith, and Tenant shall execute all documents promptly upon Landlord's request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any law shall constitute a waiver of any Tenant's obligations under this article. Tenant's obligations and liabilities under this article shall survive the expiration of this Lease.

Tenant shall indemnify, defend, and hold harmless Landlord, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, agents, and employees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorneys' and consultants' fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous substances that occurs during the term of this Lease, at or from the premises, or which arises at any time from Tenant's use or occupancy of the premises, or from Tenant's failure to provide all information, make all submissions, and take all steps required by all authorities under the environmental laws. Tenant's obligations and liabilities under this article shall survive the expiration of this Lease.

10. COMPETITION

During the term of this Lease, Tenant, his successors, affiliates, partners, subsidiaries, shareholders, assigns, corporate parents or subsidiaries of such corporate parents shall not directly or indirectly engage in a similar or competing business within a driving radius of three (3) miles from the outside boundary of the property.

11. UTILITIES

Tenant shall pay for all water, sewage, fuel, gas, oil, heat, electricity, power, telephone, janitorial, landscaping, garbage, and all other materials and services which may be furnished to or used in or about said Premises during the term of this Lease and any extensions thereto.

12. REPAIRS, MAINTENANCE AND REPLACEMENT

Tenant shall, at its sole cost, maintain each and every portion of the premises and appurtenances including the repair and/or replacement of the heating and air cooling (Landlord shall bill tenant periodically for the quarterly cost of the servicing of tenant's

heating and air cooling), all doors and closures, all glazing and framing, and all store fronts. Tenant shall keep the interior of the premises in good and sanitary order, and condition, and replace all broken glazing, hereby waiving all rights to make repairs at the expense of Landlord as provided in Section 1942 of the Civil Code of the State of California, and all rights provided for by Section 1941 of said Civil Code. Tenant shall keep the walkways in front of the premises and the walkways and driveways of the premises free from any debris and paper. Landlord shall maintain and replace as necessary all structural aspects of the property including the exterior walls and roofs. Tenant shall reimburse Landlord for the costs incurred by Landlord for replacements, maintenance or repairs made by Landlord under this paragraph, unless caused by the negligence or intentional act of Landlord.

13. ALTERATIONS AND IMPROVEMENTS

Tenant shall not make or permit to be made any alterations or changes in or addition to the premises without the prior written consent of Landlord including, but not limited to, the construction or installation of any appliance within the premises windows. Tenant shall not construct or install any anti-burglar bars, removable bars, security gates, or grilles of any kind on the inside or outside of the windows and premises. No work shall be commenced until Landlord shall have posted proper notices of non-responsibility. All alterations, additions and improvements, including fixtures, made to or on the premises, except unattached movable business fixtures, shall be made at the sole cost and expense of Tenant and, upon completion, shall be the property of Landlord and shall become part of the premises and be surrendered to Landlord. Landlord shall notify Tenant within

thirty (30) days before the end of this term whether Landlord desires to have Tenant remove all or any part of the alterations or improvements and to restore the premises to the condition existing prior to the alterations and improvements, at Tenant's sole cost and expense, reasonable wear and tear excepted.

14. ACCEPTANCE AS IS, SURRENDER AT END OF TERM

Tenant accepts the Premises as they are now and acknowledges that the Premises are clean and orderly and in good condition and repair. Tenant agrees upon the expiration of the term of this Lease or sooner termination to surrender the Premises in the same condition as received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements alone excepted. During the term of this Lease Tenant, at his own cost and expense, shall make all repairs and replacements of whatever kind or nature, either to the exterior or to the interior of said premises rendered necessary by reason of any act or omission of Tenant or its agents, servants or employees. Tenant shall, at its sole cost, be required to make any repairs or alterations to the premises that are required to comply with any federal, state, or local laws, requirements, rules, ordinances, or codes including, without limitation, the American with Disabilities Act of 1990 and all regulations issued hereunder. Tenant shall, at its sole cost, comply with all current and future federal, state, and local environmental and IAQ (Indoor Air Quality) laws, regulations, and industry standards, including, without limitation, any restrictions on smoking in the workplace.

Landlord represents that the exterior area of the property has not been inspected by a California Certified Access Specialist.

15. TAXES

Tenant shall pay when due all taxes levied against personal property and trade fixtures on or about the premises, including, but without prejudice to the generality of the foregoing, shelves, counters, vaults, vault doors, wall safes, partitions, fixtures, machinery, printing presses, plant equipment, and atmospheric coolers, and if any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, and if Landlord pays the same, which Landlord shall have the right to do regardless of the validity of such a levy, or if the assessed value of Landlord's premises is increased by the inclusion therein of a value placed on such property of Tenant and if Landlord pays the taxes based on such increased assessment, which Landlord shall have the right to do so, regardless of the validity thereof, Tenant, upon demand, as the case may be, shall repay to Landlord the taxes so levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment.

As additional rental, Tenant agrees to pay to Landlord in each year of the demised term all taxes on the property and improvements thereon (excluding income taxes and estate and inheritance taxes), any gross property tax, business tax, license fee, or excise tax levied by any government agency, with respect to rent, and any special assessments on the property and improvements hereby demised.

Such additional rental shall be prorated for the first and last years of the demised term to reflect periods during either or both of said years not included within the demised term. Landlord will have the exclusive right, but not the obligation, to contest or appeal any assessment of real estate taxes levied on the Property by any governmental or quasi-governmental taxing agency.

The amount provided for in this paragraph shall be paid by Tenant in advance on a monthly basis with the minimum monthly rental. The additional rental shall be adjusted periodically upwards or downwards to reflect the actual cost incurred. Tenant shall then be credited or billed accordingly to reflect this adjustment.

16. ASSIGNMENT OR SUBLETTING

Tenant shall not assign or encumber this Lease or any right or interest herein and Tenant shall not sublet the premises in whole or in part or permit any other person to occupy or use the premises, or any portion thereof.

Any assignment, mortgage or subletting shall be void and shall, at the option of Landlord, be deemed a breach of this Lease. No consent to any assignment or mortgage of this Lease or any subletting of said premises shall constitute a waiver or discharge of the provisions of this paragraph except as to the specific instance covered thereby.

The Lease and interest herein shall not be assignable or transferable by operation of law; and in event any proceeding under the Bankruptcy Act, or any amendment thereto, be commenced by or against Tenant (or should there be more than one, then any Tenant) be adjudged insolvent, or make an assignment for the benefit of creditors, or if a writ of attachment or execution be levied on the leasehold estate created hereby and be not released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which Tenant is a party with authority to take possession or control of the premises or the business conducted therein by Tenant, this Lease at the option of Landlord shall terminate immediately and shall not be treated as an asset of Tenant after the exercise of the option. Landlord shall have the right, after the exercise of said option, forthwith to re-enter and repossess the premises.

In the event that the Tenant shall seek Landlord's permission to assign this Lease or sublet the premises, the Tenant shall provide to Landlord the name, address, and financial statement of the proposed assignee or subtenant, and such other information concerning such proposed assignee or subtenant as Landlord may require. It shall be a condition to any consent by Landlord to an assignment or subletting that Tenant shall accompany such request with a non-refundable payment in the amount of five hundred (\$500) dollars to reimburse Landlord for administrative and legal expenses associated with the review and preparation of documents. Landlord shall have the option to offset Tenant's security deposit with each such request whether or not Landlord consents to said assignment or subletting request.

17. RELOCATION OF PREMISES--Deleted

18. LIENS

Tenant shall keep the premises and building of which the premises are a part free and clear of any liens and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event any lien is filed, Tenant shall do all acts necessary to discharge any lien within ten (10) days of filing, or if Tenant desires to contest any lien, then Tenant shall deposit with Landlord such security, as Landlord shall demand to insure the payment of the lien claim. In the event Tenant shall fail to pay any lien claim when due or shall fail to deposit the security with Landlord, then Landlord shall have the right to expend all sums necessary to discharge the lien claim; and Tenant shall pay as additional rental, when the next rental payment is due, all sums expended by Landlord in discharging any lien, including attorneys' fees and costs plus interest at ten percent (10%) per annum from time of any expenditure.

Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1-1/2) times the estimated cost of any improvements, additions, or alterations in the premises which the Tenant desires to make to insure Landlord against any liability for mechanics' and material men's liens and insure completion of work.

19. ENTRY BY LANDLORD

Tenant shall permit Landlord and his agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which the said premises are situated; or for the purpose of making repairs, alterations or additions to any other portion of said building, and with such materials as Landlord may deem necessary therefore; or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs; or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs, without any rebate of rent to the tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned; and shall permit the Landlord, at any time within ninety (90) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "To Let" or "To Lease" signs, and to allow prospective tenants or purchasers or applicants to enter and examine said premises during said ninety (90) days, or in the event of any emergency. Tenant waives any claim to damage, including loss of business, from such entry.

20. INDEMNIFICATION

Tenant shall hold harmless, indemnify and defend Landlord from all liability, penalties, losses, damages, costs, expenses, causes of action, claims and/or judgments arising by reason of any injury or death to any person or persons, or damage to the property of any person or persons, including, without limitation, Tenant and Tenant's servants, agents and employees, from any cause or causes whatsoever, including fire; smoke; leakage; explosion; falling plaster, ceiling tiles, fixtures, or signs; broken glass; steam; gas; fumes; vapors; odors; dust; dirt; grease; acid; oil; any hazardous material or substance; debris; noise; air or noise pollution; theft; breakage; vermin; electricity; computer or electronic equipment or systems malfunction or stoppage; water; rain; flood; flooding; freezing; tornado; windstorm; snow; sleet; hail; frost; ice; excessive heat or cold; sewage; sewer backup; toilet overflow; or leaks or discharges from any part of the shopping center (including the premises and exterior areas), or from any pipes, sprinklers, appliances, equipment (including, without limitation, heating, ventilating, and air-conditioning equipment); electrical or other wiring; plumbing fixtures; roof(s), windows, skylights; doors, trapdoors, or subsurface of any floor or ceiling of any part of the shopping center, or from the street or any other place, or by dampness of climatic conditions, or from any other cause whatsoever; while in, upon or in any way connected with the premises, the building in which the premises are located, or its appurtenances, or the sidewalks adjacent thereto, during the term of this Lease or any occupancy hereunder.

Tenant, as a material part of the consideration to be rendered to the Landlord, hereby waives all the claims against the Landlord for damages to goods, wares and merchandise in, upon or about said premises and for injuries to Tenant, his agents or third persons in or about said premises from the generality of the foregoing, damages arising from acts or

omissions of other tenants of the building of which the premises are a part and from the failure of either party to make repairs.

21. INSURANCE

Tenant agrees to take out and keep in force during the term of this Lease, at Tenant's expense, public liability and plate glass insurance in companies which shall possess a minimum rating of "A" in the most current annual edition of Best's Insurance Guide, to protect against any liability to the public, whether to persons or property, incident to the use of or resulting from an accident occurring in or about said premises, the sidewalks adjacent thereto and such other areas which Tenant, its officers, servants, agents, employees, contractors and invitees shall have the right to use under the terms hereof during the term of this Lease or any occupancy hereunder, in the amount of \$5,000,000.00 combined single limit to indemnify Landlord, and property damage insurance in an amount to cover loss or damage to Tenant's property and Tenant's improvements with Landlord named as additional insured. Landlord may periodically require Tenant to reasonably increase the cost of the above insurance coverage. The said policy and a certificate of insurance, is to be placed with Landlord, and Tenant is to obtain a written obligation on the part of the insurance carrier to notify Landlord in writing thirty (30) days prior to any cancellation thereof. Should Tenant carry a blanket policy, then said policy should reference the premises and guarantee a minimum limit available for the premises equal to the insurance amounts required in this Lease. Landlord shall have the right from time to time to increase the amount and/or type of coverage required to be maintained under this Lease. Each policy evidencing the insurance to be carried by Tenant under this Lease shall contain a clause that such policy and the coverage thereby shall be primary with respect to any policies carried by the Landlord.

As additional rental, Tenant agrees to pay to Landlord in each year of the demised term of all insurance costs on the property. Said insurance shall be in amounts not greater than the full insurable replacement costs of the property improvements. Said insurance may include Standard Form Fire Policy with Extended Coverage and Vandalism and Malicious Mischief Coverage, Broad Form Boiler Coverage,

Environmental Coverage, Rental Income insurance with one hundred (100%) percent contribution covering all rental and any other payments due and payable to Landlord, All Risk and/or Difference in Conditions Coverage, including flood and earthquake coverage, General Liability Coverage, and any other coverage deemed necessary by Landlord.

Tenant shall pay the amount provided for in this paragraph in advance on a monthly basis with the minimum monthly rental. The additional rental shall be adjusted periodically upwards or downwards to reflect the actual cost incurred. Tenant shall then be credited or billed accordingly to reflect this adjustment.

Landlord and Tenant agree and recognize that insurance deductibles are a part of insurance costs. Tenant therefore agrees to reimburse Landlord; Tenant's pro rata share of any insurance deductible on the property within thirty (30) days of written notice.

22. INSURANCE HAZARD

Tenant agrees that no use shall be made of the said premises, nor acts done, which will increase the existing rate of insurance upon the building in which said premises may be located, or cause a cancellation of any insurance or any insurance policy covering said building, or any part thereof; nor shall the Tenant sell, or permit to be kept, used, or sold, in or about said premises, any article which may be prohibited by the standard form of fire insurance policies. Tenant shall, at his sole cost and expense, comply with any and all requirements pertaining to said premises or any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering said building and appurtenances. Tenant further agrees to pay any increase in premiums for fire and extended coverage insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Landlord on said premises or the building of which they are a part resulting from the type of merchandise sold by Tenant in the leased premises whether or not Landlord has consented to the same.

In determining whether increased premiums are the result of Tenant's use of the leased premises, a schedule, issued by the organization making the insurance rate on the leased premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the leased premises.

23. WASTE, NUISANCE, AND QUIET CONDUCT

Tenant shall not commit, or suffer to be committed, any waste upon the said premises or any public or private nuisance, or do any other act or thing which may disturb the quiet enjoyment of any other tenant (including, without limitation, the use of loudspeakers or sound or light apparatus that can be heard or seen outside the premises), if there be any in the building in which the premises may be located.

24. HOLDOVER

Landlord and Tenant recognize and agree that the damage to the Landlord resulting from any failure by Tenant to timely surrender possession of the premises will be substantial, will exceed the amount of the monthly installments of the rent payable hereunder, and will be impossible to measure accurately. Tenant therefore agrees that if possession of the premises is not surrendered to Landlord upon the expiration date or sooner termination of the Lease, in addition to any other rights or remedies Landlord may have hereunder or at law, Tenant shall pay to Landlord, as liquidated damages, for each month and for each portion of any month during which Tenant holds over in the premises after the expiration date or sooner termination of this Lease, a sum equal to one and one half (1 1/2) times the aggregate of that portion of the minimum monthly rent and additional rent that was payable under this Lease during the last month of the term. Nothing herein

contained shall be deemed to permit Tenant to retain possession of the premises after the expiration date or sooner termination of the Lease. The provisions of this paragraph shall survive the expiration date or sooner termination of this Lease.

25. LANDLORD TO BE HELD HARMLESS FROM LITIGATION

Tenant agrees that if Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the premises by reason of any act or omission of Tenant and not because of any act or omission of Landlord, then Tenant shall hold harmless the Landlord from all liability by reason thereof including reasonable attorney's fees incurred by Landlord in such litigation and all taxable court costs.

26. WAIVER OF SUBROGATE

Landlord hereby releases Tenant, and Tenant hereby releases Landlord, and their respective officers, agents, employees and servants, from any and all claims or demands for damages, loss, expense or injury to the premises, or to the furnishings and fixtures and equipment, or inventory or other property of either Landlord or Tenant in, about or upon the premises, as the case may be, which is caused by or results from perils, events or happenings which are the subject of insurance carried by the respective parties and in force at the time of any such loss; provided, however, that such waiver shall be effective only to the extent permitted by the insurance covering such loss and to the extent such insurance is not thereby increased.

27. DEFAULT

This Lease is made upon the express condition that if default be made in the payment of the rent above reserved, or any part thereof, or if Tenant fails or neglects to perform, meet or observe any of Tenant's obligations hereunder, or if Tenant shall abandon or vacate said premises, or if the premises become vacant for five days, then Landlord or the legal representative of Landlord at any time thereafter without notice or demand, may lawfully declare said term ended and re-enter said premises or any part thereof, either with or without process of law and expel, remove, and put out Tenant or any person or persons occupying said premises, and may remove all personal property there from and store the same in a public warehouse at the cost of and on account of Tenant, using such force as may be necessary to again repossess and enjoy said premises as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant or condition, and without liability to any person for damages sustained by reason of such removal. Landlord may likewise at Landlord's option, but at cost to Tenant, and in addition to any other remedies which Landlord may have upon such default or failure or neglect and without notice to Tenant petition the Superior Court of the State of California for and be entitled as a matter of right to the appointment of a receiver and said court may appoint such receiver and vest in him such powers and authority as may be necessary or proper to fully protect all the rights herein granted or reserved to Landlord. Any such receiver may take possession of any personal property belonging to Tenant and used in the conduct of the business then being carried on by the Tenant in the

said premises and may use the same in conducting such business on the premises, without compensation to the Tenant.

Should Landlord elect to re-enter, as herein provided, or should he take possession pursuant to legal proceedings or pursuant to any notice provided for by law, he may in addition to any other remedies Landlord may have upon such default, failure or neglect either terminate this Lease or he may from time to time, without terminating this Lease, re-let said premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in his sole discretion may deem advisable with the right to make alterations and repairs to said premises. Rentals received by Landlord from such re-letting shall be applied: first, to the payment of any indebtedness, other than rent, due hereunder from Tenant to Landlord; second, to the payment of all costs incurred in said re-letting, including but not limited to advertising, brokerage and legal fees; third, to the payment of the cost of any repairs, alterations and modifications to the premises; fourth, to the payment of any rent due and unpaid hereunder; and the balance, if any, shall be held by the Landlord and applied in payment of future rents as the same may become due and payable hereunder. Should such rentals received from such re-letting during any month be less than that agreed to be paid during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by Landlord shall be construed as an election on his part to terminate this Lease unless a written notice of such intention to be given Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedy he may have, he may recover from Tenant all damages he may incur by reason of such breach, including the cost of recovering the premises, the cost of preparing the premises for reletting to a new tenant including any repairs or alterations, real estate commissions actually paid and that portion of any leasing commission Landlord may have become previously obligated to pay for the unexpired term of the lease; and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant. The "worth at the time of such termination" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). If Tenant has been served with a default notice for non payment of rent or additional rent, Landlord may accept partial rent payment without waiving his right to eviction.

No payment by Tenant or receipt by Landlord of a lesser amount of Minimum Monthly Rent, Additional Rent, or any other sum due hereunder shall be deemed to be other than on account of the earliest due Rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or payment or pursue any other remedy available in this Lease, at law or in equity.

28. NON-WAIVER OF BREACH

The waiver of Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach of Tenant of any term, covenant or condition of this Lease, other than the failure of tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

29. EXERCISE OF PRIVILEGE BY LANDLORD

The exercise of any right or option or privilege hereunder by Landlord shall not exclude Landlord from exercising any and all other rights, privileges and options hereunder; and Landlord's failure to exercise any right, option or privilege hereunder shall not be deemed a waiver of said right, option or privilege nor shall it relieve Tenant from Tenant's obligation to perform each and every covenant and condition on Tenant's part to be performed hereunder nor from damages or other remedy for failure to perform or meet the obligations of this Lease.

30. NOTICES

All notices or demands of any kind required or desired to be given by Landlord or Tenant hereunder shall be in writing and shall be deemed delivered twenty-four (24) hours after depositing the notice or demand in the United States Mail, postage prepaid, and by electronic mail addressed to Tenant, whether or not Tenant has departed there from, abandoned or vacated the premises, and as to Landlord, at the addresses designated after the name of Landlord at the end of this article, or such other address as shall be designated by either party in compliance with the provisions of this paragraph.

(A) Landlord's Mail Address: 1615 Bonanza Street., Ste. 401, Walnut Creek, California, 94596; and by Electronic Mail: jmccorduck@mccorduckprops.com and bmccorduck@mccorduckprops.com

(B) Tenant's Mail Address: 1565 Third Ave, Walnut Creek, California 94597; and by Electronic Mail: brian@northstar-equities.com

31. ATTORNEYS' FEES

Landlord may bring an action against Tenant for the recovery of any rent due under the provision of this Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept or performed, or to enforce any of the terms hereof, or commences a summary action under the unlawful detainer act of the State of California

for the forfeiture of this Lease and the possession of said premises, or either of them, Tenant agrees to pay to Landlord such attorneys' fees and expenses plus interest at ten percent (10%) per annum from time said expenses are incurred, and the right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment to pay any and all legal costs and expenses incurred by Landlord because of any default or breach by Tenant of this agreement, whether or not Landlord commences or brings legal action against Tenant (including, without limitation, in establishing a right to indemnification, in trial and appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11, or 13 of the Bankruptcy Code, 11 U.S.C. Section 101 et seq., or any successor statute). Such costs and fees incurred by Landlord shall be additional rental and due and payable by Tenant or upon demand of Landlord.

32. SUBORDINATION

This Lease is and shall be subordinate to any mortgage, deed of trust or other instrument of security that have been or shall be placed on the land or building of which the premises form a part, and Tenant hereby makes such subordination effective without any further act. Tenant agrees that at any time or from time to time upon request by Landlord, to execute and deliver any instruments, releases, or other documents that may be required in connection with subjecting and subordinating this Lease to the lien of said mortgage, deed of trust or other instrument of security including any subordination, nondisturbance and attornment agreements whose terms are typically included with similar tenants with that respective lender. Tenant hereby appoints Landlord as Tenant's attorney in fact irrevocably to execute and deliver any such instruments. Tenant shall execute, acknowledge and deliver to Landlord at any time within ten (10) days after request by Landlord, a statement in writing certifying, if such be the case, that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified) the date of commencement of the Lease, the date on which the rent has been paid, and such other information as Landlord shall reasonably request. Landlord shall use such statement by Tenant for delivery to and reliance upon by prospective purchasers and lenders whose security consists of liens upon the building and the real property of which the premises are a part. Should Tenant fail to execute any such instrument within said ten (10) day period, Tenant irrevocably appoints Landlord as its attorney-in-fact, in Tenant's name, to execute such instrument.

33. STAFF AND HOURS OF OPERATION

Tenant agrees to keep the premises adequately staffed by competent personnel and to keep the premises open for business in conformance with the best practice of like businesses in the community.

34. SIGNS

Landlord reserves the right to the use of the exterior walls and the roof of the premises and of the building of which the premises are a part. Tenant shall not inscribe, paint or affix any signs, advertisements, placards or awnings on the exterior or roof of the premises or upon the entrance doors, windows, or the sidewalk and in the exterior area or adjacent to the premises without the prior written consent of Landlord. Any signs so placed on the premises shall be so placed with the understanding and agreement that Tenant shall be responsible for any damage to and replacement of any sign. Said signs shall become the property of the Landlord, but Landlord shall retain the right to have Tenant remove same at the expiration or termination of the term of this Lease and Tenant will repair any damage or injury to the premises caused thereby, and if not so removed by Tenant, then Landlord may remove it at Tenant's expense. Tenant shall not be allowed to use the name of the building in which the premises are located or of the owner of such building or words to such effect in connection with any business carried on in said premises (except as the address of the Tenant) without the prior written consent of Landlord. Landlord reserves the right to change the name and title of the building at any time during the term of the said Lease. Tenant hereby expressly agrees to such change at the option of Landlord and waives any and all damage occasioned thereby. Tenant, at Tenant's cost, shall replace existing sign with individually illuminated channel letters (see attached sign criteria, Exhibit A).

35. STREET, SIDEWALKS, WALKWAYS AND ENTRANCES

No space attached or appurtenant to or connected with premises lying in, upon or under any public street or highway or any other public or quasi-public property is included in this demise and the Landlord shall not be liable for, nor shall this Lease be affected by any interference with or taking of the whole or any part thereof, nor shall there be any abatement of rent due to any such taking or interference. Tenant shall not use or permit any use of the sidewalk or walkways on the premises, or street in front of, or entrances to, or exits from, or vestibules in said premises except for ordinary and usual ingress and egress to and from said premises.

36. DESTRUCTION OF PREMISES

In the event of a partial destruction of the said premises during the said term, from any cause, the Landlord shall forthwith repair the same, provided such repairs can be made within ninety (90) days under the laws and regulations of the State, County or Municipal authorities, and materials and labor are available for such repairs, but such partial destruction shall in no way annul or void this Lease, except that the Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by the Tenant in said premises. If such repairs cannot be made in ninety (90) days, the Landlord may, at his option, make same within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately rebated as aforesaid in this paragraph provided. In the event that the

Landlord does not so elect to make such repairs that cannot be made in ninety (90) days, or such repairs cannot be made under such laws and regulations, or materials and labor are not available for such repairs within such time, this Lease may be terminated at the option of either party.

Landlord shall not be required to repair any injury or damage by fire or other cause, or make any repairs or replacements of any leasehold improvement fixtures, or other personal property of Tenant.

In respect to a partial destruction which the Landlord is obligated to repair or may elect to repair under the terms of this paragraph the provisions of Section 1932, Subdivision 2, and of Section 1933, Subdivision 4, of the Civil Code of the State of California are waived by the Tenant.

In the event that the building may be destroyed to the extent of more than 33 1/3 percent of the replacement cost thereof; the holder of the first deed of trust, security agreement, or mortgage encumbering the property elects not to permit the insurance proceeds payable upon damage to or destruction of the property or premises to be used for such repair, reconstruction, or restoration; or the damage or destruction is not fully covered by insurance maintained by Landlord for Landlord's benefit, the Landlord may elect to terminate this Lease.

37. CONDEMNATION

If any part of the premises or of the building of which the same are a part (even though no part of the premises to be taken) be 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, this Lease, as to the part so taken, shall terminate as of the day before the date of such taking, and the rent payable hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term only such portion of such rent as the value of the part remaining after condemnation bears to the value of the entire premises at the date of condemnation but in either such event Landlord shall have the option to terminate this Lease as of the day before the date of such taking. 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 hereof by reason of the condemnation of all or part of the premises.

38. ARBITRATION

Any question, dispute or controversy arising under the provision of Article #36 of this Lease, at the option of the Landlord, shall be determined by arbitration. Such arbitration shall be conducted pursuant to the provisions of the laws of the State of California then in force, with the rules of procedure to be those of the American Arbitration Association or

its successor insofar as said rules of procedure do not conflict with the laws of the State of California then in force. Any award entered as a result of arbitration shall be entered as a judgment, with the costs of arbitration to be paid as ordered by the arbitrator.

39. TIME IS OF THE ESSENCE

Time is hereby expressly declared to be of the essence of this Lease and of all the covenants, agreements, conditions and obligations herein contained.

40. VACATING OR ABANDONMENT

The Tenant shall not vacate or abandon the premises at any time during the term; and if the Tenant shall abandon, vacate or surrender said premises, or be dispossessed by process of law, or otherwise, any personal property belonging to the Tenant and left on the premises shall be deemed to be abandoned, at the option of the Landlord, except such property as may be mortgaged to the Landlord, if any.

41. SURRENDER OF LEASE, NOT MERGER

The voluntary surrender of this Lease by the Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord, terminate all or any existing subleases or sub tenancies, or may at the option of the Landlord, operate as an assignment to him of any or all such subleases or sub tenancies.

42. BINDING ON SUCCESSORS

The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, and all of the parties hereto shall be jointly and severally liable.

43. MAINTENANCE OF EXTERIOR AREAS

Including but not limited to the exterior areas around the building, as well as the parking lot, walkways, and landscaped areas within the property, shall be deemed to be the exterior areas.

Tenant shall not use the exterior areas for sale or display of merchandise, motor vehicles or for storage of merchandise and inventory. Tenant shall not permit undue accumulation of garbage, debris, or other refuse in the exterior areas, parking lots, or elsewhere outside the lease premises.

As additional rental Tenant shall pay unto Landlord the cost of maintenance of such exterior areas. Cost of maintenance may include a property management fee, upkeep, repairs, and replacement to and of improvements in the exterior areas, paving, and striping (and any costs related thereto), landscaping, signs, the removal of graffiti and defacing of property (not limited to exterior walls), lighting, storm and sanitary sewer, utility services, police protection, night watchman, sanitary control, scavenger service, public liability and property damage insurance premiums, personal property taxes, termite inspection, maintenance, depreciation of machinery, the cost of personnel to implement such services, equipment used in such maintenance, and all costs associated with any transportation service or mass transit or carpooling program provided by Landlord, whether such service or program is voluntarily established by Landlord or required by government or quasi-governmental authorities, and any and all other expenses, including fifteen (15%) percent of all the foregoing costs to cover the Landlord's administrative and overhead costs, related to the existence of said exterior areas and their use.

Cost of maintenance, repair and replacement, as aforesaid, shall be determined periodically, but not more often than monthly. The manner and method of operation, maintenance, upkeep and repair shall be at the sole and absolute discretion of Landlord, and all costs in connection therewith incurred by Landlord in good faith shall conclusively and finally bind Tenant.

All automobile parking areas, driveways, entrance and exits thereto, and other facilities furnished by Landlord in or near the property, including employee parking areas, the truck way or ways, loading docks, package pickup stations, pedestrian sidewalks and ramps, landscaped areas, exterior stairways, first-aid stations, and other areas and improvements provided by Landlord for the general use, their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations, with respect to all areas mentioned in this article. Landlord shall have the right to conduct, maintain and operate lighting facilities on all said areas and improvements; to police the same; from time to time to change the area, level, location and arrangement of parking areas and other facilities herein above referred to; to restrict parking by Tenants, their officers, agents and employees to employees' parking areas; to enforce parking charges (by operation of meters or otherwise) with appropriate provisions for free parking ticket validating by Tenant; to close all or any portion of said areas or facilities to such extent as may, in the option of Landlord's counsel be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; to close temporarily all of any portion of the parking areas of facilities; to discourage non-customer parking; and to do and perform such other acts in and to said areas and improvements as in the use of good judgment the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by Tenants, their officers, agents, employees and customers. Landlord shall further have the right to bill Tenant herein above, of any charge for parking imposed on the Landlord or the property by any governmental or quasi-governmental agency or body, however computed. Landlord will operate and maintain the exterior facilities referred to above in such manner, as Landlord, in its sole discretion, shall determine from time to

time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the exterior areas and facilities. Landlord hereby reserves the right at any time to make alterations or additions to the building in which the premises are contained and to build adjoining the same.

Tenant shall pay the amount provided for in this article in advance on a monthly basis with the minimum monthly rental. The additional rental shall be adjusted periodically upwards or downwards to reflect the actual cost incurred. Tenant shall then be credited or billed accordingly to reflect this adjustment.

44. LANDLORD'S RIGHT TO PERFORM BUILDING OR EXTERIOR AREA RENOVATIONS

Tenant understands and agrees that Landlord may, at any time or from time to time during the term of this Lease, perform substantial renovation work in and to the building and exterior area (which work may include, but need not be limited to, the repair or replacement of the building's exterior facade, exterior window glass, sidewalk, parking lot improvements and landscaping), any of which work may require access to the same from within the premises.

Tenant agrees that:

(a) Landlord shall have access to the premises at all reasonable times, upon reasonable notice, for the purpose of performing such work, and

(b) Landlord shall incur no liability to Tenant, nor shall Tenant be entitled to any abatement of rent on account of any noise, vibration or other disturbance to Tenant's business at the premises (provided that Tenant is not denied access to said premises) which shall arise out of said access by Landlord or by the performance by Landlord of the aforesaid renovations at the building or exterior area.

Landlord shall use reasonable efforts (which shall not include any obligation to employ labor at overtime rates) to avoid disruption of Tenant's business during any such entry upon the premises by Landlord.

It is expressly understood and agreed by and between Landlord and Tenant that if Tenant shall commence any action or proceeding seeking injunctive, declaratory or monetary relief in connection with the rights reserved to Landlord under this provision, or if Landlord shall commence any action or proceeding to obtain access to the premises in accordance with this provision, and if Landlord shall prevail in any such action, then Tenant shall pay to Landlord, as additional rent under this Lease, a sum equal to all legal fees, costs, and disbursements incurred by Landlord in any way related to or arising out of such action or proceeding.

45. LENDER'S LEASE APPROVAL - Deleted

46. RIGHT TO LEASE - Deleted

47. MERCHANTS' ASSOCIATION - Deleted

48. OPTION TO EXTEND

Landlord hereby grants to Tenant one (1) option to extend the term of this Lease for an additional one (1) Five (5) year period provided Tenant is not or has not been in default under this Lease and Tenant has continuously and uninterruptedly used, occupied, and operated for retail sales purposes all of the premises other than such minor portions thereof as are reasonably required for storage and office purposes for the initial term of this Lease and, if applicable, the renewal or extension term in effect at the time the Tenant exercises its option. Said extension term shall be under the same terms and conditions excepting: There shall be no abated rent or additional rent, there shall be no tenant improvement costs provided by the Landlord, the minimum monthly rent shall be adjusted to three percent (3%), and the insurance limits as referred to in Article #21 may be subject to increases prior to the beginning of the option term by such amounts as Landlord deems reasonable.

The Five (5) year extension shall commence upon the expiration of the initial term of this Lease. The option to extend shall be null and void unless Tenant shall deliver to Landlord by written notice no later than nine (9) months prior to the expiration date of the Lease his (her) notice to extend. Tenant shall have no other right to extend the term beyond the extended terms.

49. WAIVER OF JURY TRIAL

Landlord and Tenant waive any right to a trial by jury in any action or proceeding based upon, or related to, the subject matter of this Lease. This waiver is knowingly, intentionally, and voluntarily made by Tenant, and Tenant acknowledges that neither Landlord nor any person acting on behalf of Landlord has made any representations of fact to induce this waiver of trial by jury or in any way to modify or nullify its effect. Tenant further acknowledges that he has been represented (or has had the opportunity to be represented) in the signing of this Lease and in the making of this waiver by independent legal counsel, selected of his own free will, and that he has had the opportunity to discuss this waiver with counsel. Tenant further acknowledges that he has read and understands the meaning and ramifications of this waiver provision.

50. NO PRESUMPTION AGAINST DRAFTER

Landlord and Tenant understand, agree, and acknowledge that: This Lease has been freely negotiated by both parties; and That, in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or

conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

51. CAPTIONS

The titles or headings to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof.

This Lease and the schedules and riders attached, if any, form a part of this Lease and set forth all the covenants, promises, assurances, agreements, representations, conditions, warranties, statements, and understandings ("Representations") between the Landlord and the Tenant concerning the Leased Premises and the Shopping Center, and there are no Representations, either oral or written, between them other than those in this Lease.

This Lease supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to Lease, Lease proposals, brochures, Representations, and information conveyed, whether oral or in writing, between the parties hereto or their respective representatives or any other person purporting to represent the Landlord or the Tenant. The Tenant acknowledges that it has not been induced to enter into this Lease by any Representations not set forth in this Lease, it has not relied on any such Representations, no such Representations shall be used in the interpretation or construction of this Lease, and the Landlord shall have no liability for any consequences arising as a result of any such Representations.

Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless in writing and signed by each of them.

The submission of this document for examination does not constitute an option or offer to lease space at the Property. This document shall have no binding effect on the parties unless executed by the Landlord and the Tenant and a fully executed copy is delivered to the Tenant.

This Lease has been prepared for submission to your attorney for his approval. The real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease or the transaction relating thereto make no representation or recommendation.

This paragraph is intended to comply with the terms of California Civil Code Section 1938 which provides that a commercial property owner or lessor shall state on every form or rental agreement executed on or after July 1, 2013, whether the property being leased or rented has undergone inspection by a Certified Access specialist ("CASp"), and if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53. Pursuant

to California Civil Code Section, 1938, Landlord hereby advises Tenant that the Premises has not undergone an inspection by a Certified Access Specialist.

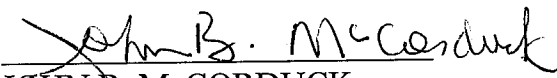
This Lease may be executed simultaneously or in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Lease.

DATED: 9/4/2018

DATED: 8/30/18

LANDLORD:

TENANT:

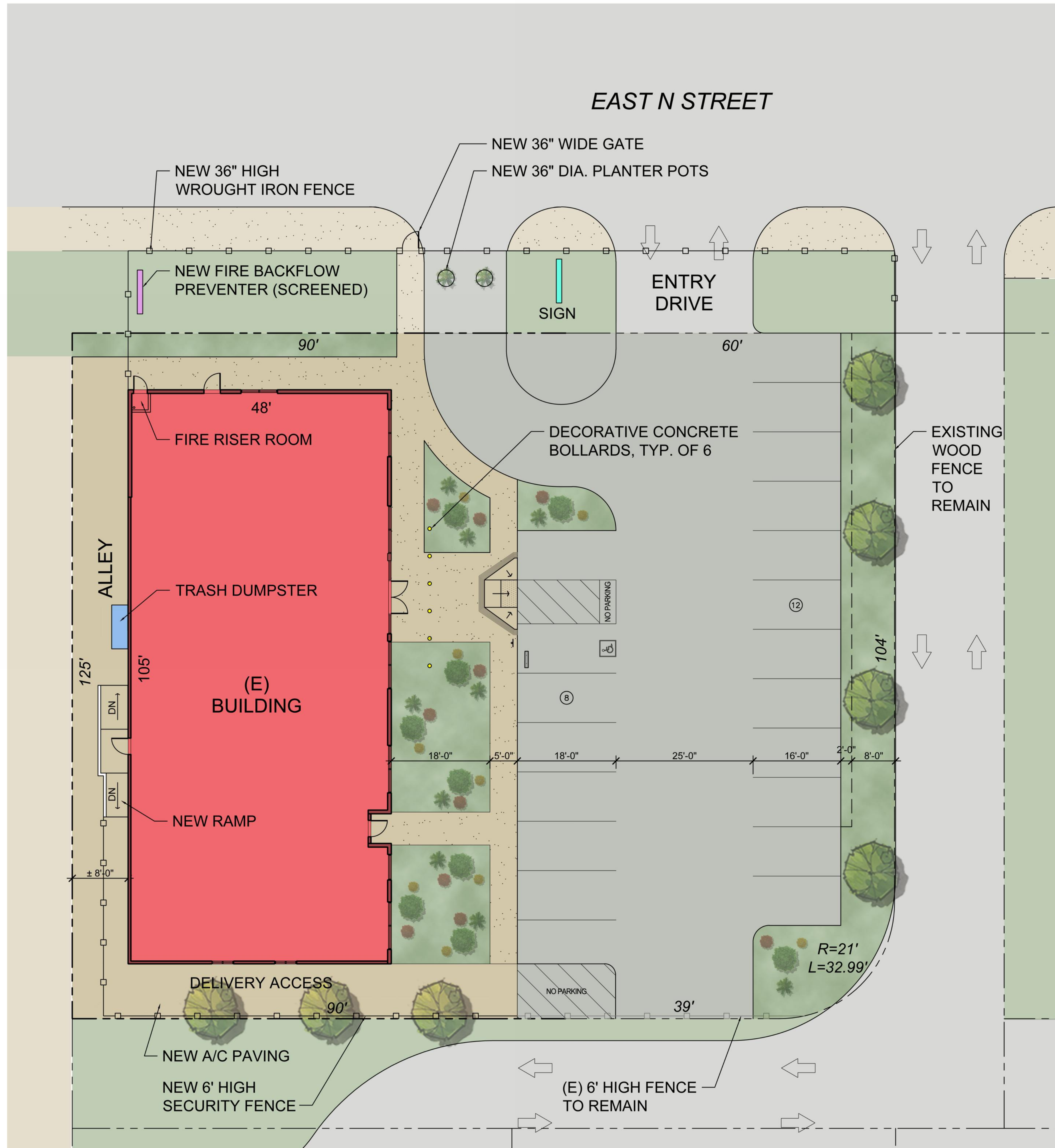


JOHN B. McCORDUCK
MODBEN PROPERTIES, LLC



BRIAN MITCHELL
NORTHSTAR EQUITIES, INC.

PLOTTED: 12/14/2018 3:35 PM D:\TWA\NSEC02\DR-DWGS\NSEC02_DR-01 (Site Plan).dwg by Hardy



(E) SHOPS

(E) SHOPS

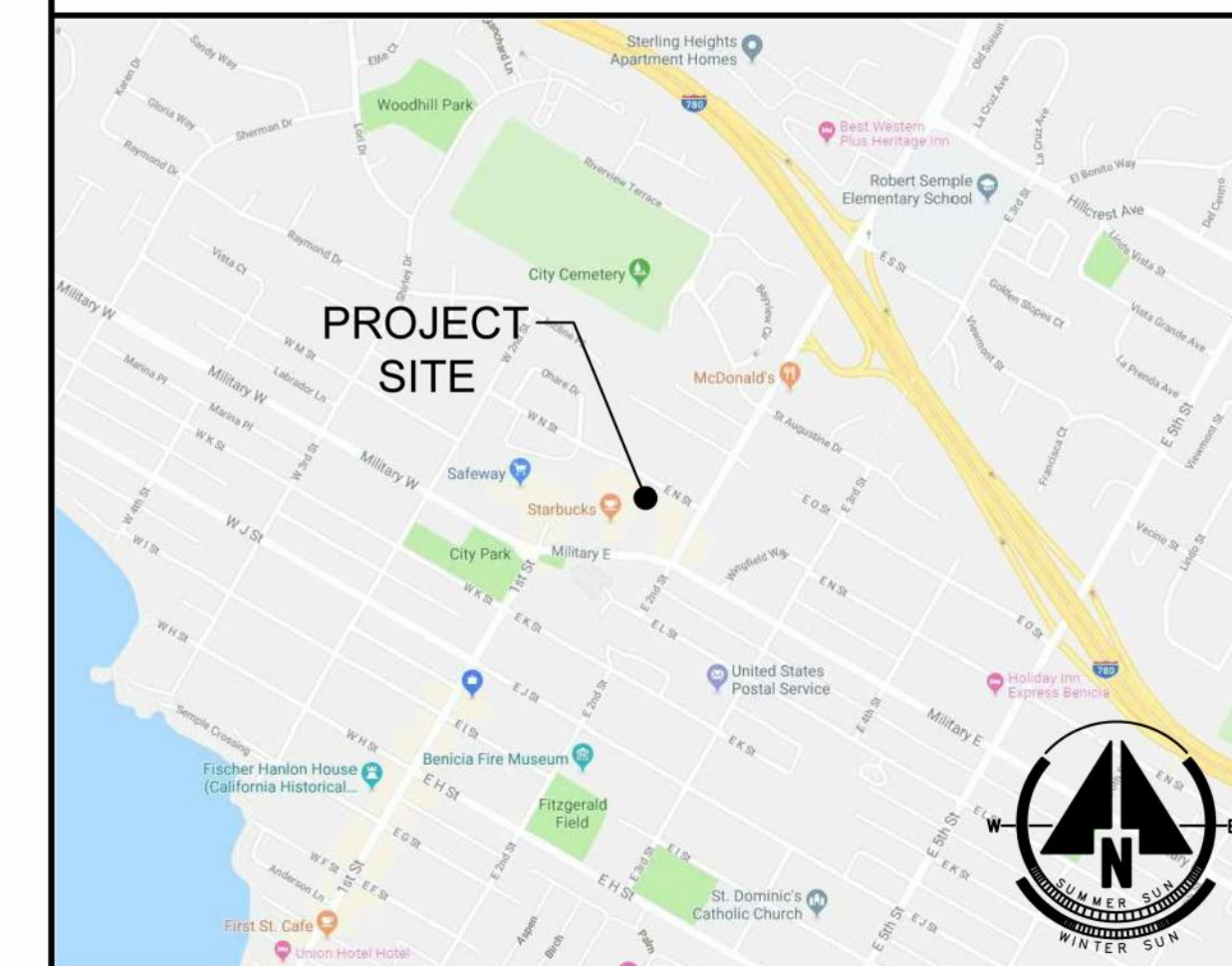
SITE DATA

APN:	0088-111-020 & 0088-111-100
ZONING:	CG (GENERAL COMMERCIAL)
SITE AREA:	18,624 S.F. (0.42 AC.)
PARCEL AREA:	18,624 S.F. (0.42 AC.)
(E) BUILDING AREA:	5,024 S.F.
RETAIL COVERAGE:	28%
PARKING REQUIRED:	20 SPACES
RETAIL AT 1/250 S.F. (5,000 S.F.):	
PARKING PROVIDED:	20 SPACES
ACCESSIBLE:	1 SPACES
STANDARD (9'x18'):	19 SPACES
TOTAL PARKING PROVIDED:	20 SPACES

GREEN FEATURES

- 1 REPLACE (E) HVAC UNITS WITH NEW ENERGY EFFICIENT ROOF-TOP MOUNTED PACKAGE UNITS.
 - 2 REMOVE EXISTING TURF LANDSCAPE & REPLACE WITH DROUGHT TOLERANT PLANTS & SHRUBS.
 - 3 APPLICANT TO EXPLORE USING "MCE DEEP GREEN" ENERGY SOURCES TO DETERMINE AVAILABILITY / FLEXIBILITY.
 - 4 REPLACE (E) PARKING LOT LIGHTS WITH LED TO CONFORM WITH REQUIREMENTS.
- ALL NEW CONSTRUCTION SHALL MEET OR EXCEED CALIFORNIA CALGREEN CODE REQUIREMENTS.

VICINITY MAP



TOM WILSON ARCHITECT, INC.
920 First Street, Suite 202
Benicia, CA 94510
Tel: (707) 747-1231
www.tw-architects.com



AUTHENTIC 707
160 EAST N STREET
BENICIA, CA 94510

DATE: 12-14-2018

REV. NO. REV. DATE

PROPOSED SITE PLAN

DR - 1

JOB NO.: NSE02



PROPOSED SITE PLAN

SCALE: 1" = 10'-0"

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EXISTING FRONT ELEVATION



PROPOSED FRONT ELEVATION

SCALE: 1/4" = 1'-0"

NOTE:

REQUIRED GLASS AREA:	45%
PROVIDED GLASS AREA:	48%



TOM WILSON ARCHITECT, INC.
 920 First Street, Suite 202
 Benicia, CA 94510
 Tel: (707) 747-1231
 www.tw-architects.com



AUTHENTIC 707
 160 EAST N STREET
 BENICIA, CA 94510

DATE: 12-14-2018

REV. NO. REV. DATE

EXISTING AND PROPOSED ELEVATION

DR - 3

JOB NO.: NSE02



SUPPLEMENTAL MATERIALS: TENANT IMPROVEMENTS AND BUDGET

Timeline Once Awarded Permit from Benicia

EVENTS	ESTIMATE COMPLETION DATES
EXECUTED LEASE AGREEMENT	SEPTEMBER 1, 2018
RFP SUBMITTAL	SEPTEMBER 10, 2018
AWARDING OF CANNABIS RETAIL USE PERMIT	JANUARY 2019
USE PERMIT APPLICATION	JANUARY 2019
PLANNING AND PUBLIC HEARINGS	FEBRUARY – MARCH 2019
FINAL DESIGN REVIEW, BUILDING PERMITS	MARCH 2019
BEGIN DEMO, CONSTRUCTION, IMPROVEMENTS	MARCH – APRIL 2019
COMPLETE IMPROVEMENTS, FINAL INSPECTIONS	APRIL – JULY 2019
HIRING AND TRAINING OF INITIAL STAFF	MAY – JULY 2019
OPEN FOR BUSINESS	JULY 4, 2019

Construction and Improvements Schedule

Event	Days	Construction Timelines
FFE, Construction Material Buy	21	3 weeks prior to start of construction, Feb – March 2019
Interior Demo and Improvements	30	March – April 2019
Mechanical, Electrical, & Plumbing	21	April – May 2019
Exterior Construction	30	April – May 2019
Security Install	21	April – May 2019
Final Punch List and CO Receipt	21	May – June 2019
Furniture, Furnishings, & Equipment	7	June 2019 to July 4, 2019 Opening

Start Up Costs and 3 Month

LINE ITEM
Start Up Costs Estimate
3 Months Operational Expenses
Totals

REAL ESTATE AND ADMINISTRATIVE EXPENSES
Rent
Tenant Improvements
Parking Lot
Legal and Accounting Fees
Insurance
Prepaid Insurance
Pre-Opening Salaries and Benefits
Other: Permit Deposits & Fees
Totals

CAPITAL EQUIPMENT LIST
Furniture
Equipment
Fixtures
Track and Trace & Treez POS
Other
Totals

OPENING INVENTORY
Dry Flower
Concentrates
Accessories
Totals

ADVERTISING AND PROMOTIONAL EXPENSES
Advertising
Signage
Printing
Travel/entertainment
Other
Totals

OTHER EXPENSES
Reserve for Contingencies
Security Cameras
Totals

ESTIMATE TOTALS FOR START UP COSTS

DEVELOPMENT SUMMARY

DEVELOPMENT TIMELINE

PHASE	MONTHS
PLANNING AND DESIGN	2.5
PERMITTING	2.5
CONSTRUCTION	11
TOTAL	14 MONTHS

GROSS BUILDING AREA (GBA)

	SQUARE FEET (SF)	
DISPENSARY BUILDING	5,022	
PARKING	6,877	
LANDSCAPE AREA	3,362	
HARDSCAPE AREA	3,501	
TOTAL GBA	18,762	
TOTAL AUTOMOBILE PARKING SPACES	23	
TOTAL BICYCLE STORAGE SPACES	6	
LAND USE PLAN	ACRES (HA)	% OF SITE
BUILDING	0.12	27%
PARKING / HARDSCAPE	0.24	55%
LANDSCAPE	0.08	18%
TOTAL	0.44	100%

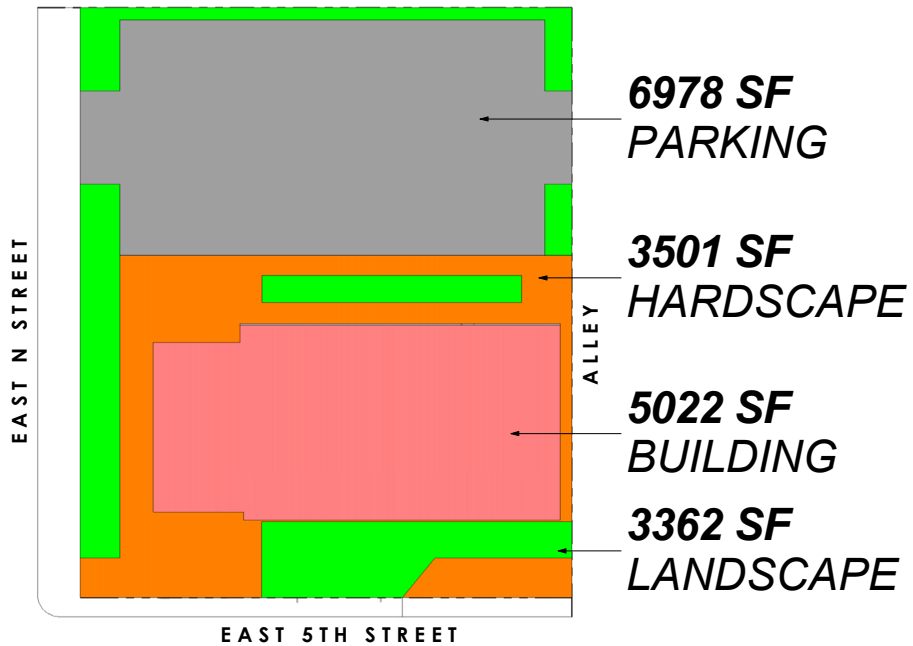
Note: This estimate does not guarantee actual construction cost and can vary due to inflation, market cost, and region.

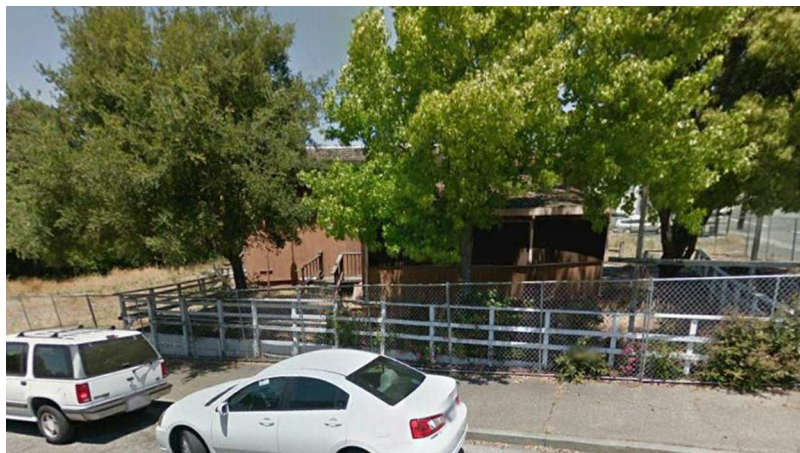
DEVELOPMENT SUMMARY

DEVELOPMENT TIMELINE

BENICIA DEVELOPMENT TIMELINE														
PHASES	MONTHS													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
PLANNING AND DESIGN	█	█	█											
PERMITTING			█	█										
CONSTRUCTION					█	█	█	█	█	█	█	█	█	█

AREA PLAN





SOUTH ELEVATION



EAST ELEVATION



WEST ELEVATION



NORTH/EAST ELEVATION



① EXISTING SITE PLAN
1/8" = 1'-0"

URBN LEAF

BENICIA

NEW CONSTRUCTION
PROJECT ADDRESS:
1401 EAST FIFTH STREET
BENICIA CA 94510

APN: 008-809-20-40

HELEO +

2250 INDIA ST. #210
SAN DIEGO, CA 92101
T: 619.666.0790

REVISIONS

No.	Description	Date
01	CONCEPTUAL DESIGN	12/26/18

Issue Date	Scale
12/29/2018	1/8" = 1'-0"
4:10:20 PM	HELEO + PROJECT #
	1808

EXISTING SITE PLAN



A101

From: sidney sid.wrf@gmail.com
Subject: Fwd: Benicia
Date: January 2, 2019 at 9:10 AM
To: Chris Hester hest916@gmail.com



----- Forwarded message -----

From: <recarlos@sbcglobal.net>
Date: Tue, Jan 1, 2019 at 6:08 PM
Subject: Re: Benicia
To: sidney dunmore <sid.wrf@gmail.com>

I don't have any objection to a new build , subject to my approval of size , material etc

Thank you
Charlie gardyn

Sent from my iPhone



Dispensary Facility Security Plan

Facility Name:

Urbn Leaf

Facility Address:

1401 E. 5th Street
Benicia, CA 94510

Prepared By:

Ilan Frank | President & CEO
CPTED Practitioner
License # ACO 7496

Date:

12/28/2018

Crime Alert Security was founded in 1994 as a burglar alarm installation company with an emphasis on security consultation and education. Crime Alert Security is a UL listed installation company and has been working closely with the cannabis industry. Between management and staff, Crime Alert Security has over 100 years of experience in the security industry.

The information contained in this security plan is based on guidelines set forth by local and state ordinances. This plan is intended to assist in improving the overall level of security and procedures for above said facility. It is the sole responsibility of the owner/operator to ensure compliance.

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